

Implementing changes: the case of Czech companies

Jarmila Straková, Milan Talíř, Miroslav Škoda, Tzolmon Jambal

Abstract

Change has become a necessary condition for any organisation to operate successfully in the market while meeting the ever-changing demands of all stakeholders. There is simply no other way to survive the intense competition and frequent changes that occur in the market. Only organizations that are able to respond to change, learn faster and move forward gain more expertise to better face the challenges brought about by changes in the business environment. The aim of this paper is to identify what changes organisations have made in recent years and how they manage these changes. To achieve this aim, five research questions are formulated in the area of change management in the business environment of the Czech Republic. Despite progress in implementing change, some companies are still reluctant to consider strategic changes and pursue only process improvements such as performance management, restructuring or process redesign of functional areas instead. The results also indicate that some companies are rather slow to implement change, starting with planning and attempting to change the management of the company.

Keywords: *change, organizational change, severity of change, competitiveness*

JEL Classification: O39, L16, L29

Article history: Received: August 2022; Accepted: February 2024; Published: March 2024

1 INTRODUCTION:

The Web of Science database search found 4,319,286 articles on change, 56,719 articles on competitiveness, 44,853 articles on organizational change, 985 articles on competitiveness and change management, 822 articles on competitiveness and change management without considering climate change, and only 14 articles on competitiveness and change management without considering climate change in the Czech Republic. Among the highly cited articles, there are 11 papers which point to the topicality of this issue. When taking a closer look at these articles in the context of the Czech Republic, the most cited articles include Bejtkovský (2016) dealing with four generations of employees and an article on financial health analysed using 400 prediction models in 12 countries (Kliestik et al., 2020), financial decentralization as an innovative tool for regulating economic development in 20 countries (Vasylieva et al., 2018), and implementation of international EMS standards in the Visegrad countries. The moderately cited group of articles includes articles on lean management and five other management methods in manufacturing companies (Gálová et. al., 2018), diversity and inclusion of young managers (Jirincová, 2013), the influence of Industry 4.0 on job creation in the Czech Republic (Slavík et al., 2020), economic and social development of the EU based on five multi-criteria indices (Onuferová et al., 2020), and business and managerial communication using ICT (Pikhart & Klímová, 2020). The remaining articles deal with economic performance in the food industry (Trnková & Kroupová, 2021), project management (Vrchota & Řehoř, 2021), and innovations in HR in the Visegrad countries (Danová et al., 2021). The uniqueness of the research lies in the fact that similarly focused research has not been conducted in the last five years in the Czech Republic. This research focused on a wide range of the most significant

changes made in the business sector. In the context of change management, researchers have explored this topic by focusing on a single industry, a particular managerial approach, or a case study of a specific business or industry. Primary data was collected in 2019-2020 on a sample of 731 companies and the results were analysed. The paper is organized into three parts: a synthetic view of the literature, a brief presentation of the methodology, and an empirical analysis with discussion on the results and conclusions. There are countless reasons why companies decide to make a change. A common reason is that their current system of operation is outdated, dysfunctional and does not meet the requirements of the market environment. In other cases, change can be prompted by a specific need of stakeholders, and sometimes by the desires and goals of the company's owners. Perhaps the most critical situation is when companies are exposed to both external and internal pressures at the same time. Any manager agrees that the world has recently experienced a fast and chaotic development and is connected to the outside world more than it had ever been before. Business leaders need to gain a fresh perspective and a new frame of reference where rapid change is constantly taking place. The risks of this financial, social, environmental, and political precipitous development are increasing at the same rate.

2 THEORETICAL BACKGROUNDS:

The review of the existing economic literature shows that since 1970, researchers have focused on the issue of international competitiveness, publishing the results achieved in 457 journals, which indicates the importance of this issue (Fernando, 2020). Simionescu et al. (2021) and Balaz (2021) explain that research on international competitiveness is grouped into four categories based on the role of different factors. Some authors describe competitiveness as productivity demonstrating the key role of R&D and innovation in terms of increasing productivity as a measure of competitiveness (Dobrovič et al., 2018; Fernando, 2020; Ardielli, 2020). Authors dealing with issues of competitiveness argue that the business environment in Slovakia and the Czech Republic is characterized by a relatively low level of competitiveness (Belás & Sopková, 2016; Rajnoha & Lesníková, 2016; Vojtovic, 2016; Koisoava et al., 2017). Organizational change takes place in any organization that is experiencing growth and transition (Caves, 2018). Change may refer to a change in structure, management, processes, staffing, and other related activities. Organizations persistently seek to change and adapt their operations to new conditions to be able to successfully continue their business in an increasingly complex and dynamic environment (Burnes et al., 2018). Companies are constantly challenged by the surrounding environment and are exposed to pressure to make change. Organizations must adapt to their environment and situation to become leaders in their industry or in some cases, even to maintain standard operations (Kollmann et al., 2023). The purpose of organizational change is to improve the current state of the organization to better adapt to its environment or to changes in mission and goals (Castillo et al., 2018). The core of change in this perspective is the entity (i.e., the organization, or more specifically, the organizational structure). Researchers know that change usually occurs when an entity moves from one state to another. Thus, organisations 'change' when they adopt new structures or operations (Suddaby & Foster, 2017; Will & Pies, 2018). The type of change can be influenced by many factors and the models of change that an organisation adopts. Factors of change influencing organisations include the environment, employees, the history of the organisation and external or internal forces (Caves, 2018; Heckmann, Steger & Dowling, 2016). Thus, the goal of the change is to transform the current state of organizations and to increase productivity and competitive advantage in the market (Sagapová et al., 2022). On the other hand, research confirms that many organizational changes fail to provide the expected outcome (Korsakiene et al., 2017; Belas et al., 2021). Various organizational elements such as design, identity, and culture, as well as

organizational practices, are imbued with values, which points to the critical role that values play in organizational change.

Although the match between established values and prescribed change has proven to influence change outcomes, the role of values in organizational change processes remains largely speculative (Klein, 2021; Chatterjee et al., 2021). The impetus for change is usually 'exogenous' and takes the form of an 'environmental shock' or forced intervention that arises independently of the organisation. Change occurs during periods of punctuated equilibrium or revolutionary change, during which existing power structures are dissolved and replaced with new ones (Suddaby & Foster, 2017). Change theorists who hold a positivist and objective view of history tend to view change as a difficult process that can only be successful through an extreme high level of episodic interventions. Since in this context, history is seen as a relentless accumulation of events that constrain choice, organizations are assumed to acquire certain inertial properties over time. Resistance to change is assumed to be the default state of most organizations and change typically occurs only when organizations are confronted with limited alternatives (Suddaby & Foster, 2017; Policarpo et al., 2018). By recognizing and managing uncertainty and tension, leaders can organize the divergent views and expectations of business stakeholders towards the successful implementation of a change agenda (Virili & Ghiringhelli, 2021; Dvorský et al., 2021). In essence, change varies depending on the level of the difficulty, organizational preferences, needs, and ability to manage the change. This type of change is classified as primary change, which includes evolutionary, incremental, and secondary changes, including transformational and strategic change (Robbins et al., 2014). Evolutionary and incremental changes are characterized by minor changes that seek ways to improve the current situation while maintaining the general framework or simply seek to improve organizational performance. Transformational and strategic changes, on the other hand, focus on reshaping the overall framework and objectives of the organization, aiming to create a new competitive advantage. Examples of some of the difficulties include the need for managers and staff to implement and adapt to new structures, processes, and capabilities in order to cope effectively with the pace and scale of market pressure, regulatory frameworks of external agencies, and customer demands. There is evidence in the literature that they are becoming more dynamic as organizations and their managements challenge employees to contribute in other ways. It is argued that such a process minimises organisational inertia, revitalises capabilities and saves companies money, thereby adding value (Mendy, 2019; Mendy, 2020; Khan & Yasir, 2021). The changes that need to occur should be well communicated and implemented at a time that offers the organisation an advantage rather than a disadvantage. Organizational leaders shall create the environment for the implementation of changes so that employees are willing to follow the leader (Caves, 2018; Ukil & Akkas, 2017; Oreg & Berson, 2019; Burnes & Hughes, 2016). In this context, the field of human resources area has an important task, namely, to contribute to the management of human talent to achieve high levels of commitment of people in organizations and to facilitate change processes, if the leaders of organizations want to achieve their strategic goals hence competitiveness in a more effective way (Rodriguez et al., 2021). The literature on organizational change emphasizes the level of participation and the role of employee autonomy and empowerment in increasing awareness, engagement, support and change outcomes (Van der Voet et al., 2016; By, Kuipers & Procter, 2018). Employee attitudes towards change have proven to have a significant impact on the success of change initiatives (Albrecht et al., 2020; Ruschak et. al., 2023).

Change is argued to be successfully managed only to the extent that employees embrace new processes and ways of working by changing their thinking, feeling and behaviour (Augustsson et al., 2017; Tsaousis & Vakola, 2018). For organizational change to be implemented

effectively and successfully, employees must be willing to engage positively and actively in the process, in addition to simply being open and receptive to change (Albrecht et al., 2020; Jick & Sturtevant, 2017). Indeed, ongoing successful organizational change requires employees who are motivated by changes, who are willing to experiment with change, and who actively support and embrace proposed new initiatives through changes in their attitudes and behaviours (Gawke et al., 2019). Another important aspect of change is its successful management. Values, as ideals of what is worth having, doing and being, are the basis for the functioning of an organization. Successfully implementing and managing change is another important aspect of achieving the expected success. Change management is a complex process, requiring a well-informed management team and skilled leadership, as it brings both positive and negative impacts. Managers play a vital role in the process of implementing change. They are in close contact with employees and become authorities in supporting new processes and helping employees to deal with change. Managers and supervisors play several important roles in change management as communicators, supporters, trainers, mediators and managing resistance (Lonescu et al., 2014; Pereira et al., 2021). Managers are those who comprehensively understand the nature and expected outcome of change and play an informational role. Their contribution and leadership are expected and valued by the employees during the process of change implementation. Also, the link between the project implementation team and the implementers of the change process is another role expected of managers. Providing support during the process includes recognition, increasing the willingness to participate in change, enabling the employee to better use their capacity and implement the required skills, but also recognizing the employee's resistance to change and identifying possible solutions. Therefore, managers are key in the process of organizational change.

3 RESEARCH OBJECTIVE, METHODOLOGY AND DATA

This paper focuses on one of the biggest and most important changes that companies implement in the business environment of the CR. The research questions to be answered are as follows: What types of changes have companies implemented in the CR in recent years? In what areas do companies most often implement changes? How do they assess the extent and importance of the changes implemented? By whom was the change implemented? How successfully and for how long has the new system been implemented? What are the most common problems encountered when implementing changes in the surveyed enterprises in the Czech Republic? The authors of this article formulate the following hypothesis in their research:

H1: If a change in a company is introduced by management, is this change accompanied by any negative factor significant in all sectors?

Responses were obtained from a total of 432 respondents in 2019 and 299 respondents in 2020. The respondents were predominantly employees who hold managerial positions in their companies. The number of respondents in the second survey was lower due to the pandemic situation. The questionnaire consisted of 4 parts: a) general change management in the company; b) aspects of corporate culture change; c) characteristics of change within the company; d) company identification data. This paper presents the data results of part C. To describe the area of change implementation from different aspects, 15 possible options were offered to the respondents, including "Other" where respondents could give verbal comments. For the question "By whom was this change implemented?" the respondents could select from 6 options. To success of the changes made was rated on a ten-point scale. The purpose of this procedure was to objectively characterize the statements and statistically evaluate them using means and distributions of their absolute and relative frequencies. Eight levels of severity were used to assess the impact and commitment of the changes, both quantitatively and qualitatively,

i.e., verbally. Vrchota & Řehoř (2021) categorizes organizational changes based on their severity into the following eight categories.

Tab. 1 – Severity of changes in the organization. Source: Vrchota & Řehoř (2021)

Degree of severity	Description of impact	description of change
1 (least severe)	Slight change	Performance tuning, focus on efficiency
2	Surface change	Restructuring: centralisation or decentralisation
3	Mild change	Reallocation of resources: increasing or decreasing the importance of departments
4	Significant shift	Improving corporate planning, shifting thinking
5	Pervasive change	Change of leadership, impetus for new changes
6	Deep change	Change in definition of success, new goals lead to changes in thinking
7	Radical shift	Change in mission, vision, values and philosophy of the organization...
8 (most sever)	Shift of the paradigm	Conceptual change in thinking, problem solving, setting limits, changing the way

To evaluate the variable "How long has the new system been in place in the company?" its numerical characteristics were used and graphically processed (box plot). Basic descriptive methods were used to obtain the results. Statistical analyses were performed in Excel and R (Stuchly, 2015). To answer the formulated hypothesis, a dimensional reduction will be used which estimates the dimension and central subspace of the general linear model. This analysis will be carried out using the mathematical and statistical tool "R" and "MATLAB". A method referred to as the sectional inverse regression, also known as the (SIR) method, will be used. This method works with information from the inverse regression curve to produce a weighted principal component analysis.

4 RESULTS AND DISCUSSION:

What types of changes have companies in the Czech Republic implemented in recent years and what has been the biggest and most significant change?

The results of the survey show that most enterprises have implemented an organizational change (28.59 %), changes related to IT technologies (18.33 %), production capacity expansion (14.91 %), and Customer Relationship Management - CRM (12.86 %). The results indicate that in the Czech Republic there are significant changes in three imaginary groups. The first group represents the largest group and overall, these double-digit results of the implementation of changes account for about 75 %. The second small group of implemented changes, ranging from 2 % to 6% in the Czech Republic, include innovations, industry standards, project management, occupational health and safety, supply chain management, and quality management. The last smallest group of up to 2% includes of negative event prevention, unspecified HR issues, information security, reengineering, and others.

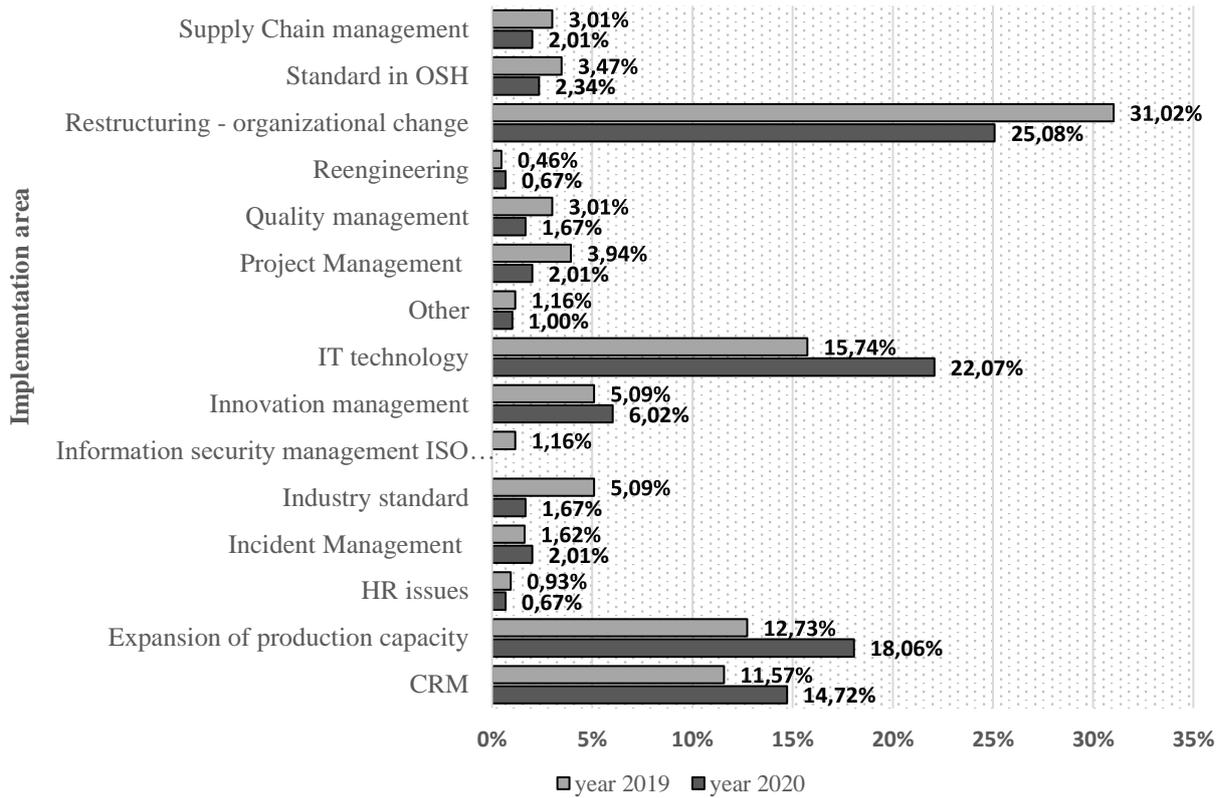


Fig. 1 – Implementation area of the change in percentage frequency. Source: own research

By whom was this change implemented?

This question is used to find out how management ensures the implementation of changes. It is evident that companies try to conduct the process of implementing change mostly by their own management (44.60 %), less often by internal and external teams (20.25 %). A slight increase in these indicators is also seen in the year-on-year comparison. The Czech companies use the least the external consulting firm (10.67 %) and the project team (7.66 %) in implementing changes. The results show that companies usually deploy their own management team to manage the change.

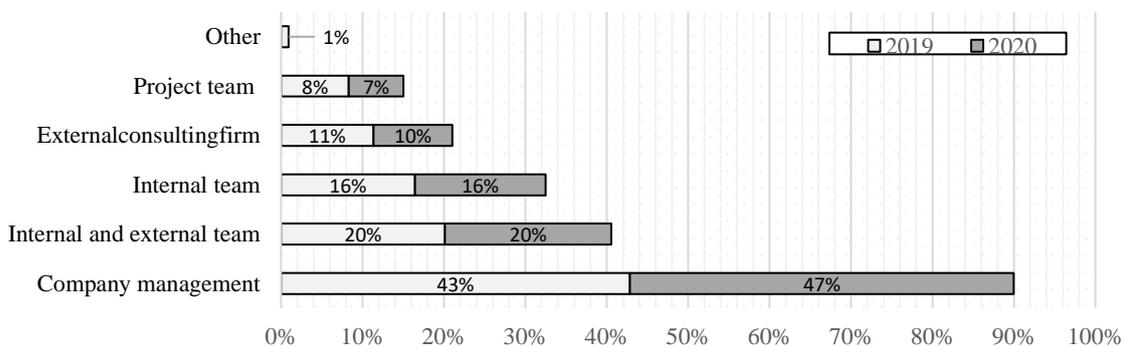


Fig. 2 – Leading the change in percentage frequency. Source: own research

How successful was this implementation?

The success of the implemented changes is expressed as a score from 1 to 10, with 1 being a total failure and 10 being a significant success (see Table 4). The average success rate of

implemented changes in 2019 is 6.83 out of 10, while in 2020, it is 7.25. The median success rate is at 7 and the most common value is 8. A coefficient of variation of 24 % means that the data is homogeneous. In 2019, the success rate of the implemented change is 26.07 %, while in 2020, it is 20.59%.

Tab. 4: Numerical characteristic of the success rate of change implementation

	2019	2020	overall
Mean	6.8310	7.2508	7.0027
Median	7	7	7
Mode	8	8	8
Sampling variance	3.1709	2.2288	2.8247
Standard deviation	1.7807	1.4929	1.6807
Coefficient of Variation	0.2607	0.2059	0.2400

A comparison of the success rate of change by area of their implementation is shown in Tables 4 and 5. HR Issues 4 and Reengineering 6 show lower average success rates in 2019 and 2020, respectively. When evaluating the degree of severity as a quantitative variable, the average severity of the implemented change in 2019 is 3.65 out of 5 and 3.39 in 2020. The average severity value is 3, the modulus is 1.

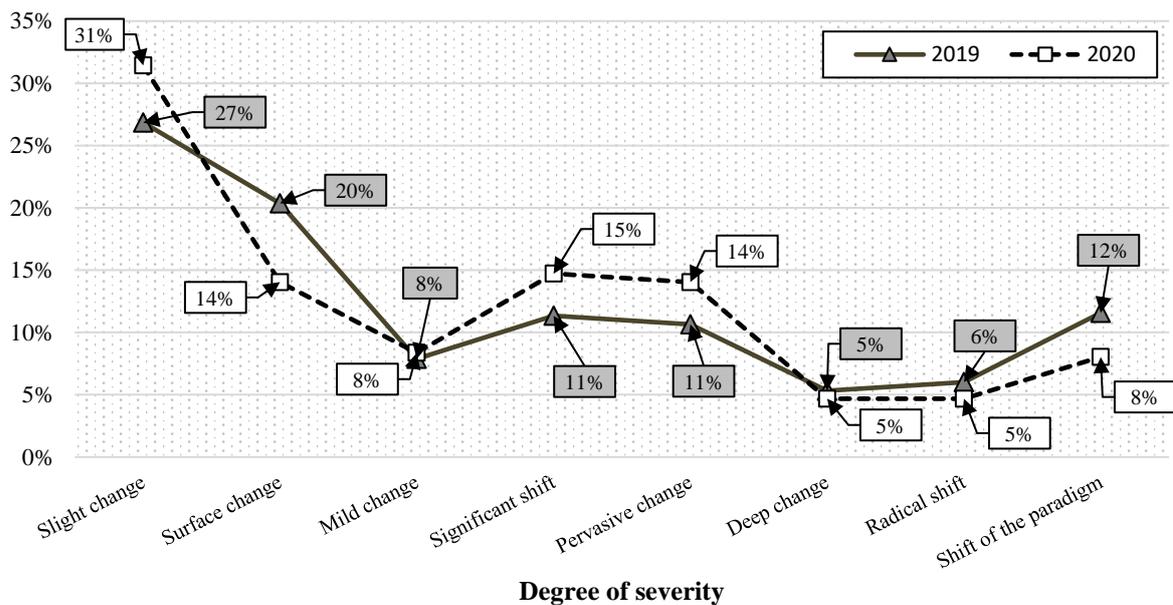


Fig. 3 – Severity of change in absolute frequency. Source: own research

Figure 3 shows that in the Czech Republic, 399 (54.58 %) companies make minor to moderate changes when they implement changes related to performance improvement, restructuring or reallocation of resources. Mindset changes at the level of 4 to 6 were mentioned by 24.76 % of respondents. 5.47 % of companies are shifting in mindset and behaviour. A paradigm shift has been attempted by 10.12% of the companies surveyed.

How long has the new system been in place in the company?

The biggest and most significant change in Czech companies was introduced on average 2.89 years ago. This question shows a quantile range of 3, a standard deviation of 3.2659 and a

coefficient of variation of 1.2367. The very high variability is due to several outliers (see Figure 4). A coefficient of variation indicates what percentage of the mean the standard deviation is. A coefficient of variation greater than 0.5 indicates that the data set is very heterogeneous (highly inhomogeneous data). In this case, it is not possible to use the mean.

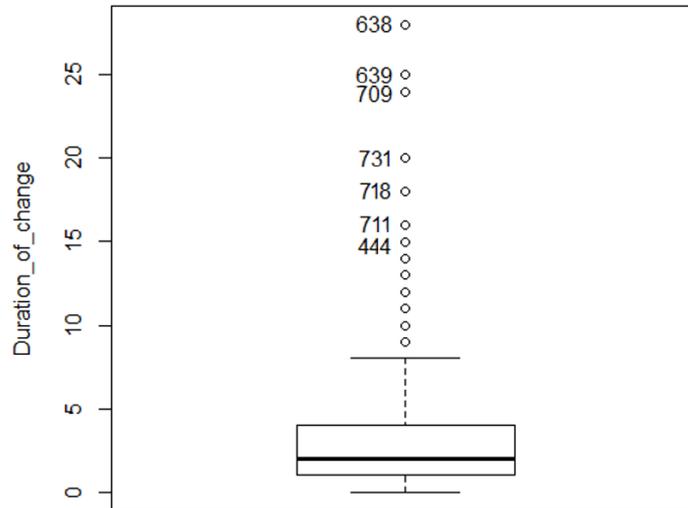


Fig. 4 – Boxplot diagram for duration of change. Source: own research

What are the most common problems encountered when introducing change in the surveyed companies in the Czech Republic?

The problems encountered during change implementation are measured on a scale of 1 to 5, where 1 is Strongly disagree; 2 is Rather disagree; 3 is Neutral; 4 is Rather agree, and 5 is Strongly agree. The mean values of each item range from 2.55 to 3.14. Ranking the mean values of each item, it can be seen that businesses have the most difficulties in recognizing future opportunities and challenges, recognizing urgency, delaying implementation of important changes, and sticking to tradition.

Table 8. Average rating of problems in the change implementation

	Average score		Overall average
	2019	2020	
P01. Unrecognition of the future problems and opportunities	3.176	3.08	3.135
P02. Unconvinced co-workers of the urgency of change	3.19	2.94	3.086
P03. Procrastination with the implementation of urgent changes	3.155	2.97	3.081
P04. Sticking to traditions	3.095	3	3.055
P05. Insufficient internal and external communication in the implementation	3.109	2.79	2.979
P06. Ability to anticipate the risks of the change process	3.002	2.91	2.963
P07. Reluctance to make sacrifices	2.919	2.84	2.886
P08. Poorly performed role of a leader	2.856	2.59	2.747
P09. Ignorance of the lessons of recent history	2.856	2.55	2.729
P10. Insufficient provision of corporate resources	2.794	2.59	2.709
P11. An initiative is drowning in complacency and arrogance	2.778	2.47	2.653
P12. Inability to form a strong coalition to push for change	2.697	2.52	2.625
P13. Change without the active support of the company's management	2.602	2.48	2.553

Overall average	2.941	2.748	2.862
------------------------	--------------	--------------	--------------

Source: Authors.

The analysis of the responses shows that the 41.62 % express disagreement, 24.61 % had a neutral position and the remaining 33.77 % demonstrated agreement regarding the problems.

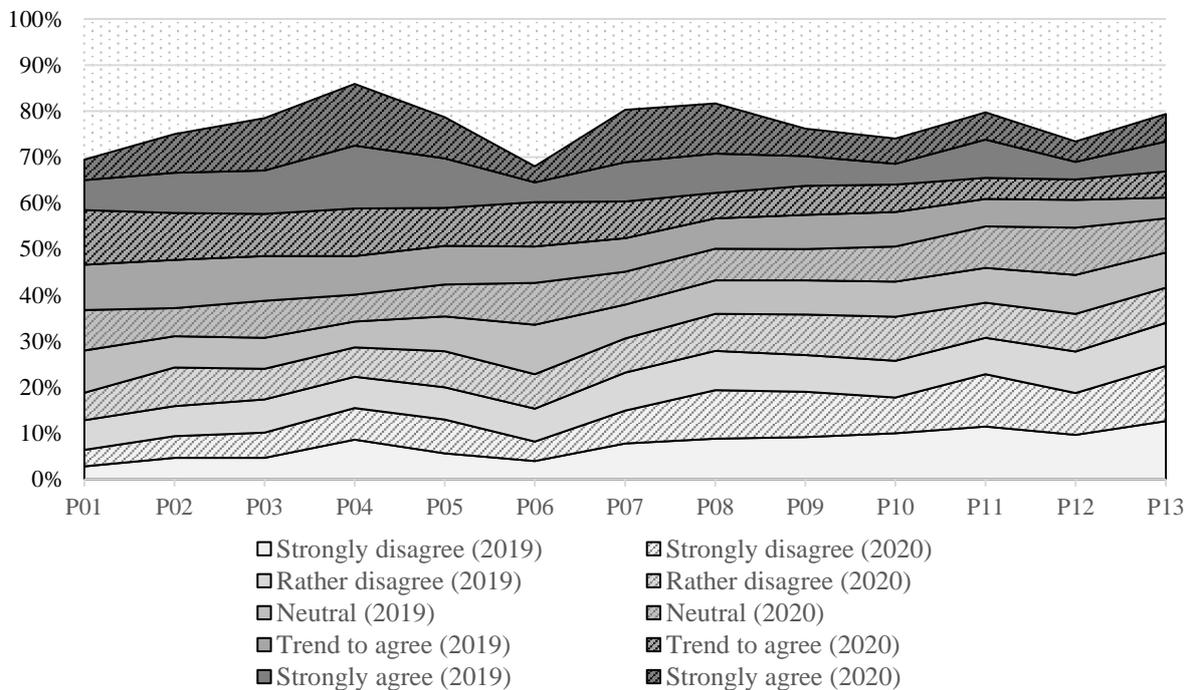


Figure. Relative frequency of the problems in the change implementation - Overall frequency of problem evaluations: 2019-2020

In the research sample of enterprises, limited liability companies are the most numerous (49.52%), followed by joint-stock companies (28.45%), medium-sized enterprises (32.28%), and large enterprises (29.55%), see Tables 9 and 10.

Table 10. Legal form of enterprises in absolute and percentage frequency

	2019	2020	Total
Limited liability company	190 (43.98%)	172 (57.53%)	362 (49.52%)
Joint-stock company	140 (32.41%)	68 (22.74%)	208 (28.45%)
State enterprise	36 (8.33%)	18 (6.02%)	54 (7.39%)
Solo proprietorship	21 (4.86%)	20 (6.69%)	41 (5.61%)
Other business partnership	18 (4.17%)	8 (2.68%)	26 (3.56%)
Subsidized organization	16 (3.70%)	9 (3.01%)	25 (3.42%)
Formerly	11 (2.55%)	4 (1.34%)	15 (2.05%)
Total	432 (100.00%)	299 (100.00%)	731 (100.00%)

Criteria on the issue of change management in terms of competitiveness in the global competitiveness ranking are addressed through several groups of criteria separately. The very nature of change itself suggests instability. Measuring instability requires considerable effort and complexity. It would be interesting to pursue the question of whether it is possible to determine the ranking of global competitiveness by the percentage of severity of the implemented changes. This would require at least a considerable amount of data from different countries.

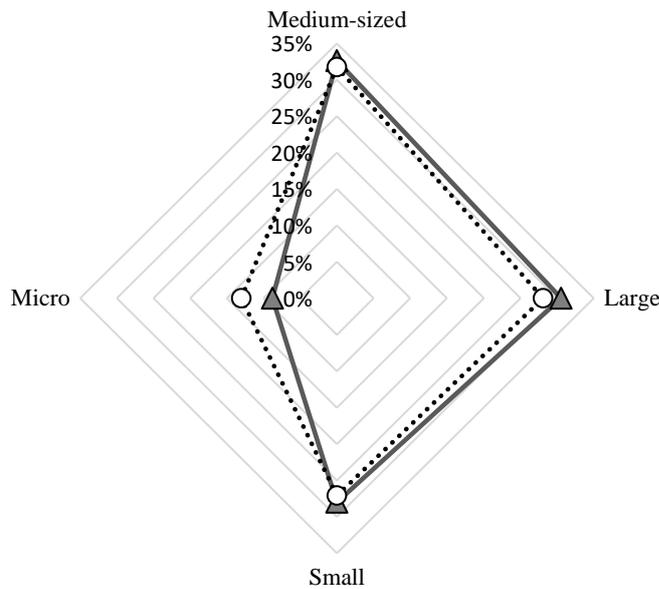


Figure: Company size in absolute and percentage frequency

It is obvious that the majority of the companies have made changes in recent years to better adapt to the changes encountered in their industries.

The article focused on the business environment in the Czech Republic and aimed to determine which changes the surveyed companies have implemented as a priority, what major changes they have attempted to implement and what the success rate of the changes implemented is. The success rate of change implementation is hard to determine. Most experts agree there is a link between change implementation and competitiveness, but it is harder to measure then. The research results show a broad view on this topic; further research could focus on other specific indicators of competitiveness in more detail.

Hypothesis: If a change in a company is introduced by management, is this change accompanied by any negative factor significant in all sectors?

Table 11. Dimensional reduction of change factors in the company implemented by the company management according to the sectors.

Aspects accompanying change in a company	Dir1	Dir1	Dir1
	Primary sector	Manuf. and Industry	Services
Unwillingness to make sacrifices	0.5148	0.4275	0.4621
Good initiative is mired in complacency and arrogance	0.5348	0.4913	0.5314
Change without active management support	0.3659	0.4617	0.5723
The ability to anticipate the risks of the change process	0.3405	0.3435	0.4480
Insufficient internal and external communication	0.5200	0.5590	0.4963
Ignorance of the lessons of recent history	0.5634	0.4619	0.5065
Failure to create a sufficiently strong working group	0.5748	0.6237	0.5757
The wrong role of a leader	0.6256	0.4739	0.5535
Delaying the implementation of urgent changes	0.2646	0.5397	0.5027
Insufficient provision of corporate resources	0.6190	0.4769	0.4649
Lack of conviction of co-workers about the urgency of change	0.2636	0.3335	0.4437
Immediate failure to recognise future problems	0.4784	0.4756	0.4217
Clinging to old traditions	0.4323	0.4740	0.3790

Based on the dimensional reduction, the hypothesis can be confirmed, as the results show that at least the factor "failure to create a sufficiently strong working group" is significant across all tested sectors. Interestingly, the factor 'The wrong role of a leader' was found to be very significant in the primary and service sectors. It is clear that companies operating in manufacturing and industry are aware of the importance of working in team, which naturally places higher demands on the leadership roles of managers. Furthermore, the factor: 'Insufficient provision of corporate resources' was found to be statistically significant in enterprises operating in the primary sector where the management still struggles with insufficient provision of corporate resources which are essential for the proper functioning of the enterprise. Another statistically significant factor is 'Change without active management support' which was identified in the service sector. It can be seen that out of the sample of 700 enterprises tested, 30 % of the enterprises operating in the service sector have faced a lack of management support. This due to the fact that top management delegates corporate objectives to tactical management, whereby there is often seen uncoordinated collaboration between tactical and operational management. Advanced multivariate analysis reveals patterns and correlations between different areas of change implementation. For instance, companies prioritizing IT technology related changes often concurrently focus on CRM improvements, which points to a shift towards digital transformation. Moreover, a significant correlation was observed between production capacity expansion and innovation management, indicating a concerted effort towards scaling operations while fostering innovation. These findings resonate with existing literature, such as the studies by Gálová et al. (2018). However, the present study differs by highlighting the specific nature of these correlations in the Czech business sector. The multidimensional nature of change management in these companies, as evidenced by the present research, offers a unique perspective on how different change initiatives interplay and impact overall competitiveness.

This research provides a comprehensive overview of the trends and practices in organizational change and competitiveness in the Czech Republic. Our findings, which span a range of sectors and incorporate data from a significant sample of companies, offer insights into the evolving landscape of business transformation. When compared to the work of Bejtkovský (2016) on employee generations and Klietík et al. (2020) on financial health, the present study concurs in recognizing the multifaceted nature of organizational changes. However, the present research extends these insights by examining a wider range of change types and their implementation across various industries, offering a more detailed understanding of the change management process. In the future, it is expected the trends identified within the present research will continue to evolve. The increasing globalization of markets, coupled with rapid technological advancements, suggests that companies will need to be even more agile and innovative in their approaches to change management. This could entail a greater emphasis on digital transformation and a more nuanced understanding of global market dynamics. For practitioners, the present research highlights the importance of strategic planning and adaptive leadership in navigating organizational change. Policymakers, on the other hand, could use these insights to foster a more favourable environment for business innovation and competitiveness, particularly in the context of global economic shifts. While the study provides valuable insights, its limitation is in its focus on the Czech Republic.

Future research could expand this scope to include a more diverse range of geographical contexts and industries. Additionally, longitudinal studies could provide deeper insights into the long-term impacts of these changes. In conclusion, the present research contributes to a deeper understanding of change management and competitiveness in the business environment.

It not only bridges gaps in the current academic literature but also offers practical guidance for businesses and policymakers navigating the complexities of organizational change.

5 CONCLUSIONS:

The research sheds light on the complex relationship between change management and competitiveness, a topic that, while theoretically straightforward, proves complex in terms of practical application due to inherent uncertainties and unobservable factors. The analysis performed shows that 80 % of organizational changes in Czech companies are centred around five key areas: restructuring, IT technology, production capacity expansion, CRM, and innovation management. These changes are predominantly implemented by internal management teams and show an average success rate of 70 %. Moreover, 46.51 % of companies implement less serious changes that are related to performance management and restructuring, 24.76 % of the respondents have shifted the mindset of corporate planning and the drive for management change. The study shows that one in ten companies are trying to implement large-scale strategic changes, which involves conceptual change in thinking, problem solving, setting limits, changing the way they do business, and breaking down thought barriers. A number of conditions hinder the implementation of changes, such as failure to recognize future problems and opportunities, convincing co-workers of the urgency of change, procrastination on implementing urgent changes, and clinging to old traditions. Approximately 78 % of limited liability and joint-stock companies and 62 % of medium-sized and large companies participated in the research. As noted, this paper is only part of a large-scale survey consisting of four sections and 60 questions. This paper focuses on only section C. When more sections and questions are added, it will be possible to gain a more comprehensive view of the issue.

The findings are consistent with global trends in change management but highlight unique regional characteristics in approach and implementation of changes. For instance, the emphasis on internal management leadership in change initiatives is particularly pronounced in the Czech context, diverging from practices observed in Čepel et al. (2021). However, the study has its limitations, most notably its focus on the Czech Republic and the fact that it covers only part of a large-scale survey. Future research could extend these findings by incorporating the remaining survey sections and expanding the geographical scope to include a broader range of business environments. In essence, while Czech companies are progressively embracing change, particularly in strategic domains, there is still a hesitancy towards comprehensive strategic change. This research not only contributes to the academic discourse on change management but also serves as a practical guide for businesses navigating the complex dynamics of organizational change, pointing to the necessity of resource allocation and strategic planning. Based on the results of the survey, it can be concluded that major changes implemented in Czech companies include restructuring - organizational changes, IT technology, production capacity expansion, CRM, and innovation management. Despite the progress made in implementation of changes, some companies are still reluctant to consider strategic changes; instead, they try to make process improvements such as performance management, restructuring or re-designing the processes of functional areas. Several companies are moving slowly to make changes starting with a change of mindset on planning and attempting to change the company's management. The change is not an easy game to play and to win is an intensive process that requires sufficient resources including time, financial resources, and skilled human resources.

7 ACKNOWLEDGEMENTS:

This paper was prepared as part of internal research competition at the Department of Management for 2022 entitled: "A new approach in the generation of corporate (business) strategy based on the parameterization of business processes ". PID: IVSUPS004

References

1. Albrecht, S. L., Connaughton, S., Foster, K., Furlong, S., & Yeow, C. J. L. (2020). Change Engagement, Change Resources, and Change Demands: A Model for Positive Employee Orientations to Organizational Change. *Frontiers In Psychology, 11*, Article 531944. <https://doi.org/10.3389/fpsyg.2020.531944>
2. Ardielli, E. (2020). Evaluation of eParticipation Service's Availability on Czech Municipal Websites. *International Journal of Entrepreneurial Knowledge, 8*(1), 19-33. <https://doi.org/10.37335/ijek.v8i2.99>
3. Augustsson, H., Richter, A., Hasson, H., & von Thiele Schwarz, U. (2017). The need for dual openness to change: A longitudinal study evaluating the impact of employees' openness to organizational change content and process on intervention outcomes. *The Journal of Applied Behavioral Science, 53*, 349–368. <https://doi.org/10.1177/0021886317691930>
4. Balaz, R., (2021). The concept of a business model for an air carrier in Slovakia. *International Journal of Entrepreneurial Knowledge, 9*(2), 96-108. <https://doi.org/10.37335/ijek.v9i2.137>
5. Bejtkovský, J. (2016) The Employees of Baby Boomers Generation, Generation X, Generation Y and Generation Z in Selected Czech Corporations as Conceivers of Development and Competitiveness in their Corporation. *Journal of Competitiveness, 8*(4), 105-123. <https://doi.org/10.7441/joc.2016.04.07>
6. Belás, J., & Sopková, G. (2016). Significant determinants of the competitive environment for SMEs in the context of financial and credit risks. *Journal of International Studies, 9*(2), 139-149. <http://dx.doi.org/10.14254/2071-8330.2016/9-2/10>.
7. Belas, J., Amoah, J., Petráková, Z., Kliuchnikava, Y., & Bilan, Y. (2020). Selected Factors of SMEs Management in the Service Sector. *Journal of Tourism and Services, 21*(11), 129-146. <https://doi.org/10.29036/jots.v11i21.215>
8. Burnes, B., Hughes, M., & By, R. T. (2018). Reimagining organisational change leadership. *Leadership, 14*(2), 141-158. <https://doi.org/10.1177/1742715016662188>
9. By, R. B., Kuipers, B., & Procter, S. (2018). Understanding Teams in Order to Understand Organizational Change: The OTIC Model of Organizational Change. *Journal of Change Management, 18*(1), 1-9. <https://doi.org/10.1080/14697017.2018.1433742>
10. Castillo, C., Fernandez, V., & Sallan, J. M. (2018). The six emotional stages of organizational change. *Journal Of Organizational Change Management, 31*(3), 468-493. <https://doi.org/10.1108/JOCM-05-2016-0084>
11. Chatterjee, I., Cornelissen, J., & Wincent, J. (2021). Social entrepreneurship and values work: The role of practices in shaping values and negotiating change. *Journal of Business Venturing, 36*(1), Article 106064. <https://doi.org/10.1016/j.jbusvent.2020.106064>
12. Daňová, M., Širá, E., & Kravčáková Vozárová, I. (2021). Innovations in Human Resources Management: Impact on Economic growth. *Marketing and Management of Innovations, 5*, 53-65. <https://doi.org/10.21272/mmi.2021.3-05>.

13. Dobrovic, J., Gallo, P., Mihalcova, B., Stofova, L., & Szaryszova, P. (2018). Competitiveness Measurement in Terms of the Europe 2020 Strategy. *Journal of Competitiveness*, 10(4), 21-37. <https://dx.doi.org/10.7441/joc.2018.04.02>
14. Dobrovič, J., Korauš, A., & Dančišinová, L. (2016). Sustainable economic development of Slovakia: Factors determining optimal tax collection. *Journal of security and sustainability issues*, 5(4), 533-544.
15. Dvorský, J., Čepel, M., Kotásková, A., & Bugánová, K. (2021). Differences in business risk effects on the future of SMEs due to Covid-19 pandemic. *International Journal of Entrepreneurial Knowledge*, 9(2), 14-31. <https://doi.org/10.37335/ijek.v9i2.144>
16. Fernando, I. N. (2020). Tourism Competitiveness by Shift-Share Analysis to way-forward Destination Management: A case study for Sri Lanka. *Journal of Tourism and Services*, 21(11), 88-102. <https://doi.org/10.29036/jots.v11i20.139>
17. Gálová, K., Rajnoha, R., & Ondra, P. (2018). The use of industrial lean management methods in the economics practice: An empirical study of the production companies in the Czech Republic. *Polish Journal of Management Studies*, 17, 93-104. <https://doi.org/10.17512/pjms.2018.17.1.08>.
18. Gawke, J. C., Gorgievski, M. J., and Bakker, A. B. (2019). Measuring intrapreneurship at the individual level: Development and validation of the Employee Intrapreneurship Scale (EIS). *European Management Journal*, 37, 806–817. <https://doi.org/10.1016/j.emj.2019.03.001>
19. Grenčíková, A., Kordoš, M., & Berkovič, V. (2020). The Impact of Industry 4.0 on Jobs Creation within the Small and Medium-Sized Enterprises and Family Businesses in Slovakia. *Administrative Sciences*, 10, Article 71. <https://doi.org/10.3390/admsci10030071>.
20. Jick, T. D., & Sturtevant, K. D. M. (2017). Taking stock of 30 years of change management: Is it time for a reboot? *Research in Organizational Change and Development*, 25, 33–79. <https://doi.org/10.1108/S0897-301620170000025002>
21. Jirincova, H. (2013). Potential Future Managers and Their Opinion on the Issue of Diversity, Inclusion and Their Possible Use in Management. *Journal of Competitiveness*, 5, 37-50. <https://doi.org/10.7441/joc.2013.02.03>.
22. Khan, M. A., Yasir, M., & Khan, M. A. (2021). Factors Affecting Customer Loyalty in the Services Sector. *Journal of Tourism and Services*, 22(12), 184-197. <https://doi.org/10.29036/jots.v12i22.257>
23. Klein, J. (2021). Reflecting Backward to Project Forward: Refocusing on Values in Organizational Change. *Journal of applied behavioral science*, 57(4), 421-427. <https://doi.org/10.1177/00218863211033097>
24. Kliestik, T., Valášková, K., Lazaroiu, G., Mišanková, M., & Vrbka, J. (2020). Remaining Financially Healthy and Competitive: The Role of Financial Predictors. *Journal of Competitiveness*, 12, 74-92. <https://doi.org/10.7441/joc.2020.01.05>.
25. Koiso, E., Habanik, J., Virglerova, Z., & Rozsa, Z. (2017). SMEs Financing as an Important Factor of Business Environment in Slovak Republic Regions. *Montenegrin Journal of Economics*, 13(2), 129-140. <http://dx.doi.org/10.14254/1800-5845/2017.13-2.8>.
26. Kollmann, J., Straková, J., Korauš, A., Palinchak, M., & Cernák, F. (2023). Enterprise Risk Analysis in an Engineering Company with a Focus on Custom Manufacturing. *Entrepreneurship and Sustainability Issues*, 10(3), 362-382.
27. Korsakiene, R., Juodeike, R., & Buzavaite, M. (2017). Factors Impacting and Restricting Success of Organisational Changes. *Contemporary Issues in Business, Management and Education*, 249-256. <https://doi.org/10.3846/cbme.2017.096>

28. Mendy, J. (2019), Supporting creating shared value: including local and global clusters of staff resistance to strategic SME restructuring. *Strategic Change Journal Special Issue on Supporting Creating Shared Value*, 28(2), 157-161.
29. Mendy, J. (2020), Staff preferences in four SMEs experiencing organizational change. *Journal of Organizational Change Management*, 33(2), 331-348. <https://doi-org.ezproxy.techlib.cz/10.1108/JOCM-06-2017-0206>
30. Onuferová, E., Čabinová, V., Matijová, M. (2020). Categorization of the EU Member States in the Context of Selected Multicriteria International Indices Using Cluster Analysis. *Review of Economic Perspectives*, 20, 379-401. <https://doi.org/10.2478/revecp-2020-0018>.
31. Oreg, S., & Berson, Y. (2019). Leaders' impact on organizational change: Bridging theoretical and methodological chasms. *Academy of Management Annals*, 13(1), 272-307. <https://doi.org/10.5465/annals.2016.0138>
32. Pereira-Moliner, J., López-Gamero, M. D., Font, X., Molina-Azorín, J. F., Tarí, J. J., & Pertusa-Ortega, E. M. (2021). Sustainability, Competitive Advantages and Performance in the Hotel Industry: A Synergistic Relationship. *Journal of Tourism and Services*, 23(12), 132-149. <https://doi.org/10.29036/jots.v12i23.282>
33. Pikhart, M., & Klimova, B. (2020). Information and communication technology enhanced business and managerial communication in SMEs in the Czech Republic. *Information*, 11(6), 336. <https://doi.org/10.3390/info11060336>
34. Policarpo, R. V. S., Borges, R. S. G. E., & Almada, L. (2018). Leadership and individual reactions to organizational change. *REVISTA CIENCIAS ADMINISTRATIVAS*, 24(2). <https://doi.org/10.5020/2318-0722.2018.7197>.
35. Pollak, F., Vavrek, R., Váchal, J., Markovič, P., & Konečný, M. (2021). Analysis of Digital Customer Communities in terms of their interactions during the first wave of the COVID-19 pandemic. *Management & Marketing: Challenges for the Knowledge Society*, 16, 134-151. <https://doi.org/10.2478/mmcks-2021-0009>.
36. Rajnoha, R., & Lesníková, P. (2016). Strategic Performance Management System and Corporate Sustainability Concept - Specific Parametres in Slovak Enterprises. *Journal of Competitiveness*, 8(3), 107-124. <http://doi.org/10.7441/joc.2016.03.07>.
37. Rodriguez, J. J. V., Rubiano, M. G., Aponte, C. F., Toscano, C. A., Gonzalez, E. Q., & Ramos, S. G. P. (2021). The relationship between age, engagement and disposition to organizational change. *Interdisciplinaria*, 38(2), 225-241. <https://doi.org/10.16888/interd.2021.38.2.15>
38. Ruschak, M., Caha, Z., Talíř, M., & Konečný, M. (2023). The application of CSR in marketing communication and its potential impact on customer perceived value. *Entrepreneurship and Sustainability Issues*, 10(4), 223-244. [https://doi.org/10.9770/jesi.2023.10.4\(17\)](https://doi.org/10.9770/jesi.2023.10.4(17))
39. Sagapova, N., Dušek, R., & Pártlová, P. (2022). Marketing Communication and Reputation Building of Leading European Oil and Gas Companies on Instagram. *Energies*, 15(22), Article 8683. <https://doi.org/10.3390/en15228683>
40. Simionescu, M., Pelinescu, E., Khouri, S., & Bilan, S. (2021). The Main Drivers of Competitiveness in the EU-28 Countries. *Journal of Competitiveness*, 13(1), 129-145. <https://doi.org/10.7441/joc.2021.01.08>
41. Slavík, M., Kuželka, K., Modlinger, R., Tomášková, I., & Surovy, P. (2020). UAV Laser Scans Allow Detection of Morphological Changes in Tree Canopy. *Remote Sensing*, 12, Article 3829. <https://doi.org/10.3390/rs12223829>.
42. Suddaby, R., & Foster, W. M. (2017). History and Organizational Change. *Journal Of Management*, 43(1), 19-38. <https://doi.org/10.1177/0149206316675031>

43. Trnková, G., & Zakova Kroupova, Z. (2021). Drivers of economic performance: what can we observe in the czech food industry? *E+M Ekonomie a Management*, 24, 110-127. <https://doi.org/10.15240/tul/001/2021-03-007>.
44. Tsaousis, I., & Vakola, M. (2018). Measuring change recipients' reactions: The development and psychometric evaluation of the CRRE scale. In M. Vakola, & P. Petrou (Eds.) *Organizational change: Psychological effects and strategies for coping* (pp 114–127). Routledge. <https://doi.org/10.4324/9781315386102-9>
45. Ukil, M. I., & Akkas, M. A. (2017). Determining success factors for effective strategic change: role of middle managers' strategic involvement. *Serbian journal of management*, 12(1), 29-40. <https://doi.org/10.5937/sjm12-11430>
46. Urbaniec, M. (2014). Implementation of International Standards for Environmental Management in Visegrad Countries: a Comparative Analysis. *Entrepreneurial Business and Economics Review*, 2, 65-76. <https://doi.org/10.15678/EBER.2014.020206>.
47. Van der Voet, J., Kuipers, B. S., & Groeneveld, S., (2016). Implementing change in public organizations: The relationship between leadership and affective commitment to change in a public sector context. *Public Management Review*, 18(6), 842–865. <https://doi.org/10.1080/14719037.2015.1045020>
48. Virili, F., & Ghiringhelli, C., (2021). Uncertainty and Emerging Tensions in Organizational Change: A Grounded Theory Study on the Orchestrating Role of the Change Leader. *Sustainability*, 13(9), Article 4776. <https://doi.org/10.3390/su13094776>
49. Vojtovic, S. (2016). The Impact of The Structural Funds on Competitiveness of Small and Medium-Sized Enterprises. *Journal of Competitiveness*, 8(4), 30-45. <http://dx.doi.org/10.7441/joc.2016.04.02>.
50. Vrchota, J., & Rehoř, P. (2021). Project management in manufacturing enterprises. *Serbian Journal of Management*, 16, 341-353. <https://doi.org/10.5937/sjm16-28044>.
51. Will, M. G., & Pies, I. (2018). Sensemaking and sensegiving: a concept for successful change management that brings together moral foundations theory and the ordonomic approach. *Journal of Accounting and Organizational Change*, 14(3). <https://doi.org/10.1108/JAOC-11-2016-0075>.

Contact information

doc. Ing. Jarmila Straková, Ph.D.

Institute of Technology and Business in Ceske Budejovice
Faculty of Corporate Strategy
Czech Republic
E-mail: 4090@vstecb.cz
ORCID: 0000-0002-3048-3467

Ing. Milan Talíř

Brno University of Technology
Institute of Management, Faculty of Business and Management
Czech Republic
E-mail: 252620@vutbr.cz
ORCID: 0000-0002-6510-1297

doc. PaedDr. PhDr. Miroslav Škoda, PhD., MBA

DTI University

Department of Management and Economics

Slovak Republic

E-mail: skoda@dti.sk

ORCID: 0000-0001-6658-2742

Ing. Tzolmon Jambal, Ph.D.

Institute of Technology and Business in Ceske Budejovice

Faculty of Corporate Strategy

Czech Republic

E-mail: 6387@vstecb.cz

ORCID: 0000-0001-7450-690X