

# REASONS FOR FAILURE OF CHANGE IMPLEMENTATION AND CAUSES OF RESISTANCE TO ORGANIZATIONAL CHANGES IN CROATIAN ENTERPRISES

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## **Abstract**

*Most attempts to implement organizational changes do not achieve desired outcomes. Although a linear implementation containing several steps is recommended, in reality changes interweave, overlap and blend. The aim of this paper is to examine how managers can improve their approach to implementing change, and at the same time deal with employees' resistance. The working hypothesis is that changes can be successfully implemented if management is familiar with the most typical reasons for failure and causes of resistance to it. Fifty Croatian managers from 25 business areas took part in a recent empirical online survey. The main reason for the change failure in their enterprises is the incompetence of change agents during implementation. The power of habit is the most important individual cause of resistance to change. We can conclude that prerequisites for successful change implementation are good preparation, equable willingness of all employees to accept change, and change managers' high level of professionalism and competence.*

**Key words:** organizational change, causes of failure, reasons for resistance

## **1. Introduction**

Research conducted by scientists and consultants, as well as practical experience show that 67-80 % of attempts to introduce minor or major changes end with a failure. McKinsey consultants have studied the introduction of changes in 40 different business organizations and found that 58% of initiatives did not fulfill the intended purpose (Herold , Fedor , 2008 , p.2). The usual quick leap to implementation is futile because the selected mode of implementation (*how*) depends on the previous determinations of *what*, *who* and the *context of* change. Driving business operations from the present situation into a new one requires coordinated team effort and multidisciplinary approach, because people in the organization usually do not achieve success in the process of change. The study of this area provides an opportunity for corporate learning, the development of good communication, team building and effective human resources management.

The aim of this paper is to show how managers can improve their approaches to change implementation and deal with the employees' resistance. The main working hypothesis is that changes can be successfully implemented if the management knows the most typical reasons for failure and causes of resistance. Bearing in mind the objective and the hypothesis, just before Croatia's accession into the EU, an empirical research was conducted on the most common reasons for the failure of change as well as on the most important causes of resistance in local enterprises. 50 managers from 25 different production and service industries took part in the online survey.

## **2. Problems in Change Management**

Although much advice for achieving successful change refers to its implementation in several consecutive steps, in reality this type of change is rare. In contrast, managers live with the changes that interweave, overlap and blend at the same time. These changes are driven by different forces and motives, managed by various managers, consultants and departments, and barriers and resistance vary in

character (Perkov, Genzić, Perkov, 2011, p.5-16). According to Worrall and Cooper, 90% of managers in all organizations were affected by changes, and over 53% of those by three or more types of changes, mostly by reduction in costs, changing provisions of the employment contract and by culture changes. The negative implications of these changes have mostly reflected on the decline of morality (61%), job insecurity (56%) and motivation (51%) (Green, 2007, p.5).

Change never occurs as a prescribed procedure that is made of several consecutive steps. Rather, it is a chaotic and complicated process with outcomes affected by a number of factors. In this context, leaders must develop a holistic model that evaluates the proposed change by taking into account two parameters: a) the ability of those who will manage and complete the changes; b) the context in which the change will take place. Over 85% of executive managers hold that change management is a leader's critical ability (Change Management, 2007, p.16). This is also proved by the research done by 'Business Week' in 2005, conducted among 1,087 managers. As many as 31% of executive managers were dismissed due to the unsuccessful outcome of changes that had been launched. This is by far the most common reason for the dismissal of the top people in the economy (Herold, Fedor, 2008, p. 3-4).

In a survey conducted among 50 managers, just before the accession of Croatia to the EU, most of them pointed out that a successful outcome can be guaranteed only by preliminary quality preparation, by achieving uniform willingness of the employees for change, and by professionalism and competence of change agents. Deeper and more radical changes are particularly demanding. In IBM's study conducted in 2006 among 750 the world's top economists, 80% admitted that their organizations in the recent past had not been successful in implementing changes (Reuters, 2006).

## ***2.1. Drivers of the change process***

In today's world the pressures of environment are remarkable drivers of change introduction. Competitive environment continuously affects business models, economic conditions, labor market, geopolitics, demography and consumer preferences. Technology dictates the way we work, manage and implement most of the changes in the organization and entire industries. If the feedback on key performance indicators (KPIs) is negative, corrective actions are required. In addition to the economic issues (decline of profit or market share), there are also some noneconomic issues as well (drain of talents, low morale, lack of ethics in business, environmental aspects, interaction with community).

However, there are two more drivers of change that are not immanently associated with those previously described. The first relates to introducing changes into business philosophy (mission and vision), shared values, strategy, processes and development programs. They might be, not necessarily though, a direct response to pressures from the environment, but are rather the result of the management's beliefs about the necessary improvements (for example, SixSigma system, BPR, ERP, lean production or new model of compensation). Another driver, regardless of the environment's demand, can be the desire of the management to change the status quo, leave a mark in the organization or to lead it in a different and more productive way. In new economy numerous trends put pressure on enterprises and face them with environmental demands to acquire new competences. Current transitional challenges (economic and social) shed a completely new light on the aspect of leading an enterprise and managing change. The most important challenges are:

- ✚ initiative for reorganizing and restructuring
- ✚ quick response to competitors' moves (new product or service placement, new market penetration, reducing lead time etc.)
- ✚ flexible ("stress-free") adjustment to a new and unstable economy

In such circumstances it is no longer sufficient for enterprises to declare the necessity to use change management. Managers need to know how to implement changes quickly, effectively and

economically. The key corporate focus is not on *what* to change, but *how* and *how fast* (Horvat, Perkov, 2013, p.6).

It is therefore not questionable whether the change is good or not, whether it is necessary or not. The basic question is whether managers balance the need for the change and the ability of the enterprise to change effectively. Namely, the continuous changes may have undesirable repercussions. Restructuring, reorganization, cost cutting, changes in leadership, new technologies, reduced activities, acquisitions, mergers or strategic partnerships are common reasons for introducing changes. Each of them may represent the optimal way to solve a particular group of business problems.

Success of change depends on the choice of *what* to change, *how* and *when* to change it, *how to deal* with the anticipated and unanticipated consequences of driving the particular change, and how to manage the variety of *simultaneous* or overlapping changes that major transformations invariably require or that organizations typically face. That's the role of change leadership (Herold, Fedor, 2008, p.14).

## ***2.2. Managing employees' resistance***

When faced with change, employees may make a choice: to voluntarily accept or resist it. Unfortunately, they most often opt for the latter option. People's role and sphere of influence in implementing the change process are the most important factors for overcoming individual barriers. Organization and employees are not inclined to change, but put up resistance towards all such initiatives. Less than 10% of organizations and sponsors have ever tried to institutionalize the change management process, even in its most basic form (Green, 2007, p. 4). Obstacles to change implementation can be divided into two groups:

1. *Obstacles of individual nature*
2. *Obstacles of organizational nature*

The first group of obstacles manifests individual uncertainty, discontent and fear of loss of status. The results of the survey with 575 participants from 65 countries published in Prosci Benchmarking Report, indicate that five most important reasons of employee

resistance were: 1. Lack of awareness; 2. Impact on current job role; 3. Organization's past failures with change; 4. Lack of visible support and commitment from managers; 5. Job loss (Creasey, Hiatt, 2009, p.60). The biggest difficulties for the management occur if resistance is hidden and deferred. It is much harder to spot such types of resistance, i.e. to implement activities in order to reduce their harmful consequences. They can be manifested through a reduction or loss of loyalty to the enterprise, lack of interest and reduced motivation to work, an increase in big mistakes and oversights at work or increased absenteeism.

The second group of obstacles derives from organizational traditions and culture, the system of management and a range of other factors. Resistance to initiatives for changes may arise due to leadership's focus on the costs, the conservative management or high operational risks, the lack of coordination and cooperation, the incompatibility of the organizational structure with the business system or underestimation of competitors.

### ***2.3. The key questions: why, how, who and the context***

Numerous managers realize the need for changes, choose a favorable moment and try to introduce them but fail to achieve the expected result or benefit. This points to some very significant questions. Firstly, although the ***need for change*** is usually very clear, ***what*** is to be changed is not clear. ***How*** to create an effective process of change, is a rather different and even more difficult question. Secondly, despite the well-known saying 'change or perish', the reality shows that numerous organizations had undertaken changes, but this still endangered their survival or they collapsed. For example, in the period 1999 to 2006, Ford carried out three unsuccessful restructurings and changed three top directors of the company. At the same time there was a very similar scenario within Croatian food industry Podravka. Adapting to new circumstances implies a change, but change does not always imply an adjustment! In other words, to adapt, we need to change. However, when making a reference to the famous saying 'change or perish' we tend to forget the change at hand must be practically applicable, and not just any change.

*The nature of the response (reaction)* during the implementation is the fundamental issue faced by the organizations when they, like Ford or Podravka, attempt to implement painful and uncertain changes in order to survive in the market. Devising a significant organizational change is a complex, demanding and unpredictable task, so complex that blind sticking to theoretical advice ‘how to reach the desired target in 5, 6 or 7 steps’ in practice proves to be entirely unproductive.

Before deciding on the most suitable approach to implementation, it is necessary to answer the questions: *what*, *who* and what is the *context*? People are usually not good at the game of changes, so they must transform and significantly improve their approach. The question *how* does not make much sense if the question *what* to change was not previously considered. Integration of a newly acquired economic subject contains more different process tasks than does, for example, the reorganization of the sales function or the introduction of new Information Systems. A leader who has created strong links with his co-workers will be faced with different challenges of the outcome of the proposed reorganization, as opposed to a newly established manager or the one who does not enjoy undivided support of people affected by the same change. Similarly, it is not irrelevant if a change is introduced in the period without operation difficulties or when negative KPI’s are recorded.

In some initiatives the correlation of the change with the current business situation is more than obvious and unquestionable. Yet, this correlation is not often clear or visible (even to those who have initiated the change). Some initiatives are seen as bureaucratic absurdities and idiocies of the management, and they raise doubt and question in employees: *Why this change?*

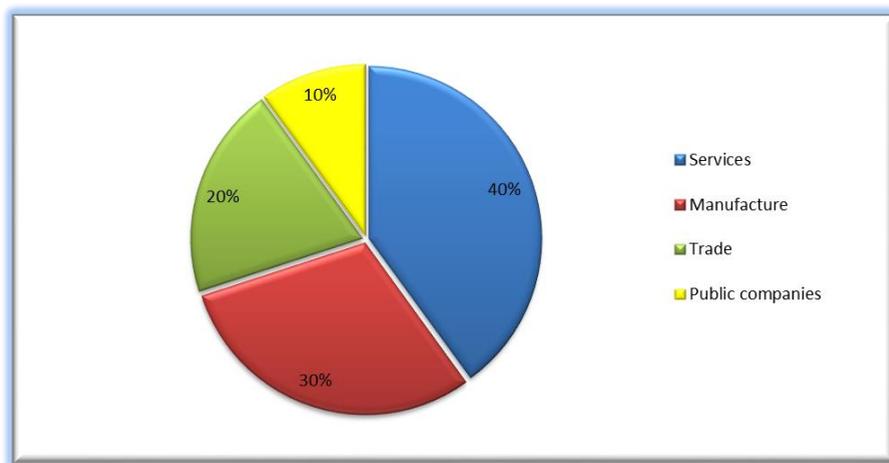
The leader starts each change for various reasons. Business strategy is just one of them. The decision on *what to change* may be affected by their own preconceptions, preferences, tendencies, as well as deep-rooted needs such as those for ego, power or success. Some leaders are more sensitive to the social implications of changes, others are not. Some believe things can be driven by a commanding style, others are more inclined to persuasion and team cooperation. Similarly, the decision on *how to manage the change* may be affected by the same

subjective factors. These personal theories determine the plan and the start of the implementation.

### 3. EMPIRICAL SURVEY: REASONS FOR FAILURE AND CAUSES OF RESISTANCE TO ORGANIZATIONAL CHANGES IN CROATIAN ENTERPRISES

In order to achieve the objectives and purpose of this paper, an empirical study was conducted at the end of June 2013, just before the country's accession to the EU. The title was: 'What are the reasons for the failure of change and the most common causes of resistance in Croatian organizations'? The online survey included 50 executive and mid-level managers from 25 different production and service activities. For easier reference, we divided them into four groups (Figure 1).

Figure 1. Proportional representation of respondents by sectors



Given the total number of respondents, most of them, i.e. 40% work in the service sector (banking, hotel trade, health care, insurance of persons and property, telecommunications, certifications and car repair). Furthermore, 30 percent of the respondents were from the manufacturing sector (food, drinks and water, clothing,

pharmaceuticals, rubber, footwear, paints and lubricants). From the trade sector 20 percent of respondents (retail, wholesale, distribution, sales of cars and spare parts) took part. The remaining 10 percent consisted of respondents from public companies (municipal, post office, sports facilities, education and business associations).

### ***3.1. The reasons for the failure of changes in Croatian enterprises***

In modern business environment, there have been more than enough of most diverse factors affecting the negative outcomes of initiatives for changes. In our consultancy work we often ask executive managers to recall a certain unsuccessful radical organizational change and to explain the reasons which have brought this about. We found that the large changes which did not meet expectations or achieved the purpose (e.g. a new IT system implementation, Business Process Reengineering (BRP), downsizing, new strategic formulations etc.), had been typically caused by one or more of these groups of reasons:

1. group: ***The change did not solve the problem*** (e.g. 'cosmetic' changes, personnel combinations, reorganizations, new technologies have not supported business tasks or corporate strategy).
2. group: ***The change was trying to solve a wrong or non-existent business problem*** (e. g. new restructuring because the corporate strategy does not work, rotation of sales staff for better results, dismissals in order to increase profitability, transformations in the organization's structure in order to keep the talented).
3. group: ***The change agent's incompetence*** (e.g. he did not gain support and confidence of people involved in the process, he lost interest to complete the process, he lacks necessary knowledge, skills and experience, he was insufficiently 'descending' to the operational level).
4. group: ***Poor response of the people to the desired new behavior patterns*** (e.g. lack of required skills, ineffective ways of motivation, fear of changes, unyielding resist, unwillingness to change, fatigue from previous attempts).
5. group: ***The negative impact of internal events or factors*** (e.g. inadequate reward system, organizational structure, inadequacy

- of the implementation method, time pressure, simultaneous presence of more complex changes, lack of support of a high-ranking change sponsor).
6. group: *The negative impact of external events or factors* (e.g. changes of economic conditions, a drain of a key account or supplier, competitors' activities, socio-political pressures, labor market conditions).
  7. group: *The inefficiency of the change process* (e.g. poor communication plan, untimeliness, ambiguity and lack of system in the implementation process, insufficient sensitivity of the management to the needs of those whose support is crucial to the success of the change).

Each of the above mentioned group of reasons is a rounded entity of related factors that can relativize efforts for change. The complexity of any larger organizational change points to the need of considering all of the seven identified groups. To facilitate the discussion, we will connect the groups of reasons for the failure with the specific issues from the part 2.3:

- 1. and 2. group are associated with the question of *what* to change i.e. what are the contents and nature of the change.
- 3. and 4. group can be included under the question *who*; it refers to the change targets and their impact on the final outcome of the change;
- 5. and 6. group can be placed into the *context*: internal and external.
- 7. group can refer to the determination *how* to change.

In the conducted survey the Croatian managers first had to recall some unsuccessful change in their organizations. Then they marked them from 1 to 5 (Likert scale) and thus ranked the intensity of the impact of each of the seven groups of reasons on the negative outcome of the particular change. The group of reasons which had a dominant negative effect on the final outcome was rated with maximal 5 points. The group of reasons that was least relevant was rated with minimal 1 point. Within the same range of points the respondents could, at their own discretion, rank more than one group of reasons for the negative outcome.

Table 1. shows statistical indicators for analysis of the reasons for the change failure: arithmetic mean, standard deviation and Pearson's asymmetry coefficient ( $\alpha$ ). Distributions of the answers referring to the reasons of *incompetence*, *inefficient process* and *unresolved problem* are symmetrical. The reasons *poor response of people*, *internal influences* and *external influences* mostly get high marks, and *wrong problem* mostly gets low marks.

Table 1. The statistical indicators for analysis of the reasons for change failure at Croatian enterprises

Reasons for the failure	Count	Sum	Average	Standard Deviation	Skewness ( $\alpha$ )
<b>INCOMPETENCE</b>	50	188	3,76	1,39	0,00
<b>INEFFICIENT PROCESS</b>	50	184	3,68	1,38	-0,08
<b>POOR RESPONSE OF THE PEOPLE</b>	50	173	3,46	1,38	-0,97
<b>INTERNAL INFLUENCES</b>	50	170	3,40	1,30	-0,47
<b>UNRESOLVED PROBLEM</b>	50	155	3,10	1,18	-0,01
<b>WRONG PROBLEM</b>	50	147	2,94	1,33	0,51
<b>EXTERNAL INFLUENCES</b>	50	123	2,46	1,21	-0,83

The results of the research indicate the relative equivalence of the first four groups of reasons for the negative outcome. *Incompetence of the change agents* (average 3,76) is convincingly the most frequent reason for the failure in Croatian enterprises. The second reason is *inefficient change process* (average 3,68), and the third reason for unsuccessful outcome derives from *people's poor reaction to the desired new behavior patterns* (average 3,46). The fourth reason of the failure are *internal influences* (average 3,40).

The analysis of variance (Table 2) has proved that the differences between seven stated reasons for failure are statistically significant ( $p < 0,01$ ). It can be concluded that the key reasons for the failure lie in

answering the questions: **who** will lead the changes, **how** the process will be implemented and **who** will follow the change.

*Table 2. Variance analysis of evaluations of the reasons for change failures at Croatian enterprises*

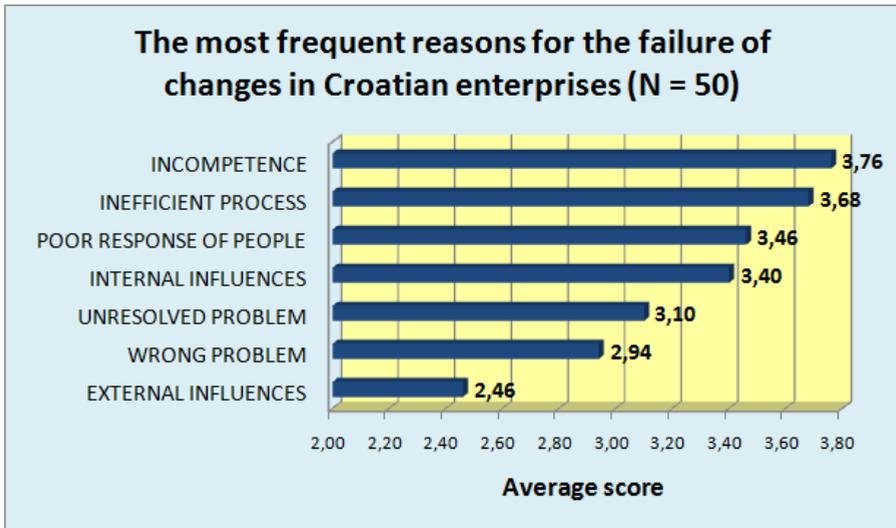
ANOVA <sup>1</sup>						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	62,70	6	10,45	5,95	0,0000	2,13
Within groups	602,16	343	1,76			
Total	664,86	349				

Apparently, the biggest problem in the change processes at Croatian enterprises are *incompetent managers* (Figure 2). They are the ones who lack knowledge, skills, experience, personality, organizational skills, thoroughness, meticulousness and trust of the environment. In addition, in the course of change process implementation, skills of operative and project managers are particularly required.

*Figure 2. The most frequent reasons for the failure of changes in Croatian enterprises*

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<sup>1</sup> Analysis of Variance



It seems that the problem is not the managements' lack of understanding the need for change or the lack of initiative on its part. The real reason is the inability of implementation and the fact that the proposed change has surpassed the capacity of the enterprise.

The fourth group of the reasons for the failure has been affected by internal organizational context. The remaining three reasons are, according to this research, somewhat less indicative for the change processes. The results suggest that Croatian executive managers must systematically plan organizational changes and implement them through the highest possible level of communication. People actually do not resist change, but the intention for them to be changed. However, the main purpose of change management is to change the modes of work and behavior.

### ***3.2. The causes of individual resistance to changes in Croatian enterprises***

Unsuccessful outcomes of most initiatives for changes result from inadequate management of the human side, or the failure to overcome the resistance at certain hierarchical levels (Perkov, Balaško, Vlahović, 2013, p.79). Since the introduction of changes is inextricably linked to individual perception of each human being, the

causes for resistance may be associated with prejudice, a sense of comfort, routine habits and a number of other multiple-meaning motives. By analyzing hundreds of questionnaires and exercises with the participants of our seminar workshops about change management, we concluded there are different causes of individual resistance in the following order of their importance:

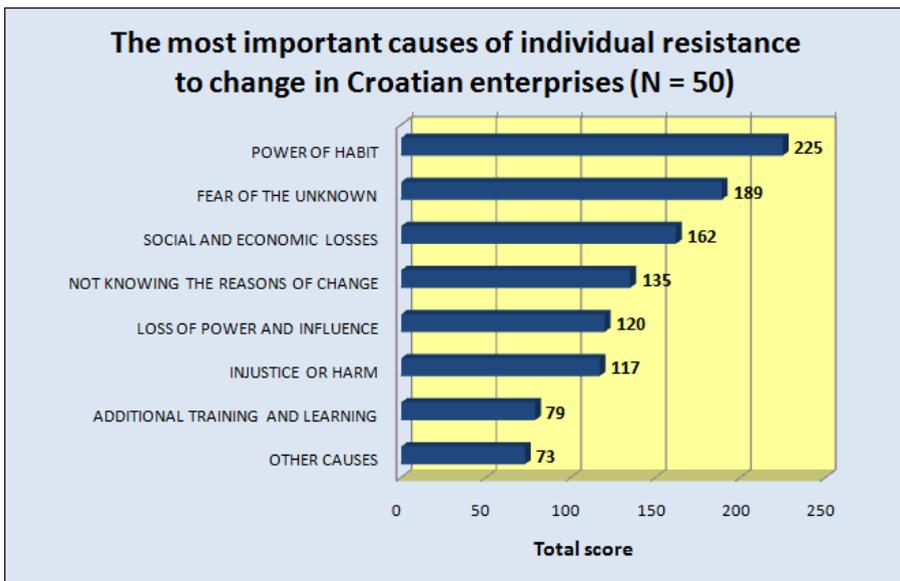
1. *Power of habit* for routine way of work, techniques and procedures.
2. *Fear of the unknown and the uncertainty* (what has been known and certain is replaced by the ambiguity and uncertainty of change; people want to feel secure and have some kind of control during the course of change).
3. *Danger of possible social* (work environment, the relationship between the superior and the subordinate) and *economic losses* (salary, incentives, benefits, bonus, work place). They can be caused by cost cutting, computerization, modernization, moving to another business unit or inadequate HRM policy.
4. *Unclear reason for change*; in fact, to those affected by the change it is often unknown why the change is necessary.
5. *Threat of a decrease or a loss of influence, power, benefits and control* (individuals' or groups' authorities and competence might be minimized or cancelled).
6. *Feeling of injustice or damage*, which is due to the implementation of change, in the eyes of an individual, done to him personally and/or to his colleagues, i.e. to work processes in the organization.
7. *Requirements for additional professional training, education and learning*, which individuals often perceive as a barrier impossible to overcome.
8. *Previous success* (if people were successful in the past, they tend to have more difficulty in accepting changes).
9. *Feeling of belonging* to an existing organization culture and work team.
10. *Level of confidence* encouraged by tradition, standards and competitive spirit within the organization.

Having evaluated the intensity of the impact of each of the seven groups of reasons for failure of a specific change in their organization,

the surveyed Croatian managers evaluated the sources of individual resistance to the very same change. They had to choose only three of the ten previously described causes according to the following levels of importance and the number of points. In an individual respondent's opinion, the first was *the most important cause* (10 points), the second was *very important cause* (7 points), and the third was only a *significant cause* of resistance (5 points).

In Figure 3, the results of the research show that *the power of habit* (total score 225 points), *fear of the unknown* (189 points), and the possible *social and economic losses* (162 points) are the most important causes for resistance to the initiatives for changes in the current Croatian economic conditions. The fourth source of the resistance is *not knowing the reasons of introducing the change* (135 points).

Figure 3. The most important causes of individual resistance to change in Croatian enterprises



They are followed by *loss of power and influence* in the fifth place, *injustice or harm* in the sixth place, and requirements for *additional training and learning* in the seventh place. The other three reasons:

*previous success, a sense of belonging and loss of confidence* are, due to poor representativeness, listed under Other.

Analysis of variance (Table 3.) has proved that the differences between eight groups of the reasons for individual resistance are statistically significant ( $p < 0,01$ ).<sup>2</sup> Like a limpet, which attaches its head to a rock and stays there until the end of its life, people resist changes so much that they could easily always be in one place. The more embracing a business change, the stronger and longer employee resistance will be.

*Table 3. Variance analysis of evaluations of the reasons for individual resistance to changes at Croatian enterprises*

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	923,28	9	102,59	9,38	0,0000	1,90
Within Groups	5356,72	490	10,93			
Total	6280	499				

Most often they do not know what to expect from the change, what it will bring to them personally, what it will mean to their colleagues and the organization as a whole. The resistance will further boost potential negative experiences from previous processes, or fear of repeated failures and unnecessary loss of energy, so the failure is closely associated with psychological, mental and emotional obstacles in humans.

The assumption that we can, always and regardless of the type of change, extort a positive reaction from our employees is a great misconception that accelerates a negative outcome. In the decision-

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<sup>2</sup> In analysis of variance ten reasons in total were observed; upon the completion of the research, three reasons with minimum number of points were put together as “*other reasons*“.

making process the management can neglect the aspect of conformity of a selected change with the current condition of the organization, employees' competences, time dynamics and the really necessary resources. The results of the research draw the local leaders' and managers' attention to the most common obstacles, to be able to anticipate and minimize the resistance in people motivated by the above reasons. By knowing its genesis, the resistance can be managed faster and more easily. We suggest two main focus areas for managing employee resistance in Croatian enterprises:

1. Awareness of *why* the change is needed
2. How the change would directly impact employees

In the absence of a universal model that guarantees the effectiveness we believe that Croatian executives should definitely follow these four pieces of advice:

1. Motivate people in the organization that the change is *right and important*. Communication with all those involved in the change must be two-way and unambiguous. It should be clearly said why the change is necessary, what exactly needs to be done, what effects are expected, how the change will affect the employees and what will happen if the change is not introduced.
2. Motivate *sponsors* to carefully plan the change story. Sponsors are high-ranking managers who make decisions and have the authority to institutionalize the change, or to persuade other influential people in their environment. By his status in the organization and communication to the lower hierarchical levels, *the sponsor* gives specific gravity and necessary support to the concrete change for its implementation.
3. Get and hold attention, interest and *maximum engagement* of everyone involved. Many people have the will but not the skill necessary to accomplish the change. They should be directed on the cognitive and emotional level because they need to feel the effect both in their head and heart.
4. Convince participants that the process of change should be implemented on time, on budget, and on target. In 66 percent of the cases, the organizational change initiatives did not achieve the set targets due to one of the following two

parameters: the failure of adhering to the budget funds or exceeding the deadlines (CIO, 2006, p.50).

Executive managers must know exactly what they want, study all aspects of the change, select a specific approach and take appropriate actions. In this way they will effectively respond to trends and creatively shape them *pro futuro*.

#### **4. Conclusion**

Organizational change does not take place as a linear process in several steps. Rather, it is a chaotic and complicated job. In that respect the initiators must develop a holistic model that takes into account two parameters: a) the ability of those who will manage and complete the changes; b) the context in which the change will take place. Introducing the changes requires a comprehensive plan with the answers to the questions *what, with whom and under what circumstances* (the context) in order to proceed toward the desired outcome (*how*). If the change process begins in a very simple way and ends up with a focus on the manner of implementation, ignoring all other factors, it will lack reality and effectiveness for the successful outcome.

The working hypothesis of this paper was that changes can be successfully implemented if management is familiar with the most typical reasons for failure and causes of resistance to it. From a recent study conducted among 50 Croatian managers, *we can conclude that prerequisites for successful change implementation are good preparation, equitable willingness of all employees to accept change, and change managers' high level of professionalism and competence*. Yet, the most common reason for the failure of the processes of change in the Croatian enterprises is *incompetence of the change agent*. The second reason is *inefficient management of the process of introducing a change*, and the third reason of unsuccessful outcome derives from the *poor reaction of people to the desired new behavior patterns*. The fourth reason of failure are *internal influences*. The failure of most initiatives stems from inadequate access to the human side of change, and inefficient management of the resistance at certain

hierarchical levels. *The power of habit, fear of the unknown* and the potential *social and economic losses* are the most important causes of resistance to organizational changes in the current Croatian economic conditions. The fourth reason of resistance is the *ignorance of the reasons for the change*.

Considering the limitations which derive from inadequate number of respondents, the results of this research need to be taken with a grain of salt, i.e. they should not serve as the basis for making general conclusions for the entire Croatian economy. However, the results are quite indicative and statistically reliable for deeper understanding of resistance to organizational changes and unsuccessful outcomes at Croatian enterprises. In conclusion, this research might deserve an expansion for a higher sample in the future in order to make strong and general statements for Croatian enterprises.

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