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MANAGING THE ORGANIZATIONAL CHANGE AND CULTURE IN THE AGE OF GLOBALIZATION

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Abstract. Great shifts – genuine and radical transformation - have been shaping the economy and business environment in recent decades. The world is going to be too tough and competitors too ingenious as companies are shaken loose from traditional ways of conducting business. Therefore, the old principles no longer work in the age of Globalization.

Based on her research, Dr Radović Marković tried to make a profile of a successful organization which will be in the best way adopted to business environment in the new economy. Namely,in order to get a complete picture how the winning organization will look like in the future, the author concluded that the successful companies in the future will be the ones which are wise enough to harness the full potential of the entire organization in the rapidly changing business environment .It means that the winners will be the unbridled firms that are responsive to challenges and adroit in both creating opportunities and capturing them. In other words, to match the business environment that is more networked within and among companies, the ability to manufacture value will have to be distributed across the company to a much greater extent than in the past. Under these circumstances, managers need to transform themselves, too. They need to have a better framework for thinking about and understanding organizational change. Additionally, continuous learning is the key competency required by any organization that wants to survive and thrive in the newknowledge economy. Market champions keep asking learning questions, keep learning how to do things better, and keep spreading that knowledge throughout their organization. Knowledge organizations obtain competitive advantage from continuous learning, both individual and collective, concluded Dr.Radović Marković.The author also stresses that it is necessary to determine general personal knowledge and education, then to examine knowledge or various specializations in certain areas and lastly to identify their skills. Recent researches in the USA show that business owners who were not educated enough for the business in which they were engaged, were not successful (80 % of their businesses failed during the first year of their existence). On the opposite, those entrepreneurs who were educated and who showed constant interest in improving their activities have increased their business success by 60 % after the completion of the basic training programs for entrepreneurship and management. Therefore the author pointed out that more highly skilled workforce should be beneficial to organizations. Additionally, the human capital approach reflects the view that the market value of the firm increasingly depends on intangible rather than tangible resources. The three main components of human capital are described as a) early ability, b) qualifications and knowledge acquired through education and c) skills, competencies and expertise through on-and off-the-job training. This would suggest that individual capability is enhanced by greater qualifications and higher skill levels. If this can be assessed and used in good effect in the firm then better human capital should, ceteris paribus, enhance organizational performance. Better organizational performance should, in turn, translate into better national performance.

Finally, the author concluded that we should further recognize that we are living in the globalization era, or the Global Age. From the viewpoint of a product life cycle, we are in the introductory phase of globalization because we are in the early stages of the digital revolution that is creating the technologies that are enabling real time relationships among dispersed individuals and organizations. To meet constantly changing conditions and demands, business has to transcend boundaries to get what it needs regardless of where it exists—geographically, organizationally and functionally.

Keywords: globalization, organization, corporate culture, communication, global management, entrepreneurial skills, knowledge management.

1. Introduction

Professor Martin Albrow in his book *The Global Age* (1996) develops the hypothesis that we have left the Modern Age and have entered the Global Age," *In the 1980s 'globalization' became the keyword. In the 1990s the general recognition came that the Modern Age was at an end and that the Global Age had already begun".*

In spite of the fact that Globalization is a term that is used around today, there is no clearly defined meaning. In many instances, the word *globalization* is used interchangeable with the word *internationalization*. When a company opens an office or a plant in another country, it refers to itself as international or global. Does being in two countries qualify a firm as being global? If so, then globalization is nothing new. Does being in a lot of countries on a large scale qualify a firm as being global?

John M. McCann (1998) gave the best reply for questions: *"Globalization" is not selling internationally, or having offices, production facilities and warehouses in numerous locations throughout the world. Large international structures may actually impede the globalization process as the key to being a global firm is to integrate functional units. "Globalization" of economic activity is qualitatively different. It is a more advanced and complex form of internationalization, which implies a degree of functional integration between internationally dispersed economic activities"*. In other words a *global economy is something different: it is an economy with the capacity to work as a unit in real time on a planetary scale.*

Additionally there is a question, what is new today that has led to the widespread use of the term "globalization"? According to John M. McCann, "Today, we are witnessing the early, turbulent days of a revolution as significant as any other in human history. A new medium of human communications is emerging, one that may prove to surpass all previous revolutions in its impact on our economic and social life. The implementation of globalization increasingly occurs in technology. The computer is expanding from a tool for information management to a tool for communication. Interactive multimedia and the so-called information highway, and its exemplar the Internet, are enabling a new economy based on the networking of human intelligence. In this digital economy, individuals and enterprises create wealth by applying knowledge, networked human intelligence, and effort to manufacturing, agriculture, and services." (McCann 1998: 2). Shortly, what is new today is that knowledge. Namely, the knowledge is now the most important resource for organizations trying to make their way through an increasingly complex world. "There is no domestic knowledge and no international knowledge. With knowledge becoming the key resource, there is only the world economy, even though the individual organization may operate in a national, regional, or local setting" (Mankin and Cohen 2004: 240). It means that in the knowledge economy, there are no national assets; only assets that reside in a nation. Because of that, learning provides the catalyst and the intellectual resource to create a *sustainable competitive advantage*. *Knowledge organizations* obtain competitive advantage from continuous learning, both individual and collective. In organizations with a well-established *knowledge management* system, learning by the people within an organization becomes learning by the organization itself. In other words, managers need to transform themselves.

In addition to knowledge, the "new" in new economy means stronger and longer growth, with more jobs, lower inflation and interest rates and more investor's and consumer's spending. Additionally, new economy has covered the explosion of free markets worldwide, the unparalleled access to knowledge through the Internet, the democratization of regimes and the flattening of organizational hierarchies.

New technologies have not only made the world a smaller place, but they have altered the nature of work. Some scientists, like professor Albrow, stated that we should be looking into the concept of an organization and organizational culture rather than a market if we want to understand contemporary economic transformation. The contemporary definition of Organizational Culture includes what is valued; the leadership style, the language and symbols, the procedures and routines, and the definitions of success that characterizes an organization. So, organizational culture is a specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. Borders are virtually irrelevant. In other words, we live in an era of business without boundaries, where competing effectively means collaborating across time, distance, organization, and culture."Organizations now have to go further to find the right pieces and rapidly pull them together to create the best fitting for their purposes. When circumstances change, they also have to be able to take these collaborations apart just as rapidly and start over with different pieces. In short, organizations need more complex collaborations to address the challenges of a more complex world" (Mankin and Cohen 2004: 163). Because of new challenges and cyber age, there is a call for a new kind of managing the organizational change.

Based on our research, this article will address five questions. First, what is the importance of globalization as a pressure for the change of small businesses in different countries and regions? Second, why is organizational culture an increasingly strategic issue with a direct impact on the success or failure of global enterprises, alliances, privatizations, mergers and acquisitions? Third, what are the roles and competencies managers and leaders should concentrate on in order to manage cultural change and integration in their organizations? Fourth, what kind of education is necessary for managers and leaders to possess in global environment? Finally, what is the role model of a winning organization in the Global Age? Our attention will be specially focused on these questions in this paper.

2. The importance of globalization as a pressure for the change of small businesses

'Globalization has jarred the traditional role and competitiveness of small- and medium-sized enterprises. This masterful volume comprises leading scholars, policy makers and business leaders who have new insights and strategies for SMEs creating opportunities rather than being victims of globalization. The result is a breakthrough in our understanding of entrepreneurship in the global context' (Audretsch 2006).

Three aspects of the so called new economy will have a significant impact on small and medium companies: *globalization, deregulation and new technology*. Will these aspects offer new opportunities or bring difficulties? The answer could be – both. Namely, in the process of globalization many typical characteristics of small businesses may lead to disadvantages and advantages of small businesses (Recklies 2005) (Table 1).

If small businesses want to reduce disadvantages and to be more adapted to new conditions determined by the process of globalization, they must be prepared for a successful change process. The successful change process involves structural change, systemic change, cultural change and technological change. It means that small businesses must recognize the opportunities that this process offers because a global market is more and more becoming an arena in which small companies must learn to play the game with big companies. New firms must often have an innovative edge on their competition in order to survive. Every small business has to understand that international activities do mean more than just finding new customers or suppliers in other countries. Namely, the decision to globalize and to enter export markets needs the strong vision, commitment and determined leadership of the owners and managers. Global leaders need to be able to navigate the complexities of the transnational business environment. They must articulate the corporate vision and

Table 1. Small business in relation to globalization

Characteristics	Advantages	Disadvantages
	In Relation to Globalization	
Dependence on a limited number of people (often owners and managers are one and the same person)	• Long-term thinking, perspectives • Stability • No pressure for short-term success • High identification with the business, stable culture • High commitment	• Static thinking, limited to the experiences and the knowledge of the owner(s) • Difficulties to adapt corporate culture to new situations and challenges • Potential conflicts between corporate objectives and personal objectives of the owner
Close relationships with customers and business partners	• Stable basis for further business • Ability to cooperate successfully for mutual advantage • Ability and willingness to enter partnerships	• Risk to focus too much on existing basis of business
Simple structures	• High flexibility and adaptability • Short reaction times • Cross-functional communication and cooperation within the organization	• In many cases not suitable for the complex planning and implementing of international activities • Low willingness to introduce more sophisticated structures
Small size	• Basis for specialization, often successful with niche strategies	• Limited resources (in terms of financial means and manpower): • Limited funds to finance investments and initial operating losses for new activities • Spending on market research and market entry take a much higher proportion of total spending in SMEs than in larger businesses • Limited number of staff to take on additional tasks • Lack of internationally experienced employees

strategy from a multi-country, multi-environment and multi-function perspective, so that they connect and engage all people (Radović Marković 2007a). To achieve this means setting a personal example; being as part of and leading the team; and sharing the experiences of the team. It means that high-performance and high-potential individuals need accelerated development, exposure to different cultures, appropriate rewards and opportunities to keep them learning and growing. Building a strong global leadership pipeline considers the following steps:

3. Steps for building a strong global leadership pipeline (Charan *et al.* 2001)

ASSIGN – accountability starts with the CEO and devolves to managers at all levels.

IDENTIFY – use consistent, objective criteria, to identify and source high-performance and high-potential candidates for the talent pool. Validate nominations across the organization.

ASSESS – understand people that make up the talent pool in terms of their strengths, potential, personality detailers and drivers, plus how these may meet future needs.

DEVELOP – provide the right development, international assignments, experiences and coaching, plus actionable feedback to assist the individuals in the talent pool in working toward an enhanced capability. Be transparent.

FORECAST – keep the future in mind in terms of business needs, shifts in regional market share, individual potential and development, plus demographic and social changes.

EXECUTE – action is needed, with discipline and focus, to produce ongoing real results.

TRACK – monitor, measure and reality-check to ensure that the processes continue to produce a sustainable global leadership.

The teams that global managers and leaders lead need a set of values and a global affinity. In other words, high-performance global companies must create the inclusive culture where people feel that their interests and those of the company are much the same the culture where people are self-challenged and oriented around a clear purpose. In this type of culture, motivation and a sense of belonging stem from shared values, doing work that is interesting, challenging and has meaning (Jacobs 2005). Companies with high-performance cultures don't get overly distracted by looking inward. They focus instead on what's outside the company: customers, competitors and communities. Moreover, going global requires a certain degree of international experience and managerial knowledge within the organization. The internationalization of a business involves a process of profound change. "This change requires taking risks, opening up the firm culture and a great capacity to learn. None of this happens spontaneously but requires planning and clear leadership. Hence, the planning of these internal changes should be a part of the planning for international activities. The future heads of the firm must have international exposure and acquire experience in overseas markets and cultures" (Recklies 2005). Theory, but not always in practice, has showed that a person with good business references and good attributes can gain company trust to lead and organize new businesses. However, our opinion is that these expectations are not necessarily true, because a manager or a leader could have accomplished good business results in the past not because of his abilities and other qualities, but because of some other circumstances that were favorable at the moment. Therefore, globally the attention when making a choice of a manager is turned not only to work experience and previous results, but also to education and qualifications for doing work in a specific business context. In other words, it is considered that good education and good manager skills in a business context are crucial for the business success in a new economy. According to this conclusion it is very important to define which kind of education is necessary for global leaders and managers and how they can gain it.

4. Education of managers and leaders for global tasks: combination of science and experience and consideration of specific needs

The change will be ever present and learning to manage and lead the change includes not only understanding human factors but also the skill to manage and lead the change effectively. Education and training (including lifelong training) in entrepreneurship and creativity are the preferred instruments for encouraging entrepreneurial behavior in societies, and evidence suggests that such programs can have an impact on entrepreneurial activity and enterprise performance. In addition to modern ways of gaining knowledge, practical experience is combined with formal education more than ever. Increasing knowledge level, skill level, and qualifications of employees are the key factors in market competition. Therefore, permanent training is considered to be protection for both the employer and the employee in the non-stop marketing competition. Education and training are continuous processes and, as it has been said before, are conducted in many ways – in companies and outside them. Programs developed for managers and entrepreneurs of both sexes (Women… 1999), should be planned in such a way as to stress entrepreneurial activities and their development (Radović Marković 2007b). Accordingly, some courses should uncover the secrets of managerial and entrepreneurial behavior, others should uncover the secrets of business plans, some should show them business strategies, etc. This form of permanent training should encourage creativity, providing good background to businesspeople. Cumulatively, it must contribute to tendency to innovate production processes, products, or corporative strategies. In order to achieve this, all training should be preceded by the preparation in the form of answering at least a few questions: ***To whom this training is intended? How long will it take to complete? What are the results that are expected?***

Who will lead the training, depends on the answers (scientists, businesspeople or both). Also, it should be known in advance whether the training will be during working hours, how the results will be evaluated, whether the skills presented can be applied in common practical work, what are the costs of training, etc. I would like to mention that skills, once learned, need to be permanently improved, innovated, supplemented and adapted to business demands (Radović Marković 2006). However, huge mistakes are made in entrepreneurs' training. Training is often provided for only new employees. This is a mistake because ongoing training for current employees helps them adjust to rapidly changing job requirements.

Research has shown specific benefits that a small business receives from training and developing its workers, including:

- Increased productivity.
- Reduced employee turnover.
- Increased efficiency resulting in financial gains.
- Decreased need for supervision.

Training needs can be assessed by analyzing three major human resource areas: the organization as a whole, the job characteristics and the needs of the individuals. This analysis will provide answers to the following questions:

- Where is training needed?
- What specifically must an employee learn in order to be more productive?
- Who needs to be trained?

When above questions are answered, a final decision is made how technically this training will be realized.
There are two broad types of training available to small businesses: on-the-job and off-the-job techniques. Individual circumstances and the "who," "what" and "why" of your training program determine which method to use (Drucker 1994).

On-the-job training is delivered to employees while they perform their regular jobs. In this way, they do not lose time while they are learning. After a plan is developed for what should be taught, employees should be informed of the details. A timetable should be established with periodic evaluations to inform employees about their progress. On-the-job techniques include orientations, job instruction training, apprenticeships, internships and assistantships, job rotation and coaching.

Off-the-job techniques include lectures, special study, films, television conferences or discussions, case studies, role playing, simulation, programmed instruction and laboratory training. Most of these techniques can be used by small businesses although, some may be too costly. Training programs should be designed to consider the ability of the employee to learn the material and to use it effectively, and to make the most efficient use of possible resources. It is also important that employees should be motivated by the training experience. An employee failure in the program is not only damaging to the employee but a waste of money as well. Selecting the right trainees is important to the success of the program.

The availability of management and entrepreneurship skills will have a large impact on enterprise development in the future business. Businesses, and their representative organizations, must be conscious of the direct linkages between skilled management, competitiveness, growth and development. Indeed, there would not be so many successful small businesses if their managers and owners were not getting things right. There is, however, a pressing and compelling need to improve management skills to meet future business challenges. To meet the needs of small business managers best, flexible, practical and often non-formal methods will be needed including mentoring, peer to peer discussions, networks and work-based projects.

5. Managing organizational change

What is Organizational Change and Organizational Change Management? "Change" has several meanings, but for the purposes of this paper, change–or, more precisely, organizational change–will be defined this way:
Organizational change is the implementation of new procedures or technologies intended to realign an organization with the changing demands of its business environment, or to capitalize on business opportuni-

ties. In addition, organizational change management is the process of recognizing, guiding, and managing these human emotions and reactions in a way that minimizes the inevitable drop in productivity that accompanies change.

Organizations have to deal with the new technology, and with upgrades for the existing technology. They have to cope with reorganizations, process improvement initiatives, mergers and acquisitions.
Which specific aspects of change are currently impacting most on practising managers? How do they react to the change? How are they dealing with them? And how successful are their attempts? How do the problems identified and solutions described, relate to the theory and research on organizational change?

Mergers, acquisitions, new technology, restructuring and downsizing are all factors that contribute to the growing climate of uncertainty. The manager who moves straight into why the change is the best for everyone and how business is going to be conducted, disregards the human nature element - the emotions that are normal and natural for anyone feeling threatened by the change to feel. At every step in the process of implementing an organizational change, a good manager will ask him/herself "How might I react to these changes "?As the organization implements the changes though, the reality of the change becomes present and employees may either resist the changes or start to adjust to the changes depending on the person. The employee who continues to resist, remains angry and is labelled as "difficult" is feeling more threatened and may need some one-to-one time with the manager to discuss the changes or at some point, may need clarification from the manager about performance expectations in light of the changes. There are external and internal triggers for organizational change.

External triggers include: developments in technology; developments in new materials; changes in customers' requirements and tastes; the activities and innovations of competitors; new legislation and government policies; changing domestic and global economic and trading conditions; shifts in local, national and international politics; changes in social and cultural values.

Internal triggers include: new product and service design innovations; low performance and morale, triggering job redesign; appointment of a new senior manager or top management team; inadequate skills and knowledge base, triggering training programs; office and factory relocation, closer to suppliers and markets; recognition of problems, at triggering reallocation of responsibilities; innovations in the manufacturing process; new ideas about how to deliver services to customers. Top management actions are usually reactions to some outside force, such as stiffer competition, shifts in the marketplace or new technology. It is important to realize that the change is a key to surviving and growing in today's global economy. Without the change we would run the risk of becoming stale and unresponsive. The challenge we face is to learn to move through this wave of transition as easily and creatively as possible. The organizations that succeed in changing do so by considering the people who are affected by, will have to live with, and are often crucial to effecting the change in question. Even better, not only does managing the human aspects of an organizational change initiative help ensure the successful implementation and use of the technical solution, it sets the groundwork for implementing future solutions. As organizations seek to implement new technology and take other actions to keep themselves competitive in their chosen markets, they must ensure that the changes they implement achieve the full scope of their technical, financial, and human objectives. This is the ultimate objective of the organizational change management process: to ensure that tactics for addressing human reactions to the change are fully integrated with other aspects of the implementation in order to achieve the full scope of objectives intended by the initiative.

The outcomes of effective organizational change management can have positive, bottom-line impacts, as illustrated in Table 2.

Table 2. Outcomes of Effective Organizational change management (OCM) (Kotter 1996)

OCM Outcome	Bottom-Line Impact
Visible, consistent support for the change (less resistance)	Reduced project contingencies
Implementation plans that accurately and proactively identify and address change-related disruption	Closer adherence to project timeframes and budgets
Greater implementation speed because of reduced resistance from end-users, and increased capabilities for successfully interacting with technical solutions	Momentum necessary for selling and implementing follow-on versions of technology solutions
Alignment of the change with existing organizational structures and systems	Greater customer satisfaction and an increase in customer referrals leading to a competitive advantage

6. The role model of a winning organization

Many entrepreneurs are recognizing the opportunities that this process offers and gaining access to global markets has become a strategic instrument for their further development. Access to global markets for small businesses can offer a host of business opportunities, such as larger and new niche markets; possibilities to exploit scale and technological advantages; upgrading of technological capability; ways of spreading risk; lowering and sharing costs; and in many cases, improving access to finance. Gaining access to global markets can help prospective high-growth firms realize their potential and are often an essential strategic move for SMEs with large investments in intellectual property.

To prosper, SMEs need a conductive business environment and regulations, adequate basic infrastructure services, access to short and long-term funding at reasonable rates, equity and venture capital, advisory assistance, and knowledge about market opportunities. In spite of many companies engender a desire to win, but people in high-performance organizations know what winning looks like. They know that companies need talented people with the global mindset, competencies and commitment to execute strategy both today and in an increasingly unknown future. However, this economy relies on the need of good informing and applying the best international managerial experiences, so small businesses more and more apply sophisticated management techniques, which are widely used in large businesses. Andrew Vorbach (2006), professor of University of Technology in Sydney, especially points out the changes regarding comparative advantages in a new economy. According to his opinion, many traditional advantages of small business have disappeared, because large companies are now able to adjust easier to customers' demands, which wasn't the case before. Therefore, small businesses managers now face permanent task to gain knowledge and continual examination of competition all around the world. Besides that, they have to accept the fact that employees, staff and manager's team together make business formula of success which should find the market, meet customers' demands and offer products and services at the possibly lowest prices.

Also, professor Vorbach claims that in some cases the basic limiting factor for transforming small businesses to large or medium is inability to serve large markets. In other words, they perform well, but in small volume. For small businesses, according to this and other experts, the use of modern technology is extremely important for these companies because they largely depend on them. Therefore, small businesses existence in a new economy is directly related to new technologies.

The challenge which new economy brings to small business managers is the use of new technologies and completely new and non-traditional competition in the market. Namely, new technologies enable larger competition which is in the global market. Therefore, a key to success in understanding customers' expectations in advance in terms of price and product quality, that is, what the customers are and what they are not willing to pay for. Also, it is very important to be flexible in product delivery. Due to internet use in the last five years, delivery costs have been significantly reduced as well as gathering all the necessary related information. For example, only five or six years ago, information about recommendations for buying and selling certain products was sent through post mail and was waited for several days. Now it is sent either over cellular phones through SMS or over internet through e-mail messages which are delivered almost instantaneously.

Small business managers' and entrepreneurs' desire to share knowledge and to apply business concept in a widely accepted form to all stakeholders in an organization are of great importance. A strategic alliance is formed among entrepreneurs in order to find the best business model, often a technical analysis is conducted, different investment ideas are examined and all for the sake of maximizing profit or income, but in order to minimize losses at the same time. Namely, regardless of the industry or type of business, strategic alliances are the best way for a company to compete and succeed in today's networked economy. But building a strategic alliance and making it work is not easy. The principles for developing that competence apply to any type of an alliance. Strategic alliances are critical to organizations for a number of key reasons:

1. Organic growth alone is insufficient for meeting most organizations required rate of growth.
2. The speed in the market is of the essence, and partnerships greatly reduce the speed in the market.
3. Complexity is increasing, and not a single organization has the required total expertise to serve the customer best.
4. Partnerships can defray rising research and development costs.
5. Alliances facilitate access to global markets.

Much has been written about the power of strategic alliances. However, a balanced perspective is critical. An article by Geoff Baum (2000) gave a strong vote of confidence to alliances: "Our statistical analysis shows that companies with more joint ventures, marketing and manufacturing alliances, and other forms of partnerships, have substantially higher market values than companies that do not form such partnerships."

In recent years, there has been an explosion of alliances around the world and across industries. For example:

1. In an effort to establish itself as a force in European and Japanese markets, the Nasdaq formed a joint venture with SSI Technologies of India to develop an Internet-based trading and market system to launch Nasdaq Europe and Nasdaq Japan.
2. In February 2001, The Coca-Cola Company and Procter & Gamble announced a $4.2-billion (all currency in U.S. dollars) joint venture to use Coca-Cola's huge distribution system to increase reach and reduce time to the market for the P&G products Pringles and Sunny Delight.
3. EPOST was the world's first national, secure electronic mail delivery system, an alliance between Bank of Montreal and Canada Post Corp. This partnership connects billers and users in an efficient and secure environment.
4. Star Alliance is the largest partnership in the airline industry; its reach extends to 130 countries and more than 815 destinations, with collective revenue for the partnership at more than $63 billion.
5. Hewlett-Packard and NTT DoCoMo created a partnership to conduct joint research in technology for fourth generation mobile phones, bringing together HP's network infrastructure and computer servers with DoCoMo's wireless broadband technology.

Finally we can conclude that innovative and winning companies have to respond rapidly as new opportunities for competitive advantage emerge:

- Teams are structured so that skills can be quickly added and employees are empowered to work collaboratively across functions and networks of partners
- Organizational structures and management systems can be created or realigned without hesitation
- Enabling business technologies are applied carefully and are driven by end-users, not technologists
- Processes are streamlined end to end, and form the basis for ongoing adaptation of work practices
- Developing and executing solid communication plans can help organizations in the digital drive survive and thrive in today's changing business environment
- States that the ability to manage the change is now recognized as a core organizational competence.

7. Conclusion

The rate of organizational change has not slowed in recent years, and may even be increasing. The rapid and continual innovation in technology is driving changes to organizational systems and processes. Many companies spend a lot of time and effort in order to accept new economic trends, while others adopt them easily. New business imperatives call for new organizational behaviors. Globalization has seen the tearing down of previous international market barriers. It is no wonder that the relentless change has become the fact of organizational life.Unfortunately, most companies' operational strategies and structures reflect past business realities—making organizational inertia one of the most significant obstacles to the change. This failure almost always occurs for a number of reasons, like the following:

- absence of a change champion or one who is too junior in the organization
- poor executive sponsorship or senior management support
- poor project management skills
- hope rested on a one-dimensional solution
- poorly defined organizational objectives
- change team diverted to other projects

Failed organizational change initiatives leave in their wake cynical and burned out employees, making the next change objective even more difficult to accomplish. It should come as no surprise that the fear of managing the change and its impacts is a leading cause of anxiety in managers.

At the end it can be concluded that we should further recognize that we are living in the globalization era, or the Global Age. According to this statement it must be clear that the new economy sets new standards of success and opportunities for small businesses which are related to forming a strategic alliance, new technology use, experiences and knowledge exchange among entrepreneurs and similar. Leadership and management skills, such as visioning, prioritizing, planning, providing feedback and rewarding success, are key factors in any successful change initiative. This is something that small businesses should not ignore in the future.

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