



# Management of Change Processes

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# Change Management Leadership

**The inability  
to take the time that is required  
to do important things  
is exactly the reason  
why most Leaders  
cannot accomplish big things**

Source: Waterman, R., Die neue Suche nach Spitzenleistungen –  
Erfolgsunternehmen im 21. Jahrhundert, Econ-Verlag, 1994

# Four Messages to Leaders

- ◆ Take change seriously and start today
- ◆ Change yourself, your area and do your bit to contribute to the change process within your company – otherwise you will be changed, just as change in the market is relentless
- ◆ Change begins with you. Before you change others, show that you can change your approach and you can if you really want to.
- ◆ Company based change succeeds or fails based on the Leadership behavior. No employee will make the effort to improve if Management does not ,live` change.

# Working to Rule

<p><b>13 % ...</b>  <b>All German employees</b>          (19 % women/ 11 % men)</p>	<p><b>Are satisfied with their jobs and          commit themselves to the          Organisations</b></p>
<p><b>69 % ...</b></p>	<p><b>Work to rule          Are not really committed</b></p>
<p><b>18 % ...</b></p>	<p><b>Are already emotionally          ,elsewhere'</b></p>
<p><b>% USA: 29 / 54 / 17;      % F: 12 / 57 / 31;          % GB: 19 / 61 / 20;      % Sing: 6 / 77 / 17;</b></p>	

Source: Gallup Institut Potsdam, 2004

# Change Leadership

The Company culture which actually forms the organisation is relatively unknown for most Managers. This is the reason why 70% of the restructuring programs are not successful.

Source: James Champy, Hammer, quoted by manager magazin 5/94, S.172

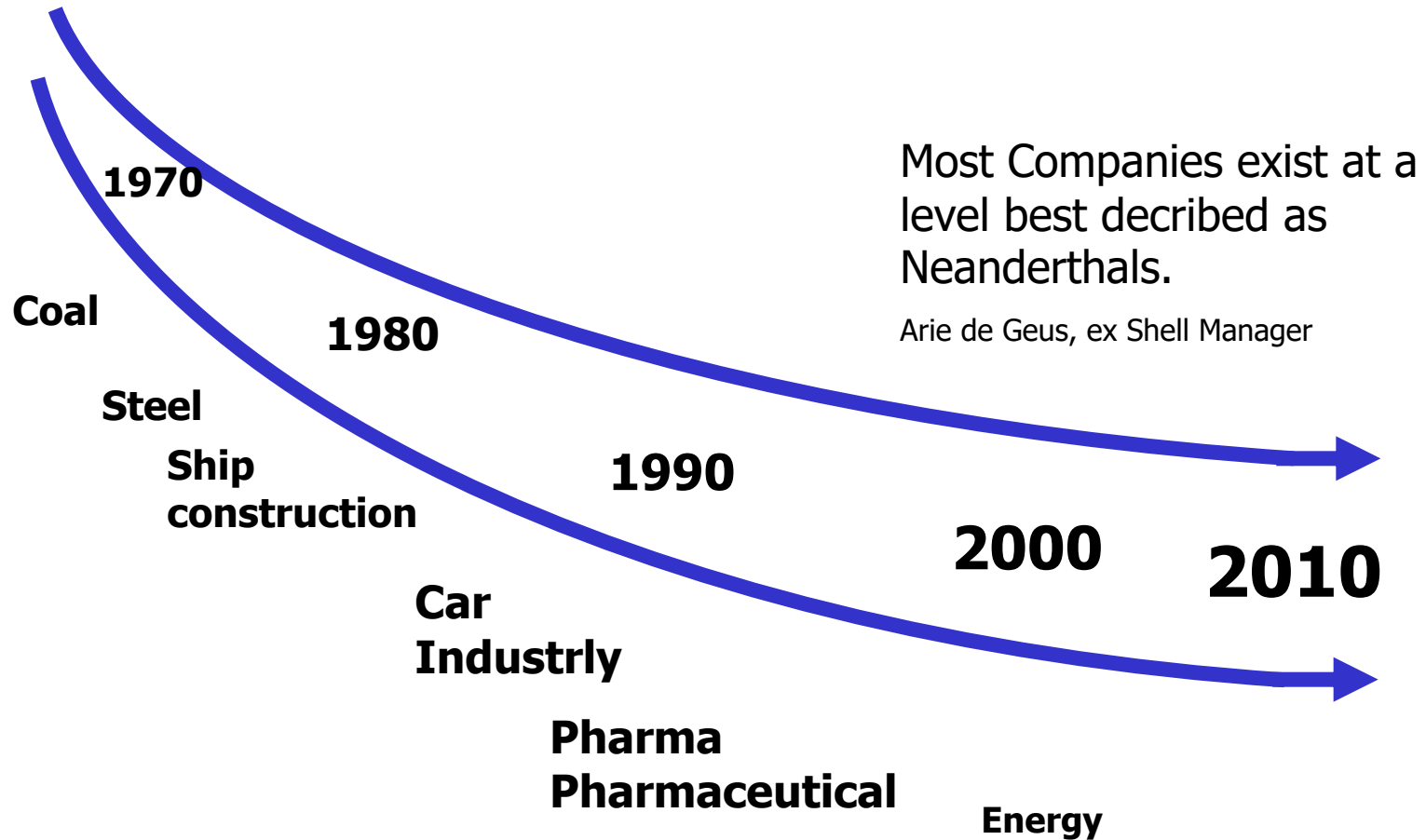
# Top or Average?

## There are three types of Companies

- ◆ **Those that operate in a manner that things get done**
- ◆ **Those observe whether things are done or not**
- ◆ **Those that ask others what has happened**

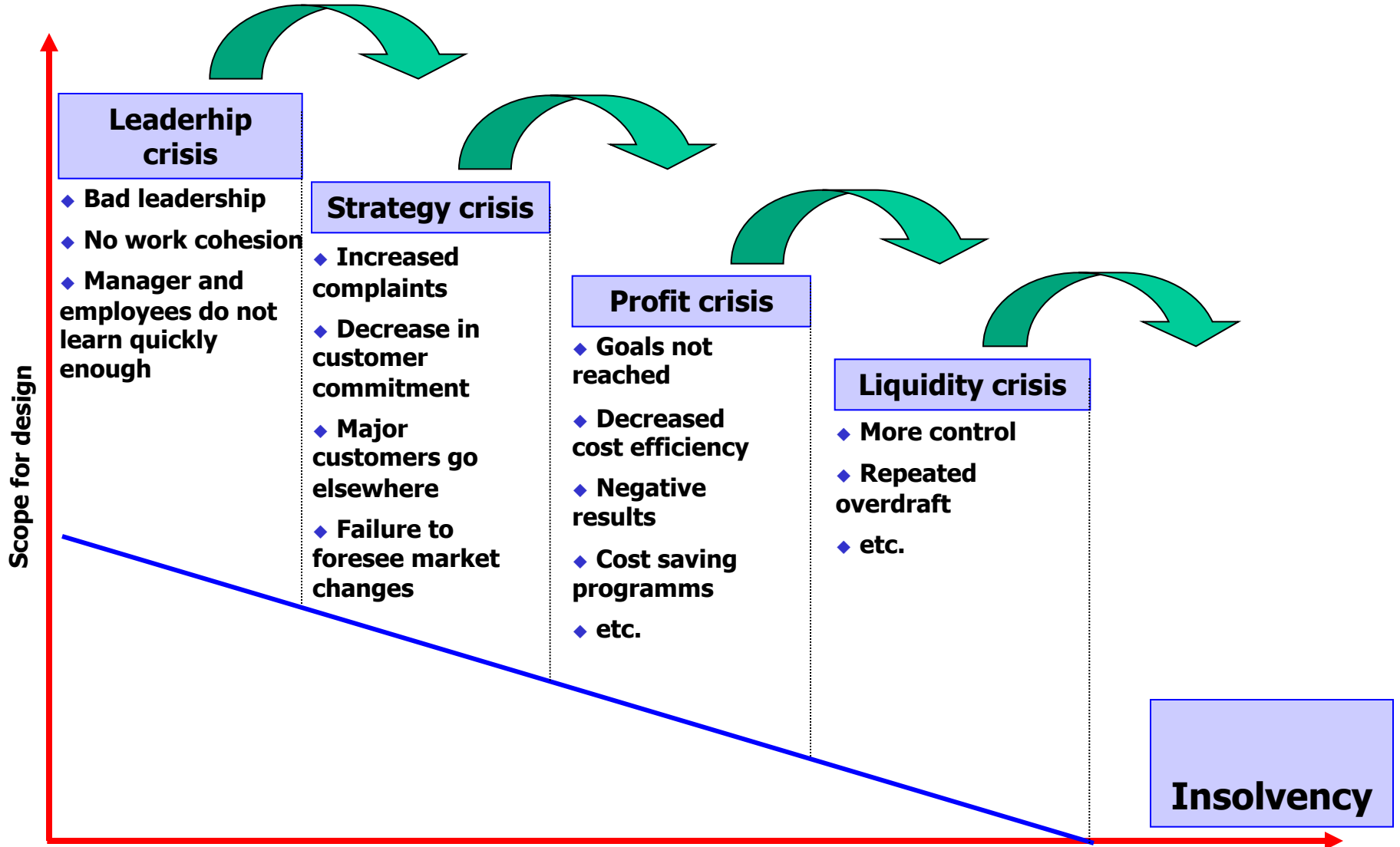
Source: Volkmund, quoted by Kotler, P.; Bliemel, F., (1995), S. 85

# Who is Taken in by the Change...





# Reasons for Insolvency: The past catches up



# How we cope with change – sometimes ...



**DON'T DISTURB ME - CAN'T YOU SEE  
I AM BUSY WINNING THIS BATTLE**

# Leadership model ‚Minestrone‘



# Change for self purpose?

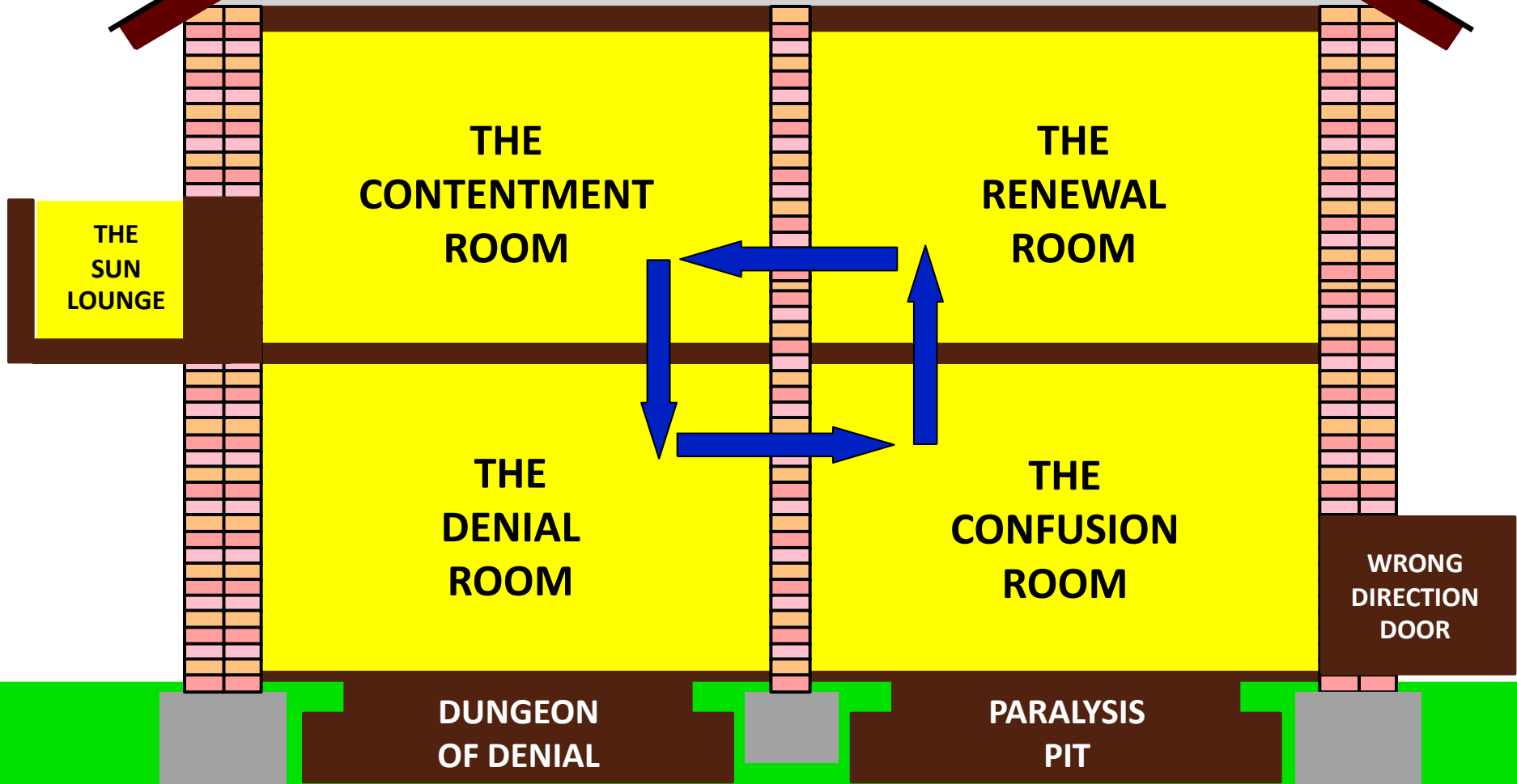
- ◆ We practiced without intermission, but everytime we wanted to form a group, we found ourselves being separated
- ◆ Later I learnt that it lies within our very nature to turn things upside down when confronted with new situations
- ◆ What a wonderful way to deceive progress, whilst one only ends up producing confusion, inefficiency and frustration

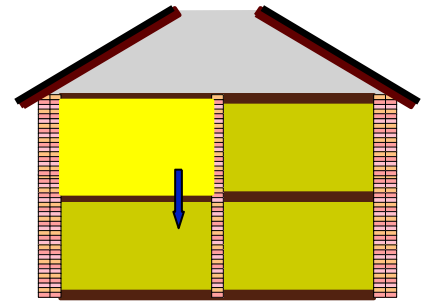
(Source: Petronius Arbiter, Satyricon 1. Jahrhundert n.Chr. )

# CHANGE LEADERSHIP: Fun and Frustration



# THE CHANGE HOUSE



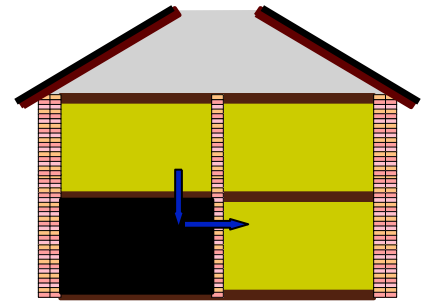


### What we say ....

- ✓ *we're the market leaders*
- ✓ *if it isn't broken, don't fix it*
- ✓ *not invented here*
- ✓ *management has decided*
- ✓ *we know our customers*
- ✓ *we have a great track record*
- ✓ *we're the most profitable*
- ✓ *let's decide later*
- ✓ *we achieve our budgets*
- ✓ *we're the best*

### How we act

- \* **ignore the outside world**
- \* **bureaucratic**
- \* **arrogant**
- \* **uninformed about competitors**
- \* **don't listen to staff**
- \* **Head Office focus**
- \* **publish the company history**
- \* **no sense of urgency**
- \* **focus on day-to-day details**
- \* **automatic salary increases**



### What we say ....

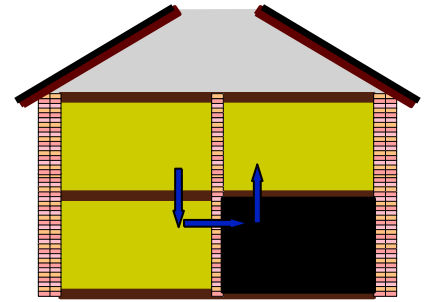
- ✓ *it's an industry trend*
- ✓ *what problem?*
- ✓ *not my problem*
- ✓ *Corporate doesn't understand*
- ✓ *my staff are no good*
- ✓ *competitors are worse*
- ✓ *we've always done it this way*
- ✓ *our business is different*
- ✓ *if adjusted for ... it's OK*
- ✓ *it's our customers' fault*
- ✓ *it's a short-term issue*

### How we act

- \* defend the past
- \* defend the present
- \* aggressive
- \* protect the guilty
- \* maintain taboos
- \* kill the messenger...
- \* ... but miss the message
- \* blame everybody else
- \* don't listen to staff
- \* tell stories about past glories
- \* massage the figures



## SIGNS OF CONFUSION

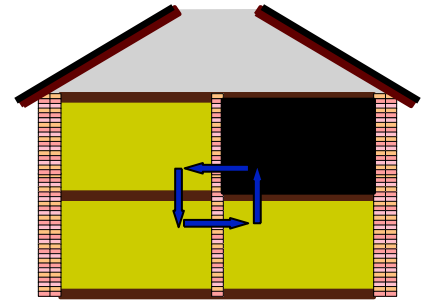


### What we say ....

- ✓ *how did we get into this mess?*
- ✓ *let's hire some consultant*
- ✓ *what's happening?*
- ✓ *what have I done wrong?*
- ✓ *I've been saying that for years*
- ✓ *we did that years ago*
- ✓ *it's all my fault*
- ✓ *Help!*

### How we act

- \* **frustration**
- \* **depression**
- \* **anger**
- \* **withdrawal**
- \* **blaming management**
- \* **loss of self-esteem**
- \* **insecurity**
- \* **no sense of direction**
- \* **irrational behaviour**
- \* **set up committees, task forces**
- \* **slow**
- \* **never finish things**



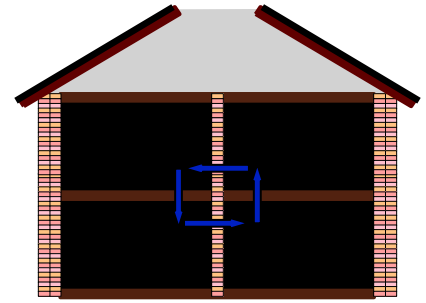
### What we say ....

- ✓ *Let's make it happen*
- ✓ *let's do it together*
- ✓ *let's tell everybody about it*
- ✓ *now I understand it*
- ✓ *it's been tough, but we did it*
- ✓ *we're stronger now*
- ✓ *I don't really miss it now*
- ✓ *it's better than I expected*
- ✓ *we have to trust each other*
- ✓ *we could be better*
- ✓ *let's beat the challenge*

### How we act

- \* **accept responsibility**
- \* **renewed energy, enthusiasm**
- \* **communicate**
- \* **listen**
- \* **learn**
- \* **trust**
- \* **delegate**
- \* **independent**
- \* **accept risk**
- \* **flexible, creative**
- \* **continuously improve**
- \* **set new targets**

## USING THE CHANGE HOUSE



**What can you do to help people move out of .....?  
- Consider 3 headings**

**What you might achieve:**

- that people start to ....

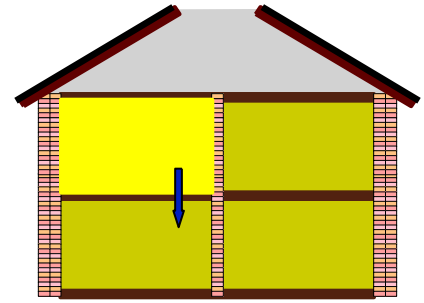
**What you should NOT expect yet:**

- that.....

**Possible actions:**

- 
- 
- 
- 
-

## MOVING OUT OF CONTENTMENT



### What you might achieve:

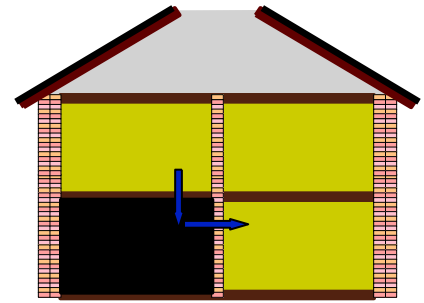
people start to think about the change

### What you should NOT expect yet

people accept that things need to change

### Possible actions:

- shock people out of complacency
- benchmark with best practice
- break up teams, move people
- define performance indicators
- give feedback about performance
- customer satisfaction surveys
- challenge assumptions
- get people to visit other organisations



### What you might achieve:

people accept that something needs to be done

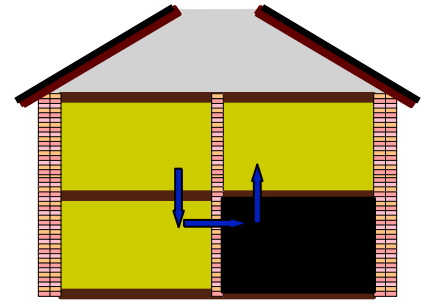
### What you should NOT expect yet:

- they will see the way forward as clearly as you
- they understand what has to be done, and their role in it

### Possible actions:

- continue to benchmark
- communicate the results to everybody
- explain the “big picture” (purpose, benefits of change)
- show respect for the past: avoid blame
- don't offer detailed solutions yet
- look for small, early successes
- give people time and space
- encourage positive health habits

## MOVING OUT OF CONFUSION



### What you might achieve:

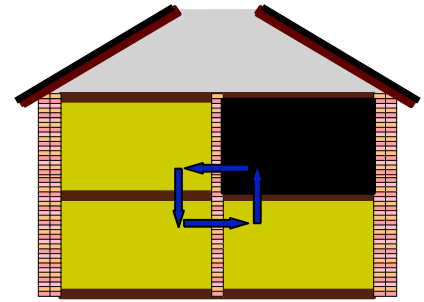
- people understand what needs to be done,
- accept their roles & responsibilities in it

### What you should NOT expect yet:

people stop talking about “the good old days”  
they don’t slip back sometimes

### Possible actions:

- provide vision and overall direction . . .
- . . . but allow people to influence how to get there
- give a sense of ownership by allowing contributions
- encourage open expression of feelings, positive and negative
- emphasise what is not changing
- focus on concrete, achievable first steps
- give fast feedback about results
- reward desired new behaviours
- ensure systems and processes support the new approach
- improve the working environment
- encourage experiments



### What you might achieve:

- people understand that Change is never-ending
- they are energised for continuous improvement

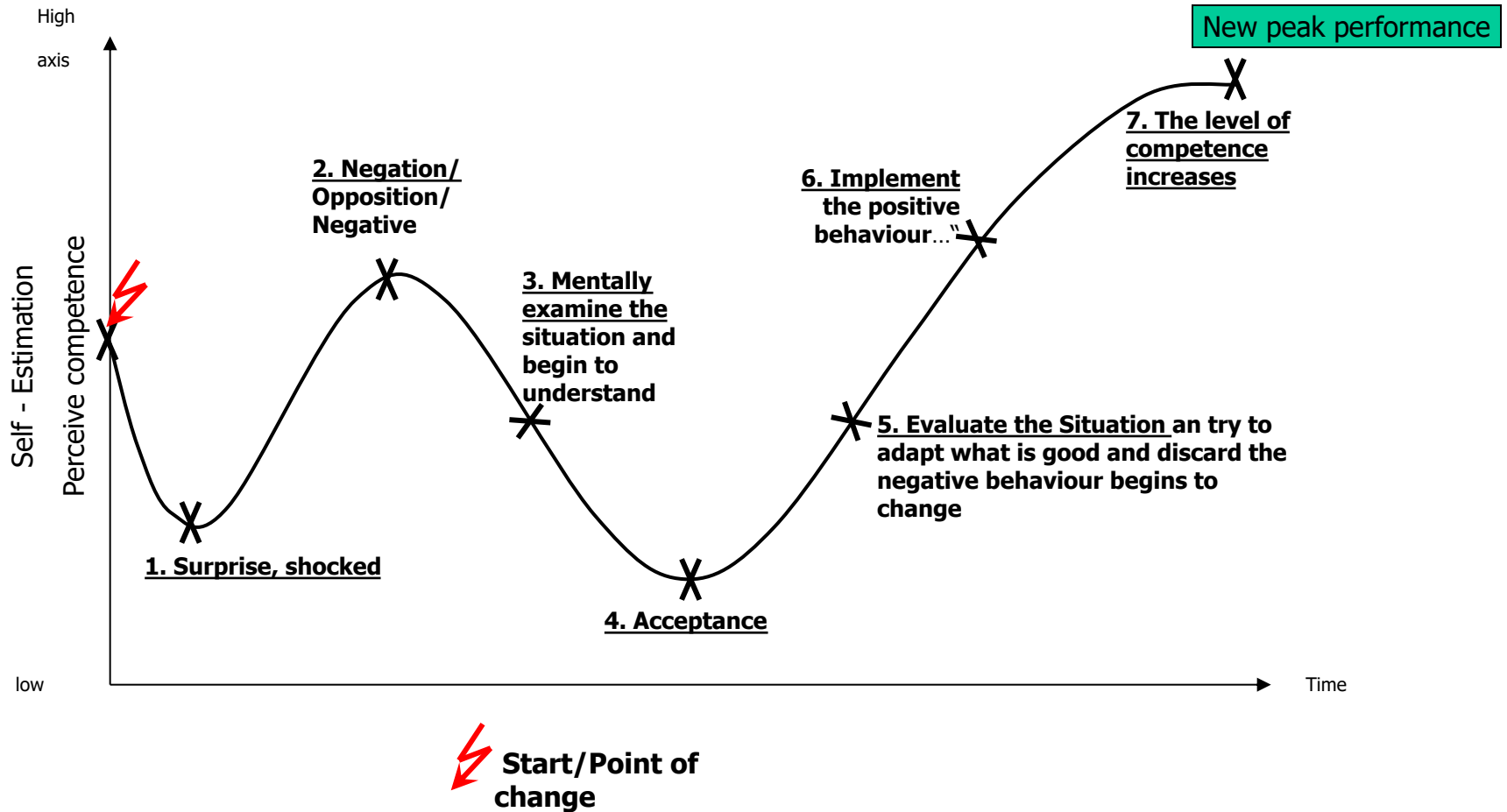
### What you should NOT expect:

- nobody will ever slip back into *Confusion*
- nobody will ever slip forwards into *Contentment*

### Possible actions:





- constantly “raise the bar”: increased targets
- keep providing benchmarks, surveys, feedback
- celebrate successes
- bring in outsiders
- use 360° feedback continuously
- encourage learning & self-development
- don’t punish unsuccessful experiments
- be alert for “Unconscious Incompetence”
- job rotation

# Change curve graph from the perspective of the people who have to change himself





# Knowledge acceptance

-  1. **I know everything ( academically I'm prepared ) but I know nothing ( in reality I still have a lot to learn )**
-  2. **The realisation of knowing nothing ( entering the work force realising that things are different to what we learned in school )**
-  3. **Training process ( you develop skills you lack )**
-  4. **Unconscious knowledge ( you do it without thinking )**

# The meaning of Non-Change

- ◆ Non change can provide a sense of security, especially in a society that is so much on the move
- ◆ Speculative change can be superficial
- ◆ Impalpable change can be very effective.

## Planable?

- ◆ Change is not always planable
- ◆ Change often takes place in a time other than the one planned.

## Current situation

- ◆ One must first understand the sense of use of the current situation
- ◆ People often try to maintain a certain form of stability through adaptation of the situation

## Dealing with Non change

- ◆ Acceptance of Non change
- ◆ Gardener Strategy ????
- ◆ Understand the threats that arise through change – teething problems help create a sense of maturity
- ◆ Discuss risks and side effects of change
- ◆ Check, what I really want
- ◆ How to judge change?

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