

Working with Change Management in the Global Environment

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Abstract: Change management programme will pilot a company safely through such a project by dealing with the people side of Change project. This includes getting involvement, engagement and a willingness to embrace the change. This is achieved through activities such as communicating the change, managing emotions and involving employees where and whenever possible. Most managers underestimate how hard it is to be for employees to make even small changes to work habits. As a consequence they often lack patience, which sometimes results in resistance and possibly conflicts. In this period of increasing competition every manager must focus on optimizing the instruments of change management. The paper identifies instruments and procedures which help to optimize the choice, combination and connection of elements of these instruments in relation with tactic and strategic development of companies.

Keywords: Globalization, Change Management, People

1. Introduction

Organisations go through more changes more rapidly today than they did 20 years ago. Competition in global markets means that the life expectancy for strategies, new products, processes and organisational structures gets shorter and shorter. This in turn increases the pressure for innovation and technological changes. The demand for organisations to change is therefore ever increasing. While many people adapt well to change, research shows consistently that organisations most often experience significant problems during change. Change projects often affect important psychological emotions in individuals in a negative way. These include anxiety, frustration, resistance, motivation, sense of well-being, and loyalty towards the organisation. These emotional reactions affect their ability and desire to change as well as affecting productivity and the success of the project. This Paper gives an overview of the definition of both terms and the development of the branches of trades dealing with that, to show the particularly change of focus and to combine these two terms in a next step. Furthermore, beside the topics change management and corporate culture it is for managers also essential to deal with long-term instruments coming from the macro-economy.

2. Definition & Terms

The term Change Management has been taken from the English language and is described differently in the German management literature, for example: change management (“Veränderungsmanagement”) (virtually literal translation) or transformation management (“Transformationsmanagement”), but also such as organizational development or crises management [1]. For the present article the term Change Management will be translated and used hereafter as change management (“Veränderungsmanagement”). Change Management is a meta-term that subsumes individual concepts, which indeed can complement or contradict each other [2].

There are a huge number of different definitions of corporate culture in specialized literature. While science cannot agree on universal formulations, the subsequent overview assesses that the different definitions basically have the same message. In the following, corporate culture should therefore be understood as the public negotiated and predominantly shared value-, norm- and meaning-structure which materially expresses itself in a firm-specific symbolic world and influences the actions and interactions of the company members significantly.

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Corporate culture is to be understood as the sum of all values, norms and settings, which the company members developed knowing or not knowingly over time, to achieve the cooperation, the cohesion and the purpose of the company [3].

You can define corporate culture as the entirety of all norms and values, which make up the spirit and the personality of the company. Corporate culture (synonymous: "Corporate Behaviour") designates the interaction of norms, attitudes and paradigms, which the members share and therefore shape the coexistence in the company. Through this culture the Corporate Identity and the Corporate Design of the enterprise is shaped." Swiss Banking Institute - university of Zurich: "The entirety of norms, moral values and attitudes, which shape the behaviour of all employees and therefore the appearance of a company." The work in hand uses the definition of Doppler / Lauterburg.

3. Policies and instruments

In Business economics, a slow paradigm change took place in the 20th century over decades. Science attained from the perception at the beginning of the 50's, the company as an organization is a rigid figure, whose functionality and features – even based on the prevalent strongly oriented management culture- are given and therefore immutable, through to new approaches at the beginning of the 70's, which put the human being in the center of organization and therefore suddenly showed potential for influencing and for changes. From then on the science of the theory about group dynamics (team management and development) developed in the early 80's right up to what it is designated today: organizational development. There was a clear separation between structural changes and approaches to impact on teamwork and structure and hence to achieve changes in the organization.

There are three segments to consider for the excitation of processes of change which make up the organization and shape its character [4]:

- strategy (direction, corporate objectives)
- structure (sequences and organizational structure, processes)
- culture (inclusion of people, type of staff)

Processes of change admittedly strive for the organization as a unit, but they normally are transacting to one of the above mentioned segments. These three segments are also called interdependence of business dimensions and are illustrated in the shape of a triangle [5]. To bring off changes effectively and to control the necessary processes, the following aspects should be considered:

- objective aspect
- process-aspect
- temporal aspect
- personal / psychological aspect

4. Change management and corporate culture

The work at hand should especially illuminate the management of changes of the corporate culture, scientifically precipitated reorientation for new norms and values which are valid within an organization and therefore characterising these. You therefore need to clear up the question if the change management is also applicable for the corporate culture generally at first, and in what way the corporate culture can be influenced and controlled knowingly.

The overview below gives possible instruments that can be used to control the change in the organization. They assumed that the process of change will be managed as a project. The definition for 'project' according to Jenny is: "Projects are in itself differentiated, complex and / or complicated assignments, its fulfilment requires an organization that uses a project method for the implementation of activity, so that all accruing acts can be planned, controlled, accomplished and controlled. Each project always has a defined start- and a defined closing date. The project works are therefore terminable towards the environment. So it includes a limited time factor. Process of change however, are processes and should be designed constantly and adapted to circumstances and be therefore flexible. This seems contradictory to the definition of the term project.

Benchmarking: It is about a constant, systematic process of comparison of work processes. Benchmarking can be both carried out with departments within an organization and other companies. Put simply, to learn from the best. It requires a detailed analysis or an existing conscience for the own weaknesses, combined with the knowledge to find the so called best practices for a successful usage of benchmarking.

Strategy development: The business strategy is the most important direction for the company and goals are depended on it. All major changes have to be considered in the strategy, because in the end they are also depended from it. Consultants often advise companies to start the process of change via strategy- development process. To the development of a strategy the management of a company normally employs a checklist which contains the central question. It deals with vision and model, core business, the business environment, own strengths and weaknesses, future goals and markets.

SWOT: Strengths and weaknesses of organizations are evaluated and considered in the context when dealing with SWOT analysis. It can therefore be drawn conclusions for the necessary change measures especially on the long-term.

Organizational diagnosis: The organizational diagnosis focuses less on a collection of number-oriented facts than on the inquiry of an organizations' picture through staff and management surveys. The diagnosis often carries out in accordance with a theory, for example behavioural roles can be analysed and conclusions can be drawn for the future development.

Intervention design: The intervention design demonstrates how and from whom changes can be planned and implemented. It is the actual designing of change processes which determine target groups, procedures and players. The intervention design allows the targeted controlling of processes of change, covering the information requirements of affected persons, creating a good basis, overcoming resistance, or even preventing them, through the satisfaction of the principle: "turning passive participants into active participants".

Network of bodies: The network of bodies contains the configuration of various bodies which get a chance in the process of change but it is not about their education but about setting the competences in which the various bodies are provided. In particular, the decision maker is specified as well as the distribution of information to the right addressee.

Communication matrix: The communication matrix specifies who, when, from whom und about what is it informed. It further defines, in which form this information has to be. It is planning principle for domestic communication. Communication is a main task within the scope of change processes. It may cause substantial resistance against the process of change if the meaning of single interest groups are underrated or ignored.

TCP-Matrix: stands for technology, culture and politics, also called change-key-points. The TCP matrix has these important key points combined with strategy, organization, processes, structures and the human resources management. The TCP matrix presents its main spheres of activity and the main tools of the management in a 3x3 matrix). In the course of it three steps are taken: create willingness for changes, develop visions and to rope and enthuse employees for it, re-architecture.

Project management: offers good method properties for change processes und it is helpful, because it defines schedules, bodies, allocation of tasks and decision points. By integrating the staff of various fields, as it is often the case in project organizations, a huge incorporation is granted.

Employee survey: often applies at organizational developments and change projects as an instrument, the active participation (turning passive participants into active participants) and therefore integration is optimal fulfilled. At the same time this instrument offers a certain amount of risk, because surveys provide data on one the hand, but on the other hand they induce expectations. This has to be considered at planning further steps especially for the definition of the communication matrix.

5. General principles of corporate culture (care)

The cornerstone for corporate culture is laid at the day of foundation. You often find the prevailing opinion within the entrepreneurial spirit of cultural awareness of employees a long time. Norms and values, which are prevailing in the company, often address the personal principles of the company founder in this phase. The corporate culture normally comes to expansion in the differentiation phase. The attitude in the initial period, which was characterized by risks and guidelines and rules had not been defined yet, vanishes for an increasing standardization and definition. It often comes to a first written determination of norms and values which should be valid for the company. The organizations' wealth of experience as a shape of departments and processes is also growing in this phase and therefore a non-material and material cultural asset, which does not exist detached to the company anymore but with it and through it. Corporate history is developing and with it its basis for the way how the same organization is going to render decisions and which norms and values are going to characterize this world later. The organization is often confronted with a modified environment in the integration phase. These changes can for example be caused by the growth of

the Company (development phase) or the reason is a changed competition situation. The prevailing culture, which has been established in the company meanwhile, possibly cannot meet these changed conditions anymore and the consequence is a crisis and with it consolidation and reorientation. The culture itself will always live through development- and maturity phases and will always be realigning and changing every time a crisis arises. So the corporate culture is vivid and no rigid shape, which is defined on paper at the day of foundation and will be lived and cared over decades. Especially the growth phases of the company and changes in the market and in the competition are affecting the prevailing culture.

In the end corporate culture is what is seen as “self-evidently” and “given” within an organization. This brings back the question in what way the corporate culture can be changed, because the human being is inclined to hold onto everything that is self-evidently and given. If you set out from the above formulated principles, the corporate culture is facing changes itself throughout the development of the organization; it even completes several stages of development itself. So the question arises, in what way this development can be influenced or controlled. The assumption that corporate culture really is controllable is also supported by the theory of the three segments, which organizations arrange.

6. Changeability and influence on corporate culture

“Consultants” perspective: The culture of a company is generally not modifiable or adaptable based on Deal / Kenny. There must be certain conditions to smooth the way. For instance a collective conscience to transform existing problems and deficiencies with the advantage in psychological stress belong to these conditions, so that the organization is striving for a change themselves. So the surroundings and the competitive constrain are important indicators, whether the existing corporate culture can be influenced within a reasonable way, that the changing measures are coming to fruition. On top of that the discernment has to be in the peoples’ heads, so that the change is essential. In addition to Deal / Kennedy, the changeability of the corporate culture is not least based on the ruling cultures itself. According to this theory the actual process of change is not released on D-Day, but is achieved through the changed conditions in the surroundings and the therefore developing pressure and stress to the change. This approach is to be evaluated critical in so far, that Deal / Kennedy conclude this statement based on their own practice experiences as consultants and not on the discernments, which they, for example, won as owner of a position in the management in a company. The perspective of consultants is different from the CEO for instance. Consultants are often brought in from companies, when there is a crisis, or when the organization and their leaders cannot find the way themselves or if they have a lack of power or independence to make the right decisions. It is not hard to understand that a consultant has to come to the conclusion that the processes of change of an organization cannot be forced, but can be executed under the appropriate (cf. first and second paragraph of this chapter) conditions at least.

“Science” perspective: According to Niels Jacobsen [6] the question of corporate cultures’ controllability is a controversial point among scientists who are dealing with that. Most of the represented theories come down to defining exactly what “influence” actually is and then to delimitate the possibilities for influencing. Jacobsens’ statement agrees on those of Deal / Kennedy (cf. foregoing paragraph), so that you cannot create a new culture on the drawing board overnight for an organization, with the expectation, that this proposal can be really put into practice. Corporate cultures are not manipulable or predictable. The discussion among scientists is also about the possibility to run a “change management” in reality with the conditions which Deal / Kennedy.

Jacobsen concludes, that in most of the companies the process of change is influence able only, if the willingness is fixed in the heads of as much participants as possible. One single changing manager can create concepts which are to be implemented but are finally falling because of the willingness of one single employee to accept and to live these proposals. Even leaders can only stake out the framework since the corporate cultural development is an open and partly a self-perpetuating process in the end. The result is that a corporate culture always stays an evolving product of independent acting and interacting individuals and employees, respectively [7]. Even this approach comes down to the fact that the changeability of the corporate culture is grounded in the ruling culture.

Just because of the statement that independent acting staff can implement the designed concepts, allows the conclusion that an organization with strict hierarchical leadership and less independence of staff have to expect problems with the implementation of changing measures, which involve the corporate culture.

7. Conclusions and Recommendations

Corporate culture has to be solid as well as flexible. I consider the corporate culture as a “eyeglasses of senses” through which the members of the organization notice their surroundings. Since in a lived corporate culture all members are wearing the same glasses, it forms a common picture and therefore a collective cognition of prevailing conditions. So the common values form a solid basis and partly immunity against corrections of the same. As apart from that the employees do not spend their entire time into the organization and the prevailed views in there, they are also open for other perspectives and therefore open for changes of the corporate culture as they know them. The fitting point of time to find reflection and change of a corporate culture depends on the required necessity of a change. The progressive checking and care of the corporate culture, which is publicized in many management- and leader guidebooks, are rare to find in the real world of everyday business [8].

In practice you often find pseudo-activities in this field. Culture concepts are worked on eagerly and that importance is pointed out over and over again but the implementation predominantly comes to nothing and no one actually cares. It's a matter of sedating the critics, by showing that the organization – especially their service – cares about the ruling culture. This approach assumes to a certain part that an independent acting employee, who acts on the based ruling culture in everyday work on the one hand, but on the other hand is independent enough to development his/her own point of view and be therefore open to changes. In conclusion there is no universal template for a Change management programme.

8. References

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