



ILT Hospital Management
Human Resource Management

Leading Change

Prof. Dr. Ingo Fischer

- **Leading Change**
- **Types and Basic Approaches to Change**
 - **Organizational Design**
 - **Organizational Development**
 - **Change Management**
- **Resistance to Change**
- **Concept, Method**

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- Discuss the role of change management for human resources.
- Explain the types of change.
- Describe the elements to change risk assessment.
- Describe the three phases of the change process.
- Identify the major reasons for resisting change.
- Discuss people- and task-oriented techniques for overcoming resistance to change.
- Explain the basic elements of an change management approach.

change leadership

change

Organizational design

Organizational development

Change management

3-stage model

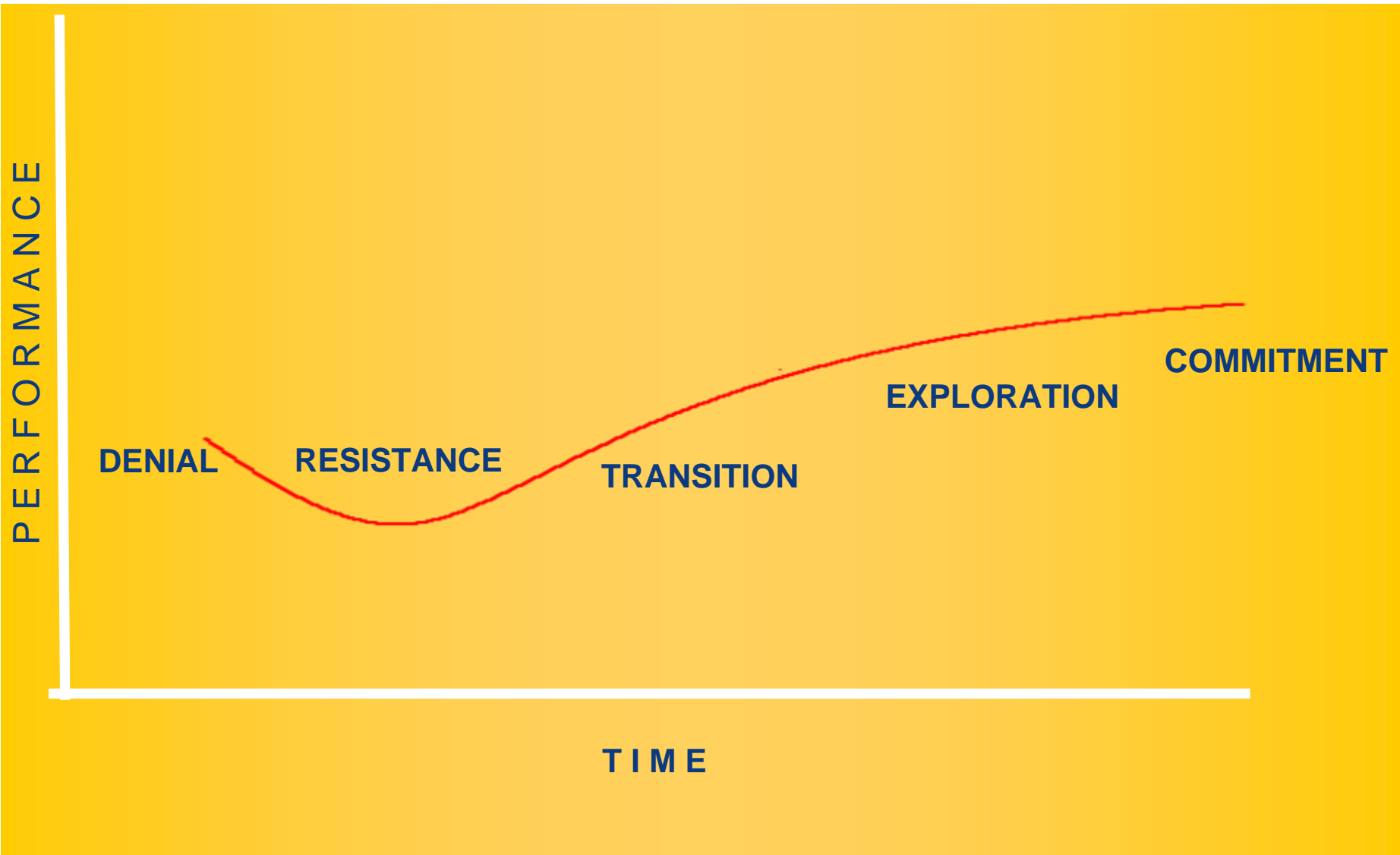
Leading Change

Your Perceptions of Change

- What are your reactions when you hear the word “change”?



Transitions: Change Journey



Imagine this scale as a line in the room



Please, position yourself on the line according to the following questions:

1. Through how many transformation processes have you gone during the last 2 years?
2. On a scale from 1-10, how successful was your last change project? Why?
3. How much are you acting as *Change Agent* in your daily work ?
4. How fit do you feel to fulfill this role ?

Planned or unplanned changes in the structure, processes, strategies, business models, values and behavior of firms and people

- **The environment is changing rapidly**
- **New technology**
- **Global economy**
- **Changing market requirements**
- **Intense domestic and international competition**
- **New opportunities and threats for leadership**

“Change management is a structured approach to transitioning individuals, teams, and organizations from a current state to a desired future state.”*



Transformation is achieved through carefully planning our destination and managing the various steps to the future state

■ **Organizational change**

- **Activities associated with planning, designing, implementing, and internalizing tools, procedures, routines, processes, or systems that will require people to perform their jobs differently**

■ **Organizations spend millions on change efforts**

■ **Organizational change is any transition that requires change in human performance**

Flatter, more agile organizational structures

More empowering, team-oriented cultures

Leaders must lead the responses

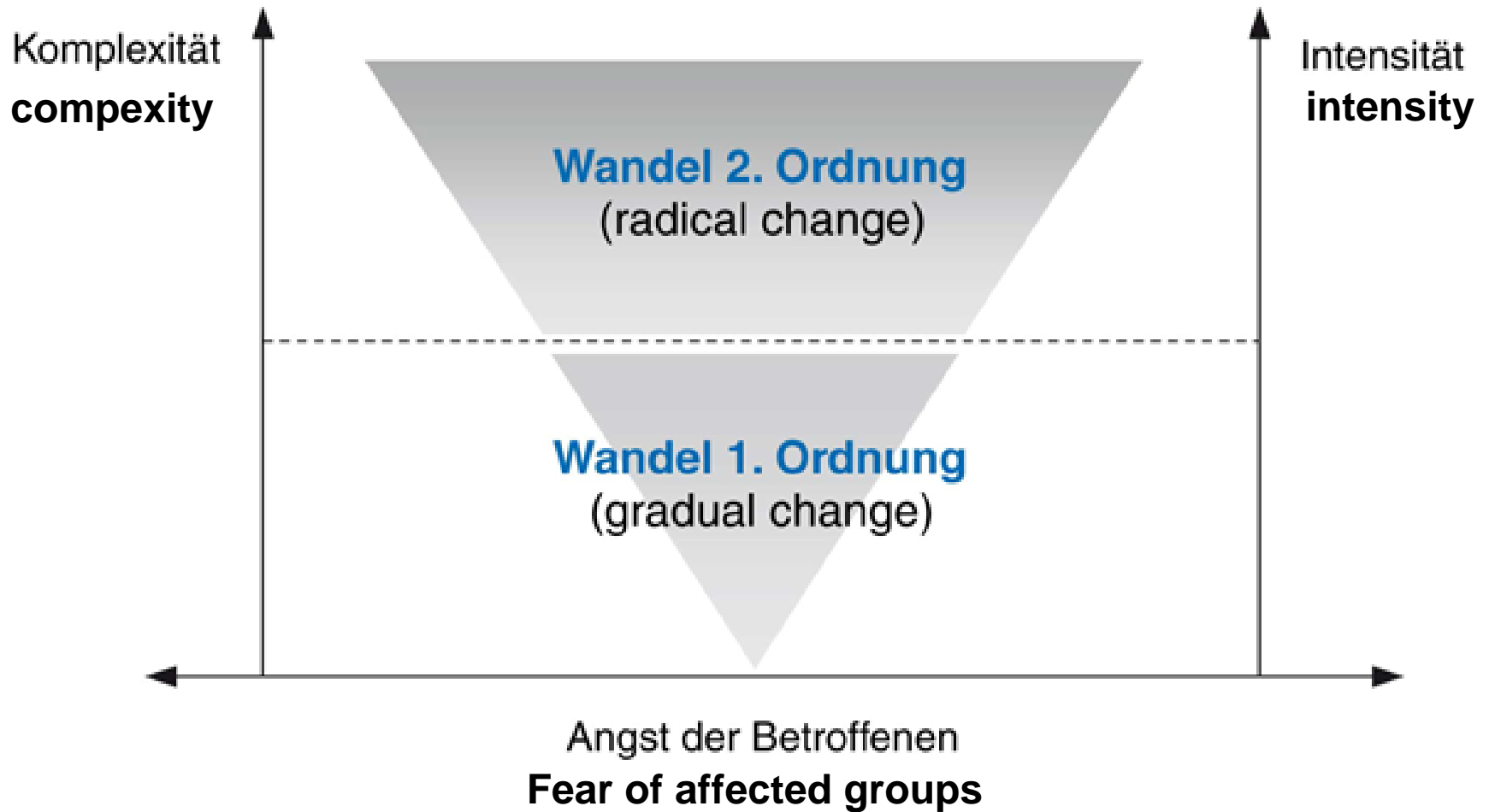
Not every leader can successfully implement change

- **Role of the leader is to facilitate change that results in better performance**

Change-oriented leaders are responding by initiating strategies that match the requirements of the turbulent environments in which organizations exist

Types of Change

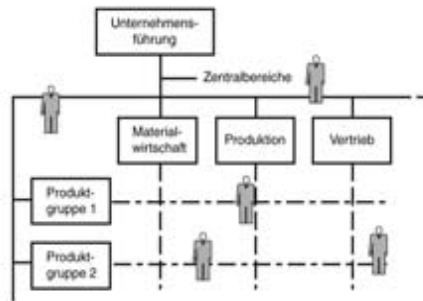
Types of Change



Approaches

Basic Approaches to Change

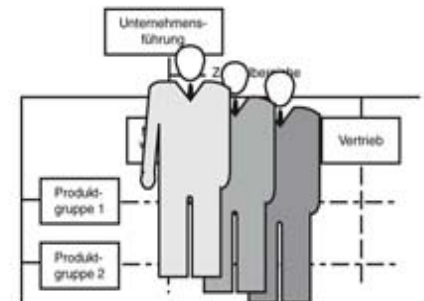
Organizational Design



Hauptziel: Optimierte Strukturen und Prozesse
Im Mittelpunkt: Strategie, Struktur, System
Methode: z.B. Systems-Engineering
Revolutionäres Vorgehen

Technology-oriented approach

Organizational Development



Hauptziel: Positives Organisationsklima
Im Mittelpunkt: Unternehmenskultur
Methode: z.B. Drei-Phasen-Ansatz
Evolutionäres Vorgehen

Behavior-oriented approach

Change Management -
an Integrative Approach

Change Management History

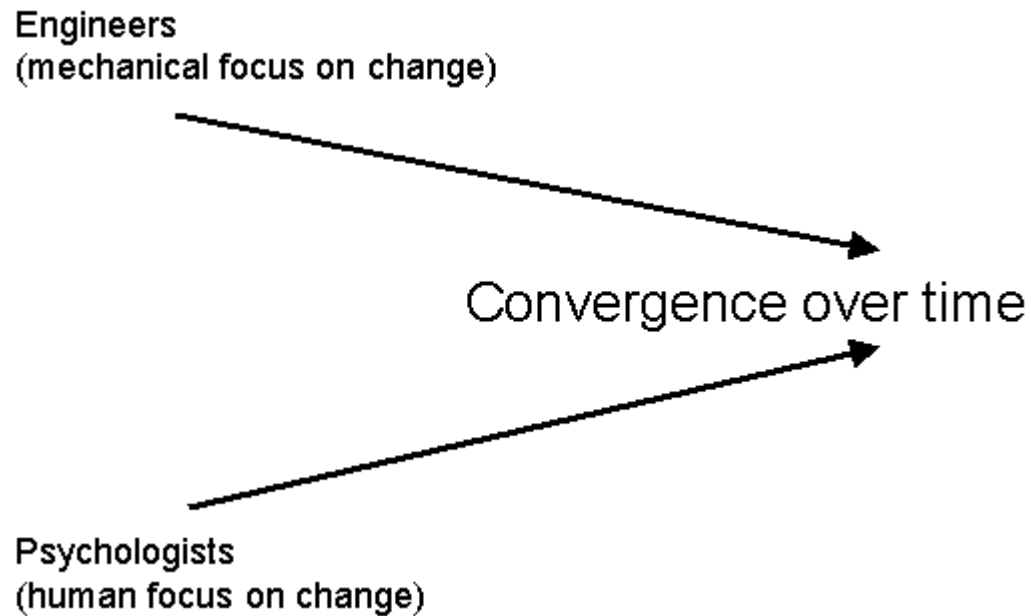
Overview

The field of change management can be confusing and sometimes complicated to research and study, especially for new practitioners. Change management is the application of many different ideas from the engineering, business and psychology fields. As changes in organizations have become more frequent and a necessity for survival, the body of knowledge known as “change management” has also grown to encompass more skills and knowledge from each of these fields of study.

While this may be a good trend overall, the result for many change leaders is growing confusion about what change management really means. To bring this into focus and to make your change management work successful, this tutorial is designed to help explain the history and evolution of change management, and discuss why it is a required competency for today’s business operations.

Source: <http://www.change-management.com/tutorial-definition-history.htm>; retrieved July 6, 2011

Change Management History



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Change Management History

The convergence of two fields of thought

To understand change management as we know it today, you need to consider two converging and predominant fields of thought: an engineer's approach to improving business performance and a psychologist's approach to managing the human-side of change.

First, students of business improvement have been learning and practicing how to make changes to the operations of a business as a mechanical system since Frederick Taylor's work in the late nineteenth century. This mechanical system perspective focuses on observable, measurable business elements that can be changed or improved, including business strategy, processes, systems, organizational structures and job roles.

From this perspective, a business is like a clock where each of the mechanical pieces can be changed or altered to produce a predictable and desirable solution. The change can be gradual as seen in continuous process improvement methods such as TQM, or radical, as advocated in business process reengineering that began with the best selling book, *Reengineering the Corporation* by Michael Hammer in the early 1990's.

Historically companies embracing this mechanical approach to business improvement typically did not embrace change management concepts until their projects encountered resistance or faced serious problems during implementation. Even after this realization, many organizations' approach to change management was ad hoc and lacked a solid framework for actively managing change through the process. The tendency from an engineer's perspective was to isolate this "people" problem and then eliminate it or design a quick fix for this perceived obstacle to their improvement initiative.

The other side of the story begins with psychologists. Concerned with how humans react to their environment, the field of psychology has often focused on how an individual thinks and behaves in a particular situation. Humans are often exposed to change, hence psychologists study how humans react to change. With his 1980 publication of *Transitions*, William Bridges became a predominant thinker in the field of human adaptation to change and his early text is frequently cited in Organization Development books on change management. However, only once or twice in this book does Bridges relate his theory to managing change in the workplace. It was not until later that Bridges began to write a significant body of work related to his theories of change and how they relate to workplace change management.

The net result of this evolution is that two schools of thought have emerged. The table below summarizes the key differences and contrasts the two approaches in terms of focus, business practice, measures of success and perspective on change.

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Change Management History

	Engineer	Psychologist
Focus	Processes, systems, structure	People
Business practices	BPR, TQM, ISO 9000, Quality	Human resources, OD
Starting point	Business issues or opportunities	Personal change, employee resistance (or potential for resistance)
Measure of success	Business performance, financial and statistical metrics	Job satisfaction, turnover, productivity loss
Perspective on change	“Shoot the stragglers, carry the wounded.”	“Help individuals make sense of what the change means to them.”

Change Management History

Observers of business changes in real life have realized that the extreme application of either of these two approaches, in isolation, will be unsuccessful. An exclusively “engineering” approach to business issues or opportunities results in effective solutions that are seldom adequately implemented, while an exclusively “psychologist” approach results in a business receptive to new things without an appreciation or understanding for what must change for the business to succeed.

Not all practitioners have traveled down these two extremes. A few thought leaders in the change management field were advocating a structured change management process early on. Jeanenne LaMarsh was actively using her organizational change model in the 1980's with companies like AT&T Bell Laboratories and later with Ford and Caterpillar. She authored the book *Changing the Way We Change* in 1995 and recently introduced the *Managed Change* process.

In the book *Managing at the Speed of Change*, Daryl Conner begins with a emphasis on understanding the psychology of change and then moves to a structured change process. In the recent publication by Ackerman and Anderson, change management concepts are presented in a combined process with business improvement activities. John Kotter, in *Leading Change*, presents an 8-step model for leading change initiatives.

Contributions from both the engineering and psychology fields are producing a convergence of thought that is crucial for successful design and implementation of business change. In other words, a business must constantly examine its performance, strategy, processes and systems to understand what changes need to be made. Increasing external and internal factors have made this strategy essential for survival. However, an organization must also understand the implications of a new business change on its employees given their culture, values, history and capacity for change. It is the front-line employees that ultimately execute on the new day-to-day activities and make the new processes and systems come to life in the business.

What does this mean for the definition and field of change management? First, that it is important to recognize that both the engineering and psychological aspects must be considered for successful change. Second, that business improvement methodologies must integrate these two disciplines into a comprehensive model for change. Finally, that when you read or study change management literature, be sure to identify how the term *change management* is used so that you can effectively apply that work to your current body of knowledge.

Today, the term “change management” takes on a variety of meanings. The most practical and useful definition is: ***Change management is the process, tools and techniques to manage the people-side of business change to achieve the required business outcome, and to realize that business change effectively within the social infrastructure of the workplace.***

This definition allows practitioners to separate change management as a practice area from business improvement techniques. So whether you are doing Six Sigma, BPR, TQM or some other technique to improve business performance, change management can be viewed as an essential competency to overlay and integrate with these methods.

OD as a concept to change attitudes and behaviors of organization members and their relationships

Origins of OD

Group dynamics

Action research

Basic ideas

Participation of target groups

Start learning processes deliberately

Change-Agents

Internal / external supporters

OD is an effort

(1) planned,

(2) organization-wide, and

(3) managed from the top,

to (4) increase organization effectiveness and health through

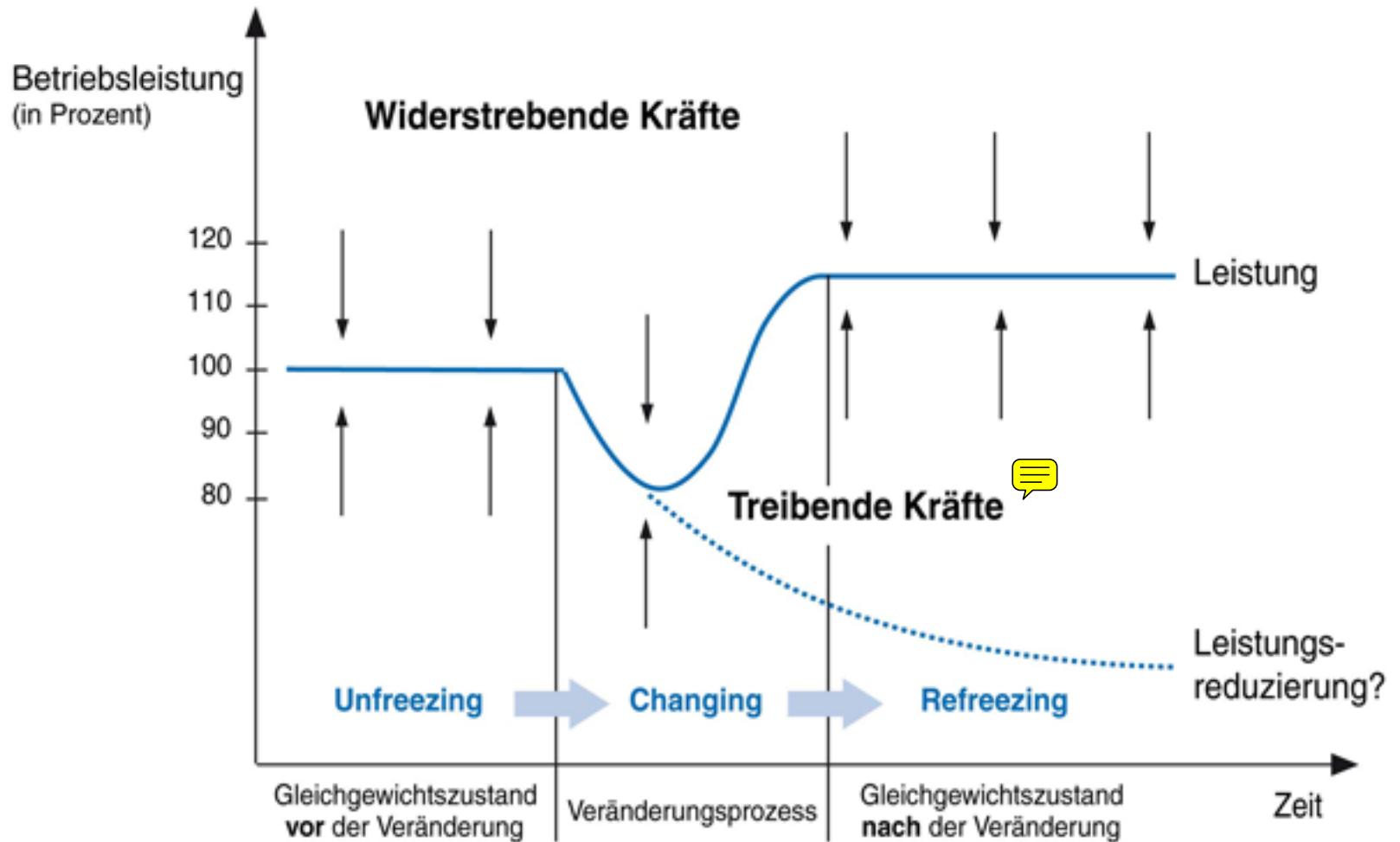
(5) planned interventions in the organization's "processes,"

using behavioral science knowledge.

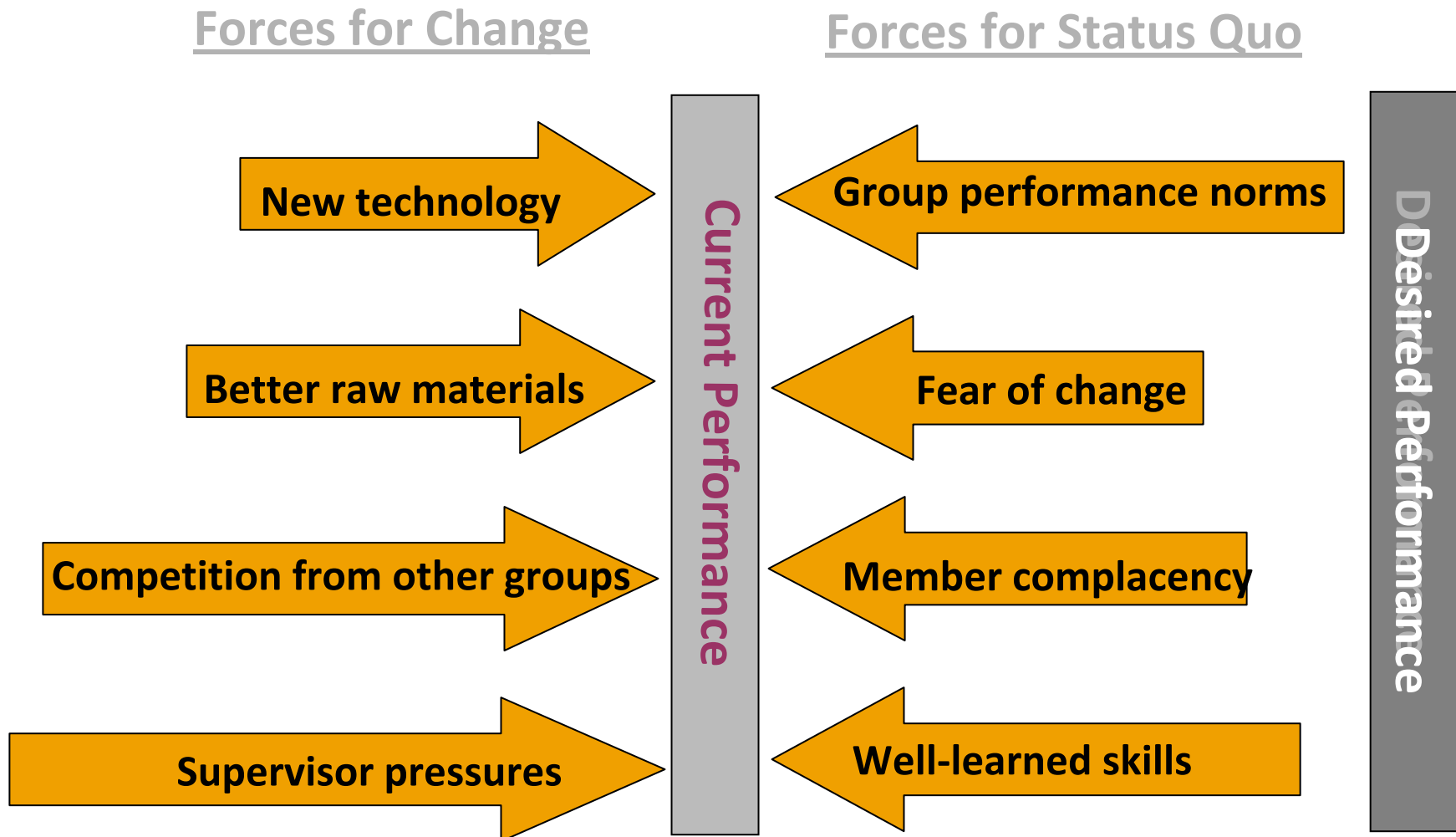
a systemwide application and transfer of behavioral science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organization effectiveness.

Cummings / Worley 2009

Lewins 3 stage model

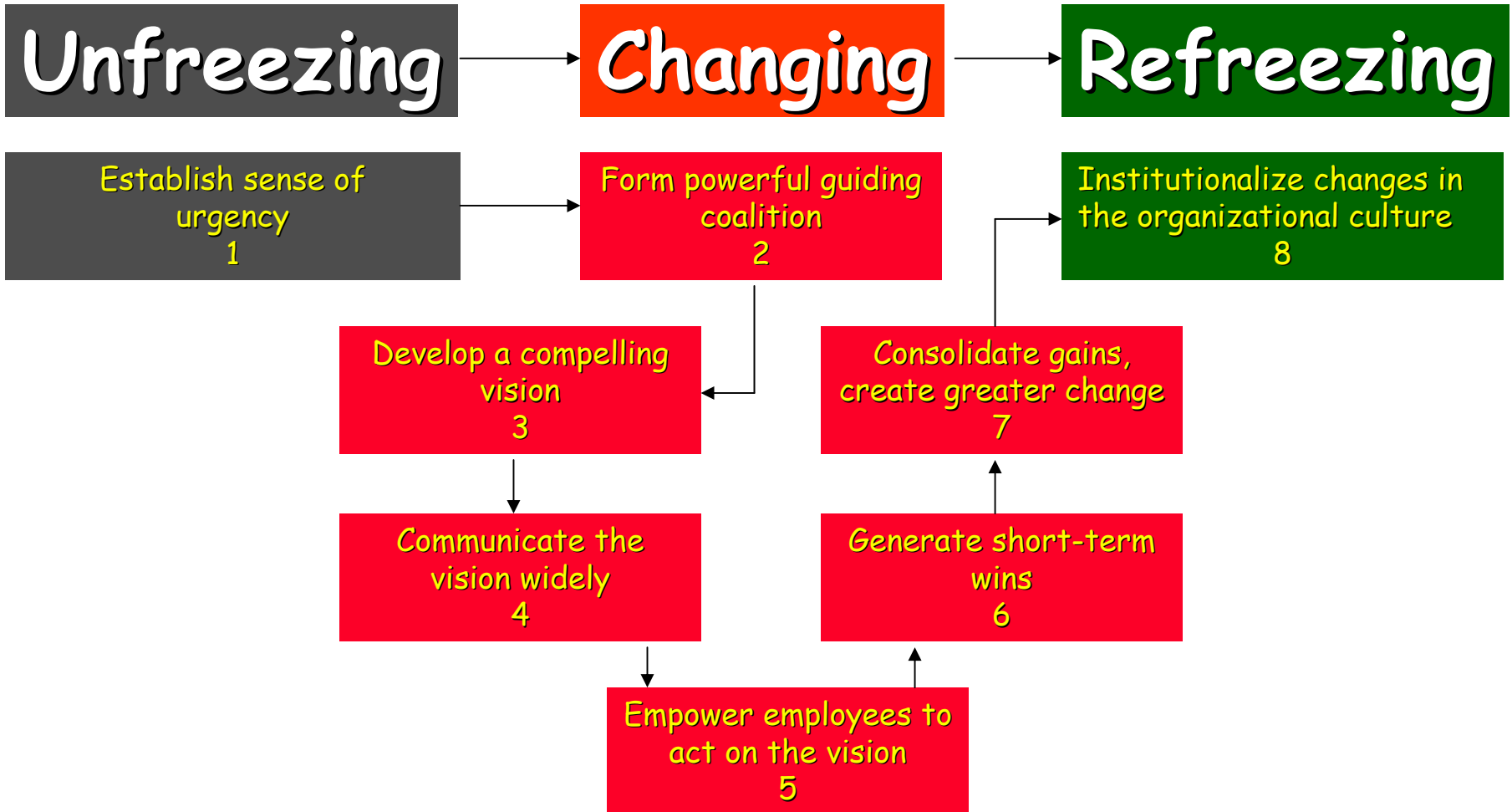


Force-Field Analysis of Work Group Performance



Stages In The Change Process

Comparing the Force-Field to the Eight-Stage Model



People are made aware of need for change by a leader

This is the first stage of the eight-stage model

May be due to a crisis

A crisis may result in survival anxiety

- **The feeling that unless an organization makes a change, it is going to be out of business or fail to achieve some important goals**

Learning anxiety may cause resistance to change

- **Occurs from the prospect of having to learn something new**

Phase where change actually takes place

People look for leadership in finding new ways to do things

Requires a plan of action to be successful

Six phases of the eight-stage model take place during this phase

- Form a powerful guiding coalition
- **Develop a compelling vision**
- **Communicate the vision widely**
- Empower employees to act on the vision
- **Generate short-term wins**
- **Consolidate gains, create greater change**

The change process has been completed

Institutionalize the new approach so that it is part of the organizational culture

This is the last stage of the eight-stage model

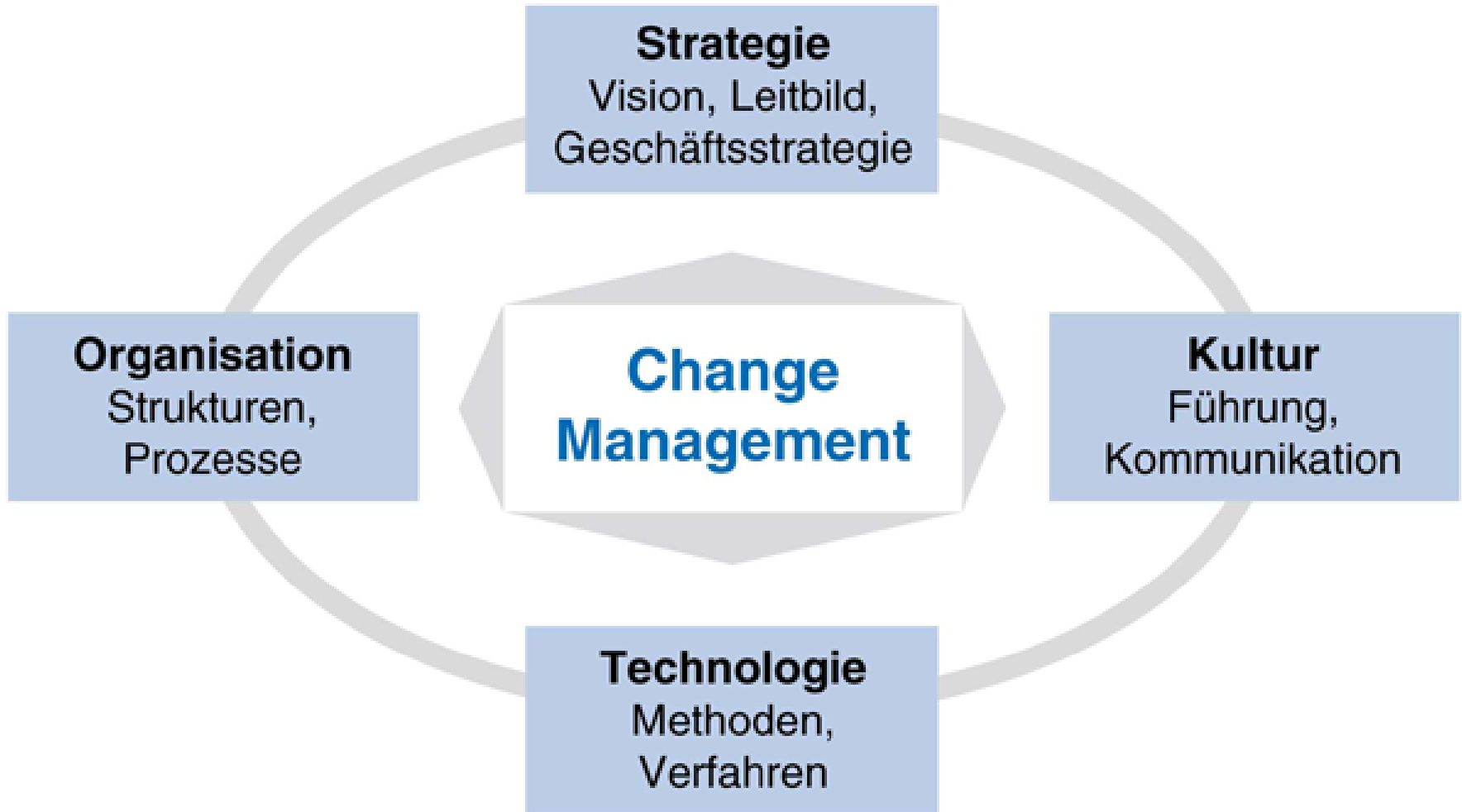
Change Management

“Change management is a structured approach to transitioning individuals, teams, and organizations from a current state to a desired future state.”*

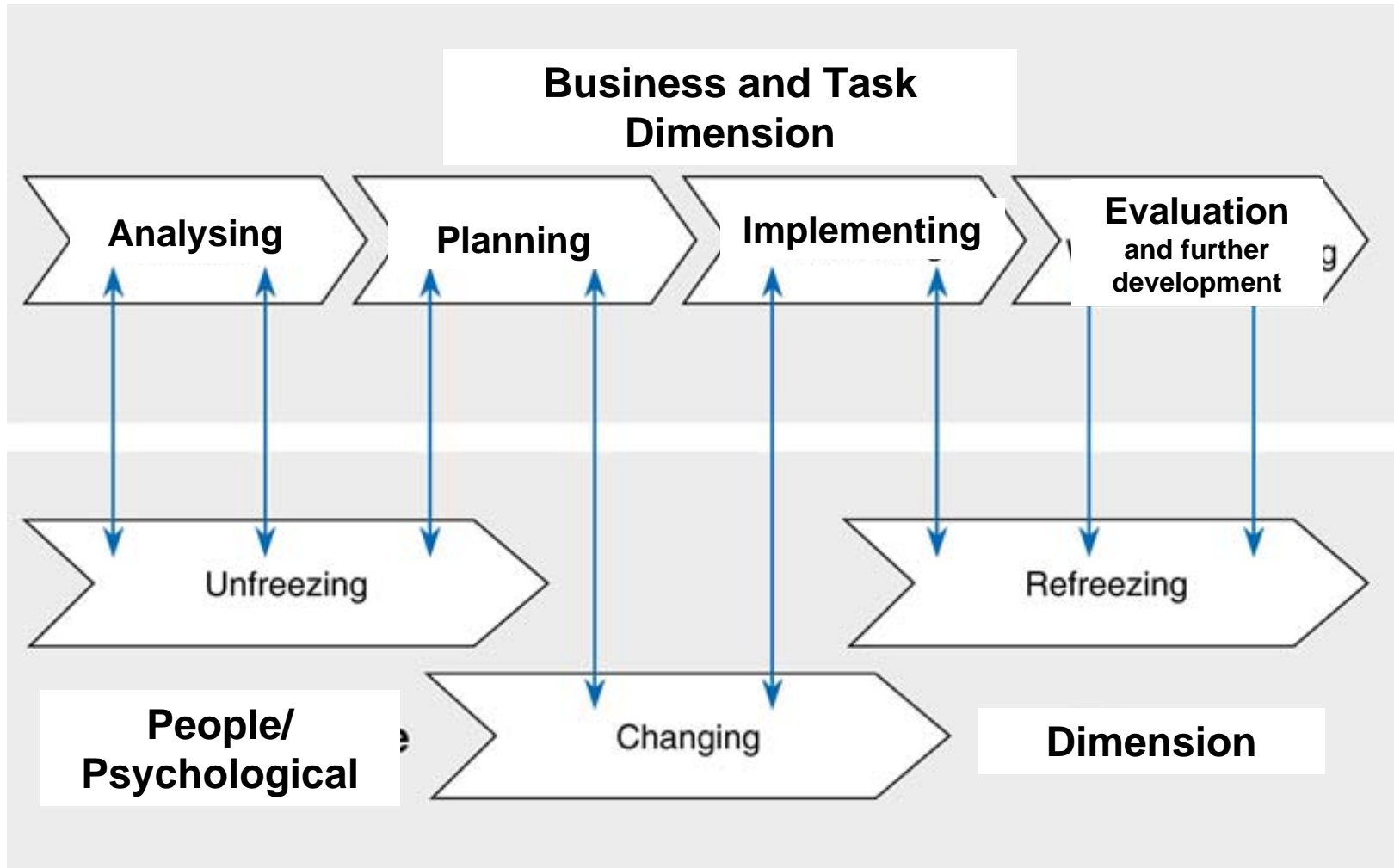
***wikipedia**

It is an organizational process aimed at empowering employees to accept and embrace changes in their current business environment.

Change management is the process, tools and techniques to manage the people-side of business change to achieve the required business outcome, and to realize that business change effectively within the social infrastructure of the workplace.

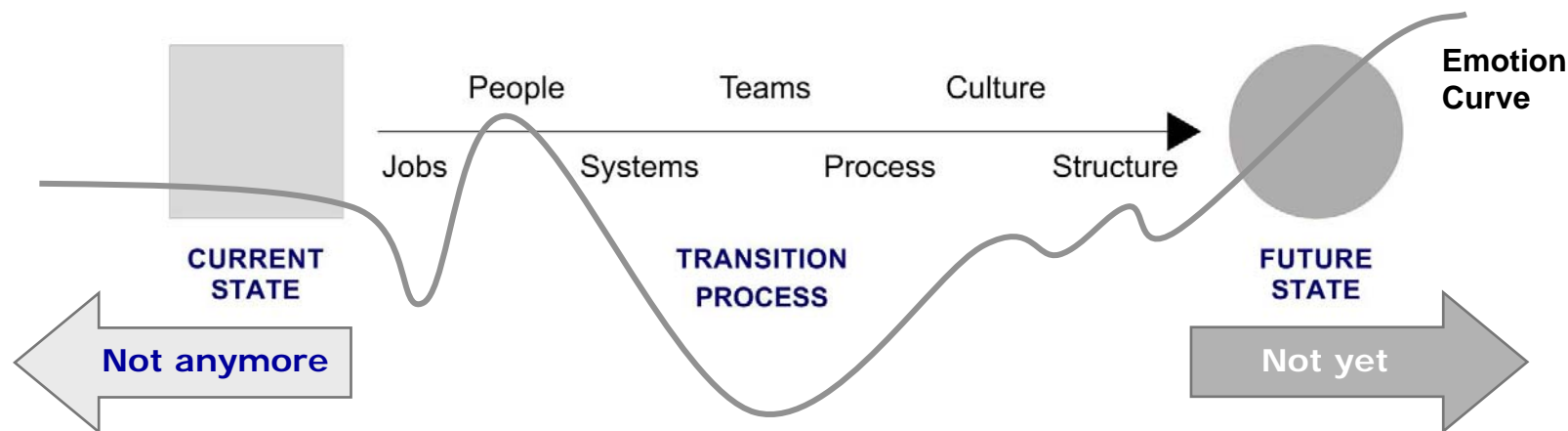


Approach of Change Management



Change Management: Challenges and Opportunities

As its very basis, change involves moving from a current state to a future or desired state. Usually, people go through an emotion curve in this change process. To become successful in their new context, employees' emotions have to be considered and addressed.



- ❑ Leave „comfort zone“
- ❑ „Burning Platform“ → Benefits of change
- ❑ Understand what changes & remains

- ❑ From „Chaos“ (emotional, rational) to „Form“
 - ❑ Support mourning process
 - ❑ Normalize, maturity process takes time, courage, and patience
 - ❑ Set up a „Change Project“

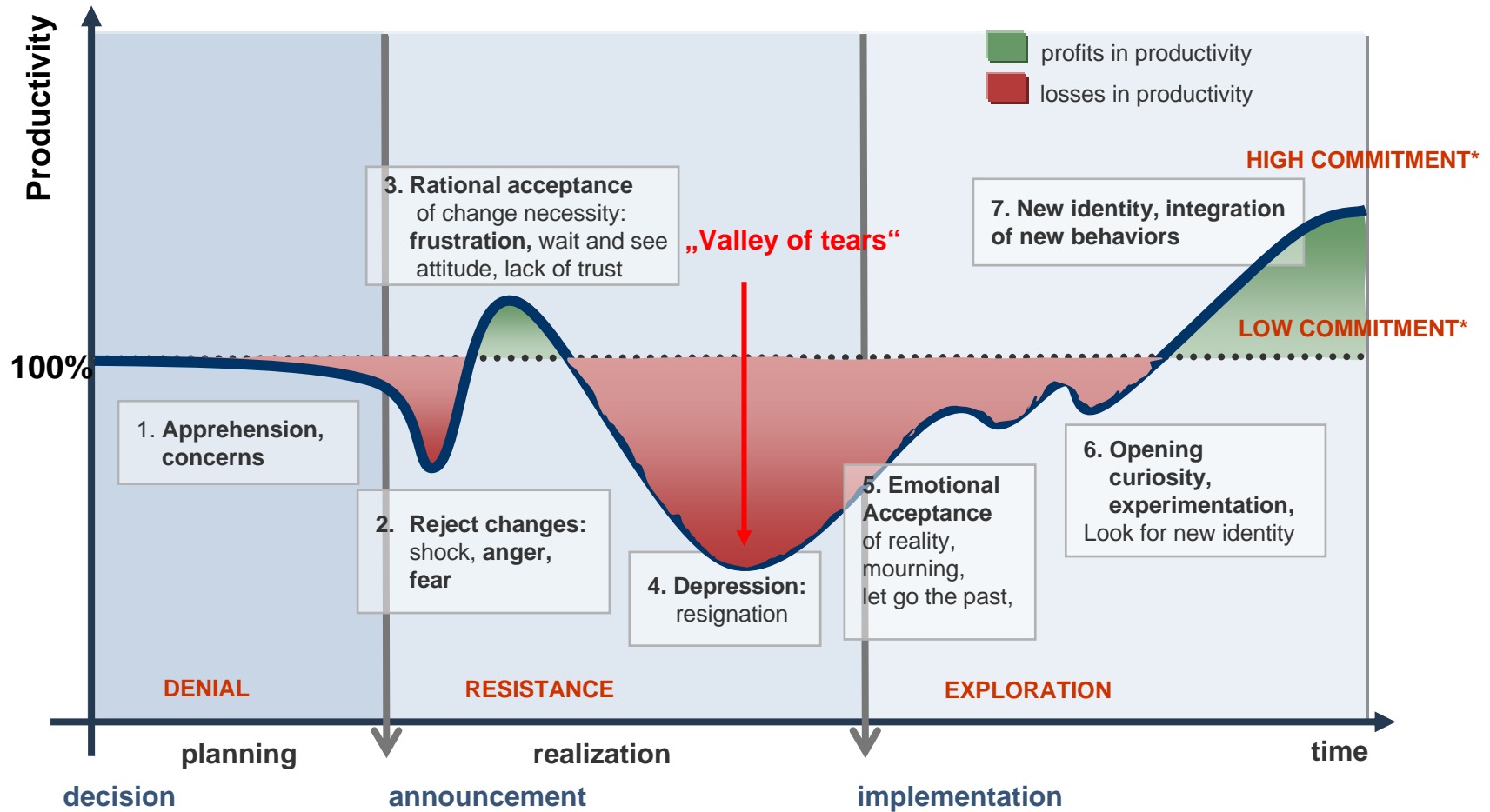
- ❑ Address Fears & show hope and new opportunities
- ❑ Compelling Vision, Goals

Change processes require energy. To cause people to change, emotions must be appealed to. Learning to pro-actively deal with such emotions is a must and also a chance.

Resistance to Change

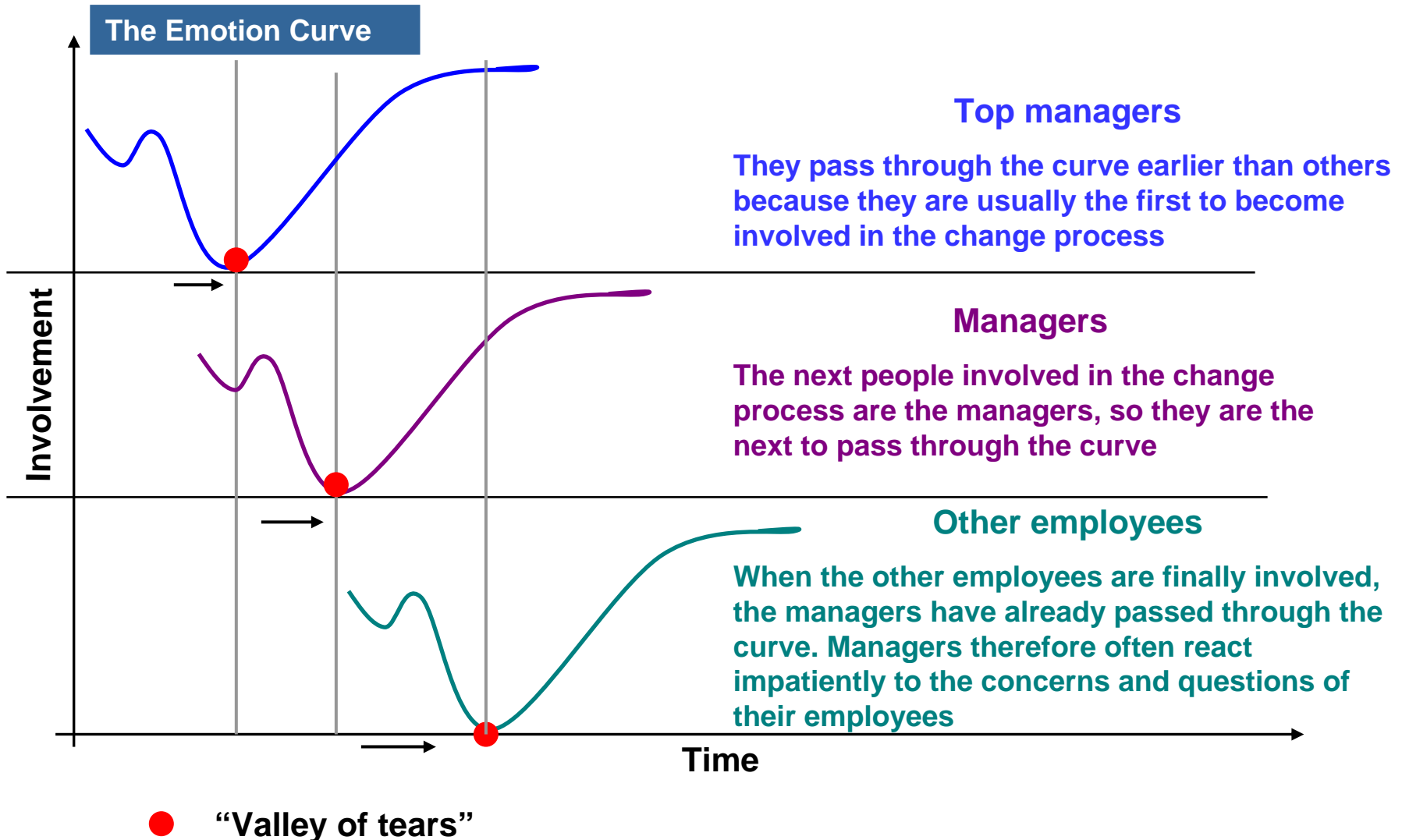
How people typically respond to changes

The Emotion Curve



* Depends whether changes are welcomed or unwelcomed, planned or come as a surprise, familiar or unfamiliar and the extent to which one is personally impacted and involved

Delayed Emotional Reactions in the Change Process



Why Do People Resist Change?

- Learning anxiety
- Threat to self-interest
- **Uncertainty and loss of comfort zone**
- **Lack of faith in the change**
 - That it is necessary
 - That it will succeed



Distrust of leadership

Threat to values

- Personal
- Organizational

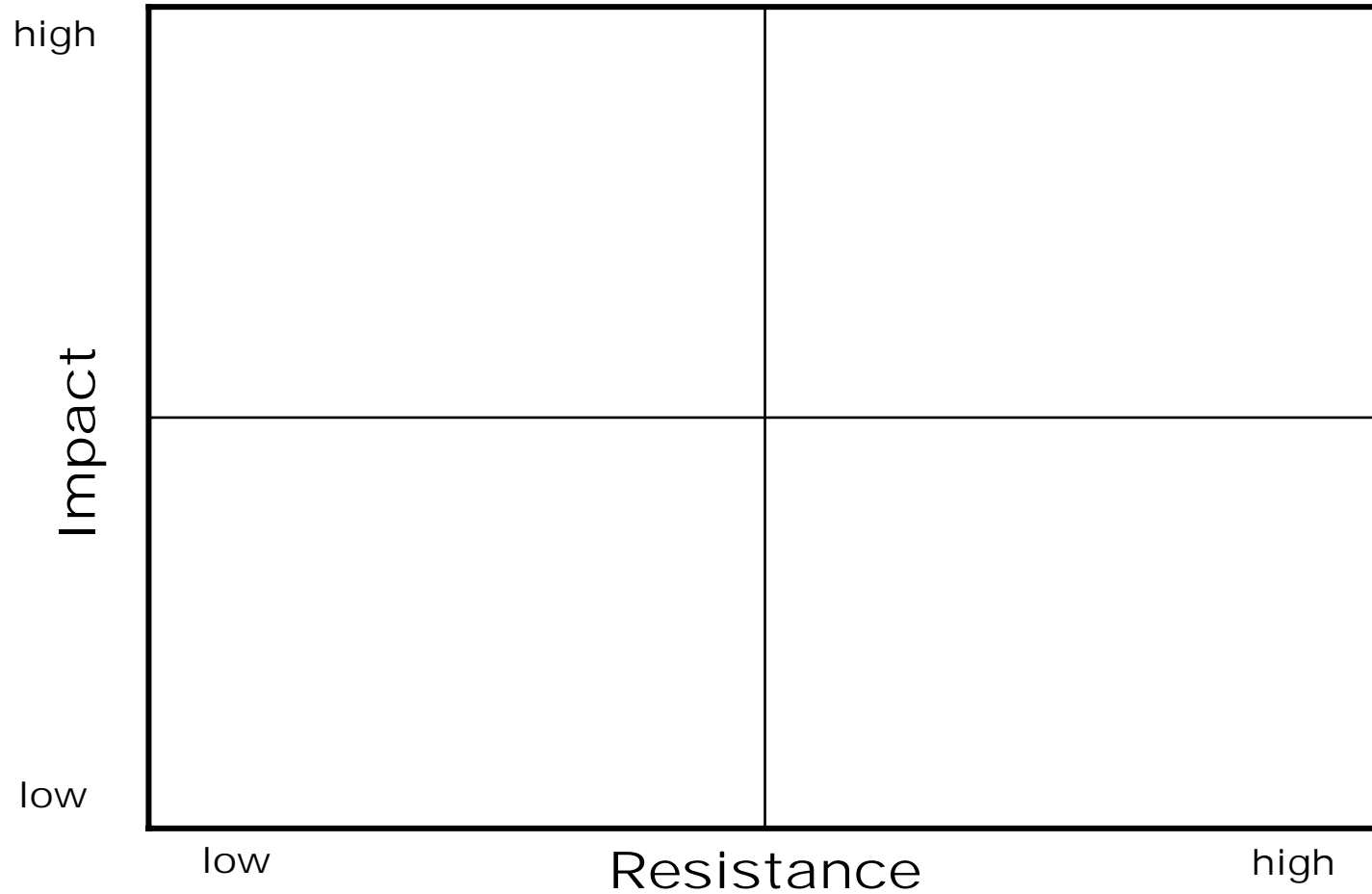
Fear

- Of the unknown
- Of being manipulated



Identify stakeholders & resistance groups

Stakeholder Map



- **Show relentless support and unquestionable commitment to the change process**
- **Communicate an urgency about the need for the change**
- **Continually communicate regarding the progress of the change**

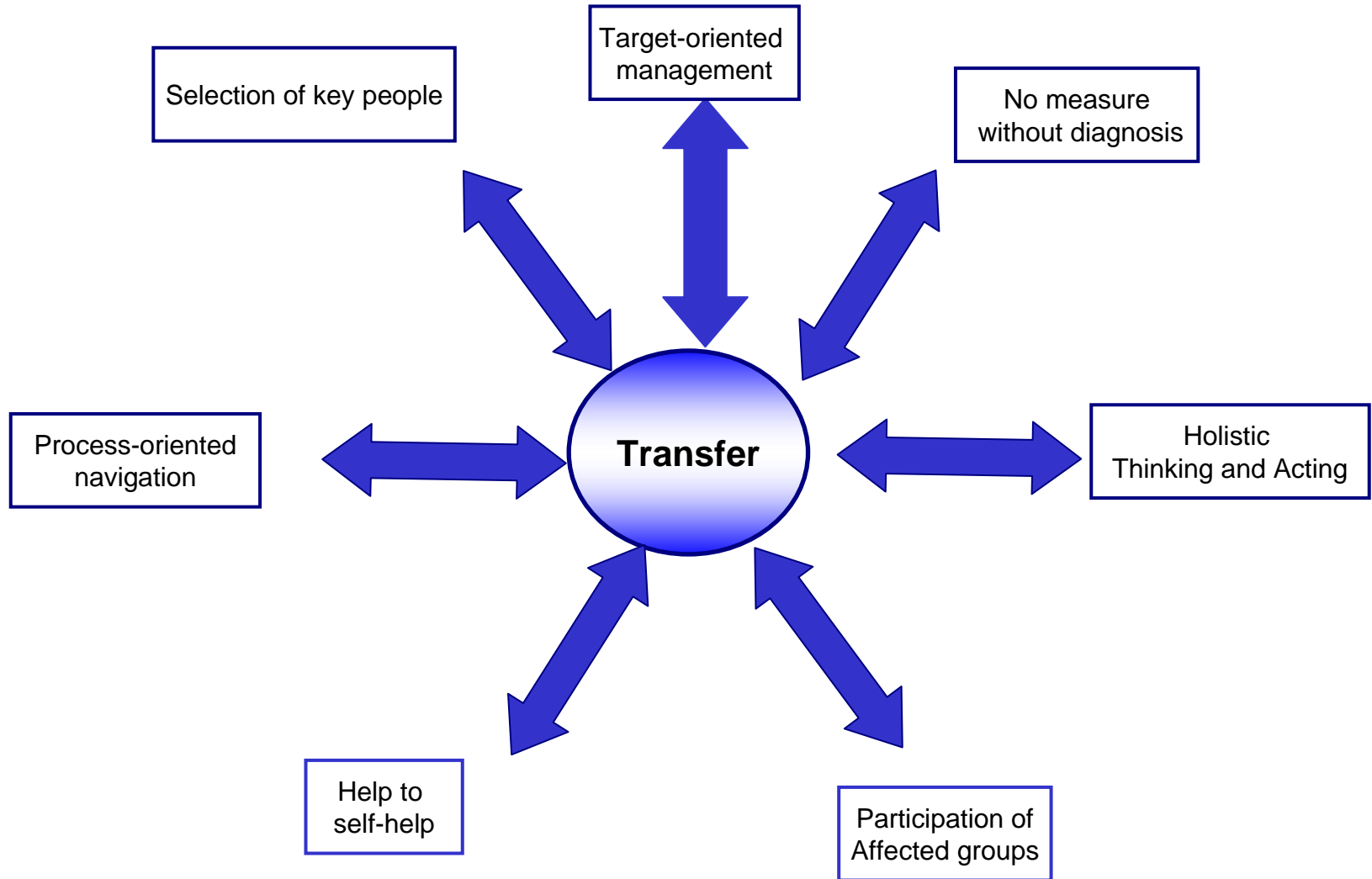
- **Avoid micromanaging**
- **Ensure that change efforts are adequately staffed and funded**
- **Anticipate and prepare people for necessary adjustment**
 - **Career counseling**
 - **Retraining**

- **Assemble a coalition of supporters**
- **Align organizational structure with new strategy, for consistency**
- **Transfer the implementation process to a working team**

- **Recruit and fill key positions with competent and committed supporters**
- **Know when and how to use ad hoc committees or task forces to shape implementation activities**
- **Recognize the contributions of others to the change process**

Promoting Change: Concepts and Methods

Principles of management of change



We cannot foresee changes crises, but we can prepare in a general manner

- **Prechange Planning**
 - Do not want to start from zero when change is needed occurs
- **Use SWOT analysis**
- **Integrate change management into strategic management**
- **Establish a philosophy that recognizes and supports change management**
- **The best change is the one prevented**

Three components of change planning

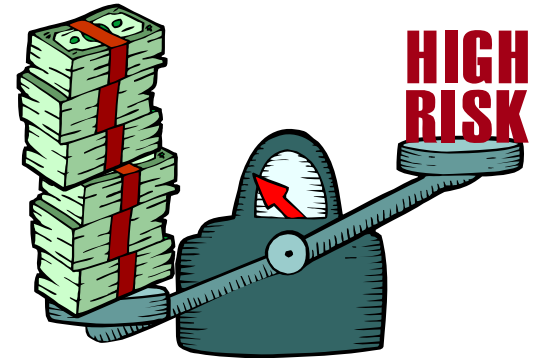
- **Appoint a change leader**
- **Create a change response team**
- **Assess risk**

Change Leader

- Initiates planning process and sets strategic objectives for the change management plan
- Requires logs from individuals and departments
- **Monitors complaints and behaviors**
- **Identifies patterns or trends in the regulatory environment**
- **Coordinates team activities**
- **Ensures team members work well together**


Change Team

- **Should have a good mix of the organizational skill set**
- **Members must be calm, self-confident, assertive, and dependable during a change**
- **Diversity is important**
- **Should be drawn from critical internal resources and external resources**
- **One unit with one voice under a single command**

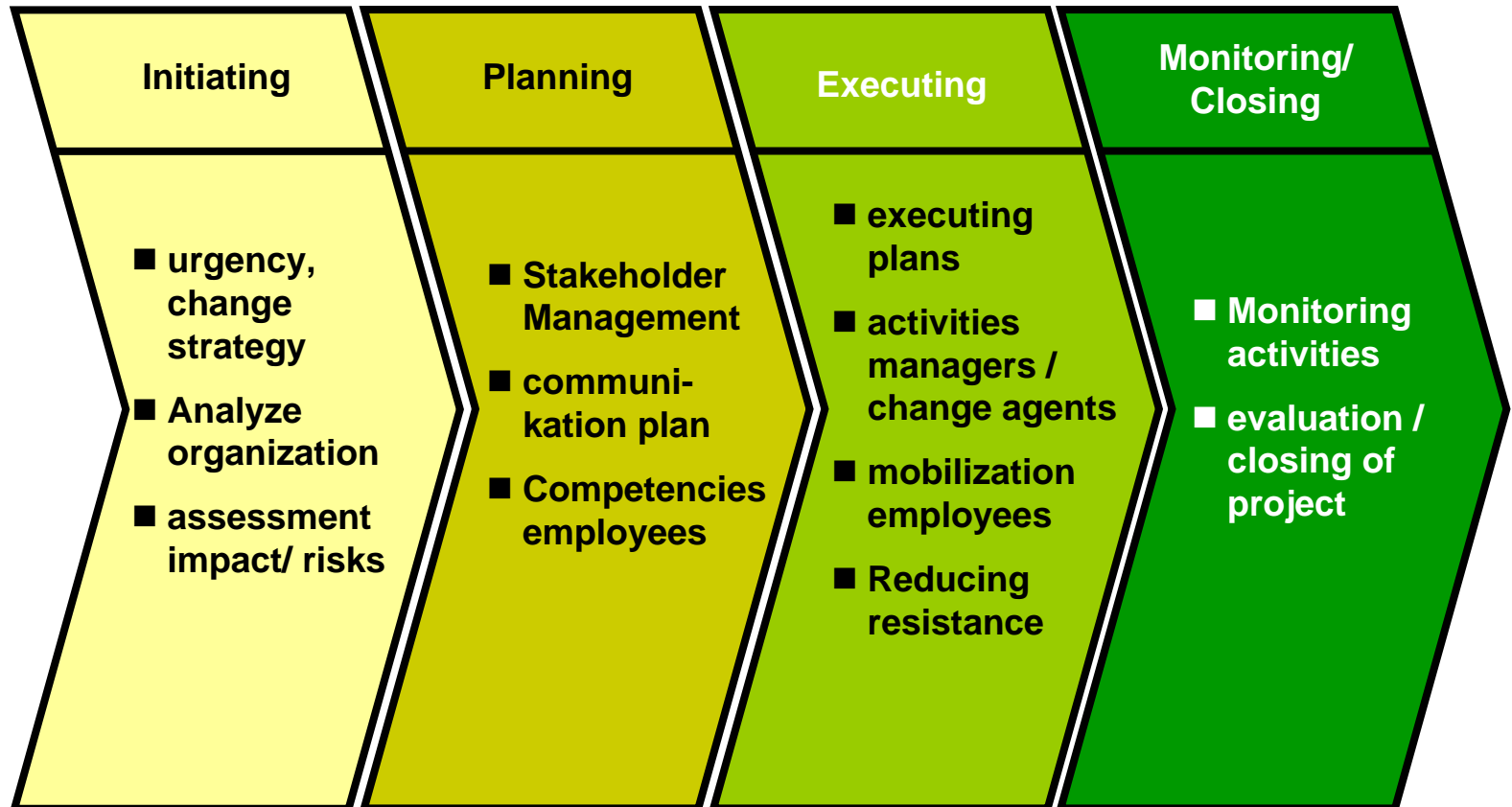


- **Used to anticipate change**
 - What could happen?
- **Tries to identify weaknesses and threats**
 - **Where are we vulnerable?**
- **Common tool in change planning**
 - **What is the worst-case scenario?**

4-Step-Approach

Step 1	Initiating	<ul style="list-style-type: none">■ Establish sense of urgency and project charter■ Determine project impact■ Assess readiness, willingness and ability to change
Step 2	Planning	<ul style="list-style-type: none">■ Identify stakeholders and develop action plans■ Specify communication plans■ Specify employee development plans
Step 3	Executing	<ul style="list-style-type: none">■ Execute plans and create early wins■ Specify managers and change agent activities■ Mobilize employees ■ Overcome resistance
Step 4	Evaluating	<ul style="list-style-type: none">■ Monitor activities■ Review and close project

Framework and basic elements of an CM project



Activity Map CM Project

