



Managing Change and Innovation:

A Challenge for Modern Organizations



Impressum

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InWEnt in Brief

InWEnt – Capacity Building International stands for human resource and organizational development within the framework of international cooperation. InWEnt's services cater to new managers, skilled and executive personnel as well as to decision makers from businesses, politics, administrations and civil societies worldwide.

Programs and measures at InWEnt aim to foster the capacity for change on three levels: They strengthen the capacity of individuals to act, increase the performance of businesses, organizations and administrations, and improve the capacity for action and decision-making at the political level. InWEnt's methodological tools are drawn up in modular form, so that they can be used for customized services development, according to needs and demand. In addition to face-to-face training situations, to exchange and policy dialogue, emphasis is also given to networking with the help of e-learning. InWEnt's partners are equally from developing, transition and industrialized countries.

InWEnt shareholders are the German Federal Government, represented by the Federal Ministry for Economic Cooperation and Development, as well as the German industry and the German federal states (Länder).

InWEnt was established in 2002 through the merger of Carl Duisberg Gesellschaft (CDG) and the German Foundation for International Development (DSE).

Division 4.01 of InWEnt is seated in Mannheim and conducts on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ) advanced training programs. Under the banner of "sustainable development", its work focuses on questions of technology cooperation, system development and management in the field of technical and vocational education and training. Its dialog and training programs are targeted at decision-makers from the public and private sectors, junior managers and multipliers from vocational training systems.



Introduction

From 2003 onwards, InWEnt's Division "Technological Cooperation, System Development and Management in Vocational Training" is to present a series on everyday practice in vocational training.

The intention of this series is described in the title itself ("Beiträge aus der Praxis der beruflichen Bildung" = series on everyday practice in vocational training). The division aims to support its programs of international personnel development in the above-mentioned areas with technical documentation in both printed and electronic form.

These reports

- > originate in the partner countries, taking into account specific situational demand
- > will be tested with and for experts in vocational training in the partner countries in conjunction with respective practice-oriented training programs on offer, and
- > with a view to global learning, will be improved and adapted prior to publication according to the recommendations of the partners or the results of the pilot events.

Thus, the Division "Technological Cooperation, System Development and Management in Vocational Training" is applying the requirements of InWEnt's training program to its own products

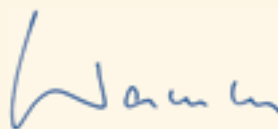
in the above faculties: i.e. these can only be as good as their practical relevance for the experts of vocational training systems in the partner countries.

To this effect, we look forward to critical and constructive feedback from all readers and users of these special series.

This manual is one of an entire series of InWEnt publications that have been produced as a result of training seminars and courses.

Our special thanks go to Prof. Tippelt of Munich University and Mr. Amorós from the "International Cooperation Office", who both made invaluable contributions to these activities.

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Introduction to the Topic

Change, innovation, quality, expertise and creativity are familiar concepts when it comes to organizational change. During the past decades numerous theories and concepts have been developed to face the challenges of complex societies and to fundamentally improve organizational structures. To give an example: as early as in the 1950's a number of different models aimed at bringing about organizational change were proposed, e.g. Lewin's Three-Step Change Model (1951), distinguishing three individual phases for any process of change: Unfreezing-Changing-Refreezing.

During the course of the last decades all industries, from the agricultural to the telecommunications sector, have felt the need to gradually introduce new organizational concepts, exposing themselves to a plethora of changes in order to meet the growing challenges posed by markets and new competitors. Currently, in a phase defined by "learning organizations", the only viable solution to adapt to increasingly competitive and globalized markets is becoming ever more obvious; change management, the driving force behind new economies and organizational development, is on the rise, developing in step with knowledge management. At present, managing change is one of the major challenges confronting not only organizations but also individuals who, on the one hand, have to stay in stride with organizations as they undergo their process of change or, on the other hand, are in charge of enabling change by implementing and coordinating processes of change and innovation within the organizational structures. At some point it becomes necessary to develop and systemize the concept of change management and to consider what prerequisites are necessary in order to introduce a change management system to an organization.

Obviously, change management is not an isolated concept that simply appeared out of thin air, nor is it the mere result of a simple decision taken at the top hierarchical levels. To introduce and implement a process of change, companies and organizations need to fulfill some basic prerequisites such as a management policy which fosters communication and dialog and a certain hierarchical structure at the individual levels. Ultimately, change or transformation cannot be enforced from the top level down, but need to be understood and adapted by all involved in order to minimize resistance against changes, preventing the obstruction of these types of processes. We must not forget that to the individual, change and transition always pose a threat to his or her current status or even to his or her means of income. Let us not forget that restructuring measures can result in the loss of jobs. Above all, and this may seem contradictory, changes are slow processes that are crucial in order to meet unforeseen and urgent needs.

1. Framework Conditions for Change Management and Innovation

As mentioned earlier, there are a number of variables specific to the business, technical, environmental or labor environment that, in one way or the other, can result in changes or transformations in the different activities of organizations.

Though it is impossible to anticipate when, how and where changes will take place, there are some variables which, at a general level and given the significant impact they have on day-to-day reality, represent changes to our societies as well as to the economy. (Refer to chart 1)

(e.g. quality control, zero-stock, etc.), foster intercultural cooperation to meet the challenges of globalization (intercultural competence) and reduce expenses, all the while operating in an increasingly complex and interdependent environment.

This in itself requires the staff members of an organization to develop a completely new set of skills and competencies, in order to adapt to these rapid and constant changes and to successfully meet the challenges of the new and changing infrastructure. This new environment specifically calls for:

1) Social Framework Conditions in Change Management and Innovation

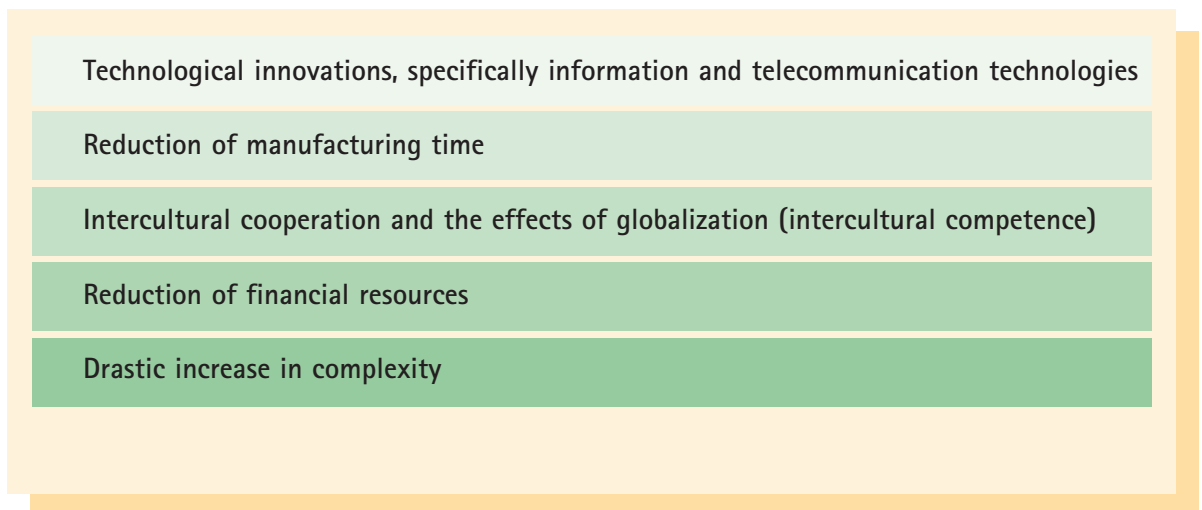


Chart 1, although just an example, does describe a situation as it could occur in a real organization, demonstrating that a strategy to meet change must take the variables determining changes into account. This enables the organization to develop a strategy for change that allows it to adapt to technical innovations, specifically new information and communication technologies, such as e.g. local networks, interactive systems, graphic design, improved allocation of resources to increase competitiveness,

- > an institution capable of learning, as new situations and challenges require new approaches,
- > an institution that allocates its human resources to the core activities of the organization, as it is the people who are responsible for its success, development and governance,
- > an institution that develops a system for change management, specifically meaning a system that enables the organization to meet the new challenges, new variables and new demands as they arise.

2. Types of Change and the Objectives of Change Management

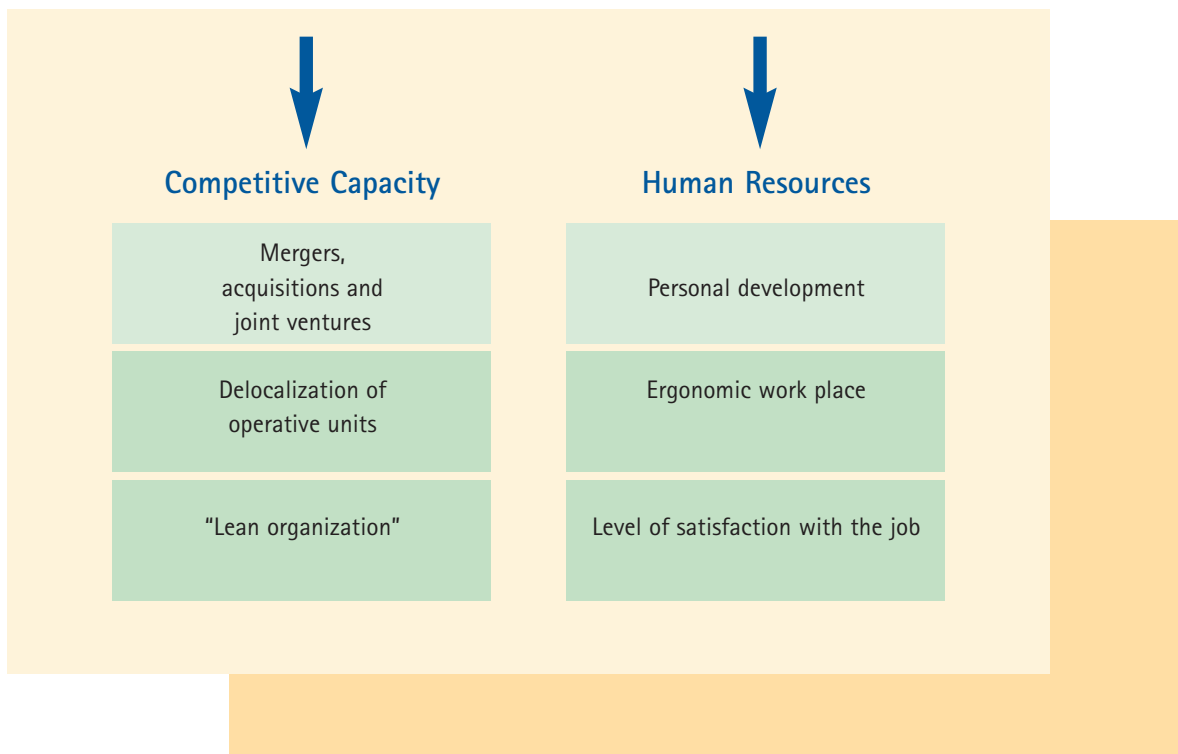
Once the possible variables of change have been defined, taking the concept of innovation as the outset for further deliberations, the next step is to determine which objectives we want to achieve when introducing changes and innovations in an organization.

In this context, the different objectives which may provoke the introduction of changes can be subdivided in two specific concepts: an economic approach, aimed at the swift improvement of the organization's competitive edge and an approach reforming the corporate culture, focusing on the organization's human resources. In the extreme, these two types of change are very differentiated

and respond or may respond to very distinct organizational and personal contexts and modes of conduct. Is the objective to maximize the organization's economic value or to develop and build the organization's capacities?

Chart 2 shows that initiatives aimed at increasing the organization's ability to compete can do so by pursuing structural changes such as mergers, reduction or relocation of operative units or the introduction of business systems, e.g. the "lean organization", in comparison to an approach to change focused on the issue of human resources, which revolves around questions of personal development, job efficiency and employee satisfaction.

2) Objectives of Change Management

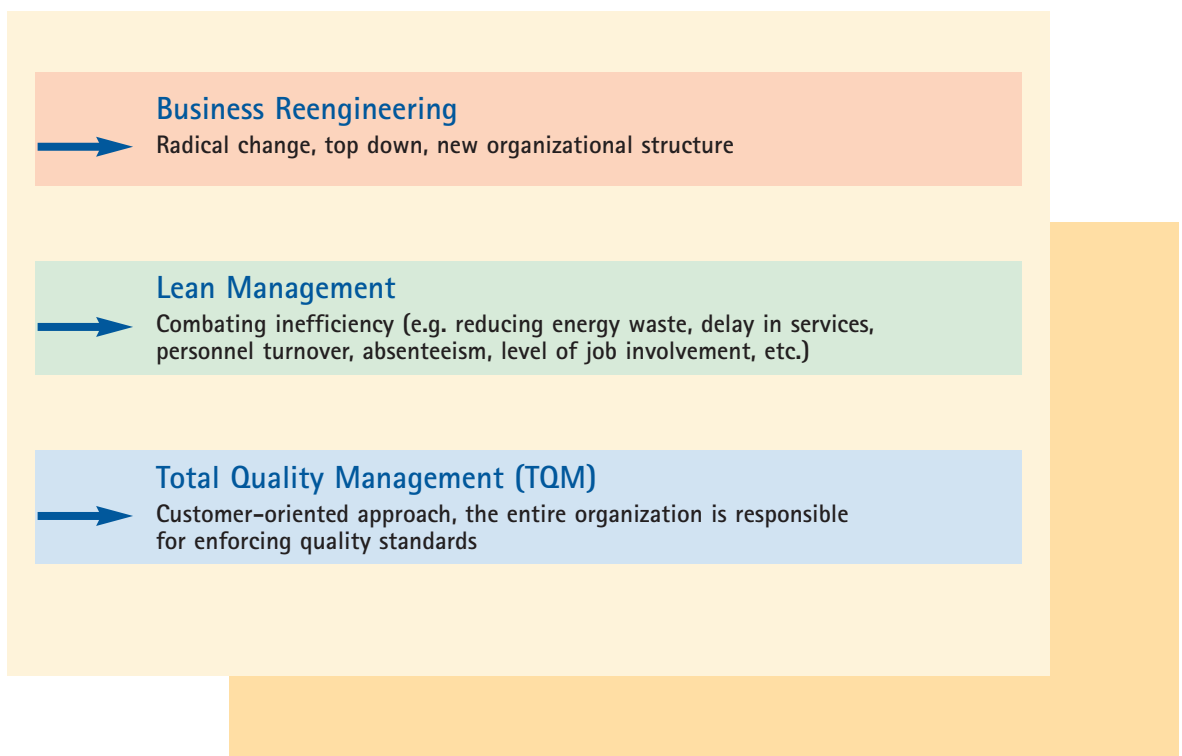


Obviously, these are two very distinct focal points of change, leaving it up to the individual company or institution to choose one or, ideally, a combination of both approaches, based on the institution's specific objectives and options. According to Beer and Noria, companies that efficiently combine both of these approaches can expect remarkable results in both profitability and productivity.

In addition to the above mentioned types of change, a number of other concepts related to change management have been developed and implemented. These concepts span from "Business Reengineering", "Lean Management" to "Total Quality Management" (TQM) (refer to chart 3)

Beyond doubt, the introduction of a new change management concept is a challenge for any educational institution; on behalf of the institution it requires strong leadership, flexible structures, people who are used to change and welcome it and, in an ideal case, a systematic approach to processes of change. In this case, the institution's ability to adapt to new environments, new variables and new challenges will be decisive in achieving the goals.

3) Change Management



3. Labor Psychology Aspects of Change Management

Amongst other, initiatives to introduce change always have a number of social and personal implications that need to be taken into consideration. Involving an organization in a process of change also means involving every person working for the organization. Thus, before embarking on any type of change process it is necessary to analyze a number of labor psychological factors as described below.

In this context, managing competencies as a way to manage human resources play a crucial part: An organization's success largely depends on the efficient implementation of a human resources strategy based on the generation, structuring and transference of new organizational and personal knowledge, also known as competency management.

4) Labor Psychology Aspects of Change Management

Are the employees in command of the necessary skills?

- > Introduction of new technologies
- > New manufacturing methods
- > Joint ventures with other companies

Is there a predisposition towards change?

- > Will change bring advantages or disadvantages?

Could they result in situations that are unacceptable or too demanding?

- > Company lay-offs
- > Limitations to the participative structures of the organizational development

4. Phases of Change Management

There are a multitude of models and methodologies which can be applied to change strategies. But, generally speaking, most initiatives to introduce change develop along the lines of several basic phases as described in the following chapter:

1. Defining the objectives of change as precisely and clearly as possible.
2. Developing a strategy aimed at innovation and change – "top down" or "bottom up".
3. Engineering the organization's/company's change, (impetus, feedback, change agents, set date, workshop, further training courses, multipliers, intranet, information leaflets...).
4. Uphold and strengthen the innovational process (resistance, crisis, overcoming difficult phases).

Progress along the lines of these four phases is sequential and, in general, changes are only introduced at the small scale and, if successful, expanded to other units or departments which were not affected by the changes that took place in the initial program.

Phase 1: Defining the objectives: this phase is aimed at setting up the objectives that are to be achieved via the implementation of a strategy for change. The following aspects must be established for each objective in order to ensure that it is clearly defined:

- A. Priority: Define the objective's level of importance.
- B. Measurement criteria: Established objectives, both quantitative and qualitative, must always be measurable.
- C. Level of success: Define the desired results to be achieved by setting up a number of standards or levels that benchmark the level of success achieved or, simply, if expectations were met or not.

Phase 2: Developing a strategy aimed at innovation and change: Generally speaking, strategies can be divided in two groups according to their main focus.

A "top down" approach has the organization's top management levels setting up the goals for employees at the lower levels. The "bottom up" approach proceeds in opposite order to the above mentioned approach. In this case the representatives of the lower levels define the targets and objectives to be achieved by the upper levels.

Phase 3: Engineering organizational change: implementing an initiative for change will probably not be successful if the organization and its members are not prepared for change. Change most severely affects the people involved; consequently it is necessary to develop human aspects which help people to adapt to change. In order to mobilize an institution and to obtain a successful implementation, each and every person in the organization must be individually motivated. This means that the organization has to encourage a culture based on feedback, meaning that sufficient information concerning the results which are to be achieved through the applied strategies is made available to the organization's employees.

In this context it is also crucial that a change agent, a person responsible for coordinating the changes, is involved in the process. Generally, this is a person from outside of the organization (an external consultant) who can also assist in identifying change and setting the process in motion. There are a number of measures which can help to facilitate the implementation phase, such as workshops, courses on perfecting and tools such as intranet services, information leaflets, etc.

Phase 4: Upholding and strengthening the process of change: once the desired changes have been achieved it is important to ensure that they are permanent and to consolidate them. This is achieved by strengthening the positive aspects in order to reach more and improved changes. Changes severely affect people and cause them to reject and oppose change. That is why it is so important to work on the human aspects which help people to adapt to change.

5. Developing a Strategy to React to Change

Every process of change tends to undergo different phases linked directly to the reactions of the organization's members. This is a process during which we slowly begin to readjust our perception and our behavior to the new situation and to the changed reality with which we are confronted.

Obviously, we are referring to emotional processes or psychological phases and how these are related to the change process and its progress. Below you will find a description of the individual phases that people go through when dealing with a process of change:

Shock: a huge discrepancy between our own expectations and outside expectations plus the new situ-

ation. (During the shock phase people tend to feel threatened by the perceived changes. They may be resistant to changes because their expectations strongly differ from the expectations posed by those promoting the changes).

Denial: a fake sense of safety and security, exaggerated perception of the procedures and behavioral competencies. (During this phase people overestimate their capability to deal with the new situation);

Realizing the need for new procedures and approaches. (At this point the idea of taking some risks becomes more bearable and people begin to explore the pros and cons of the changes at hand).

5) Development of a Change Process

- > **Shock:** huge discrepancy between one's own expectations and the demands that others and the new reality pose
- > **Denial:** fake sense of safety and security, exaggerated perception of procedures and competencies
- > **Realizing** the need for new procedures and new approaches
- > **Accepting** the new situation, rejection of previous procedures and approaches
- > **Experimenting** and searching for new procedures and approaches.
Success – failure, problems – frustration
- > **Understanding** why certain procedures and approaches are successful and why others result in failure
- > **Integration:** integrating successful procedures and approaches into a daily routine

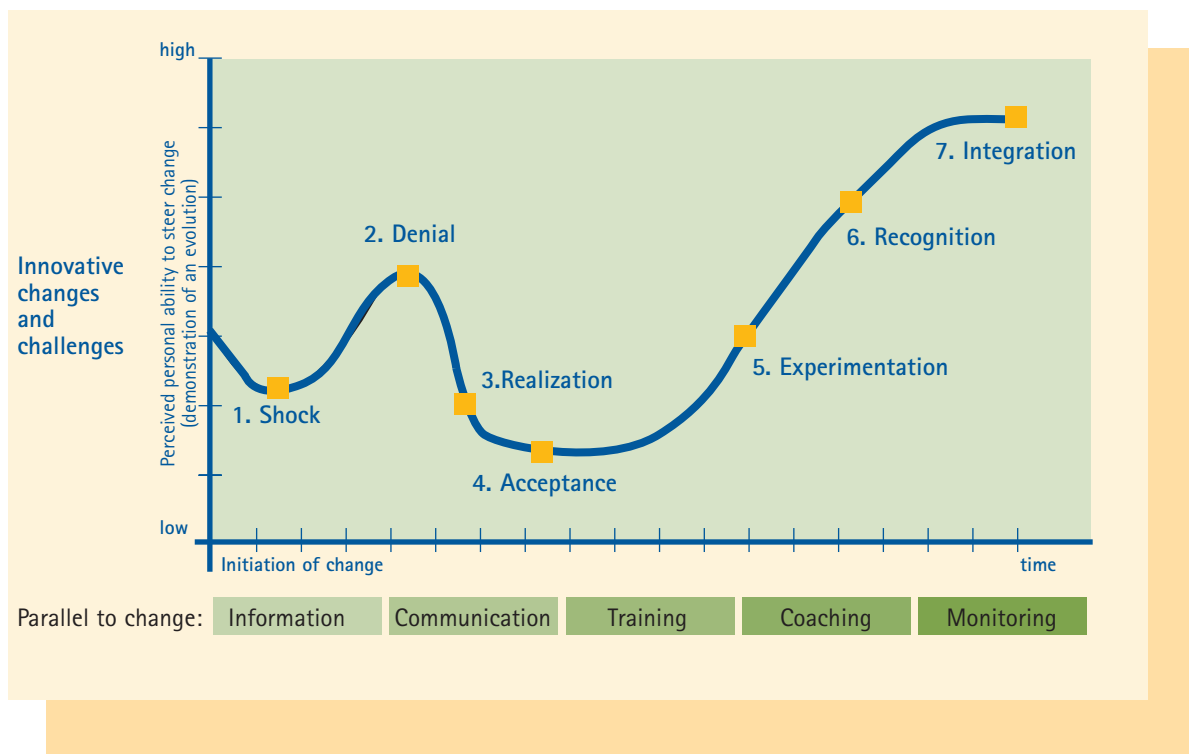
Accepting the new situation: rejecting the procedures and approaches from the previous phase (Entering into the phase of acceptance requires the rejection of the old situation and the ability to recognize the present requirements);

Experimenting and searching for new procedures and approaches. Success – failure, problems – frustration. (During this phase the institution can prove its ability to explore change).

Understanding why certain procedures and approaches are successful and why others fail. (People understand that the quality standards serve as an indicator for the institution's, as well as for the individual's success).

Integration: integrating the successful new procedures and approaches into the regular routines. (Ultimately, the integration and change phase signify that the process has been completed. This is a creative phase during which past and present procedures merge. Depending on the extent to which integration is consolidated, the application of the required procedures and approaches does not originate in the outside of the organization but derives from the personal contributions of each individual who adopts them and turns them into his or her own).

6) Evolution of a Change Process



6. Organizational Culture and Change

The concept of organizational culture stems from the perception that organizations develop their own system of values and beliefs shared by all members of the organization. Based on this perception we can state that every organization has its own culture which distinguishes it from all others.

The organizational culture plays a vital part in every process of change. Organizational cultures are not modified easily and may become an obstacle or a facilitator to the introduction of change. For many institutions organizational change may signify leaving behind a traditional culture, based on bureaucratic structures and a climate of conformity, and embrac-

ing a new culture that allows innovative ideas to flourish. Often, the introduced changes do not deliver the expected results because the organization's culture is not adequate or because necessary changes to the culture cannot be achieved.

Obviously, there are a number of factors which can, at least partially, influence and change the organization's culture, thus bringing about a modification to the culture.

From our point of view, we can summarize the basic principles of change to an organization's culture as follows:

7) Organizational Culture – Reference Guide (can only partially be influenced)

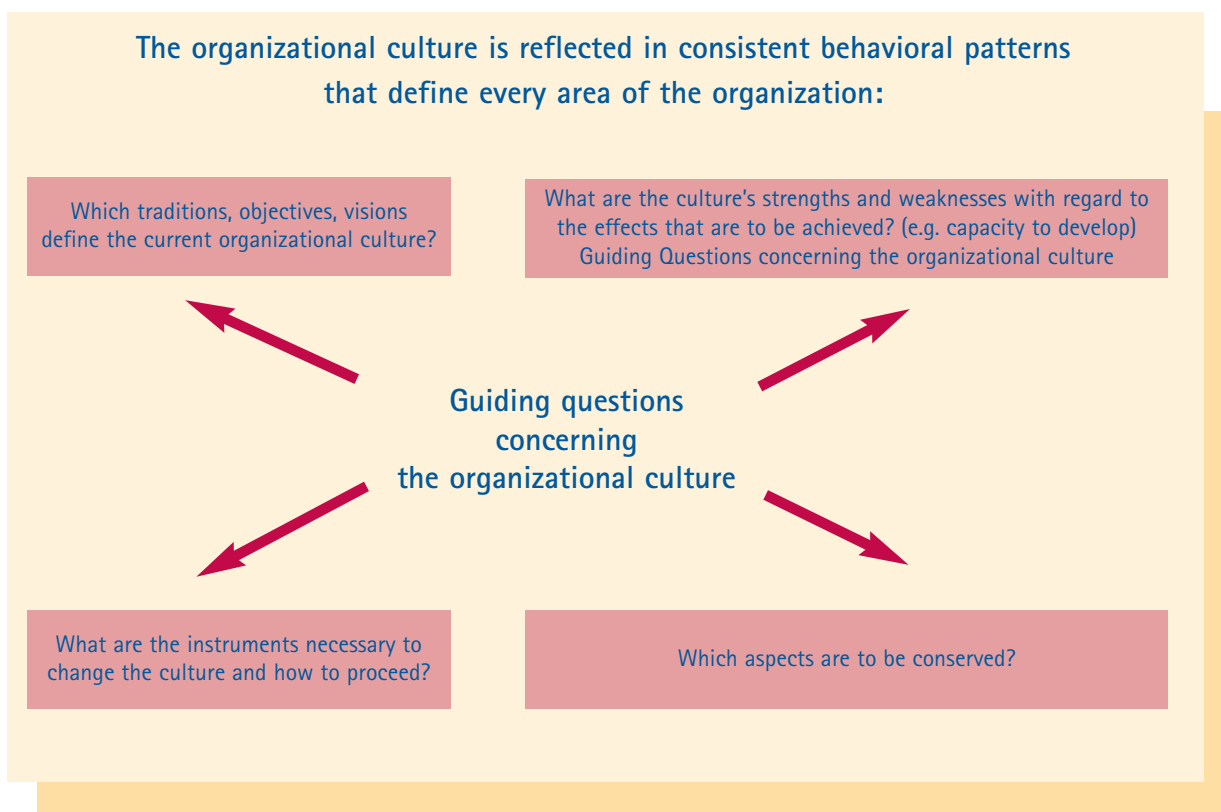


- > The organizational culture is directly linked to the organization's productivity and profitability.
- > Basically, organizational culture can be defined as "the sum of all customs which distinguish a corporation from other businesses in the same industry".
- > Managing change is a difficult task. It is only worth the necessary effort if it results in a specific economic benefit.
- > Ideals, guiding principles and other moral deliberations are not efficient – they only result in unnecessary feedback and repetitive evaluations!
- > Foster a culture that promotes learning at every level.

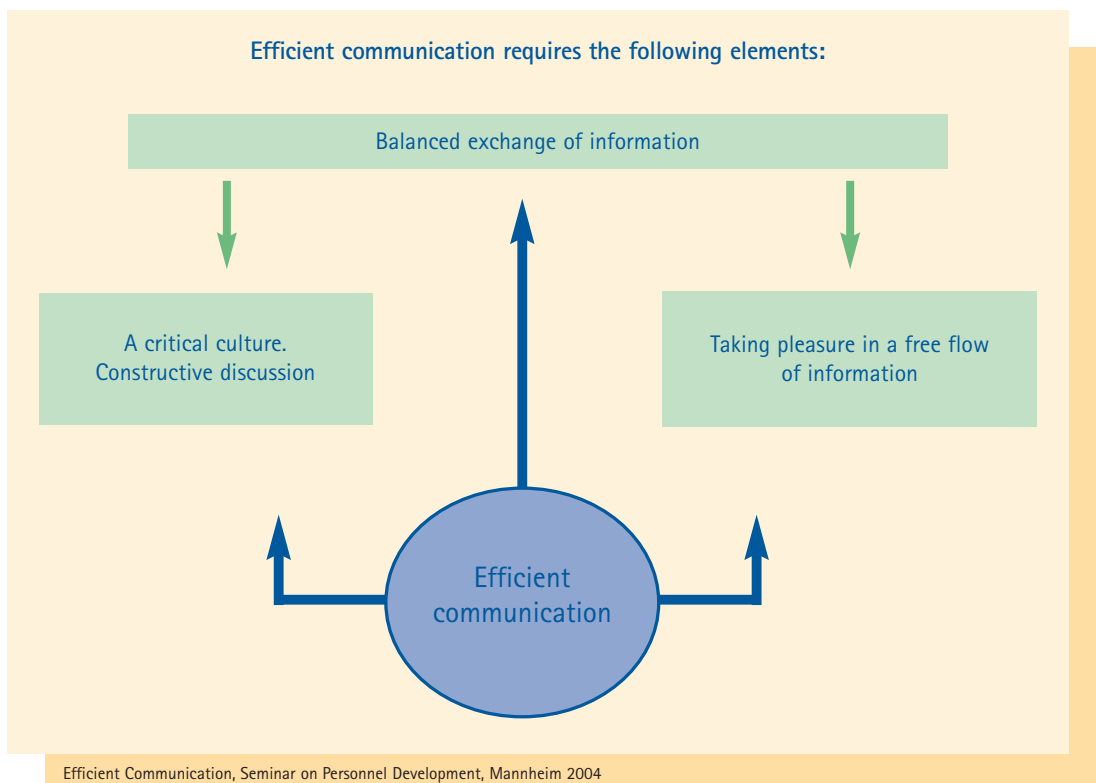
- > Do not pursue a global change strategy, but fully focus on the central aspects that need to be changed most urgently.
- > If this is not possible, introduce changes step by step through a number of phases.

Evidently, it is essential to understand the organization's unique culture and to analyze to what extent it may become an obstacle or a facilitator to change, before introducing changes to the organization. An organization's culture can only facilitate change if it enables and promotes dialogue, in all other cases it becomes an obstacle.

8) Organizational Culture – Guiding Questions



9) Efficient Communication



Communication is a key element in accepting changes to the organizational culture. An organization's culture may be governed, e.g. through the dynamics of the interactions between all of its members which include the transfer of values, knowledge, experience and skills in order to achieve common goals.

Depending on the individual structure of the organization, communication can either be formal, meaning that already existing communication channels are taken advantage of, or informal, when communication processes take place on the outskirts of the defined channels.

Consequently, it is essential for companies to develop a communication system, as a key element of the change management strategy that allows open and transparent communication to take place between all members of an organization (employees, departments, management, etc.) as well as with the customers and suppliers. This calls for a consistent establishment of capacity-building programs based on innovative strategies which allow the organization to develop numerous communication channels and networks, both of a formal and informal nature – in order to manage knowledge successfully.

7. From Knowledge Management to a Learning Organization

Basically, we can define a learning organization as a new organizational concept based on the continual integration of the work processes with the process of learning.

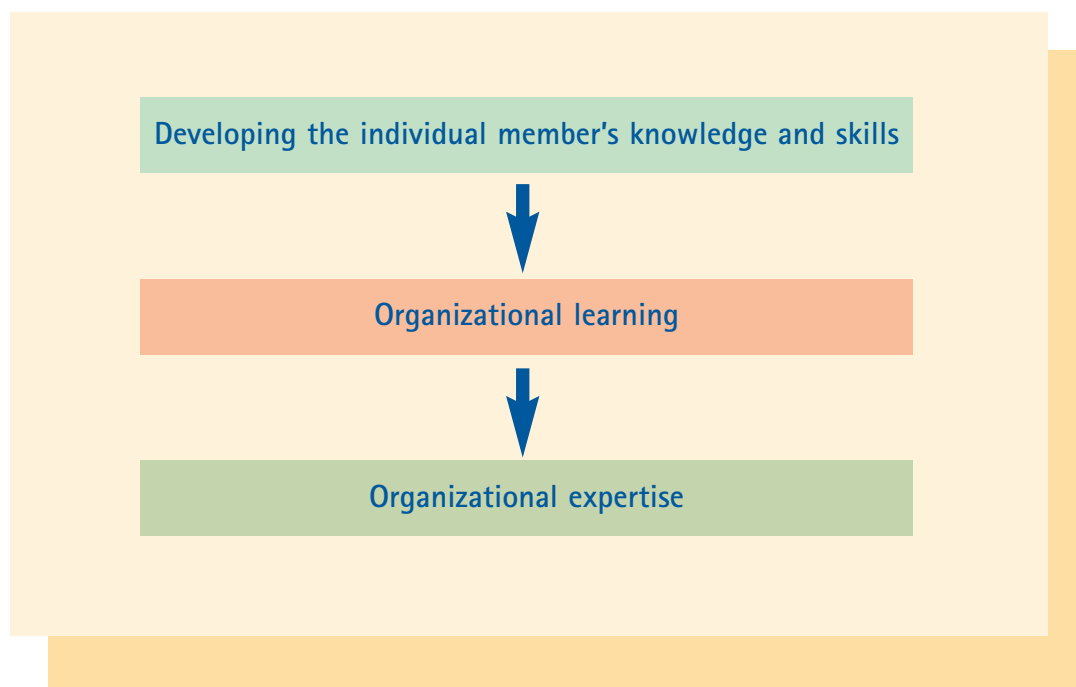
Faced with a situation of perpetual change, organizations see themselves forced to respond to a new variable: their ability to learn, to acquire new skills and new approaches. It is generally accepted that an organization's and its members' ability to learn is a significant competitive advantage.

Beyond this, innovation has also become a critical factor when it comes to being competitive. To be innovative one needs new skills and expertise or has to apply already existing skills in a more efficient manner. In this context, continual learning is required and skills and expertise need to be transferred using new communication channels which play an increasingly crucial role in the process.

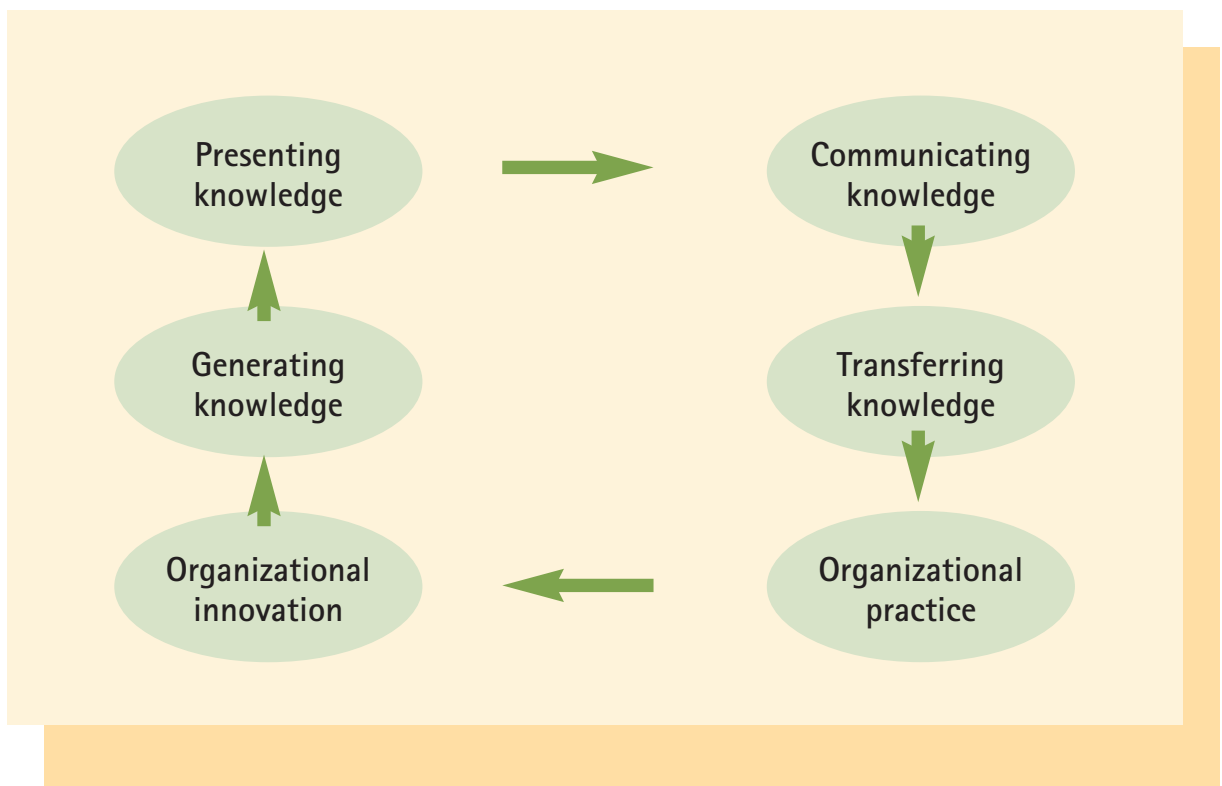
Currently, knowledge management is considered to be a prerequisite for the creation and development of a learning organization. This does not imply that, in the past, knowledge was not an essential part of the development of an organization. Still, there is a difference in the way that knowledge is presently generated and presented. Currently, "knowledge acts on itself in an accelerated spiral spinning off innovation and change".

Ultimately, the "learning organization's" objective is to continually generate knowledge, gathering, communicating and transferring this knowledge via the structures of organizational learning. In summary, we can say that knowledge management is focused on how to make knowledge visible and transferable in order to optimize an organization's objectives, while organizational learning concentrates on channeling the generation of knowledge.

10) Learning Organizations



11) Managing Knowledge and Skills



Knowledge management calls for the development of the four dimensions of knowledge as described below:

Generating Knowledge:

The challenges which modern organizations face when it comes to continuously generating knowledge are often underestimated. Fostering a spirit of creativity within the organization is absolutely crucial to generate lasting knowledge and to gather new experiences. A company's innovative capacity depends on the company's own creativity as well as on its employees' creative potential. Ultimately, it boils down to the interaction of the company's creativity with the employees' creativity.

The knowledge generated by a company can stem from its own resources or from external resources, as well as from a combination of both of the above mentioned. The existing knowledge used to generate new knowledge may have been obtained through selection, acquisition or prior generation. Instruments or tools to generate knowledge can include learning communities, idea contests, thought groups, rotating jobs, etc.

Presenting Knowledge:

A delicate task that comes with the management of knowledge is visualizing the available knowledge and presenting it, so that it becomes accessible to all of the organization's members. The way in which knowledge is presented can open the door to a free

flow of knowledge throughout the organization. Instruments and tools which can be used to present knowledge are knowledge maps, databases, expert networks, etc. Identifying, preserving, codifying, preparing, documenting and making implicit knowledge accessible are part of this task. Communication can turn a person's individual knowledge into collective expertise.

Communicating Knowledge:

What do we communicate? Why do we communicate? When do we communicate? With whom do we communicate? When answering each of these questions we become aware of the crucial role that communication plays in knowledge management. The culture of communication and cooperation thus become two of the organization's key, knowledge-based pillars. Communicating knowledge also includes passing information and knowledge on, transmitting knowledge, dividing and reconstructing knowledge and knowledge-based cooperation. Internet and intranet services, learning communities, multipliers, etc. are some of the instruments and strategies at our disposal.

Applying Knowledge:

Knowledge can be generated, communicated, represented, it can be used to certain ends or to establish indicators, but the decisive factor is, how knowledge is utilized. The utilization of knowledge extends to important processes such as using knowledge in decision-making process or when taking action, e.g. when translating knowledge into products or services. In order to put this approach into viable practice it is necessary to break down organizational and individual barriers and to create an infrastructure (real and virtual) which promotes work and learning and that enables the application of knowledge and skills. In this context it is also important to develop a system which provides incentives that maintain a high level of motivation.

8. Organizational Learning

As mentioned earlier, organizational learning is a process aimed at acquiring (creating) new knowledge and new skills to set the course for improvement and innovation.

Above all, organizational learning means renewing the organization's knowledge base, a procedure which can be developed along several different guidelines: through individual learning, by learning in teams, by gathering and sharing knowledge within an organization or through institutionalizing it and applying it to specific products. Still, a crucial prerequisite for the learning process of an entire organization is that the employees can learn and that experience and knowledge are continuously shared and exchanged.

From this angle, the innovative aspect is the importance that is given to latent knowledge (knowledge stemming from experience), to knowledge that is not codified and in converting it into explicit knowledge. This entails turning the knowledge of an individual or a team within the organization into collective knowledge. In this case learning via the internet or intranet makes knowledge and skills transparent and accessible exactly when it is needed. This process is elucidated in the subsequent chart:

12) Organizational Learning



From this point of view, organizational learning fosters

- > a participative management model
- > adaptation to change
- > an expansion of the individual and departmental areas of activity
- > staff selection and promotion
- > an intertwining of formal and informal learning
- > an increment of opportunities to interact and to communicate
 - > within groups
 - > between groups
 - > between organizations

In this context, it is worth noting the important part which organizations are starting to give to informal learning as a possibility to generate new knowledge and to developing personnel skills. By establishing an effective link between formal and informal learning that allows for coordination and interaction between the two, organizations can take advantage of the synergetic effects of learning and can make better use of the staff's potential and expertise. According to Leonard Mertens formal learning, based on codified knowledge, is too limited in its objectives and its scope when set in an economic context that calls for dynamic organizations. This does not mean that formal learning is disappearing, but that the areas in which it can be applied are becoming limited. This means that organizations have to develop adequate mechanisms and tools that can be effectively applied to informal learning.

9. Instruments for Organizational Diagnosis

Before setting a process of change in motion it is important to get a preliminary diagnosis of the organization. Specifically, this means gaining insight into the organization's current situation and potential in order to spark an internal debate concerning the organization's strengths and weaknesses. The simple act of diagnosing does not necessarily entail that the organization is ill. Every evaluation, however, sets out to challenge the norm, to search for ways to improve things, to see whether or not the current situation equates the paradigm that is being followed.

It is important to have a precise vision of the goals that are to be achieved through the change process. This requires the use of indicators and instruments that assist us in finding information and in identifying the potential benefits to be gained for each individual or group. They can also help us in anticipating possible obstacles which could occur during the implementation phase.

In order to proceed with the organizational diagnosis – usually the organizational culture is best assessed through interviews – different approaches can be

used, e.g. interviews and workshops. Obviously, the choice of the most suitable diagnostic instrument depends on the type of change or on the objectives that are to be achieved. The level of analysis may be determined depending on the characteristics of the individual case, the available time and the logistic complexity involved.

13) Instruments for Organizational Diagnosis



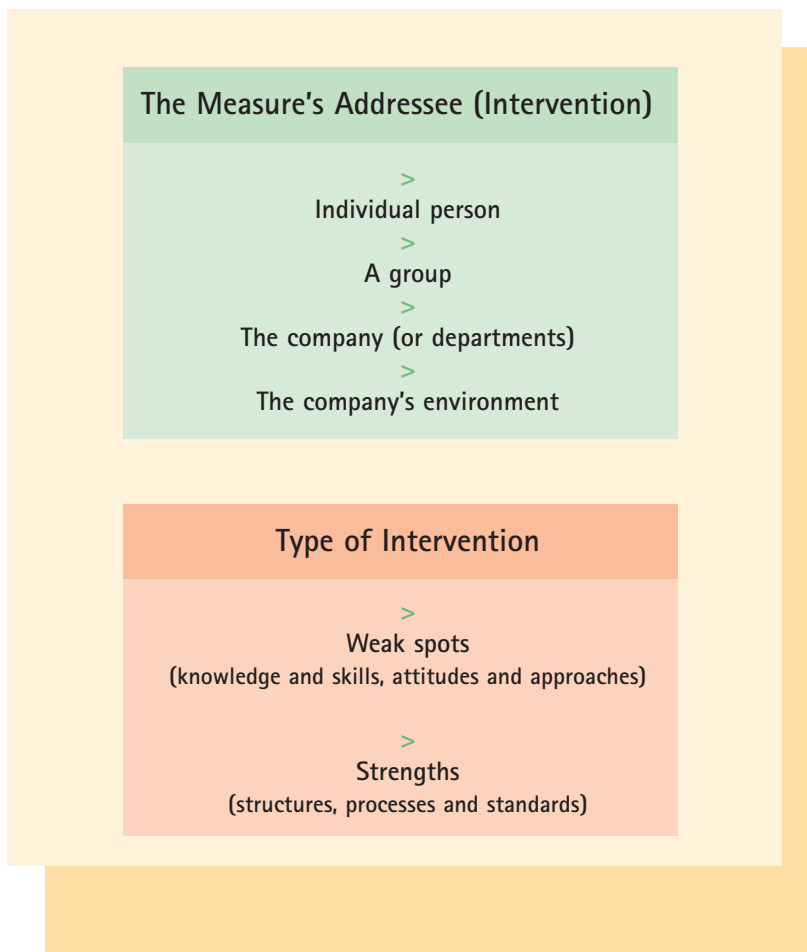
10. Options for Organizational Development

As mentioned earlier, a general definition of organizational change covers every type of substantial modification to any part of an organization. Naturally, these changes may impact everyone, starting with the employees working in the affected department to all of the organization's staff members.

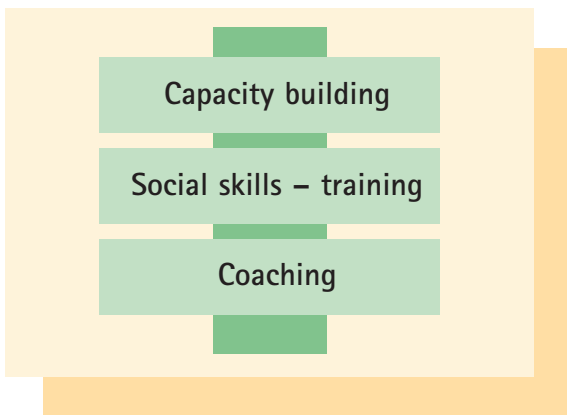
This is why it is important to precisely define which objective(s) are to be achieved with the instruments that are to be introduced within the framework of change management and in which manner this intervention is to take place.

With regard to the addressee (individual, group, organization) there are a number of activities, programs, learning strategies, rewarding systems, etc. that enable and strengthen the implementation of change initiatives.

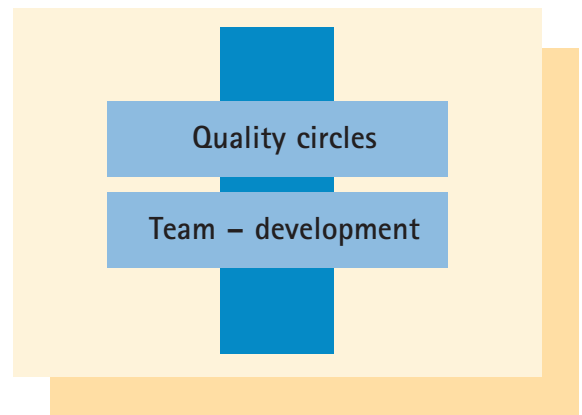
14) Options for Organizational Development



15) The Individual Addressee



16) The Group of Addressees



17) The Company as Addressee



11. Resistance and the Change Process

Lewin pointed out that every type of intervention within an organization will provoke forces that are opposed to change. Proposing change may entail the need for people to adapt their approaches in order to include changes; these people may have to face the challenge of having to learn something new; they may have to leave behind past approaches; they may have to accept a disadvantageous shift of power and/or influence within the institution, etc. This is why resistance is to be expected and perfectly normal.

Resistance can be subdivided into three types of forces opposing change. They can be of an individual, an interpersonal or of an organizational nature:

- a) individual: e.g. uncertainty, the impression that the job is at risk,
- b) interpersonal: e.g. differing points of view among the members of one department
- c) organizational: e.g. inert structures

Although there is no foolproof way to defeat resistance to change, there are a number of basic rules which can be of great help when trying to overcome this resistance:

1. **Rule:** Where there is change, there is resistance!
2. **Rule:** Resistance always contains a "hidden message"!
3. **Rule:** Ignoring resistance will result in a gridlock!
4. **Rule:** Don't fight against the resistance, go with it!

Regardless of the specifics of the change project, it is crucial to pursue certain normative standards in order to prevent a vicious circle that may be difficult, expensive and time-consuming to break. The following recommendations can serve as good practice guidelines for general use.

Evidently, before implementing a change management model, it is highly recommendable to undertake every precaution to ensure that the first encounters with change are positive. When considering these kinds of initiatives, false hopes are easily given rise

18) Change Management Errors

Trying to change everything at once

- > Talk about the changes in advance

Everything good comes from above

- > Participation

Wrong questions, wrong problems

- > Correct diagnosis

Obvious and partial solutions

- > Take all departments into consideration

Appealing for certain modes of conduct

- > Take real action

Assumptions

- > Tell the truth even if it hurts

Dramatization

- > Do not give rise to fear

"Islands" of credibility

- > Build confidence

Formal learning

- > Hidden agenda informal learning

to, but, if the desired results are not achieved, immediate disappointment will follow suite. Subsequently, before initiating the change process, it is essential that all goals to be obtained are analyzed carefully. Consider how and where within the organization, with which resources, with whom, how and when this can be achieved and what results and benefits are to be expected. It is definitely not about beginning with change management, but about finding out how to do it best, using the adequate methods and parameters and using the available resources most efficiently and productively.

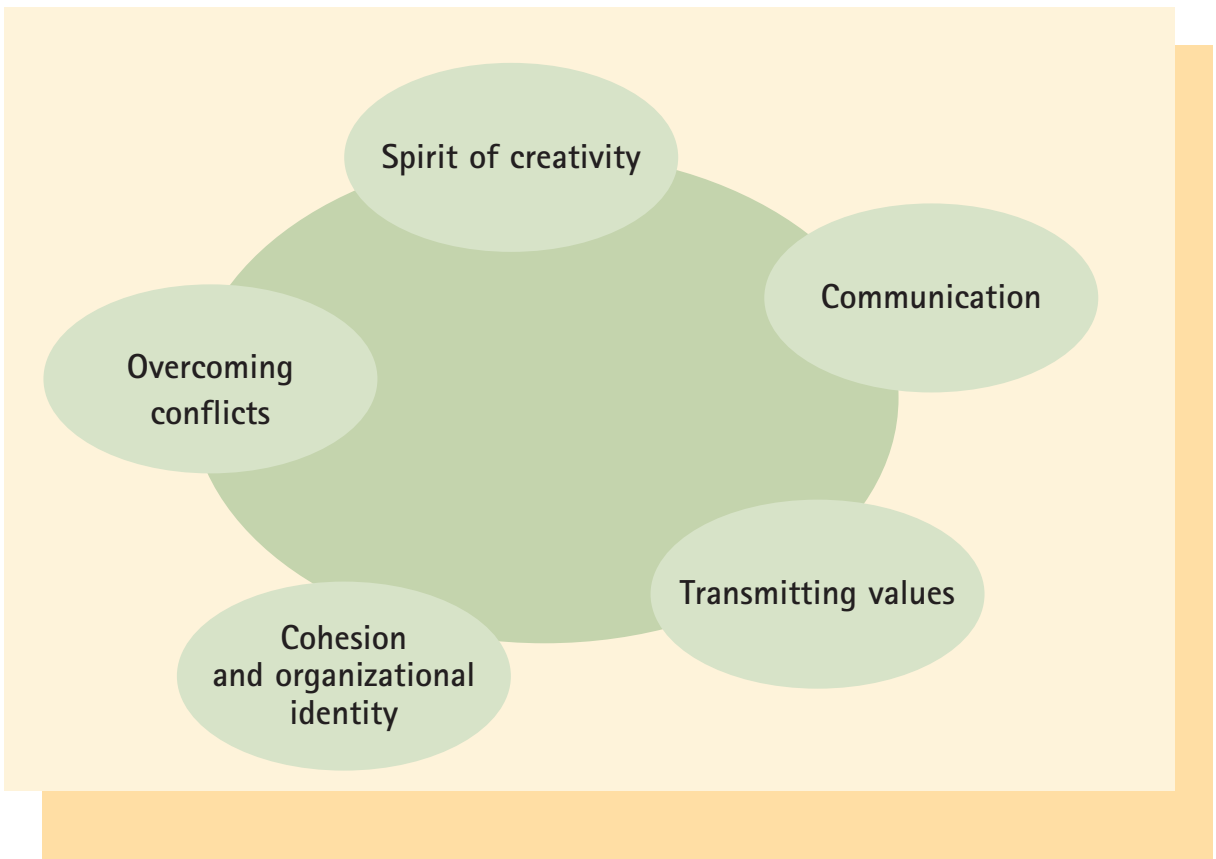
12. Key Factors in Change Management: Organizational Culture

Successful companies realize that, on the one hand, the key to their success lies in the high level of motivation, commitment and effort of their staff members and, on the other hand, in their capacity to generate new knowledge and to incorporate it in their products and services.

These institutions distinguish themselves by giving impetus to an organizational culture that fosters innovation and creativity thus creating an infra-

structure that facilitates change and helps overcome resistance. This can only be achieved by establishing an organizational culture which is defined by the exchange of knowledge and open communication within and between the different levels and departments of the organization. This creates an environment that promotes innovation and life-long learning.

19) Key Factors of Organizational Culture



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