

Dr. Engelbert Wimmer | 03.07.2013

## THE CHANGE MANAGEMENT TREATMENT.

How cooperation between sector-specific and organisational consulting can help smoothe transitions.

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*"The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic."* | Peter Drucker – Management Challenges for the 21st Century (1999).

"There's nothing as consistent as change." "If you're standing still, you're going backwards." "Plus ça change, plus c'est le même". Phrases like these have been used so much that they can seem like nothing more than clichés that are trotted out whenever it's time to get employees to up their performance. Then again, these clichés are not without some element of truth, and that's why it is important to be able to handle change. Changes of all kinds requires expert change management, and to make sure that you as a decision-maker know which support measures are on hand, we've listed the top tips and tricks from our in-house experts. So if you need the change management treatment, here is how we do it.



## OUR APPROACH TO CHANGE MANAGEMENT.

### 1 | THE IMPORTANT FIRST STEP: ACCEPTING THAT THERE ARE NO EASY ANSWERS.

Changing organisations is a complex process on both a social and technical level – far more than just pushing around boxes on an organization chart.

### 2 | PRO-ACTIVE, NOT REACTIVE.

The best change management processes start by including employees early in a clear, preventative initiative.

### 3 | THE DAYS OF THE CHARLATAN ARE NUMBERED.

Systematically, methodically combining experienced technical and organisational developers helps to avoid blind spots and to insure change processes.

### 4 | MAKING PEOPLE AFFECTED INTO EFFECTIVE PEOPLE.

Successful change needs to happen **through** the organisation, not **to** it.

### 5 | NOT LETTING ENERGY GO TO WASTE.

If you're not actively integrating technical counter-arguments or personal fears into the change process, you're leaving a lot of potential energy unused.

### 6 | BUILDING UP A CULTURE OF TRUST.

Creating a trusting environment within an organisation makes the processes ahead much easier. Any change requires a "down payment" of trust from everyone – especially from management.

### 7 | LEARNING TO ACCEPT UNCERTAINTY.

No change process can be planned down to the last detail, so you need to be able to deal with insecurities and surprises.

### 8 | ACCEPTING OTHER CULTURES AND OTHER WAYS OF DOING THINGS – AND USING THIS POTENTIAL.

Companies and projects are getting more and more international. "Day-to-day business" really lives up to this name as it stretches over time-zones and needs to take account of a variety of cultures and individuals.

## 1 | ACCEPTING THAT THERE ARE NO EASY ANSWERS.

*"Everybody has accepted by now that change is unavoidable. But that still implies that change is like death and taxes — it should be postponed as long as possible and no change would be vastly preferable. But in a period of upheaval, such as the one we are living in, change is the norm."*

Peter Drucker

The key characteristic of a mature team composed both of management and organisational development is the careful way in which it deals with the concerns of people "being changed". Nothing can grow on scorched earth, so shoving around departments on an organogram in traditional top-down, big-man style without any concern for the feelings of those concerned is quite simply not a viable option. Successful teams understand that change is not some heroic one-off in which a leader acting as a locomotive of change hauls his followers onto a new line, but there are still plenty of people new to management who haven't grasped the everyday nature of change today. A malady especially common to those who have risen quickly through the ranks is to see themselves as controllers who can switch points and set signals as they like, but without a good explanation of why things are happening, heroic acts of transformation start to look like simple muscle-flexing – however necessary the change in question.

The only way to explain necessary changes to an organisation which makes sense is to do so with reference to external circumstances. This in turn means that what is far more important than the "upstairs-downstairs" hierarchical structure is a clearly profiled reflexion on why change is necessary.

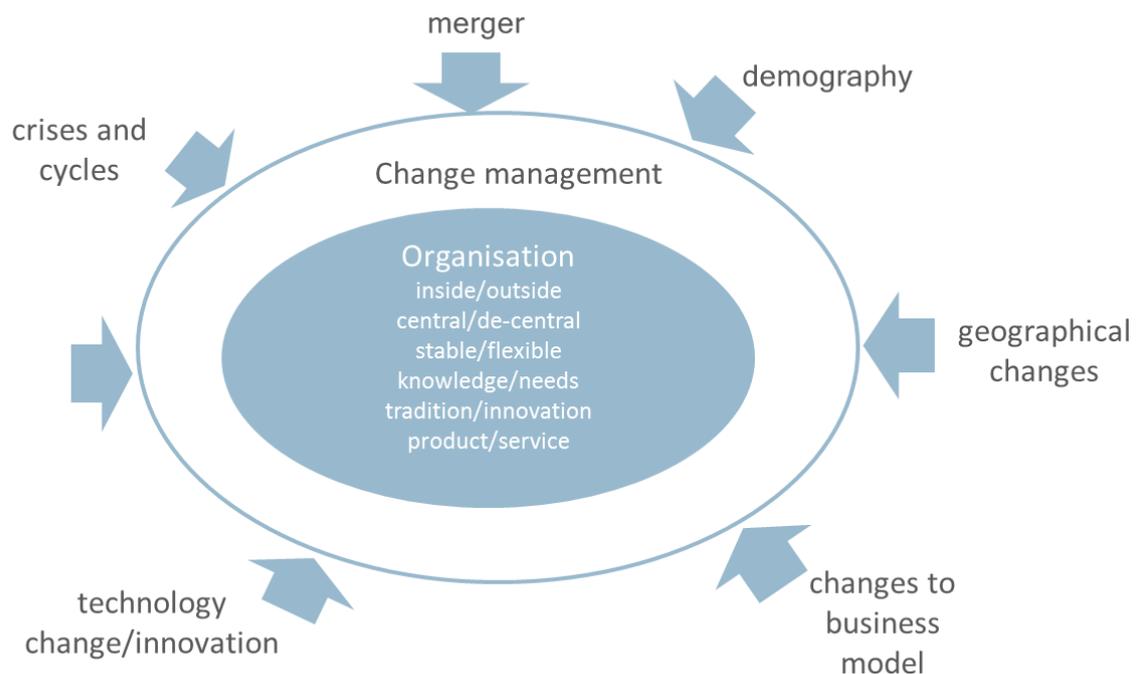


Figure 1: Change management as a mirror for necessary environmental adaptations.

### CASE STUDY IN CHANGE MANAGEMENT: „MADE SENSE FROM A TECHNICAL POINT OF VIEW, BUT A PERSONAL CATASTROPHE“.

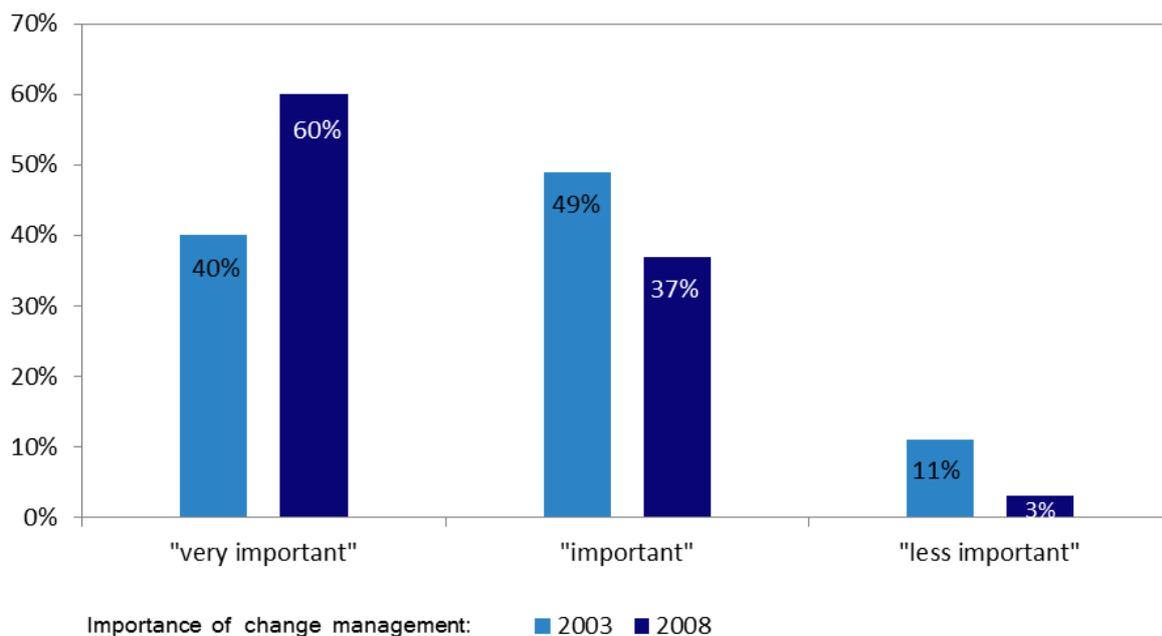
A leading vehicle manufacturer decided to add a new dimension to an existing matrix organisation by which the technical development line management was pegged to vehicle projects. Termed “module lead engineering”, this new dimension was superimposed on the matrix and was intended to anchor a new range of goals in the consciousness of the organisation. Yet despite the fact that technical consulting had produced process analyses “from the point of view of various power centers”, there was no open dialogue about the power politics of the change. The tensions in the original matrix between line managers and project leaders – already considered almost unsolvable – were multiplied exponentially by the addition of the module leaders and their interests: work came to a still-stand for months on end. Pessimism and cynicism came to dominate, and by the time polariXpartner were asked to help resolve the situation, the damage was already massive. In the end, the company in question was forced to lose a technically brilliant member of staff because the change process had allowed his ego to get out of control. In essence, the change made sense from a technical point of view, but was a catastrophe from the point of view of concrete implementation – and personal consequences.

## 2 | PROACTIVE, NOT REACTIVE.

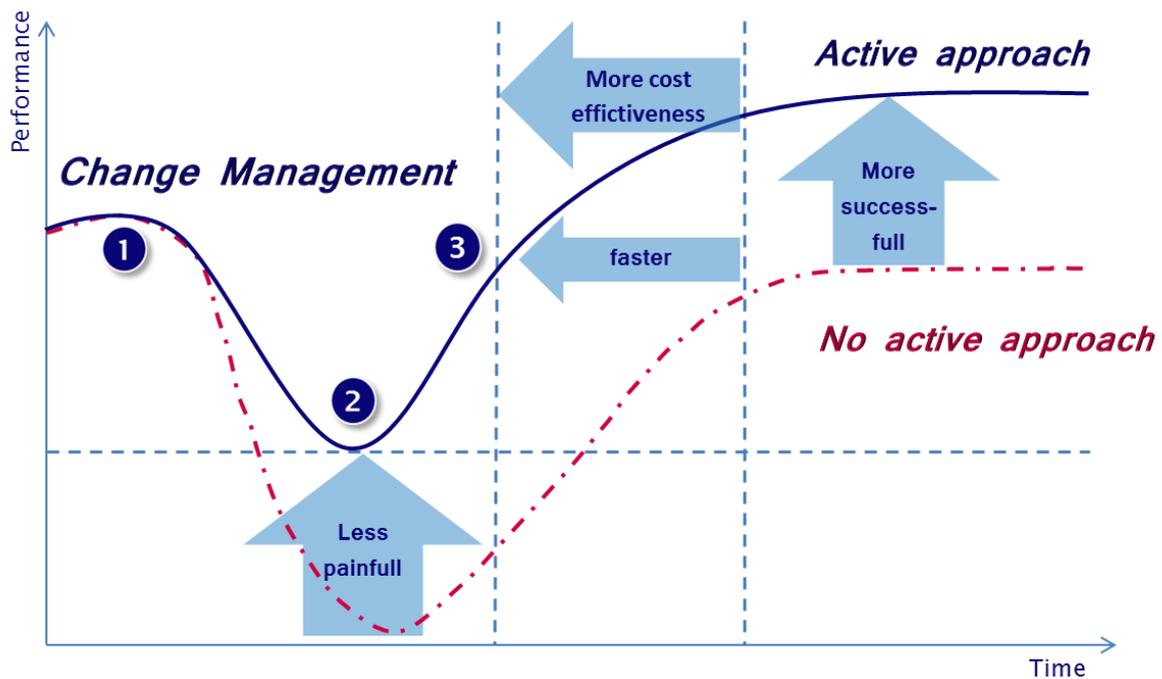
"Ten years ago, Peter Senge introduced the idea of the 'learning organization' Now he says that for big companies to change, we need to stop thinking like mechanics and to start acting like gardeners."

Alan M. Webber, Learning for a Change

As diagrams by change manager researcher Claasen make clear (see Claasen, M, Alex, B., Arnold, S: Veränderungen erfolgreich gestalten: Change-Management 2003/2008 – German), the insight that no successful change happens without active change management is becoming increasingly widespread across all industry sectors. Nevertheless, change experts are often not called in until open war has broken out in the organisation.



The best change management approach, however, is proactive, not reactive: preventing resistance and other issues by means of informational events, training, and other accompanying measures is also far more cost-effective than expensive solutions to clear away the damage caused by burn-outs, redundancies, and open conflict. Proactive change management also has the advantage of reducing the potential negative effects of transformations on the performance of an organisation, all the while speeding up the necessary change process – as our comparative diagram makes very clear.



- 1 planning → preparing the change process
- 2 start → communicating the change process
- 3 activity → implementing the change process

### 3 | THE DAYS OF THE CHARLATAN ARE NUMBERED.

Unfortunately enough, a widespread mistake is not to apply a dedicated change manager to a situation until it has become a full-blown crisis, rather than considering this as a precautionary measure. Typically, after rounds of dramatic board summits, one of the members comes up with a self-appointed “one-man change guru” who likes to see themselves as working alongside (but not with) technical consultants. The representatives of these two consulting approaches are rarely open for what the other has to say, and this can sometimes even result in jealousy between the consultant factions. Instead of targeted help, this approach can leave the organisation exposed to imposters who promise that their “circles of trust” and other “talking cures” full of hot air will make everything alright, all the while poisoning the situation further. The only way to avoid this is to integrate technical and organisational consulting early on in a clear and open way; even better than this is an integrated solution offering one single point of contact for the client organisations and the opportunity to systematically coordinate approaches.

## 4 | MAKING PEOPLE AFFECTED INTO EFFECTIVE PEOPLE.

Regardless of the management approach used, many employees stiffen with fear at the first mention of the word “restructuring”; the problem is that it is precisely the company staff that harbours the potential needed to successfully implement change processes. So how can the employees affected be included in change processes rather than sent running for cover? POLARIXPARTNER recommends a clear and open approach: companies need to make people affected into effective people. This is to be understood as more than just another cliché, and indeed the first step is entirely concrete: people affected need to be told the truth.

*"People don't resist change. They resist being changed!" | Peter Senge*

Rather than a retroactive attempt at a “talking cure” – supposedly without the constraints of the company’s financial needs – we deploy a clear communication strategy which makes no secret of the goals set for the bottom line: after all, there is nothing employees can detect faster than fake cosmetic solutions, and they are bound to match such cynical attempts with cynicism in equal measure.

Staff are quick to notice if a change management “expert” tries to laugh the process off as a bit of dental polishing while the technical consultant in the background sharpens the tools for a full root canal procedure - about which they have not been in the least informed. If a clear transfer of the factual situation is not achieved, staff start to feel as if they have been betrayed and may even use this disappointment to mobilize more negative energy to slow the change plans than for their actual work.

Employees who have been informed as precisely as possible before the start of a change process are more likely to transform from affected to effective people whose own ability to solve problems can be included in the change process.

## 5 | NOT LETTING ENERGY GO TO WASTE.

Yet how can organisations marshal the energy that can be generated by approaching changes and use this momentum to implement the transition? How can they strike the right balance between information and inclusion of staff on the one hand and fatigue caused by unceasing talk

of change on the other? The answer, as disconcerting as it may be, is that there is no one-size-fits-all solution – because every company is different. Nevertheless, there is a toolkit of methods which can be applied to various situations as and when needed.

This toolkit includes both methodically accurate environmental analyses and clear goal-setting, as well as clear communication strategies for decisions made and necessary courses of action. It also holds approaches to creating spaces in which employees can be included, can try out new ideas and learn from their mistakes, as well as measures to adapt the qualifications and competences of the people involved – and to improve structured dialogue among those affected.

## 6 | BUILDING UP A CULTURE OF TRUST

The best environment for successful change processes is one based on trust, but a culture of trust can only come about once staff have understood that their boss will fight their cause and talk openly and frankly with them. In situations marked by uncertainty, this kind of complicity up and down the steps of the management ladder is the precondition for motivated efforts in the absence of any guarantees – i.e. exactly what is needed to get change implemented. This requires that the culture of trust is built up in “quieter” periods, and a considerable effect is exercised by the behaviour of management; the right measures can achieve much in these situations. Another measure POLARIXPARTNER recommends are biennial staff surveys (e.g. using the employee commitment index) to gather feedback from the organisation and generate suitable ways of working on and strengthening the culture of trust.

## 7 | LEARNING TO ACCEPT UNCERTAINTY.

Every change process is accompanied by a measure of uncertainty, with a range of questions on employees’ minds: is my job safe? Will my tasks disappear? What will my role look like in the future? Too much navel-gazing on these matters is enough to paralyse any organisation as employee commitment melts away and rumours replace official communication.

Dealing with these problems requires extra effort from management in the decisive phases: communication with staff needs to be strengthened, and members of management need to make clear that they trust the organisation to make the right decisions and are themselves informed of all of the relevant measures. This requires that managers be able to tolerate highly

ambiguous situations and to prevent others' insecurities from affecting their own behaviour. Managers cannot allow uncertainty to turn into hopelessness in critical moments, and must lead by example here.

There is no shortage of aspects which organisations need to bear in mind in change management, and for the reasons described above, polariXpartner has decided to continue expanding its offering in the areas of change management and leadership. This allows us to accompany change from the very first stages from both a technical and organisational point of view in an integrated, methodical approach; we have recruited experts with exceptionally broad experience track records in organisational development who will help us to offer integrated change management as we have always done.

**Given that nothing is as consistent and change, POLARIXPARTNER sees itself as your consistent partner for change.**

THE GUIDING STAR FOR THE  
MANUFACTURING INDUSTRY



## AUTHOR & YOUR EXPERIENCED CONTACT AT POLARIXPARTNER



### Dr. Engelbert Wimmer – Managing Director and Partner

- More than 15 years' experience as a consultant in the manufacturing industry – especially the car industry.
- Profound understanding of processes in product development and sales & distribution, globalisation of R&D, manufacturing footprint, organisational development and change management, as well as IT management.
- Published author, popular professional speaker

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**MANAGEMENT. CONSULTANCY. IMPLEMENTATION.** polariXpartner is the management consultancy for the manufacturing industry. As industry insiders with many years of experience, we guide you on your way to success, just as the North Star, Polaris, has offered generations of seafarers orientation. Our approach is holistic, our philosophy focussed on implementation: we analyse and strategically evaluate your core processes while remaining active on your shop floor to make sure that optimal improvements are implemented up and down your value creation chain. **THINKING AHEAD. OPTIMISING. IMPLEMENTING.**