

WHEN CHANGE BECOMES OPPORTUNITY.

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Siemens did it. Lufthansa did it. And the chemical company group Bayer also did it. We're talking about change management, meaning a profound change of structures, processes and behaviour patterns. But what's the issue with these changes? And what good do they do?

“Changes, even really drastic ones, are unavoidable,” says Harald Katzmaier, founder and managing director of FASresearch, an institute specialising in social network analysis and resilience strategies. “On one hand, the framework conditions in the market are changing – whether this is due to migration, changing demographics or new technologies which must be observed, such as digitisation, robotisation or the Internet of Things. On the other hand, reactions to this global change are partly so intense and so immediate that economic cycle phases are becoming wilder and wilder. I see manic-depressive cycles which are greater and more powerful than ever before.”

In order to survive these cycles – and here above all the unavoidable, naturally-occurring end to the golden age of an organisation to its disruption, which will happen to us all in X amount of time – a long time ago, companies started to reinvent themselves at regular intervals. The phenomenon is nothing new, even if the more and more frequently circulating fashionable concept of so-called change management used by the media suggests a young, modestly researched apparition. Which

it isn't. Siemens decided a long time ago to merge its four former business sectors of health, energy, industry, and infrastructure & cities into one and, in this way, to speed up communication and work processes and move closer to the customer. Lufthansa gave up its top-down approach a few years ago and instead, introduced a model which meant that partial decisions were not made by the board, but were the responsibility of a critical mass of actors. And at Bayer, no stone was left unturned during the spin-off of the plastic department and the takeover of the agricultural business Monsanto in June of this year. "We grappled intensely with our values and the company culture," explained Matthias Schramm, Change Manager at Bayer, in a recent interview with the Harvard Business Manager. "The result is a comprehensive change management programme where for the first time, we could experiment more with it, rather than just control it."

But to ensure that such a change management process is accepted successfully, according to psychologist and business guru Peter Kruse, who died in 2015, you need a few constant parameters through all the desire for chaos and eagerness to experiment: "Change management is the transition from a stable macroscopic pattern of order to another stable macroscopic pattern of order. And of course, to transfer from one order to another, you must disrupt stability and allow critical disruption where, for a moment, the company is not as capable or efficient as it once was. After this dramatic transition, however, stability must take hold again. This has nothing to do with *Panta Rhei* and "everything is in flux" fantasies, unlike what many people think."

The easiest and most successful change management processes, explains Karl Friedl, Managing Director of M.O.O.CON GmbH, active in Austria in Germany, are when they don't only emerge out of economic necessity, but come from an active desire. "The vision must be clearly defined and also evident, otherwise such a difficult and sometimes also painful process is barely supportable, whether this is a new style of management, the implementation of flat hierarchies or the transition to independent action." The expert specialising in structural change recommends toughening up the company and its individuals before starting such a process, because: "a profound process of change leads through the valley of tears. If you're not ready, you'll burn out." The consequences are burn-out, or even systems completely collapsing. "The second management level is often the brakes in a change management process, because in sandwich positions, there is almost always only losers," Friedl points out. "This is why you should always give these people more attention!"

It is advisable not just to implement a change in an abstract manner, but to strengthen the transition from state A to state B with a tangible and visually or emotionally perceptible vehicle. Friedl: "A change management process is difficult to control if I, as an employee, can't experience the transition physically and mentally, and still have the same old computer and the same old telephone in front of me." New furniture, new spaces, new locations on the physical level; new phrases, new marketing measures, new IT interfaces on the virtual one are helpful companions. Martin A. Ciesielski, Managing Director of Berlin-based consulting company Medienmosaik, is also familiar with this. The former banker focuses on social prototyping and advises change management customers in the form of impro-theatre, systematic work and tailored competence training.

“You have to feel a system change, so that you know where you’re going and how it feels there. And most people recognise that it feels bloody awful to let everything go and just stand before nothing for a moment. This essential experience has enormous potential.” In order to assist managers and directors along this path, last year, he founded the platform The School of Nothing. “In this school, we teach our partners and customers how you can actively shape Nothing and how a company can best process this near-death experience,” says Ciesielski. “Because if you don’t practice this actively, change management is just a meaningless buzzword or bullshit bullet point on a flipchart.” Or, as Romy Sigl, Head of CoworkingSalzburg says: “The dilemma with change management is that this process has a lot to do with your ability to learn and ability to handle feedback in a constructive way. Companies and managers who can take on criticism and who are capable of developing something new out of criticism and feedback do not require change management. And everyone who can’t handle this, will also learn nothing from a change management process.”

The fact that the profound change of structures, processes and behaviour patterns can also go wrong is proven by many documented failures, just like those of US trading company J.C. Penny, Norwegian paper manufacturer Norske Skog, or Danish toy manufacturer Lego who, in their heyday in the year 2000, offered so much freedom and encouragement to its employees to carry out so many experiments that the building block magnate was on the verge of bankruptcy just a few years later. Heini Staudinger also had a painful experience with his company Waldviertler Schuhe. A few years ago, he began to implement a sociocratic management model in the shoe workshop and in the affiliated GEA Akademie – and this year, had to recognise how difficult it is to bring 300 employees along this path. “The biggest enemy of change is habit,” says Staudinger, “and that almost broke our neck. Defending and keeping what we’re used to is a natural instinct of man, and, on the other hand, to fight against it and handle it in a constructive way did not succeed for us, in spite of our efforts.”

These days, Staudinger, who stopped the change management process using emergency brakes, knows: “Change must be taken seriously. Bringing along the larger parts of our staff required a great deal of effort, which we as managers did not take seriously enough over the last few years, to be honest, and did not pursue this actively enough. In my experience, change management only works when desires and abilities are synchronised, when you don’t just have the will, but also the competence. External, highly professional accompanying measures are urgently needed for this.” Thank you, Heini Staudinger, for sharing such a valuable experience.