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Change Management

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Preliminaries

This is an introductory text to the following screencasts in the cinema of the topic *Change Management*.

- Key concepts of organisational change
- Design of change processes
- Roles in change management
- Opposition towards change and ways to deal with it
- How to foster change

The text is not a complete summary of the information given in the screencasts. It will introduce you to the respective topic and help you to remember the key facts later. You can make use of the full potential of the learning material and have the most fruitful learning experience, if you watch the respective screencasts in the cinema and work on the reflective questions which you will find at the end of this document.

Further reading to deepen your knowledge can be found in the bookshelf of the topic on *Change Management*. Material for the transfer of knowledge from theory into practice, like worksheets, templates etc. can be found in the toolbox for *Change Management*.

All material is part of a compendium that has been developed for the HAQAA2 Training Course IQA-4-Africa – From Pan African Policy to Practice.

Keywords: Incremental and fundamental change, evolutionary and revolutionary change, four levels of organisational change (Restructuring, Reorientation, Revitalisation, Remodelling), Change Agent, Change Manager, Project organisation

Expected Learning Outcomes:

On successful completion of the material on *Change Management*, you should be able to:

- consider and theoretically classify your own belief about the emergence of change,
- explain the difference between incremental and fundamental as well as evolutionary and revolutionary change,
- name and take into consideration the key phases of a change process,
- discuss success factors for organisational change,
- deal with resistance to change.

1. Key Concepts of Organisational Change

Whether it is the digitalisation of teaching, the introduction of a campus management system and other IT-systems, the establishment of consecutive study programmes or organisational restructuring – Higher Education Institutions (HEIs) are (increasingly) confronted with multi-layered changes that need to be managed as smoothly as possible. This module deals with the question of how change processes can be designed and managed. We assume – although many change processes take place unintentionally and without being noticed – that in principle change can be driven forward intentionally, i.e. change can be planned and controlled, at least within limits. According to Vahs (2015: 279) the term *change management* can be defined as the "targeted analysis, planning, implementation, evaluation and ongoing development of holistic change measures" in organisations. In view of the comparatively differentiated internal structures with high degrees of autonomy of individual areas, change processes in HEIs can be characterised as complex and challenging (cf. Gijsselaers / Harendza 2006). In order to successfully design change projects, one should first of all be aware of one's own individual understanding of how change occurs in organisations.

Process theories on strategic change

The clarification of one's own perception of change can be done with the help of the four archetypes of process theories, which offer different explanations for the emergence of organisational change (on the following see Müller-Stewens / Lechner 2016: 434-435): In screencast no. 1, key concepts of organisational change theories are explained to a certain level of detail. In this text we only want to state that these explanatory approaches can be condensed to two explanatory models of organisational change: On the one hand, change can be regarded as a result of the active and shapeable adaption of the organisation. On the other hand, change can be seen as a result of an ageing process and of environmental selection that has to be endured passively. When designing a change process yourself, we suggest you reflect on your personal, probably implicit explanatory model as well as on the dominant model in your organisation. This reflection of one's own understanding of change is the basis of any directed change process.

Variants of organisational change

A further prerequisite for the successful design of change processes is a knowledge of the most important variants of organisational change. Typically, a distinction is made between **incremental and fundamental change**: *Within* an epoch, i.e. within a larger period of organisational history, only incremental change tends to take place. Incremental change is about optimising the organisation within its existing logic. The transition from one epoch to another is called fundamental change. A fundamental change is characterised by a change in the basic concepts and patterns of order (paradigms) prevailing in the organisation, which lead to a new logic guiding the organisational activities. During this period of transition, the old paradigm often persists alongside the new one, which can lead to prolonged "paradigm battles" (cf. Senior / Fleming 2006: 41-63; Müller-Stewens / Lechner 2016: 450f). Triggers for

fundamental change can be seen in massive changes, in competitive pressure or in the appointment of new organisational leaders accompanied by associated power shifts. From the point of view of those employees affected, incremental change is often the more desirable alternative, since it does not involve a far-reaching break with the past. Fundamental change is usually accompanied by uncertainty, confusion and fear, which can trigger considerable resistance (see chapter 4).

Fundamental change can take an **evolutionary or revolutionary** form. A more evolutionary transition occurs when the organisation continuously and gradually changes its paradigm through learning processes. If, however, the entry into a new era is the result of an "adjustment backlog", we speak of revolutionary change, which breaks its course abruptly and discontinuously. The adjustment of only a few selected variables is then no longer sufficient (cf. Müller-Stewens / Lechner 2016: 454). Evolutionary change, which is often limited to specific organisational units or areas, can also be described as "1st-order-change". Revolutionary change, which usually extends to the entire organisation, then has to be classified as "2nd-order- change" (cf. Vahs 2015: 264f). This distinction refers to the question of the desired intensity of the intervention: Revolutionary change is radical and takes place in a temporary "quantum leap"; evolutionary change is more long-term, more cautious and takes place in smaller steps (cf. Vahs 2015: 363f).

To sum this up: Before starting a change project, you should be aware of whether your change project is of an incremental or fundamental nature. In the latter case, you should clarify whether an evolutionary or revolutionary progression is to be expected.

On the relation of change management and organisational culture

First and foremost, organisational culture is the framework for change management, but it can also be a target when it comes to achieving a *cultural* change. The organisational psychologist Edgar H. Schein (2004 [1985]) identifies three levels of organisational culture:

- **Basic invisible assumptions** that are effective among managers and employees, such as unconscious views, perceptions and feelings, are considered the foundation of organisational culture (level 1). Most of them are not clearly pronounced, they can only be observed indirectly in everyday life.
- **Values and norms** (level 2) are derived from the basic assumptions. They can be visible, but also invisible. They are visible, for example, in written strategies and goals of the organisation, in visions and mission statements. Here, for example, it is expressed whether an organisation considers itself to be regionally rooted or globally active, whether and at what pace it wants to grow, etc.
- **Artefacts** (level 3) are visible patterns of behaviour on the one hand and symbols on the other hand, e.g. the architecture of buildings, the way employees address each other, the design of the offices, the clothing of the employees, some rituals like meetings and much more.

Organisational culture is reciprocal, i.e. it shapes the behaviour of the members of the organisation on the one hand, but is also produced and defined by the members through their behaviour and habits. In other words, every action of an organisational member is culturally influenced and also influences the organisational culture. A change in organisational culture is necessary, for example, when procedures have crept in that may have been useful in the past but are now outdated or lead to destructive behaviour.

In Schein's model, the second level is the decisive starting point for a successful culture change. According to the model, an organisation that wants to bring about a culture change can most easily change its organisational culture by introducing new standards of behaviour.

And something else follows from the model: Visible symbols and signs should be used for a cultural change in order to give the organisational culture a visible and tangible character. In this way, organisational culture can be grasped and internalised more quickly.

Four levels of organisational change

Generically, four levels of organisational change can be distinguished, from which a different depth of change results for the overall organisation:

- **Restructuring** (also: reorganisation) aims at the existing corporate structures and processes as well as the systems and resources used, including for example IT or the spatial infrastructure. Often, restructuring measures such as the optimisation of processes, the reduction of jobs, etc. are only implemented to reduce costs.
- A **reorientation** is the modification of the organisational strategy, which in the case of HEIs can lie in its development into a "transfer-" or "entrepreneurship-university", for example. It thus reaches much deeper than restructuring and often aims at a sustainable improvement of the success potential or the success position instead of just cost reductions.
- When the change project focuses on the acquisition of new skills by the members of the organisation or a change in behaviour, such as a change in management style, it is called a **revitalisation**.
- The most profound change is a **remodelling** of the organisation. Here, the object of change is the collective values, beliefs and attitudes shared by the majority of the organisation's members. Remodeling thus aims at the core of the organisational culture. Remodelling processes are long-lasting and not at all predictable. (cf. Vahs 2015: 266f.)

Restructuring and reorientation projects are usually referred to as *organisational design*. The objective of organisational design is to solve an expected or existing organisational problem as efficiently as possible – in the Higher Education sector, for example, the streamlining of administrative processes such as *student enrolment*. In contrast, revitalisation and remodelling are referred to as *organisational development*, which is primarily directed at the attitudes and behaviour of the members of the organisation and their social relationships. It is based on the idea that organisational change is only possible if the previous attitudes and behaviour of the members of the organisation also change (cf. Baker 2007: 206-209; Vahs 2015: 343-355).

But to avoid any misunderstanding: It is in fact necessary **to take individual human beings into consideration on all four levels**, since almost always certain groups of the organisation's members and employees or even all of them are the crucial success factor for organisational change even when it focuses on organisational design. In other words, approaches to restructure or reorientate the organisation are not successful without taking into account the behavior, values, beliefs and social relationships of those human beings affected. Therefore, organisational design projects should at least be accompanied by organisational development measures in order to turn those human beings affected into participants.

2. Design of Change Processes

Most phase models proposed for change management basically follow the same logic: a given change objective is to be achieved by drawing up plans, implementing them consistently and reducing or eliminating resistance. In line with much of the organisational literature, we assume that once plans and objectives have been established, they often cannot be maintained

unchanged over a long period of time, but have to be repeatedly adapted and re-prioritised within the change process. Nevertheless, a systematic planning of

goals and measures is needed in order not to start out completely directionless and to have a basis for learning processes. The countless models for organisational change differ in the number of phases and the rigidity of the phase sequence. Some call for an exactly sequential process, others see the process as rather iterative or even nesting (cf. Müller-Stewens / Lechner 2016: 471).

Most of these phase models refer to Kurt Lewin's (1948) pioneering work on organisational change. He makes a distinction between the phases *unfreezing*, *moving* and *refreezing*, which are explained in more detail in screencast no. 2. The basic insight Lewin introduced to organisational change theory is that in order to make changes, the organisation must first be brought out of balance, then changed and then be stabilised again on a higher level. The eight-step process model of Kotter (basically 2012 [1996], see also Kotter / Rathgeber 2017), which is also presented in detail in screencast no. 2, is based on Lewin's considerations. According to Kotter, you have to (1) create a sense of urgency, (2) build a guiding coalition, (3) create a strategic vision, (4) communicate the vision, (5) remove barriers and obstacles, (6) generate short-term wins, and (7) consolidate improvements in order to eventually be able to (8) institutionalise new approaches in the organisational structure and culture. A sense of urgency can be created by: providing evidence that change is needed; identifying and highlighting the potential threats and repercussions which might arise in the future; illustrating the negative effects of avoiding change; examining and talking about the opportunities which can be tapped through change. It is also helpful to request the support of experts to strengthen your argument.

Success factors of organisational change

Over time, general success factors for change processes have emerged. Employee participation in the design of change measures, clear and unambiguous objectives and timelines are such success factors. Apart from that, the nomination of (socially) attractive and achievable objectives, the breaking down of objectives into sub-objectives and milestones that individual employees can relate to, and a transparent and authentic information and communication policy are also considered success factors that have been empirically confirmed (cf. Vahs 2015: 420-422; Müller-Stewens / Lechner 2016: 470).

3. Roles in Change Management

The term *roles* refers to the attitudes that are consciously or unconsciously adopted by those involved and affected in a change process (role taking) on the one hand, and to the tasks that are assigned to them in the change process (role making) on the other hand. The planning of change processes requires a conscious examination of the roles that are being applied.

Key roles

Four superordinate groups of roles can be distinguished (cf. Müller-Stewens / Lechner 2016: 525 f):

- **Strategists** lead the change strategically (leadership function), lay the foundation of the change programme and push the development of the vision.

- **Promoters** provide various resources, e.g. power, money or a relationship network in the organisation.
- **Implementers** have direct responsibility for the implementation of change measures. They design and coordinate the day-to-day actions in the change process on different hierarchical levels. In most cases they also have an official function in the change project.
- **Recipients** are the employees affected by the change. It is their behaviour that ultimately determines whether the change will be successful or not. As a rule, recipients can be divided into four subgroups: The so-called *drivers of change* support the change and express their support openly. *Supporters* do also support the change project, but do not express their support openly – at least not on a regular basis. *Sceptics* are against the change – at least in the first place, but don't express this openly. *Opponents* continuously block the change process and declare their opposition openly in order to influence others. As a change manager, one should plan communication in such a way that first the driving forces for change are won over, then the other groups are gradually addressed.

Two specific roles from the group of implementers have a prominent significance: that of project manager (**change manager**) and that of **change agent**. Both roles should always be filled explicitly in change processes. The change manager is responsible for project management and heads the project team. He or she usually works full-time in this function, controls the individual working groups and measures the progress of the project. The change manager must be endowed with great decision-making powers and must possess great methodological competence (cf. Müller-Stewens / Lechner 2016: 529-531). Change agents are required to impart new knowledge to recipients, to help them build up new skills and to identify, assess and solve problems that arise in the course of the process. They act as multipliers or change facilitators and support the change process, especially in social terms (cf. Baker 2007: 94-100; Vahs 2015: 352f.). The range of activities of change agents is very diverse and, depending on the specific status of a project, they should, for example, act as listeners, learners, teachers, advisors or coaches.

Organisation of Change Projects

Concerning roles in a change project, questions such as the following may arise: How differentiated should the role setting be? How should the individual roles be structured in concrete terms? Who should fill them? Is full-time project management required? Should the project have a steering committee from top management? Which organisational units should be represented in the project structure? How should the various interest groups be involved? How can the project be organised in terms of division of labour (e.g. within the structure of the organisational structure)? Should an independent task force for project communication be established?

The project organisation should be simple, manageable and comprehensible and should regulate the distribution of tasks, responsibilities and competences in a binding and clear manner. A three-level project organisation with a steering committee as the highest decision-making body, a core team to steer operational activities and several decentralised project teams to deal with specific tasks has proven to be an effective strategy (cf. Harrington 2018: 110-129). A detailed proposal for the structure is presented in screencast no. 3.

4. Opposition Towards Change and Ways to Deal with it

Change comes with a loss of stability and security. Old traditions are replaced by new ones and previously unknown things. The future development, which seemed predictable, is suddenly uncertain. Given this situation, is it surprising that resistance to change is emerging? Many people initially see change more as a threat or even a danger, because it may be necessary to say goodbye to many cherished habits. Resistance arises when employees at a certain point do not know how the process will continue. It may also arise, when their already proven willingness to change is not appreciated, when they are not supported in closing skills gaps expected in the future or when they are simply asked to do too much at a time (cf. Müller-Stewens / Lechner 2016: 525 f). Resistance is a normal side effect of change and not something that has to be avoided at all costs. Visible resistance gives change managers the opportunity to identify weaknesses and actual shortcomings in the change process.

Basically, three types of resistance can be distinguished:

- **Rational resistance** arises when facts are assessed differently by specific people affected by change. This form of resistance is expressed in logical arguments and thus can in principle be managed through comprehensible justifications for change that give way to better insight.
- **Political resistance** arises when change is linked to the fear of losing influence and power in the organisation. For example, the loss of the previous hierarchical position is a decisive aspect in the transition from a centralised to a decentralised organisational structure. This kind of resistance is difficult to manage. If the integration of the resisters does not succeed, they should be dismissed quickly in order not to endanger the process.
- **Emotional resistance** results from more or less concrete fears and from the fear of everything new. It expresses itself in the form of an indeterminate feeling that cannot be explained rationally. It can only be reduced by addressing the fears or anxieties and reducing them step by step through serious and trusting discussions (cf. Vahs 2015: 326-328, for a case study see Rowlands / Rees 2015).

The importance of emotions

To successfully counter potential or actual resistance, a close link between the factual and emotional levels is necessary throughout the entire change process. In other words: Emotions must be acknowledged and taken seriously. Our general advice is: Resistance always contains a coded message. Decode it! Any disregard of resistance leads to blockades. Walk with the resistance – not against it. Resistance can be managed and softened by establishing a close link between the factual and the emotional dimension throughout the entire change process, by

- acknowledging emotions and by taking them seriously,
- informing the organisational members about the causes and objectives of change/s timely and openly,
- letting those affected by change actively participate in planning and implementing measures,
- establishing a trustful communication and working climate,
- training and coaching for those concerned about change,

- protecting people who are negatively affected by change (e.g. through the commitment not to lay off workers),
- providing visible, monetary and non-monetary rewards for promoters of change,
- allowing mistakes to be made in order to increase the willingness to find new solutions.

A good overview of some classic concepts for overcoming resistance can be found in the book from King and Anderson (2002: 195-220).

In order to locate resistance in the organisation, change managers should know the **typology of people involved in change**:

- Usually, one third of those affected by change are open and positive towards change, these people can be marked pointedly as *visionaries and missionaries* and *active believers*.
- Another third, the so-called *opportunists* and the *waiting and indifferent* behaves in a neutral way.
- The last third vehemently rejects change, be it as open adversaries or so-called *underground fighters* or even as *emigrants*. In order to be able to involve them in the change and perhaps even make them *active believers*, an improvement in the personal work situation must be recognisable to them. As open adversaries openly show their stance – they are concerned *with the cause* and not with personal privileges – they are perfectly acceptable discussion partners in the change process. Their objections and ideas can even lead to a better implementation of the planned measures.

5. How to Foster Change

Change can be fostered by strategic communication. Change communication is "the planned, organised and structured communication during a change process. Its core task is the targeted exchange of information, maintaining the ability to engage in dialogue, and the involvement of all those affected and involved – both within the organisation and outside. It is limited in time for the duration of a change project." (Deutinger 2013: 3).

In order to be relevant and thus to guide action, change communication must know the expectations of those affected and provide action-oriented answers to their questions. Neither empty phrases nor general behavioural maxims can help here. The following concrete recommendations (cf. Pfannenbergl 2009; Sidhu 2014) and are explained in more detail in screencast no. 5:

- active communication instead of silence,
- concrete announcements instead of general statements
- "bad news first" instead of "salami tactics",
- emphasis on continuity instead of a "rhetoric of rupture",
- feedback loops instead of proclamation,
- honesty instead of whitewashing and regret,
- public controlling of the change project instead of perseverance slogans.

The change story as the basis of content development

A so-called *change story* serves as the central guideline for content development within the change project. Once the story is elaborated, it should be condensed as a slogan, as a

concise name or as a motto. In addition, the change story serves as a framework to brand your change project with a logo and a title. Why should you develop a change story at all? There are at least four reasons: (1) Good change stories simplify change. (2) They turn individual facts and arguments into a meaningful context. (3) They make complex facts comprehensible. (4) They provide answers, offer orientation, comprehensibility and security.

A good change story can be told to others after having listened to it for the first time. It should be written in the idiom of the persons concerned, so that it can reach them on a factual and emotional level. Its key message must make a difference to the listeners.

When creating a change story, choose an emotional entry, rely on identification figures and be concise, simple and clear, especially regarding the key message. Moreover, integrate suspense, draw either a positive conclusion (happy ending) or describe a moral at the end. Also, develop a single or a few key images (drawings, graphics, photos) to illustrate your change story.

The basic structure of a change story could be as follows: A review of the past is followed by a look into the future to build up tension which is followed by a sketch of how people of today can come to tomorrow. A slightly different structure emerges when you begin to build up tension by explaining which future strategy and objectives the organisation is striving for, followed by a description of the way to reach the future objectives and an explanation of personal opportunities that change offers for each individual.

Selected measures of internal communication in change processes

The number of possible measures is very big. Articles and comments in employee magazine and on the intranet, a topic blog on strategy development, information on market trends in media of regular communication, newsletters for employees, management blogs (e.g. as vodcast) and many more.

Measures can only be applied when specific content is to be brought closer to the people affected by change. Possible content includes the vision, goals and strategies and why these are the right ones in the situation, available support from top management, achieved project progress according to project planning, implications for the people concerned, the risk resulting from not changing, the background to the change required, best practices, the existing capabilities to successfully manage change, portraits of change managers, reasons for particular urgency, quick wins that have been achieved, expected changes and difficulties, success according to the defined key performance indicators, etc.

In order to foster change by communication, measures and content have to be allocated to specific phases of the change process (see chapter 2). For example, in the first phase *creating a sense of urgency*, articles and keynote speeches by external experts on workshops / conferences and management statements can be used to provide information on the background of change, the reasons for particular urgency and the risk of not changing. In the third phase *creating a strategic vision and initiatives*, workshops, topic blogs and interviews with power promoters can be helpful to clarify what vision, objectives and strategies the organisation pursues and why these are the right ones in the specific situation, what difficulties are expected and how top management supports its employees, for example. These are just examples – be creative when creating a communication plan yourself!

6. Reflective Questions

What do you think?

- When you think about your own organisational context and previous or upcoming change projects: Who in your organisations might be promoters, who might be resisting etc.?
- To what extent can change actually be planned – especially in Higher Education Institutions?
- Do you consider the success factors to be influenceable? Which ones?

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And recommendations for further reading

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