



4

Capacity WORKS

Toolbox - Success Factor 4 - Processes



Success Factor 4

Processes

Background _____ p. 3

Tool 1 _____ p. 5
Core Processes

C

Tool 2 _____ p. 8
Communities of Practice (CoP)

A

Tool 3 _____ p. 12
Process Optimisation

C

Tool 4 _____ p. 16
Interface Management

A

Tool 5 _____ p. 19
Shaping Change Processes and Projects

C

Tool 6 _____ p. 23
Dealing with Resistance

A

“C” stands for “craft”
“A” stands for “art”

Every organisation, irrespective of its size or field of operations, uses a fantastically wide variety of processes. The internal and supra-organisational operations form the nervous system of every organisation and determine its performance capacity and whether or not it will achieve its goals. Efficient and effective process design is thus another key factor in the successful implementation of a project.

Generally, processes are presented along the lines of task and value chains: procurement, production, marketing, sales, customer service, etc. The processes are broken down into three rough categories:

- Core or business processes, which are the core activities needed to produce the service
- Management processes, established to provide steering, coordination and quality assurance
- Back-up processes, which are needed to provide infrastructure and deliver internal services.

There can be no doubt that these processes, in particular the **core processes**, are of crucial importance for development cooperation projects as for other undertakings. At the same time, a development intervention differs fundamentally from a private-sector business by virtue of its change orientation: the success of a development cooperation project is influenced every bit as much by the shape taken by the **cooperation process** within a flexible cooperation system and by the **learning processes** which the project facilitates and fosters.

A second point, which should be mentioned at the outset, is the tendency to see processes as the antithesis of structures and rules, whereas in practice the two complement one another. Structures form the river bed in which the processes flow. Processes within organisations are structured and regulated, either by means of explicit rules or with the help of implicit rules which the actors apply themselves. Unregulated processes are not good in that they seem to allow the individual a great deal of leeway, and offer openness and flexibility. The very lack of regulation can actually be destructive and lead to boundless power struggles if responsibilities and authority are not clearly allocated. Processes need structures and rules, not too many and not too few. The best solution can only ever be determined locally, and must also take into account the cultural background and sensitivities of the actors involved.

If we look at processes, we must realise that we can only ever see and analyse a tiny part of the processes which run parallel to one another within a cooperation system. In other words, we must focus on one issue so that we can observe a few processes more precisely with a view to optimising these.

Within the framework of process design we advise the adoption of a two-step approach:

Step One: Process identification – what are the key processes?

Before we can shape processes we must have a clear understanding as to what processes we mean, and where they can be found within a cooperation system. Development cooperation projects are joint undertakings which aim to change or optimise existing structures and processes in other organisations. From this, it follows that processes take place within the cooperation system in various fields. We distinguish between **three process fields**:

(1) Our internal management processes

The internal processes are the foundations on which we build our activities. We can only achieve a result outside the organisation if the quality of our internal operations is right, and if these processes are well coordinated.

Success Factor 4: Processes

Background

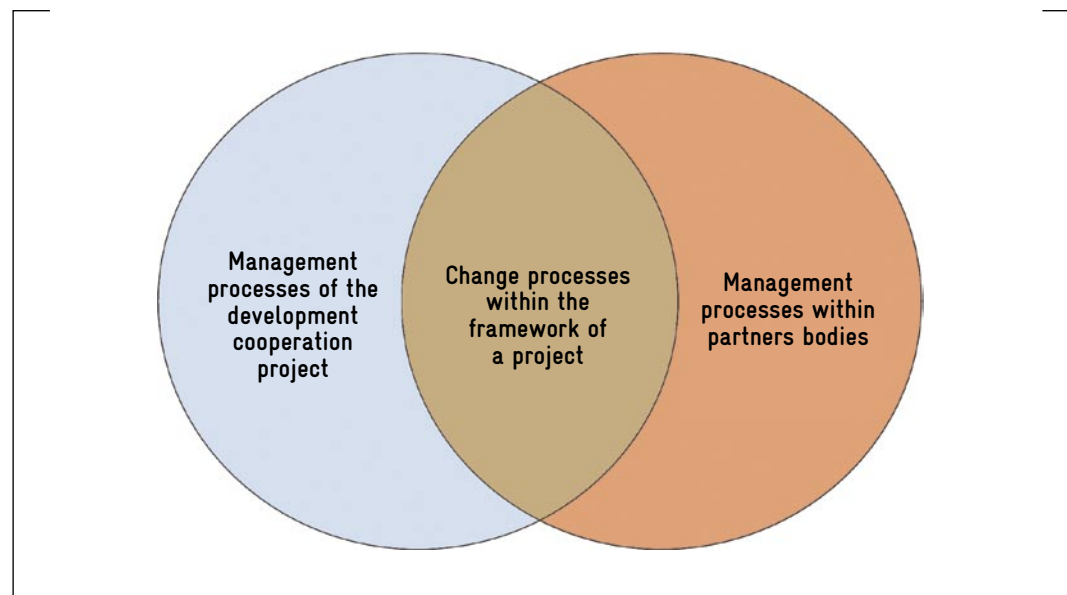
(2) **Change processes** initiated within the framework of the project

Change processes are the central aspect of a project, because the agreed goals are to be achieved by means of these change processes. Poorly planned and badly designed change processes make it more difficult to achieve the set objectives of a project or programme.

(3) **Management processes** on the part of the partners

Internal processes of partners and target groups can have a positive or a negative influence on change projects. For obvious reasons they can only be influenced indirectly (via change processes) by our system. The partner or target group in question is responsible for shaping these processes.

Process landscape



Step Two: Process optimisation –

How can we make key processes more effective and more efficient?

Once we have rendered our key strategic processes visible, the second step must be to improve these processes or, where necessary, devise and introduce new processes. Here too, we concentrate on three fields:

(1) **Identify problems and bottlenecks**

In order to optimise processes in a targeted manner, we must be aware which processes display weaknesses and where, and at which points the process suffers from a poor division of responsibilities, shortcomings in the value chain, interface difficulties, duplication of work and inadequate resources.

(2) **Recognise potential for improvement**

Once we have identified the weaknesses in the processes, we must find the root causes of the problems encountered. Possible options for action should be discussed and proposals made as to how to improve the situation. Then measures should be taken to introduce the necessary improvements.

(3) **Devise and introduce new processes**

In development cooperation projects, new processes are often identified and introduced because it would not be enough to optimise existing processes or because the processes currently in place are obsolete.

1. Focus

We will be using the term “core” or “business process” in the widest sense here. This includes output processes designed to achieve the goal of a project, as well as lateral processes involving cooperation and relationship building, communication and learning. Before we can optimise business processes it is a good idea roughly to categorise or sort the large number of processes.

This tool gives us an overview of the various processes and process levels within our cooperation system. It indicates which type of processes exist within our system.

Core processes are indispensable for achieving project objectives. They cannot simply be outsourced. If they are put to one side, the success of the entire project is jeopardised. Core processes meet the needs of clients. Core processes can be derived directly from the core competencies of an organisation. Typical core processes

- have a visible benefit for clients
- are unique by virtue of the organisation-specific utilisation of resources
- cannot readily be imitated
- cannot readily be replaced by other solutions.

The core processes within a cooperation system in development cooperation can be broken down into **three segments**:

(i) Output processes

We understand “output processes” to be the processes which generate value added for a client, and have thus been introduced to help the organisation achieve its objectives. These processes generate a concrete output that is visible to clients.

(ii) Cooperation processes

The umbrella term “cooperation processes” embraces all processes which in some way allow various individuals, organisational units and actors within the cooperation system to cooperate, and to consult and coordinate activities in place and time. Essentially, these processes are internal communication and team-building processes. Well-designed and properly structured cooperation processes allow us to ensure a division of labour while maintaining coordinated actions. They allow us to make efficient use of existing human resources, avoid unnecessary duplication, and help us overcome barriers to communication.

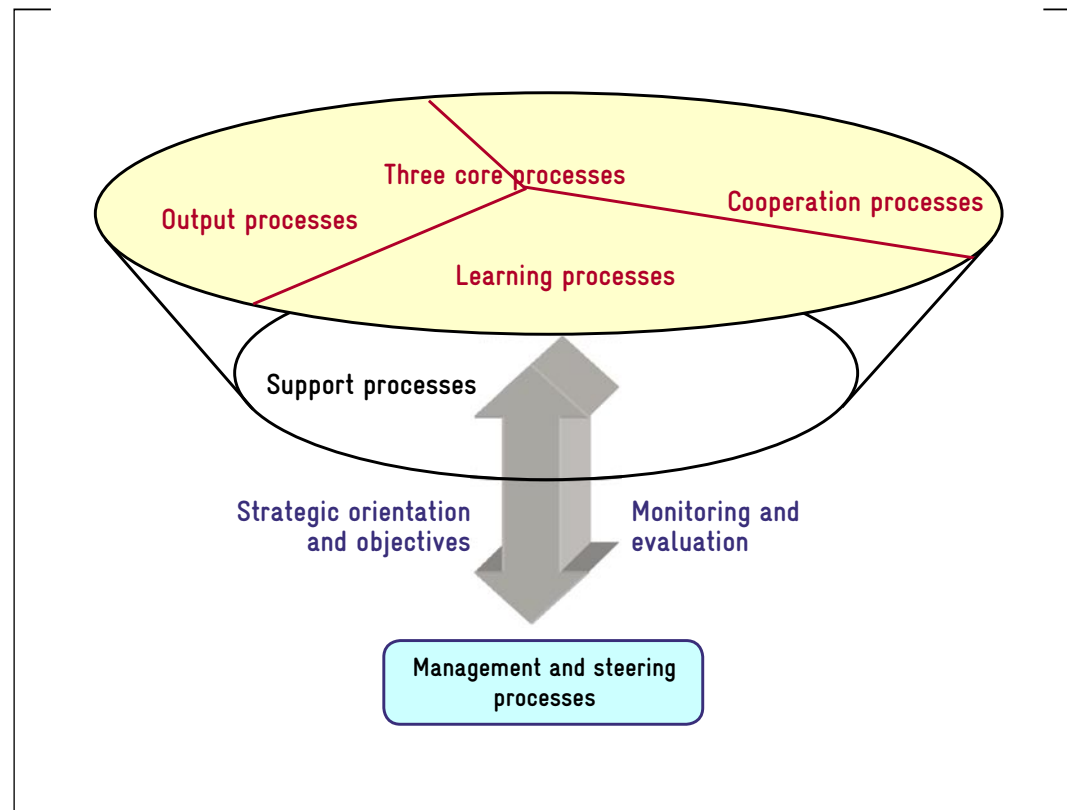
(iii) Learning processes

Learning processes serve to consolidate and exchange experience and knowledge within an organisation and in the cooperation system. Well-designed learning processes allow participants within the cooperation system to learn from experience and consistently to improve their performance. Individual learning is every bit as important as organisational learning.

Alongside these three parallel processes, there is a management and steering process within the cooperation system. This gives these sub-processes a strategic direction, intervenes in the other processes, and reviews their results. The management and steering process aims to achieve optimal coordination of the three sub-processes and to ensure that the pragmatic process mix selected in every

situation and at every time is the best under the given circumstances. The overriding steering principle is to ensure that resources are allocated efficiently in order to achieve the agreed goals.

Process landscape within a cooperation system

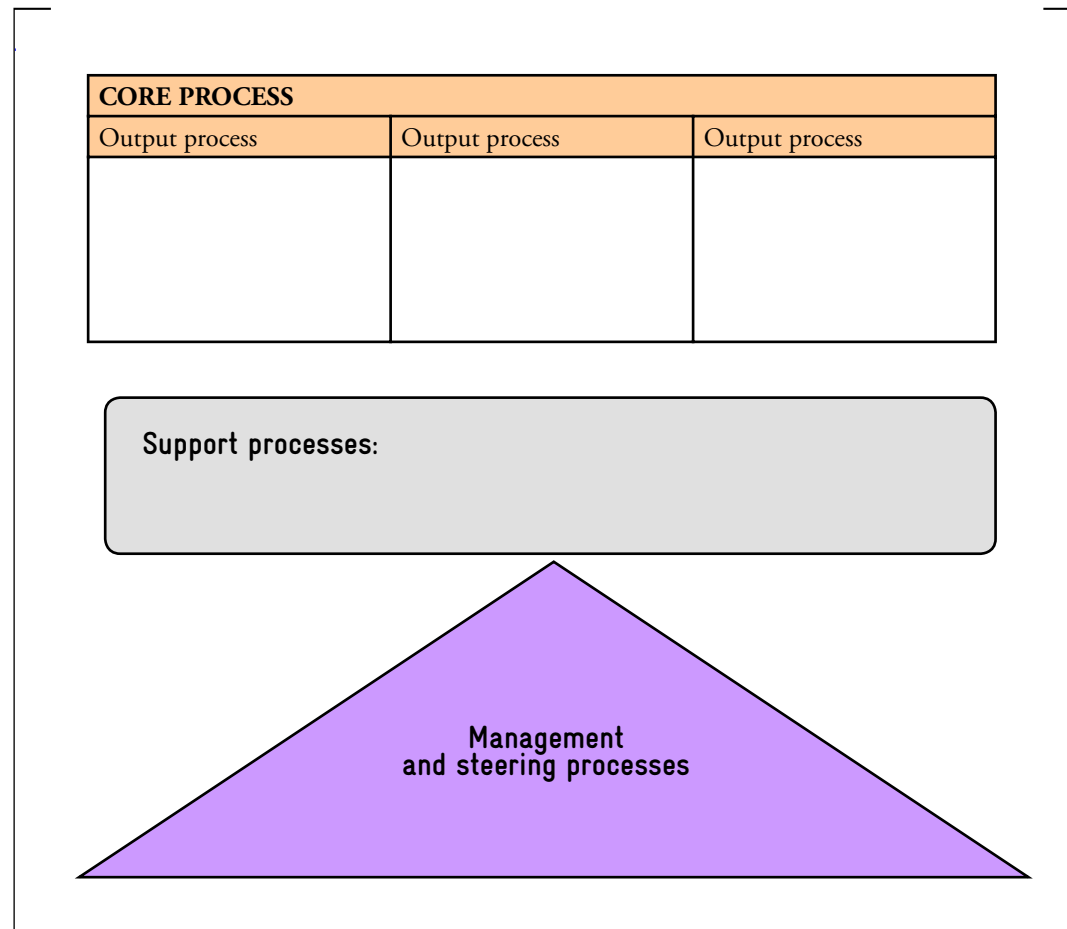


The tripartite core process (output, cooperation, learning) is led by the management and steering process and at the same time supplied with internal services through the back-up processes. These back-up processes stand behind the core processes and ensure that the core processes run smoothly, for instance by providing the necessary infrastructure and supplying the data required. The back-up processes can, if necessary, be outsourced, since they do not presuppose any organisation-specific knowledge.

2. Method

Core processes are identified and characterised on the basis of the following steps:

- 1) What are our core processes (derived from our objectives)?
- 2) Which sub-processes together make up the core process: output processes, cooperation processes, learning processes?
- 3) What are the key back-up processes needed for the core process?
- 4) What strategic and organisational framework (targets, resource allocation, regulations) is set by the management and steering process for the core process?



1. Focus

The individuals who actually perform a given task are the best process optimisers. They see every day what does not run smoothly and how it could best be improved. They are interested to see how other people tackle a similar task and learn quickly from a practical demonstration.

The successful design of processes within knowledge-based organisations is particularly dependent on the ability to generate knowledge about individual processes and to compile the knowledge about these processes which is dispersed throughout the organisation. This is directly linked to the fact that the individuals involved in the process know much better which output, cooperation and learning processes are genuinely important, and how these can be optimised.

Highly formal organisations with a rigid hierarchy tend to be poorly equipped to undertake process optimisation in this form, because they accord greater importance to hierarchical positions and expert analyses than to the practice-oriented knowledge of their own staff members. The practice-based knowledge needed to optimise processes is not, however, linked to specific positions or structures: it is scattered along the entire length of the value chain.

How can a practice-oriented knowledge platform be established within an organisation or a cooperation system in order to optimise processes? Communities of Practice (CoP) are an efficient and effective option. Members of a Community of Practice look over one another's shoulders so as to optimise processes. A CoP is understood to be a group of individuals who share an interest in a common field and aim to share practical knowledge. The group should have a degree of permanency. Although CoPs are shaped by voluntary membership, the openness of topics tackled and different life cycles in terms of their existence and strength, they are extremely effective when it comes to improving process design, developing new competencies and incorporating these into the organisation.

The fundamental features of CoPs are:

- **Needs orientation:** They come into being and continue to exist because the shared needs of members.
- **Practice orientation:** They value practical solutions highly.
- **Learning orientation:** Members are interested in the experience of others, because they suspect that the latter find themselves in a similar situation.
- **Future orientation:** Topics and issues are examined which will provide practical assistance in the near future.
- **Culture of negotiation:** Methods, commitments and products of the CoP are negotiated among the members.
- **Structured informality:** Participation is voluntary and the form and intensity of collaboration is not specified.

Most CoPs have three sub-groups which perform the various functions within the CoP:

1) Core group

A coordination team, which is responsible for networking members and if required for performing the necessary administrative work.

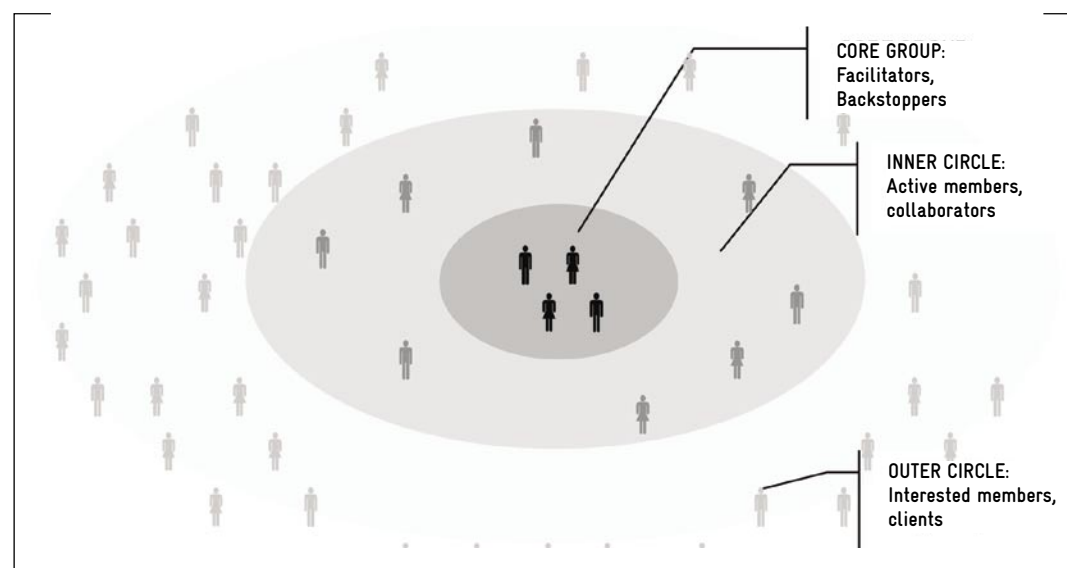
2) Inner circle

This first circle around the core group consists of extremely active members who might form a steering committee and who meet regularly.

3) Outer circle

This sub-group consists of interested members who take part occasionally. They produce technical inputs or are interested in specific products of the CoP.

Basic structure of a CoP



2. Method

2.1 Critical factors in building a successful CoP

- **The community**

A CoP is based on the feeling of togetherness which links participants. Members must appreciate the community and see it as something special and worth making an effort for.

- **The motive**

A CoP needs a clear thematic focus. Members must be able to focus on a specific area which is important to them.

- **The practical application**

Every member should have a practical link to the topic area of the CoP and should be informed about the practical experience of other members. They compare their own experience with that of others.

- **The motivation**

CoPs exist only because of the motivation of their initiators. The dedication with which members commit themselves to a CoP is thus a central factor in the successful operation of informal knowledge platforms of this sort.

- **The mandate**

The management of the organisation can give a CoP an open mandate. It must, however, provide resources (time, financial resources).

● **The (informal) structure**

A CoP does not have a formal organisational structure. CoPs are not based on a hierarchy but consist of horizontal and diagonal links inside an organisation. Alternatively, they can be overarching in nature, embracing more than one organisation.

2.2 Checklist for steering a CoP

Many international corporations, including the World Bank, have come to realise that knowledge management within their organisation can be fostered most effectively by establishing a number of parallel CoPs. The checklist below, which has been compiled from a variety of sources, can help support the development of CoPs.

Criteria	Questions
Purpose	<p>Is the topic strategically relevant for the organisation?</p> <p>Are the members genuinely interested in the topic? Do all members have a practical link to the topic area?</p>
Composition of the CoP	<ul style="list-style-type: none"> • Are key actors involved? • Is the heterogeneity of members guaranteed? (representatives of various fields of activities and schools of thought)
Regulations and standards	<ul style="list-style-type: none"> • Have responsibilities been regulated and common guidelines and objectives negotiated? • Are the communication structures in line with the different needs of members? • Is information shared via a variety of channels? (face to face meetings, email, conferences, workshops, etc.) • Is the cost-benefit ratio acceptable for members?
Structure and process	<ul style="list-style-type: none"> • Does the CoP have informal horizontal structures, without any classical hierarchy? • Have the key roles in the inner circle been defined (manager, facilitator, etc.)
Energy budget	<ul style="list-style-type: none"> • Is it more than just a routine exercise? • Are members genuinely dedicated and do they have confidence in one another? • Are regular face-to-face meetings held and are key results emphasised and communicated? • Is the “history” of the CoP passed on to new members so as to retain its unique nature?
Results	<ul style="list-style-type: none"> • Do we have a shared concern which can be taken as a basis for concrete results? • Have we identified useful products that are visible to outsiders? • Do outsiders have access to our knowledge products? • Are our results recognised by the relevant decision-makers?

Resources	<ul style="list-style-type: none"> • Does the CoP have an open timeframe for its activities? • Do members have enough free capacity to allow them to play an active part in the CoP? • Are CoP members given enough resources by the organisation to allow them to take part in the CoP (in particular working time) • Are processes within the CoP planned step by step, taking into account the available resources?
Key assumptions for the establishment of a CoP	<ul style="list-style-type: none"> • Members endeavour to generate direct, practical benefits through their participation • The ability to listen to others is a virtue • Members invest in the CoP without benefiting directly from it • Only a group that can deliberate together can produce new and useful ideas • Looking at a common concern from various standpoints and perspectives is essential for a CoP

1. Focus

Process optimisation means streamlining the existing processes within an organisation, while concentrating on a smaller number of strategically relevant core business processes. We must then not only look at how to improve a process, but also consider whether the process is really needed, whether it can be dispensed with entirely, or combined with another process or outsourced.

There are various possible ways of optimising processes. The following proposals should be discussed.

(i) **Dispensing with processes**

Superfluous processes which do not add value can be dispensed with.

Examples: Combining various different meetings in the form of a monthly micro-workshop, disbanding working groups when the context changes, etc.

(ii) **Simplifying processes**

The complexity of processes can be reduced to eliminate unnecessary loops and allow the process to flow more freely.

Examples: Reallocating responsibilities to reduce the number of levels in a hierarchy, simplifying administrative operations, incorporating steering and quality control in activities, etc.

(iii) **Merging processes**

Processes can be merged in order to reduce the number of interfaces, the coordination workload and the transaction costs.

Examples: Centralising administrative tasks, merging contract management for various business areas, combining management and steering responsibilities, etc.

(iv) **Changing the sequence of processes**

The sequence of processes can be changed in order to optimise the production of outputs and reduce transaction costs.

Examples: Ensuring the participation of local stakeholders at an early stage in project and programme planning, moving away from project-based financing to joint financing, etc.

(v) **Re-steering processes**

In order to fill gaps in the value chain, new processes and/or sub-processes can be introduced. Examples: Incorporating monitoring and evaluation processes, introducing quality assurance measures, etc.

(vi) **Standardising processes**

Operations can be standardised and simplified so as to reduce the coordination and communication workload.

Examples: Introducing standardised formats for contracts, lump-sum invoicing, product design for knowledge products (reports, strategies, evaluations), etc.

(vii) **Outsourcing processes**

Processes or sub-processes can be outsourced to other businesses to allow the organisation to concentrate on its core processes. It is always back-up processes which are outsourced, i.e. processes which do not generate any value added for the organisation and which can be performed externally with no quality losses. Outsourcing is a particularly attractive option if the services can be bought in much more cheaply. This does, however, presuppose that you are aware of the true cost of the in-house processes.

Examples: infrastructure maintenance, procurement, personnel training, accounting, etc.

The optimisation options laid out above should be used as an aid when analysing processes. It must be decided in every individual instance which option is most suitable.

2. Method¹

Identifying and redesigning processes takes place in four steps. The work is performed by small teams, which bring together the staff members affected and managers. External support is recommended.

a) Select processes

- Which processes am I involved in?
- Which of these processes do I believe could be improved?
- ‡ Brief description of the process and reasons for the choice made:
- Where and how should the process be optimised?
- What is to be better or different when the improvement is introduced?
- Will the process optimisation mean that the needs of the target groups are better met?

b) Analyse processes

Answer the following questions and chart the process:

- Who does what in which order (work flow)?
- What is the result of the individual process steps?
- What are the critical interface/events?
- ‡ Use the checklist “Critical patterns and weaknesses”.

A simple list, like the following, is enough to chart the process initially:

What (steps, activities)	Who (participants)*	Which aids (lists, computers)	Comments
* Depending on the type of participation, you can distinguish between: I = implementation / C = collaboration / I = will be informed / M = monitoring			

¹ Cf. MODELS advisory team: Excellence in change management in technical cooperation - Module A1.

Checklist: Critical patterns and weaknesses

Critical patterns		Possible solutions
Multi-track, parallel forms of output processes		Merge, network, standardise
A large number of interfaces, processes do not run smoothly, jams and queues at interfaces		Combine duties, one person (or team) sees a task through from beginning to end, staff interchangeability
Interfaces rather than smooth seams, difficult to connect operations		Reach agreements, strive for client relations based on a spirit of partnership, feedback, feed-forward
Process steps that generate no value added, original intention forgotten		Cut process steps and do not replace them
Control loops in the hierarchy which have fallen into disuse		Remove controls, where these are purely formal, put output processes online
Sequential process steps leading to lengthy run times		Perform parallel overlapping tasks, simultaneous engineering
Many critical steps which waste time and money		Provide support through standardisation, computers, avoid sub-optimisation
Long distances between individual steps in the process (machinery, workplaces), processes ordered by functional criteria		Organise workplaces and equipment in line with the criteria of the output processes
Staff members are not aware, or not sufficiently aware, of the final result of the process in which they are involved		Make clear the contribution made by each staff member to the finished performance or the whole operation. Create process awareness and trust in the process
Self-organisation, lack of clear allocation of duties, Parkinson's First Law		Work on the corporate culture, make market-relevant objectives clearer, ensure a clear allocation of duties and authority

c) Identify the target process

In the analysis phase, a large number of ideas for improvement generally emerge. These should now be compiled, supplemented and put together in the form of a target concept.

- Describe the new process and lay down responsibilities. Draw up a flow chart.
- Reach agreement about the critical interfaces.
- Define all measures and have the pertinent decisions taken as required.
- Lay down the indicators for the new process (time, costs, quality, etc).

d) Introduce the improved process

Make one person specifically responsible for the introduction of the new process (the so-called process owner). Process owners must then ensure that the process is documented. They instruct staff members in the use of the new process and train them if necessary. The process owners are in constant contact with the target groups and ensure that the process is enhanced in line with changing demands. Tips for the introductory phase:

- Inform all those affected clearly and concisely.
- Make the most of the opportunity to present operations visually so that staff members can check when they are not sure.
- Monitor the process precisely: are the goals achieved?
- Are process descriptions and standards up to date and are they being observed?
- Encourage the establishment of knowledge platforms (e.g. quality circles) in order to eradicate weaknesses as these emerge!

Presentation of the flow chart (see overleaf)

One frequently used option for presenting the work flow is illustrated below:

- First column: individual tasks completely performed by one person or an organisational unit
- Second column: necessary resources and back-up processes needed for the activity
- Third column: enter result or product of the activity
- Fourth column: internal or external clients
- Fifth column: critical events, bottlenecks and disruptions

Flow chart

Activities and responsibilities	Necessary resources and back-up processes	Result/product	Interface: who needs the product	Critical event, bottleneck, disruption

1. Focus

Interfaces are places within a process where responsibility is transferred from one individual or organisational unit to another.

When optimising processes, the first imperative is to make the value-added process of an organisation more efficient. This means reducing the transaction costs within the organisation while retaining or enhancing output. High transaction costs within an organisation can always be traced back to two factors:

Large number of interfaces: structure

If an organisation has a too complex division of labour, the inputs needed for communication and coordination rise due to the large number of interfaces. With every additional interface the transaction costs rise, because the individuals involved must consult and coordinate their work. This increases the time and costs involved in planning and reaching agreements.

Poor interface management: process

At interfaces, economic losses are incurred in the form of delays, misunderstandings, etc. as a result of underlying assumptions with regard to behaviour, limited rationale and opportunism. Optimum steering and interface coordination is an important factor in minimising these losses and in boosting efficiency.

Using the tools available to us, we can determine how the internal interfaces of an organisation could be optimised. We must establish at which interfaces the transaction costs are too high and how these can be reduced.

Interfaces can have a negative influence on various aspects of steering within an organisation:

1) Time

Interfaces can obstruct the process flow or cause superfluous processes. They can:

- Prolong decision-making processes
- Disturb communication
- Duplicate work.

2) Costs / Price

Interfaces can result in huge additional costs:

- High costs for the above reasons
- Quality-related costs (additional and follow-on costs because of the poor quality of the outputs generated).

3) Quality of outputs

Interfaces can result in quality losses in the outputs produced:

- Different views of quality on the part of different staff members
- Coordination problems in producing the outputs.

The cause of interface problems can often be found in the structures of the organisation. Many organisations continue to be dominated by hierarchical authority (rigid organisational structures designed along

strictly functional lines) rather than being process-oriented. However, it is not the individual units but the overarching processes – the business processes – which make an organisation perform well. The objective of interface management is thus to create a horizontal process organisation in which processes are more important than structures.

What preconditions must be taken into account when designing interfaces? How can interfaces become smooth seams? There are four basic conditions:

a) Infrastructure

When responsibility is to be passed on from one individual or organisational unit to another, a certain minimum communication and coordination is needed. To make communication and coordination technically possible at the interfaces, the necessary infrastructure (telephone, internet, etc.) and communication procedures (e.g. regular meetings) must be in place.

b) Availability of interface actors

The best communication and coordination infrastructure is useless if the relevant actors are not available. The availability of the actors is thus another important precondition for maintaining the necessary communication and coordination.

c) A common language

If they are to coordinate work efficiently at interfaces, the actors involved must speak the same language. In other words they should have a clear understanding of what they are talking about and how statements of their opposite number are intended. A shared commitment to achieving the objectives set among interface actors is central to interface management.

d) Assumption of mutual competence

At interfaces, an actor must hand over responsibility for an issue or a process to another actor. To be able to do this happily, s/he must have confidence in the abilities and capabilities of the receiving individual or unit. If this mutual confidence in the capabilities of the opposite number does not exist and hierarchical power structures predominate over process orientation, there will automatically be an increase in transaction costs and a loss of process output.

2. Method

a) Identifying interfaces

Before we can optimise interfaces we must firstly consider where, in the process to be examined, these interfaces are.

b) Recognising interface problems

Once the interfaces have been identified, we must pinpoint those interfaces where problems are suspected.

c) Examining interface problems

With the help of a checklist (see below), we must determine the possible reasons for the problems.

d) Discuss possible solutions

On the basis of the findings generated under c), initial approaches to resolving the problems should be discussed.

Present the results in the matrix below:

Process:			
Interfaces	Individuals/ organisational units involved	Interface problems	Solutions

Checklist for the interface problem analysis

Aspects of the problem	Questions
Infrastructure	<ul style="list-style-type: none"> • Is it technically possible to maintain the necessary communication flow? (telephone, internet, etc.) • Are the individuals/organisational units affected adequately instructed as to how and within which framework they can and should use the existing communication infrastructure? • Do established knowledge management tools exist that can ensure the flow of information (regular meetings, reports, etc.)
Availability of the individuals or organisational units affected	<ul style="list-style-type: none"> • Is there always somebody at the interface? • Are the individuals responsible for coordinating the interface basically available and can they be contacted? • Is there a constant fluctuation in contact officers or do you always deal with one person in terms of interface coordination?
Standardised communication / a common language	<ul style="list-style-type: none"> • Do the individuals relevant for coordination speak the same language? • Do they share the same conceptual vision? • Do they pursue the same objectives in terms of the overall process? • Do they aim to take the same path to achieve the objective?
Capabilities	<ul style="list-style-type: none"> • Are there hierarchical structures which make it more difficult to ensure interface cooperation among equals? • Do the actors involved at the interface accept one another's capabilities? • Are capabilities in line with the process structure?

1. Focus

Organisations are living systems. People are not part of the machinery, but together with the structures, processes and technology in an organisation they form an intricately interwoven network of links and relations which together generate a corporate culture and knowledge. Change management in this context should not be seen merely as a toolbox that can be brought out to repair a piece of machinery that is no longer functioning satisfactorily. It must be seen as support for the efforts of the organisation to seek out new forms of effective service delivery and cooperation. Not only processes and regulations, but also values and objectives are changed.

When new processes, methods and standards are developed, or existing ones are changed, it is the actors themselves who generate this change. There is thus no one correct method or blueprint for organisational change.

There are, however, four cardinal themes which should be taken into account at the outset of change processes:

- (1) Individual values and visions
- (2) Interpretation of the environment
- (3) Assessment of one's own performance capability
- (4) The ability to cooperate with other organisations within the scope of institutional arrangements (horizontal and vertical integration, alliances, mergers, networks, etc.).

Change processes are planned, designed and steered by internal and external actors. In the transition from one systemic status quo to another, some things are thrown overboard, others become unnecessarily complex, and power relations shift. Change processes are politically charged, because they target influence and power. Changes cause irritation and trigger resistance and uncertainty on the part of those involved. Organisational changes should thus respect the principle of minimum intervention so as to take resistance into account in a constructive way and not paralyse in-house initiative.

The priority must be to avoid confusion, clarify roles, ensure a clear sequencing of the change process and manage both the participation of the actors involved and the topics to be tackled. The process must be simple in its design so that the actors can steer change. The following milestones should provide us with a basic framework for planning change processes:

1) Develop a vision: On the basis of their perception of their environment, actors develop as concrete as possible an image of their future. Where do we aim to go? This should be followed by an assessment of opportunities and risks, potentials and cooperation options.

2) Construct an organisational model: Actors draft their own organisational model, encouraged by the external knowledge and experience inputs. They incorporate experience and expectations voiced within their own organisation.

3) Lay down change objectives: Seek objectives in five fields:

- (i) Clarify strategic orientation.
- (ii) Define core processes for products and services.
- (iii) Seek cooperation with external partners.

(iv) Ensure human resources development in order to build the organisation's own problem-solving capabilities.

(v) Change internal management and output processes, structures and regulations so as to keep transaction costs as low as possible.

4) Elaborate change projects: Actors define project packages which can be implemented and wound up within a reasonable timeframe by the project groups or the task forces.

5) Adapt interventions and learn from resistance: A steering group evaluates experience on an ongoing basis and brings interventions and change projects into line with changing circumstances. The various forms of resistance are recorded so that we can learn from this for the further design of change processes.

Once the basic framework is in place the concrete change processes must be planned, i.e. we must consider how to structure the individual change packages. Because of the special nature of change processes, particular attention must be paid to certain factors:

Take an iterative approach

The dynamic and flexible nature of change processes does not allow for detailed advance planning of sub-processes and results. Change processes are not always linear, but can take quite different directions depending on the context. Radical changes must thus be broken down into small steps or projects, so that plans can be modified or corrected after every individual step. Each step should be consolidated in a stabilisation phase.

At the outset there must be a clear understanding of the direction of the process and the entry point. All further steps will emerge from the context. Change processes should not be forced into a restraining corset from the start, but should be elaborated step by step with the participation of the actors affected.

Define what is feasible and lay down interim objectives

To keep a change process going, realistic interim objectives must be drawn up that can be achieved by participants and perceived positively by those affected. The motivation to become involved in the change process can thus be kept at a consistently high level, and we do not run the risk of seeing initial motivation give way to concern or even frustration because there are no visible signs of success.

Provide adequate resources

Organisational changes do not happen overnight. They take time. The actors affected by the planned changes must be adequately informed about the change process and must be given enough time to come to grips with and accept the new structures and forms. Rushed changes often trigger massive resistance, making it more difficult to achieve sustainable results.

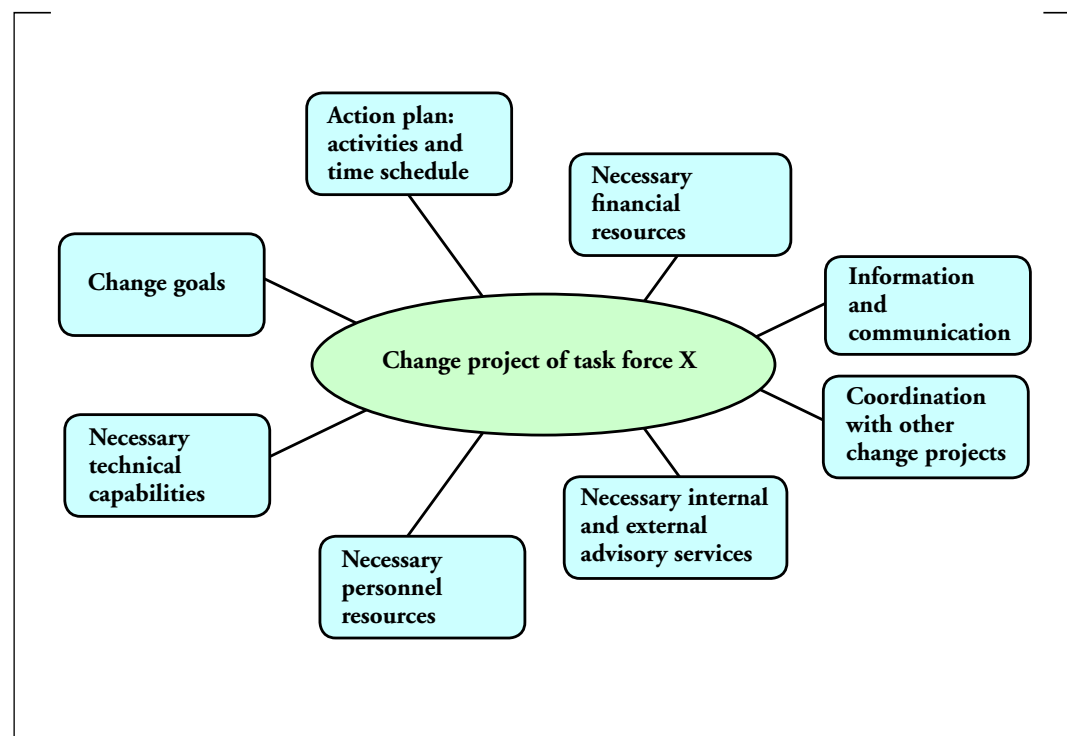
When planning change processes, adequate resources (especially time) must therefore be provided and provision made for possible delays. Change processes take more time than other business processes.

2. Method

How do we tie up change packages?

As we have already mentioned, change processes must be broken down into small steps or projects so that at the end of each step we can modify and correct our planning. For this reason, in successful change processes small change packages are tied up on an ongoing basis: these are termed change projects.

Each change project is supervised by a specific task force and wound up within a predetermined timeframe. A change project must include the following elements:



Kick off

1) On the basis of three change topics, we set up three task forces, each of which should have no more than seven members. The following rules apply to constituting a task force:

- Several hierarchical levels must be represented
- Members should have different areas of expertise
- Members should have different functions and experience in terms of change.

2) The task forces define and name their change project.

3) From the three task forces, we form an internal change network which deals with the change projects on a full-time or part-time basis.

4) In order to coordinate activities within the change network, a coordinator is appointed for each of the three task forces.

5) The three coordinators of the change projects set up a coordination unit and are then responsible for coordination within the change network as well as being the contact for external relations of the network.

6) The coordination unit holds regular meetings with the management of the organisation as a whole in order to

- coordinate the various task forces
- inform about progress in the change process
- assess and evaluate results
- clear up any doubts or uncertainties
- negotiate the continuation or discontinuation of a change project on completion.

The following checklist can be used to help you plan change projects:

Checklist: Special features of change projects

- Limited term (maximum of one year)
- Specific and visible results
- Limited number of participants
- Flexibility to expand the project at short notice or to abandon it if it proves unsuccessful
- Under the control of a task force whose members come from various levels of the hierarchy
- Necessary abilities and capacities to implement the project are available
- Clear definition and allocation of tasks and commitments
- Managed and supported by a specially trained coordinator
- Implemented on the basis of an action plan which defines the precise activities and resources required
- Participatory planning and implementation approaches that include specific actors, each with their own different preferences in terms of change.

1. Focus

Organisations can be seen as relatively stable social systems which are more or less in a state of equilibrium. However, the system only appears calm and stable because the total movements and opinions within the organisation is a zero-sum game. This fragile balance is the starting point for every change.

Every change made within a social system upsets the fragile equilibrium of driving and inhibiting forces. Familiar points of reference are replaced by new unknown structures and processes. New points of reference must be identified and established.

This process of reorientation is always accompanied by scepticism and resistance. Every change triggers uncertainty and fears, arousing concerns on the part of individuals or groups, or causing them to undermine the change project through passive resistance. Resistance can take the overt form of refusal to cooperate and open rejection, or can be concealed in the form of days taken off work, fluctuation or a drop in performance. Resistance is a natural reaction to uncertainty. It must not only be recognised, but should also be harnessed for the change process.

Within the framework of designing change processes the aim is not to circumvent resistance but to use it as a resource (working with resistance). All forms of passive or overt resistance should be seen as an expression of interest and participation. This means that if actors withdraw into themselves, they should be helped to express their concerns and objections to the envisaged change openly.

Professional change management avoids entering into premature alliances with actors who enthusiastically embrace the goal of change, and focuses above all on those actors who voice objections, who are sceptical and reticent. Firstly, we can learn a lot from these actors, because they have reasons for their resistance. Secondly, we can involve these actors by showing an interest in their arguments.

The aim of this building block is to document the arguments for or against the envisaged change as well as the way actors express these through their behaviour patterns. This allows us to localise potential resistance and modify our processes accordingly.

The analysis within the framework of process design concentrates on the following question:

How must the change process be designed so as to strengthen or weaken individual arguments and behaviour patterns?

2. Method

Forcefield analysis

Arguments and behaviour patterns which are FAVOURABLE to the envisaged change		Key actors	Arguments and behaviour patterns which are UNFAVOURABLE to the envisaged change	
++	+	⇒)))) (((←	--	-
		Actor 1		
		Actor 2		
		...		
		Actor n		

This instrument has proven to be particularly useful if it is used periodically in the course of the change process to make changes visible to the actors involved. The forcefield analysis presents various factors that are important for steering change processes. The instrument

- attracts attention to the forms of resistance to the envisaged change and makes it possible to shape participation such that the resistance is voiced
- reveals ambivalent positions and indicates where individual actors are withdrawing
- points to gaps in our information, a lack of contact and communication options, shortcomings in confidence and participation
- facilitates the formation of homogenous or heterogeneous groups of actors depending on the purpose of group building
- points to possible alliances among actors
- promotes deliberation about possible interventions in the change process.

If the analysis indicates that there is resistance to a planned change, there are various strategic options for dealing with this resistance:

1) Information and communication strategies

Information and communication strategies make sense if there is resistance as a result of inadequate information, rumours or incorrect assessments of the situation. Special communication and information processes reduce the asymmetry in information between those affected and the process owners, which is at the root of the resistance, and can strengthen confidence in change. This presupposes that the change project does have a rational advantage which can be communicated clearly.

2) Support strategies

Support strategies should be used if resistance exists because of adaptation problems, for instance with respect to a new technical procedure. The aim of support strategies of this sort is to train those affected, providing knowledge and information as help towards self-help.

3) Participation strategies

Participation strategies make sense if there is significant resistance potential on the part of those affected. The aim is to give those affected greater ownership of the change process and thus raise their willingness to embrace change.

4) Negotiation strategies

Negotiation strategies make sense if a win-win situation with clear advantages cannot readily be achieved, because obvious disadvantages have been taken on board in the change process as a result of which individuals or interest groups are attempting to maximise their profit-loss ratio. In cases like these, resistance emerges because of the natural human reaction to protect one's own patch. This situation can be defused if the various actors attempt to negotiate a compromise on the basis of jointly formulated objectives.

Depending on the situation, the preconditions and the objectives, these strategies can also be combined and used as a mix.

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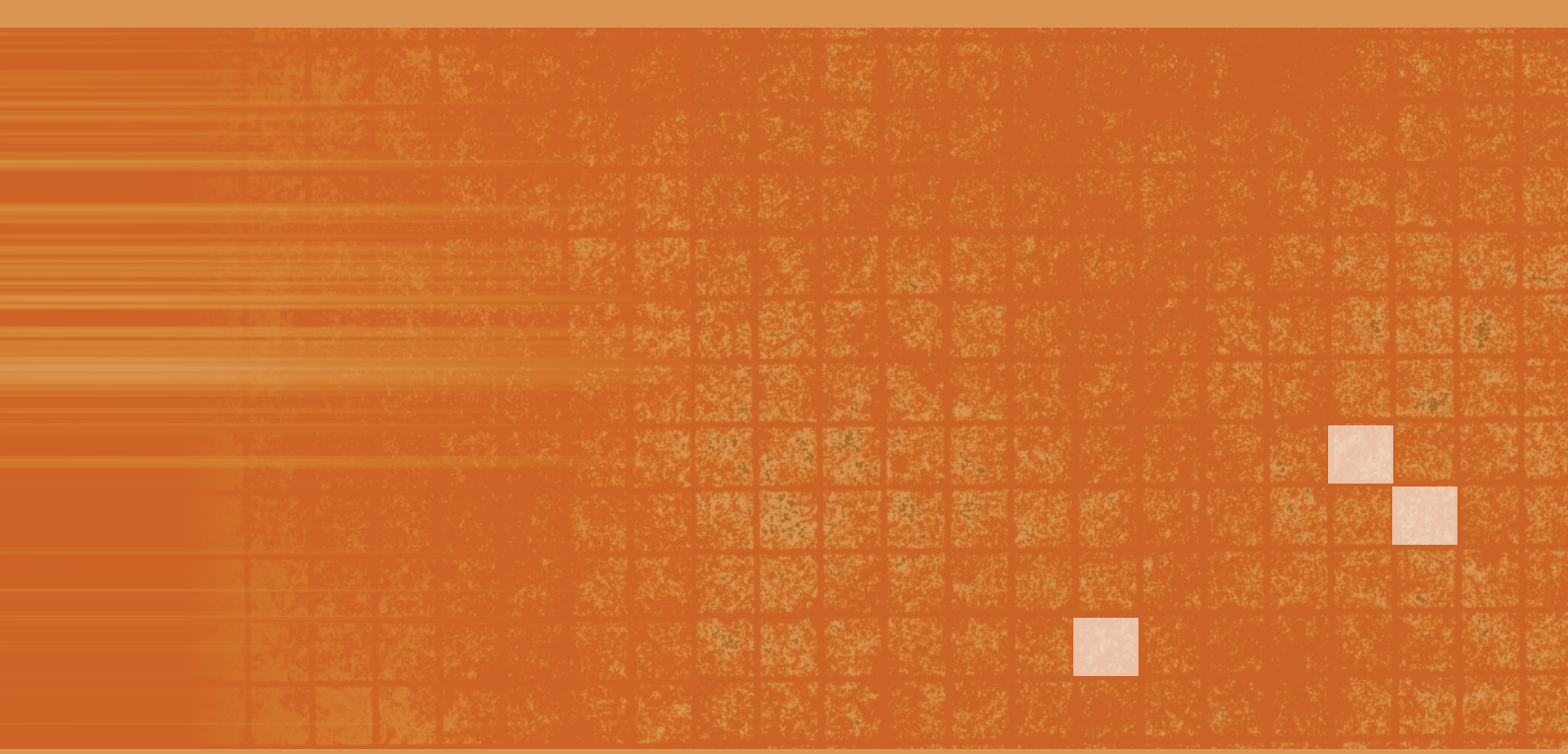
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