

Analysis of Various Models for Organizational Change Management

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Abstract:

Our turbulent environment offers new opportunities that can be seized by those who continuously develop their levels of expertise and learning methods. If we want to be amongst those who direct the currents of change, we must accept learning as a life-long process, in which our patterns of basic assumptions – i.e. paradigms, play a very great part. Such paradigms change constantly during interaction with the changes taking place in an environment, so that the contemporary paradigm of a successful post-modern society and organization differs significantly from its precursors.

In the following study, we present a model of the fundamentals of the new paradigm for quality organizational change management, realised on the basis of research conducted on various contemporary approaches and models for organizational change management (ISO 9001 Standard, EFQM Excellence Model, 20 Keys, BSC (Balanced Scorecard), Six Sigma and BPR (Business Process Reengineering)).

Keywords:

Change Management, Quality, Paradigm, Fundamentals

1 TO THE SUCCESSFUL, CHANGES PRESENT AN OPPORTUNITY, NOT A PROBLEM

The laws of nature demand that we continuously expand the limits of our capabilities – and this striving is closely connected with changes and the act of changing. Thus, continual changes on the civilisational, organizational and personal level become manifest in response to the changes taking place in the environment. In this way, change becomes a constant; and equally so, the wish for success. Success can be defined in the broadest sense as the tendency to realise expectations – which we cannot achieve, however, if we lack the capacity to effect decisive changes on the civilisational, organizational and personal level in response to the changes in our environment. This ability to manage is contingent on our capacity to perceive reality - in which, again, paradigms play a decisive role. In this context, paradigms represent a pattern of hypothetical perceivable fundamentals, approaches to and theories of change management. Since the laws of nature are also considered paradigms, the fundamental suppositions change too, so that the subsequent change of paradigms must also be regarded as a constant.

In order to shed additional light on the indicated problem, we present a summary of the key findings of Drucker - one of the most prominent researchers of the history, theory and practice of management, who devotes the better half of one of his latest books to change management and the challenges that these changes pose to managers in the 21st century (Drucker, 1999):

- Changes cannot be predicted – they can only be anticipated.
- Owing to the fact that change is inevitable, the themes related to overcoming resistance to change that were topical a decade ago, are giving way to new ones.

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- In these times of turbulent change that we live in, change has become the rule.
- Carrying out changes is a painful and risky task, which entails above all much hard work.
- If an organization – whether it be a company, university, hospital or any other establishment – wants to survive, it must even encourage change.
- In times of rapid structural changes, those directing the changes will be the only ones to survive.
- One of the main challenges of management in the 21st century is the restructuring of organizations into conductors of change – as they need to see the opportunities inherent in change.
- A conductor of change has developed an approach that enables it to constantly discover useful changes and also knows how to take advantage of these in order to increase its success.

The preliminary findings are indicative of a need to change the existing thought pattern on the personal, group and civilisational level. They also indicate that we must become aware of the fact that only a proactive approach can ensure long-term success. Changes and effecting change are becoming a constant. The dynamics of change are increasing dramatically; new knowledge is emerging, new technologies pose new challenges, new methods of communicating offer almost unlimited possibilities of synergistic effects. But primarily, the new culture of innovativeness is such a culture as, in the desire for a higher quality of living, constantly generates the requirement that it must surpass itself. A great amount of change has been caused by very many different factors, yet in the opinion of Hammer, the key generators of change in the present and in the future are as follows (Hammer, 2001):

- An explosion of scientific knowledge, as the percentage of scientists comprising staff members in companies is on the increase.
- Modern telecommunications infrastructure facilitates the spreading of ideas at the speed of light.
- The presence of innovative culture, which desires change, and in which the former attitude of swearing by tradition, the tried and tested, and loyalty are giving way to the demands for whatever is newest and most modern.

We are all aware of the fact that changes are a thing to be reckoned with and that they must also be taken advantage of as opportunities by means of a proactive approach, yet in seeking the answer to the question of “How,” various theories, approaches and models differ considerably. While the unencumbered individual sees no harm in this, from the standpoint of civilisation, organizational systems and the proactive individual, however, this fact poses a great problem - or a fresh and untapped opportunity - as there must be certain constants hiding beneath the surface of all this diversity.

2 COMPARATIVE ANALYSIS OF VARIOUS MODELS FOR ORGANIZATIONAL CHANGE MANAGEMENT

In devising a new paradigm for change management we believe it is sensible to seek for the fundamentals amongst the holistic approaches, which have, over the last decade, empirically proven themselves through their success and innovativeness and therefore belong to the post-modern period of the development of organizational science. We believe that the starting points mentioned in our research can be used in the conceptualisation of the fundamentals of the new paradigm for changes on the organizational level.

In the introductory part of this study, based on the analysis of some of the best practices and approaches implemented by successful companies, as well as on the indications of upcoming trends of future development, a number of models were identified, which are implemented by the best organizations in achieving a continuous increase in their rate of success. In doing so, we focussed

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primarily on the development and use of models in the automobile industry, as well as on the practices implemented by the finalists of the annual European Quality Award, which are presented to the public at the annual Winners' Conference and in the winners' application documents.

The models we deemed relevant were the following:

- MODEL A: The EFQM Excellence Model (EFQM, 1999)
 - A widespread model in Europe for encouraging continuous improvement, based on learning and innovativeness, designed by the European Foundation for Quality Management. It encompasses nine criteria, divided in a balanced way into “enablers” and “results”.
- MODEL B: ISO 9001 Standard (ISO 9001, 2000)
 - A global international standard, which determines a system of quality management, based on a process-oriented approach and continuous improvement.
- MODEL C: 20 Keys to Workplace Improvement (Kobayashi, 1995)
 - A comprehensive system for carrying out continuous improvement, developed by Professor Iwao Kobayashi, presents twenty interdependently connected tools or keys, focussed primarily on the development of the production process.
- MODEL D: Balanced Scorecard (Kaplan and Norton, 1996)
 - A comprehensive organization management model designed by Robert S. Kaplan, on the basis of a balanced collection of goals, derived from the vision, for the purpose of gauging and managing the business strategy.
- MODEL E: Six Sigma (Harry and Schroeder, 2000)
 - A system of continuous improvement developed by Bill Smith in the Motorola Company, it presents a series of programmable applied independent tools, focussed mainly on decreasing the number of mistakes and on production development.
- MODEL F: Business Process Reengineering (Hammer, 2001)
 - A process-oriented and radically transformative approach, defined by Michael Hammer, which focuses primarily on creating new values for the customer and ensuring customer satisfaction.

Already the short description of the above presented models reveals that they are similar, as the repetition of key words is evident. As we are interested in the fundamental structures of the individual models, we have depicted the fundamentals of each individual model in Table 1 in greater detail. We studied the similarities between the models as well as the contents that coincided. Concurrence amongst all the models was checked using a referential model, which we discerned as being the EFQM Excellence Model. The latter was chosen as referential due to the fact that it is an integral business model, which already serves in many companies as the fundamental and initial concept for the development of a business model designed to cover their specific needs. The conceptual design of the Excellence Model in essence already facilitates a meaningful upgrading of the business model with all the heretofore known models, standards and tools.

Key commentary to the comparative analysis of the various models for organizational change management (Table 1):

- The referential model, with its fundamentals, has proven itself as appropriate, as it has made it possible to check for correspondence between all the models encompassed in the comparison.
- The correspondence check was carried out based on a study of the literature and on practical examples of the individual models, as well as on the basis of the personal experience of the author of this contribution/article.
- The greatest frequency of correspondence by far was recorded in the case of the fundamental:
 - 4 – Management by processes & facts
- A high but balanced frequency of correspondence was recorded for the fundamentals:
 - 1 – Customer focus

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- 8 – Result orientation
- 3 – People development & involvement
- 5 – Continuous learning, innovation & improvement
- 2 – Partnership development
- 6 – Leadership & constancy of purpose
- By far the lowest frequency of correspondence occurred with the fundamental:
 - 7 – Public responsibility
- The differing frequency of correspondence is a result of the differences between the models, as models C and E focus more on the production process, while the other models are more system-oriented.
- The low frequency of correspondence in the case of public responsibility can also be ascribed to different civilisational cultures in which the various models developed. In Europe, i.e. within the European cultural domain efforts are made to upgrade public responsibility, while in the American cultural domain (models E and F) public responsibility is not particularly emphasised.
- Model B (ISO 9001 standard) with its issue 2000 issue corresponds strongly in content with the referential model, which was to be expected, as both offer the possibility of designing a systems business model. Another parallel lies in the time frame of their development, as well as in the visible marked influence of the European cultural domain.
- Model C (20 Keys to Workplace Improvement), due to its focus on developing the production process, corresponds the most with respect to the process oriented approach, while in the other balanced approaches, staff development and involvement are also noticeable.
- Model D (BSC – Balanced Scorecard) with its focus on mastering strategies corresponds in a very balanced way with all the fundamentals of the referential model, amongst which, however, management by processes and facts and result orientation are markedly in the forefront.
- Model E (Six Sigma), due to its focus on reducing error and product development, corresponds the most in the areas of customer focus, management by processes and facts, and result orientation. No correspondence was recorded between this model and the referential model in the area of public responsibility.
- Model F (BPR – Business Process Reengineering) shows a marked correspondence in the area of customer focus, while the other areas are balanced, with the exception of public responsibility, where no correspondence was recorded.
- The fundamentals of the referential model (A) are discernible as the universal conceptual background of the models encompassed in this comparison (B, C, D, E, F).
- We believe that the fundamentals of the referential model (A) mentioned in this study can be utilised in the conceptualisation of the fundamentals of the new paradigm for change management on the organizational level.

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Table 1 A comparative analysis of various models for the management of organizational change – part A

FUNDAMENTALS OF THE COMPARED MODEL	FUNDAMENTALS OF THE REFERENTIAL EFQM EXCELLENCE MODEL							
	1	2	3	4	5	6	7	8
Number of incidences of correspondence – Total →	19	13	18	36	14	12	5	19
MODEL A: EFQM EXCELLENCE MODEL								
Number of incidences of correspondence – Model →	1	1	1	1	1	1	1	1
1. Customer focus	■							
2. Partnership development		■						
3. People development & involvement			■					
4. Management by processes & facts				■				
5. Continuous learning, innovation & improvement					■			
6. Leadership & constancy of purpose						■		
7. Public responsibility							■	
8. Result orientation								■
MODEL B: ISO 9001								
Number of incidences of correspondence – Model →	1	1	1	3	1	1	1	2
1. Customer focus	■							
2. Leadership						■		
3. Involvement of people			■					
4. Process approach				■				
5. System approach to management								■
6. Continual improvement					■			
7. Factual approach to decision making				■				■
8. Mutually beneficial supplier relationships		■					■	
MODEL C: 20 KEYS								
Number of incidences of correspondence – Model →	5	5	7	18	2	2	3	6
1. Cleaning and organizing				■				
2. Rationalizing the system goal alignment				■				
3. Small group activities			■					
4. Reducing work process				■				
5. Quick changeover technology				■				
6. Kaizen of operations	■			■				■
7. Zero monitoring of manufacturing				■				
8. Coupled manufacturing			■	■				
9. Maintaining machines				■				
10. Workplace discipline				■				
11. Quality assurance	■	■	■	■	■	■	■	■
12. Developing your supplier		■		■				
13. Eliminating waste			■	■				■
14. Empowering employees	■	■	■	■	■	■	■	■
15. Cross training			■	■				
16. Production scheduling	■	■		■				
17. Efficiency control	■			■				■
18. Using information technology				■				■
19. Conserving energy and materials		■		■			■	
20. Leading technology site technology				■				

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Table 1 A comparative analysis of various models for the management of organizational change – part B

FUNDAMENTALS OF THE COMPARED MODEL	FUNDAMENTALS OF THE REFERENTIAL EFQM EXCELLENCE MODEL							
	1	2	3	4	5	6	7	8
MODEL D: BSC- BALANCED SCORECARD								
Number of incidences of correspondence – Model →	2	1	2	4	3	3	1	4
1. Financial aspect				■				■
2. Customer aspect	■			■	■	■	■	■
3. Internal processes aspect			■	■	■	■		■
4. Learning and growth aspect	■	■	■	■	■	■		■
MODEL E: SIX SIGMA								
Number of incidences of correspondence – Model →	3	2	2	3	2	2	0	3
1. Customer satisfaction with emphasis on quality	■	■	■	■	■	■		■
2. Cost reduction with emphasis on quality	■	■	■	■	■	■		■
3. Increasing market segment through customer satisfaction and cost reduction	■			■				■
MODEL F: BPR (Business Process Reengineering)								
Number of incidences of correspondence – Model →	5	2	2	3	3	2	0	1
1. Run your business for your customers - become ETDBW (Easy-To-Do-Business-With)	■							
2. Give your customers what they really want – deliver MVA (More-Value-Added)	■							
3. Put processes first – make high performance possible	■			■	■			
4. Create order where chaos reigns – systematize creativity			■		■	■		
5. Measure like you mean it – make measuring part of managing, not accounting				■	■	■		■
6. Manage without structure – profit from the power of ambiguity			■			■		
7. Focus on the final customer – turn distribution chains into distribution communities	■	■						
8. Knock down your outer walls – collaborate wherever you can				■				
9. Extend your enterprise – integrate virtually, not vertically	■	■						

3 CONCLUSION

Whenever a given problem or opportunity arises, we must find an answer to the question of what to do, while at the same time, we must also form an answer to the question of how to do it. It is primarily the absence or insufficiency of the answer to the question of “How?” that is the cause of failure. We could set the metaphorical equation:

SUCCESS IN THE MANAGEMENT OF CHANGE = WHAT x HOW

This equation shows that success must not be regarded as a sum of factors, but as the product of “What” and “How”, where the suitability and presence of both factors ensure success. Not even the

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best of “What”-s when coupled with an inadequate “How” will yield the desired effect. And vice versa. The essence lies in the realisation that the formula of success is comprised of factors and not summands. When we speak of the successful management of change, we are speaking of balanced multiplication and not simple addition, in which paradigms, approaches and models play a significant – and even a decisive role.

The process of change management with which we respond to the question of “How to carry out change?” has more inherent timelessness than the content of the changes themselves. The content, or in other words, the answer to the question of “What to change?” is characterised more by the current interaction between the organisation and the environment and with seeking the contents of answers to the challenges posed by the environment – in the sense of striving to realise one’s own vision and mission. We can also speak of a temporally contingent, changing pattern of assumptions, which figures as the background of thought to the efforts of mastering organizational change. This global pattern of fundamental assumptions can be recognised as a paradigm; a paradigm which can also be regarded as a momentary background - contingent on civilisation - to the process of change management. Because the process of change management focuses on seeking the most effective possible answer to the question of “How to carry out the changes”, i.e. the qualitative aspect, we could call the paradigm of content which is attempting to figure as the backdrop of this qualitative aspect, the “paradigm of quality change management”.

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