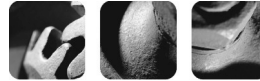


Project Report: Change Management within the Association for the Support of Social Psychiatry (Verein zur Förderung einer sozialen Psychiatrie e.V. - VSP)

- :: The project was realised by coaching sessions carried out by flow consulting gmbh.
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- :: Project period: March 2009 until May 2010
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The Association

The association: **VSP (Verein zur Förderung einer sozialen Psychiatrie e.V.)** is committed to the improvement of the support for mentally ill persons who are not treated in hospitals. This association was founded in 1972 by persons directly affected by mental disorders, relatives and friends of mentally ill persons as well as by committed citizens, psychologists and psychological nursing staff members in Zwiefalten.

Today, VSP is running nine institutions for social psychiatry mainly in the administrative districts of Reutlingen, Tübingen and Esslingen. VSP has a staff of approximately 100 persons. The association is managed by two directors.

The initial stimulation for a professional coaching

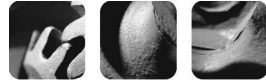
This association enjoys an excellent reputation with their clients (persons affected, relatives and the psychological hospitals involved). This excellent reputation is, among other things, the result of the high demands of all participants and of the intensely participative management and decision structure. The association was founded by persons affected, relatives of mentally ill persons, citizens and psychiatric experts. The extensive participative processes ensured well balanced as well as client and personnel-oriented decisions. Therefore, the motivation of the staff members is extremely high. The simple organisational structure with the two hierarchies management and staff followed the principles of grass-roots democracy: Each team sent one person to the management committee and another person to the finance committee, where both the operative and financial plans of the association were discussed. Then, those plans were submitted to the teams and put to the vote. On the basis of the team votes, the decisions were made both in the management committee and in the finance committee. The two managing directors realised all the decisions made by the management and the finance committee and were in charge of the association's staff. The major control and decision making body, however, was the executive committee of the association.

On account of the steady growth and the increasing competition, it became soon obvious that the organisational structures needed some revision. In order to be able to face the challenges of this field in the future, faster decision processes had to be developed. The members of the association recognised this necessity and decided at their annual meeting in autumn 2008 that „the internal structures of the association are to be developed further.“ For this change process, they enlisted the services of an external coach of flow consulting.

At the beginning of the coaching process, the following questions were asked by the staff members of VSP:

1. Control of the organisation

- :: How will the association be controlled in the future?
- :: What is to be decided centrally /what is to be decided in a decentralized way?
- :: Who has which competences and who will be in charge of what?
- :: Who will control who and what?
- :: What are the adequate operational procedures and internal structures to



- 1) work efficiently and to avoid a waste of time and energy caused by personal friction or double responsibility, etc.
- 2) ensure a high satisfaction of all staff members
- 3) achieve a good provision of medical care concerning the target group

2. Organisational strategies

- :: Which organisational size is appropriate to finance the necessary structures and to make them feasible?
- :: How can this organisational size be achieved?
 - a) Which growth should be planned in which direction and by which means?
 - b) Should there be a support of an innovative organisational culture?

3. Organisational values

- Special values, which have left their mark on the culture and on the uniqueness of the association until today, should not be jettisoned. These values are, among others, the following:
 - Grass roots orientation
 - Participation
 - Decentralisation

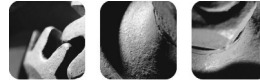
Ability to control and staff orientation

The change process was led by a control group. This control group consisting of 8 persons represented the whole association including the honorary executive committee.

The generation of a field of tension, in which the change process could move, was the aim of the increase in the ability to control VSP on the one hand, and the maintenance of values like participation and grass-roots democracy on the other hand.

Thus, we introduced a double change management control to consider this field of tension in an appropriate way:

- :: On the one hand, continuous working steps were only realised with the management: Thus, the managing directors were able to strengthen their control competence. Together with the management, we coordinated the preparatory work and developed the fine-tuning for the change process before and after each coaching session of the control group.
- :: On the other hand, there were frequent coaching steps ensuring a variety of participation for the whole organisation: Thus grass-roots democratic elements could be used for the process. After each coaching session with the control group, the results were submitted to the teams by means of a presentation effected by the control group. Moreover, participation-oriented large group events took place concerning the central decision aspects of the change process.



More central growth or small, decentralised self-organised units?

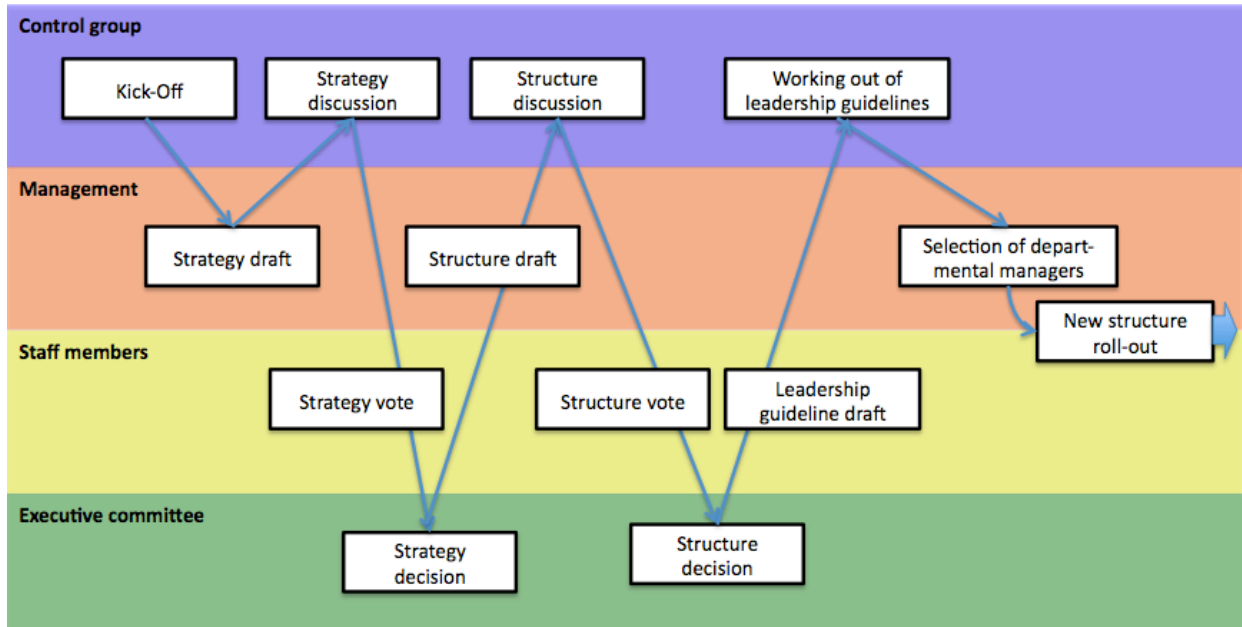
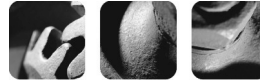
We carried out an organisational diagnosis by means of several partially structured individual interviews also with a representative section through the whole organisation of VSP. We also took the honorary members of the association (the executive committee) into account.

The following long-standing problems of the organisation were revealed:

1. The ideas for the future strategic orientation of the association could be found between the two extremes of ‚more growth‘ and ‚no more work‘.
2. The grass-roots democracy with its simple hierarchy was appreciated on the one hand, but at the same time, on the other hand, the lack of a clear structure with clear rules was made obvious.
3. The organisational routine „everyone has to deal with everything“ was an important guiding principle, but at the same time, there were complaints about the resulting long decision processes.
4. The individual institutions of VSP acted as independent economic enterprises without an official management; however, VSP should simultaneously be perceived as a uniform organisation.

Change management on 4 levels

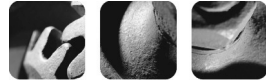
It was necessary to resolve these contradictive and firmly established opinions to ensure a successful change management process. However, it was not the aim to solve this problem by means of a ‚power struggle‘ or by central ‚orders‘. The different interests, views and opinions were discussed in a multi-stage and dialogue-oriented change management procedure for which the existing organisational structure was taken into consideration. Thus, the transparency concerning both the course of action and the content was, among other things, an important factor for the acceptance of the result. By means of several large group events to which all staff members were invited, the ideas were discussed, adjusted and also modified. There were no master plan, no definite strategy or structure; the coaching process was rather effected step by step in an iterative way. The essential major steps of the coaching process are shown in the following illustration.



Strategy: VSP is positioning itself in the course of the strategy development

The new strategy for VSP was developed on several levels; it was then discussed with all staff members in a large group workshop and finally decided by the executive committee. As a main element of the strategy development, a classic SWOT (Strength, Weakness, Opportunities, Threats) was carried out with all participants. For this intuitive variant of the SWOT method, it is important that all persons involved have the required expertise to correctly assess the strong points, weak points, opportunities and threats or risks. Thus, the internal knowledge of the organisation’s members is used. The first step of a SWOT, is the analysis (What is our present situation?), however, many coachees will remain within this analysis. The second step, however, is just as important as the first one, because now the strategic options will be generated (How can we develop further?). For the SWOT analysis, the four elements S, W, O and T are treated individually, in case of the generation of strategic options, however, a connection must be made between them. Only then, a strategic consideration, which goes far beyond a pure analysis, will be possible. After having developed options for all 4 fields (SO, ST, WO, WT), it will be determined, if there is some common ground between the strategic ideas of the four fields of options and if it might be possible to develop a combined strategy.

	Opportunities	Threats
Strong Points	SO-Strategy Example: Expansion and development of new offers	ST-Strategy Example: Reduction of external threats
Weak Points	WO-Strategy Example: Creation of collaborations	WT-Strategy Example: Reduction of internal weak points



During the assessment, different strategic options became more detailed and were partially combined with each other. A decision to be made by the executive committee was prepared and the committee approved the strategic goals for the next four years.

Structure: Introduction of a departmental management level

Besides the development of a market and future-oriented strategy for VSP, it was also necessary to adapt the structure of the association in an appropriate way. This process was quite similar to the strategy development. Several options were developed and discussed within the respective decision committees and afterwards assessed by all staff members during a workshop and finally, the decision was made by the executive committee on the basis of this assessment. The choice had to be made between two models and a variant of model 2.

- 1st) To replenish the grass-roots democratic decision structures with more binding role descriptions for the team representatives
- 2nd) To replace the grass-roots democratic decision committees
 - a. The management team consists of the managing directors and of five departmental managers
 - b. The management team consists of the management directors and of nine team managers

An important step for making the correct decision was the assessment of these three possible structure variants in view of the opportunities and risks and regarding the required measures within the workshop with all staff members of VSP. It was also possible to make all hopes and fears concerning the introduction of another management level evident.

Aims and goals, which could be achieved by means of a new VSP structure, were also made obvious:

- :: To successfully realise a strategy
- :: To increase the ability to control VSP without discarding the values of the association in a thoughtless way
- :: To focus on team tasks, to strengthen the work for the clients
- :: To support further qualifications and trainings
- :: To benefit from the strength and strong points of individual team members
- :: To focus on management tasks, to strengthen leadership processes

Before the decision for one of these three structural alternatives could be made, these models were all discussed in detail and the tasks of the new functions were exactly defined. This precise presentation of the alternatives with all their opportunities, risks, and possible side effects was very important for the decisions to be made by the control group, by the managing directors and by the executive committee. After a detailed discussion, they decided to choose model 2 a): VSP and the associated institutions are controlled by the managing directors with a creation of a new management level consisting of 5 departmental managers.

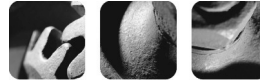


Culture: The meaning of leadership for VSP

Within the coaching process, after the decision in favour of the introduction of a new departmental management level and in favour of the limitation of grass-roots democratic decisions, it became evident that the leadership culture must also be changed. What does it mean to lead within the association by means of the new strategy and structure with altered decision processes and by maintaining participative leadership elements? Therefore, ideas for the leadership guidelines were developed with all staff members. During a large group workshop, the following questions, among other things, were discussed:

- :: What should be the content of the leadership guidelines in order to fulfil, as far as possible, the hopes and to minimise the fears of all staff members and to reflect the agreed solutions concerning the new VSP structure?
- :: What does characterise a good manager of VSP? Brains (knowledge)? Heart (personal values, attitude)? Hand (abilities)?
- :: Which keywords do describe the desired leadership behaviour?

On the basis of the results of this large group workshop, the control group worked out detailed leadership guidelines. The development of the leadership roles is based on these guidelines, which also serve as a basis for the dialogue between the team members and the managers.



Leadership guidelines of VSP

1. Introduction

Since its foundation, VSP has been marked by a participative culture, in which all staff members are involved in all decisions and processes. On account of the simple hierarchy, all staff members have had the possibility but also the opportunity to take responsibility for their association. This responsibility has led to a special motivation and identification. Even after the introduction of the new structure including a new middle management level with departmental managers in 2010, all persons involved have been called upon to do as much as possible to maintain and promote this participative culture. This also includes the maintenance of all well proven procedures. Leadership is only required when self-control will fail. The following leadership guidelines were defined on the basis of the hopes, wishes, and expectations mentioned by all staff members of VSP during a workshop in May 2010 and passed by the executive committee of VSP on 29 September 2010.

2. We want to develop further

The managers of VSP will focus on the jointly agreed goals and aims by striving for a balance between user-oriented, specialist, economic and personnel-oriented interests.

3. We communicate in a fair and open way

Our manners are marked by mutual respect. Our discussions will be objective; the work will be divided in a responsible way. Respect, esteem, and trust are of utmost importance to us. The information will flow in both directions, i.e. from the management to each staff member and vice versa, in a clear, transparent and open way. For all important decisions, all persons concerned are to be involved in the process at an early stage and have to be informed thoroughly.

4. We accept responsibility

Taking into account the guidelines mentioned in section 1, the managers of VSP will make clear decisions. Leadership within the respective fields of competence will mean:

1. well mapped-out control
2. structuring
3. professional development
4. organisation and
5. to be a mediator in difficult team situations

5. We take care of our staff members

Regarding the personnel management, the care for our staff members is vital to us. It is the task of all managers of VSP to support the work of their team members, to motivate them, to recognise and to accept their individual strength and abilities and to further their development. As a tool of personnel management, annual interviews will be carried out offering a basis for a mutual feedback, individual agreements and for development and training plans.

6. Criticism is welcome

The managers of VSP will give their feedback with a respectful attitude and will encourage their team members to assess their own behaviour in a critical manner. They criticise themselves and reflect their own work on a regular basis. They are willing to develop further both in a personal and professional way. Regular trainings are a matter of course.

7. We allow conflicts

Conflicts are seen as an opportunity to develop further.

Conflicts will have to be solved immediately in a fair, transparent and mediatory way.

All staff members need to have access to the regulations of VSP to be applied for complaint and conflict



Success by changing the schedule: Iterative coaching

For the change management process, the flexibility of the procedure was decisive. This exactly corresponds to our understanding of 'iterative' coaching. There is no ideal solution, but there is a precise observation, which effects and side effects the realised coaching steps will reveal. The coaching process is continuously reflected. Are we still on the right way? What have we achieved until now? What is the next appropriate step? Then, the next step and the next intervention will be planned.

These reflections will not only be made within the coaching team, but also together with the organisation.

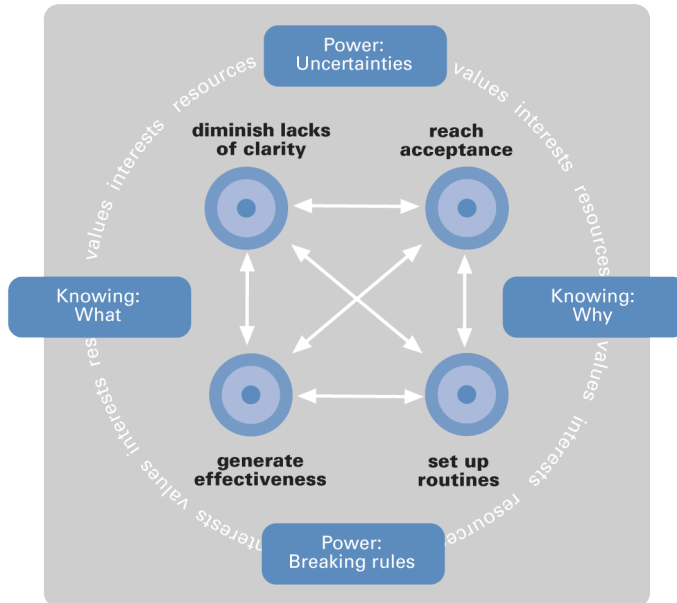
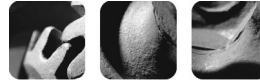
A consequence of this continuous analysis was, among other things, that the originally planned pilot projects to test the new structure were rejected.

The staff members reported on their experience concerning pilot projects. The risk that the organisation would fall apart was mentioned. One institution (the pilot project) would be centrally controlled by the managing directors and the other institutions would still be managed according to the old control principle. In the view of the staff members, both models would compete with each other. The longer these two structures would exist side by side, the more the different structures would become firmly established or even 'fight against each other'. Thus, the team spirit and solidarity anticipated and desired to become stronger would be weakened.

What was the alternative? The pilot project was not realised. Instead, we focused on a detailed communication and arrangement with all teams and also with the executive committee before changing any of the existing structures. Thus, several models were simulated and discussed with the teams. The structure change defined in this way was subsequently realised in the course of the entire organisation.

Coaching reflections by means of the flow turn map®

A guideline for the change management during the iterative coaching is the flow turn map®. By means of the turn map®, the change processes are described by four 'stages of contingency' or 'change fields'. For each change step, it has to be taken into account, which change field will be of major significance within the process. In case of VSP, the essential fields were 'Reduction of uncertainties' and 'Achievement of acceptance' throughout the whole course of the process.



flow turn map®
 © flow consulting gmbh

A slide for the iterative coaching

The organisational diagnosis revealed that there was a continuous search concerning the future orientation between the polarities „more growth“ and „no more work“. It was still not clear which way to follow. Before developing a new structural organisation, it was necessary to determine the future way and to clearly explain it within the organisation. It was indispensable to reduce uncertainties and unsolved points. Within this stage, it was of utmost importance to work out strategic options and to come to a joint decision concerning the future. The interests of the acting persons (managing directors, informally influential key persons of the staff and of the executive committee) concerning this strategy decision matched very well. Therefore, acceptance was achieved soon. The guidelines defined by the managing directors were both accepted by the control group and by the entire organisation in a positive and affirmative way. They were further „honed“ during the following discussions and quite soon approved by the executive committee.

However, in case of the structure change, the interests and power relations were completely different. It was appropriate to frequently jump between the fields of ‚Reduction of uncertainties‘ and ‚Achievement of acceptance‘ within this stage of the coaching process. Some aspects were due to different interests; others were due to uncertainties and unsolved points, because in case of this subject, the heart and soul of the organisation was concerned. The grass-roots democratic decision structures and processes of communication, voting and conviction on many levels were necessary for this coaching stage.

At the end of such an intense and often also passionate voting and decision process was surely some kind of exhaustion within the entire organisation, on the



one hand, but on the other hand, also a widely accepted decision of the executive committee.

The subsequent work concerning the field 'Creation of effectiveness' was only an operative realisation and was, therefore, soon finished. The new departmental managers were soon found. The new management team (departmental managers with managing directors) defined the roles and tasks during a two-day closed-door meeting. Now, the new structure will be realised step by step.

Despite continuously progressing from stage to stage, the iterative process, allowing to go back or sideways, will offer much more opportunities to succeed.

From acceptance to routine

Often doubted, but now reality: A new management structure with a clear and strategic orientation was realised. The managing directors are working much more effectively with the support of the new departmental managers. It was also possible to convince many of the sceptics. Some participative elements could be maintained within the decision processes; however, the negative effects of endless discussions without the result of clear decisions were simultaneously eliminated.

An important prerequisite for the success of this process was to achieve a high acceptance of the change concerning all participants including the honorary active members of the association. The new structure seems to work, the first positive effects can be observed. The new rules help to transfer the new decision structures to the practical routines of the organisation.

Celle, March 2011
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