Management of Permanent Change
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In recent decades, the exponential growth of world knowledge has rapidly accelerated technological and social progress. As a result, innovation and flexibility in management as well as the best possible design of change management within companies have become a dynamic field of research with high relevance for management practice. In addition to earlier concepts of change management in organizations, numerous other concepts and paradigms from the fields of consultancy and management practice as well as from scientific research have found their way into change management literature.

All approaches differ but are highly similar in relation to one of the pivotal challenges of change management. That is, the elevated pace with which companies, their employees and executives must be able to meet changing requirements resulting from change processes on various levels. This creates both the need and the opportunity for establishing and embedding professional change management on the management and executive level with a corporate culture aligned towards innovation and change.

The more frequently companies actively shape the change process, the more successful will individual and organizational learning be for a well-aimed selection and an effective application of appropriate concepts and methods of change management. For this, of major importance are the chronological order, the extent of the respective changes and, most of all, communication. It is the role of corporate management to take into consideration the manifold consequences of change processes on stakeholders as well as the competitive strengths of the company. Against this backdrop, the questions range from the broadest possible inclusion of employees on specific questions, to the inclusion of regulatory strategies and the influence of change processes on the company brands and their core.

Therefore, the articles compiled in this volume cover a broad variety of topics. Based on a new approach of permanent change and the high relevance of the subject in light of the fourth industrial and the second informational revolution, we will offer a profound analysis of the role of cooperation, worker participation and networks within the process of the best possible design of change management. Unlike some that include the relatively young area of open innovation on the same level with change management, we will analyze the influence of the open innovation approach on change management and the new possibilities and the limits resulting from this development. Another focus of the present
volume will be the impact of regulations on change processes in companies and markets, and we will provide suggestions on how to effectively deal with them.

We would like to extend our gratitude to all authors and reviewers, who have implemented the double review applied here, for their collaboration in the first scientific collective volume about fundamental questions of business administration of the twenty-first century published by the Center for Advanced Studies in Management (CASiM) at the HHL Leipzig Graduate School of Management. CASiM is an interdisciplinary research center with a focus on fundamental research in business economics. Not attached to an individual chair or an individual unit of the university, CASiM connects the various chairs and research areas at HHL and integrates the different economic disciplines, represented at HHL and elsewhere, in its research. It is a major aim of CASiM to actively cooperate with other research institutions in the science region of Leipzig as well as nationally and internationally. This collaboration is supported by scientific conferences and through the scientific advisory board of CASiM, which has greatly supported this book project not only with consultations but also with contributions from individual board members.

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We hope that all audiences from science, management studies and executive practice will find this an insightful contribution and may provide the authors and us with constructive feedback for future projects.

Horst Albach
Heribert Meffert
Andreas Pinkwart
Ralf Reichwald
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Contributors

**Nagwan Abu El-Ella**  Stiftungsfonds Deutsche Bank Chair of Innovation Management and Entrepreneurship, HHL Leipzig Graduate School of Management, Leipzig, Germany

**Horst Albach**  Center for Advanced Studies in Management (CASiM), HHL Leipzig Graduate School of Management, Leipzig, Germany; Humboldt-Universität zu Berlin, Berlin, Germany

**John Bessant**  University of Exeter Business School, Exeter, UK

**Susanne Braun**  Faculty of Business and Economics, Leuphana University Lüneburg, Lüneburg, Germany

**Christoph Burmann**  Chair of innovative Brand Management (LiM), University of Bremen, Bremen, Germany

**Nadine Finkbeiner**  Reinhard-Mohn-Institute for Management and Corporate Governance, Witten, Germany

**Thomas P. Gehrig**  Faculty of Business, Economics, and Statistics, University of Vienna, Vienna, Austria

**Hagen Habicht**  Center for Leading Innovation and Cooperation (CLIC), HHL Leipzig Graduate School of Management, Leipzig, Germany

**Liv Jaeckel**  Chair of Law of Economic Regulation and Center for Health Care Management and Regulation, HHL Leipzig Graduate School of Management, Leipzig, Germany

**Henning Kagermann**  acatech - NATIONAL ACADEMY OF SCIENCE AND ENGINEERING, Berlin, Germany

**Frank Lattuch**  KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, Germany

**Antje Löwa**  Chair of innovative Brand Management (LiM), University of Bremen, Bremen, Germany

**Heribert Meffert**  Center for Advanced Studies in Management (CASiM), HHL Leipzig Graduate School of Management, Leipzig, Germany; Universität Münster, Marketing Center Münster, Münster, Germany
Michèle Mornier  Reinhard-Mohn-Institute for Management and Corporate Governance, Witten, Germany

Shoma Mukherji  Chair of Organisational Behaviour & HRD, Management Development Institute, Gurgaon, India

Rico Piehler  Chair of innovative Brand Management (LiM), University of Bremen, Bremen, Germany

Andreas Pinkwart  Center for Advanced Studies in Management (CASiM) and Stiftungsfonds Deutsche Bank Chair of Innovation Management and Entrepreneurship, HHL Leipzig Graduate School of Management, Leipzig, Germany

Ralf Reichwald  Center for Advanced Studies in Management (CASiM) and Center for Leading Innovation and Cooperation (CLIC), HHL Leipzig Graduate School of Management, Leipzig, Germany

Anna Seifert  KPMG AG Wirtschaftsprüfungsgesellschaft, München, Germany

Radha R. Sharma  ICCR Chair of Corporate Responsibility and Governance, HHL Leipzig Graduate School of Management, Leipzig, Germany; and Hero Honda Chair of Organisational Behaviour & HRD, Management Development Institute, Gurgaon, India

Jörg Sydow  Freie Universität Berlin, Management Department, Berlin, Germany

Stefan Thallmaier  Center for Leading Innovation and Cooperation (CLIC), HHL Leipzig Graduate School of Management, Leipzig, Germany
Part I

New Challenges for Change Management
Management of Permanent Change—New Challenges and Opportunities for Change Management

Horst Albach, Heribert Meffert, Andreas Pinkwart and Ralf Reichwald

There is nothing permanent except change.
Heraclitus of Ephesus (around 540–480 BC)

1.1 The Business Theory of Change

Organizational management theory chases after practice. The theory remains rather static, and in practice managers constantly have to adapt their companies under permanent change. Joseph Schumpeter considered the “pioneers” as those companies that accelerate
change and the “latecomers” as those that fight to keep pace. Schumpeter [63] answered the question of who the pioneers are and what latecomers do for survival in permanent situations of change, calling it a process of “creative destruction”: companies develop new products in their research departments displacing old products from the market.

Joseph Schumpeter lived during the Second Industrial Revolution and he attempted (successfully, as we acknowledge today) to combine the dynamics of developments in the economy along with companies in a so-called “Theory of Change”. Not least of all, the two World Wars (1914–1918 and 1939–1945) also accelerated the pace of change throughout the world. Today, we live in the beginning of the Fourth Industrial Revolution that is generally associated with the digitalization of our lives. We are, therefore, in need of further advancing the Theory of Change. Two clear dimensions of this development are already visible:

- the further development of the “Theory of the Firm”, and
- a new definition of interdisciplinary activities of the change process.

The dynamic theory of companies takes dynamic production processes as its starting point. Up to now, it was mainly applied to the theoretical explanation of change in former East German companies and in companies of the former COMECON countries. The focus of this theory of change management [5] are changes in the dynamic use of human capital, of learning processes and of structural processes in enterprises (corporate governance). This led to the first insights into the dynamics of change: the change process in companies takes place with varying adjustment speeds in the production factors. The adjustment period is longer for employees than the adjustment of capital in companies. The further development of this theory of change has become a great challenge for science, as it has for research at the Center for Advanced Studies in Management (CASiM).

The empirical foundation of this branch of theory is based on the past experience of companies. One of the challenges of this theory of change is the prognosis about future changes in the management sector. The drivers and accelerators of internal and external change processes are of particular interest for analysis. First and foremost, the drivers are the exponential growth of knowledge, an ever increasing world population and the now ubiquitous information technologies that in turn contribute to the further increase in knowledge. Nowadays, the growing number of people that are connected by means of new media not only accelerates knowledge creation but it also reduces the half-life of knowledge as well as the strategy and innovation cycles.

Within this context, the exponential increase of computer server capacities and self-learning software as well as the rapidly advancing digitalization of research are important factors. With the heightened significance of information in our knowledge-based society, the influence of employees, clients and vendors on the innovation and change process is increasing and, therefore, requires new ways of integration. New information and communication technologies open up improved opportunities to effectively prepare, realize and implement industrial change. At the same time, the rate of change is constantly increasing due to the rapid spread of new knowledge [54].
In the theory of dynamic production functions, the output reflects the demand for goods and services driven by consumers. The composition of this output is subject to permanent change. This is referred to as “Dynamic Competition” within the theory of competition. Market studies have found an accelerated change process in the relationship between companies and consumers: ranging from sales in an anonymous mass market, the identification of consumer groups with similar interests, to the advantage certain goods and services have, and the individualization of single customers—the highest possible degree of customer intimacy [47]. These market developments indicate companies need to further promote customer inclusion in their innovation processes. This includes closer cooperation with research and the economy.

Furthermore, the informational revolution creates new opportunities for businesses to adjust to changes with greater flexibility. With decreasing transaction costs (e.g. telecommunication and transportation costs), growing integration within the supply chain and with the advent of social networks, an expanded group of users including suppliers and market observers (there are already over one billion Facebook users), businesses are seeing a continuum of new designs and boundaries between business and market coordination [54] as well as a higher willingness of the company to include clients, cooperating partners from research, industry and also employees in the operational innovation and change process [20, 72]. The analysis of innovation processes identified new ways of informal cooperation with competitors. Those new ways are referred to as “Informal Know-How Trading”. The strategic use of Big Data opens up new opportunities to gain competitive advantage and to increase the innovation potential. This applies both to business and research.

Over the past decades, businesses have achieved manifold progress in increasing flexibility. In the interest of an ideal proactive change management and in response to growing change dynamics, businesses employ a broad set of strategic tools to increase their flexibility [13, 34, 45, 46, 56, 61]. Jacob [34] analyzed optimal action programs for one-period in addition to multi-period planning under uncertainty. The influence of strategic flexibility and strategic change on business value was tested empirically by Burmann [13]. Organizational flexibility can assist companies to achieve “renewals” or adapt and to keep their businesses on track through continuous change. Yet, this leads to higher requirements for corporate governance and the management of employees.

In addition to continuous “incremental” changes, the so-called “radical” changes have also become more important, more so than in the past. Nevertheless, within innovation competition, executive leaders are often confronted with the need to review and, if necessary, cannibalize their business model in order to secure sustainable and continued success of their enterprise. We can find numerous examples for this phenomenon in management literature. As the S&P 500 Index impressively demonstrates, a growing paucity of businesses are unable to withstand the increased pace of change. The average survival rate of the 500 biggest US-companies, as measured by their market value, was 61 years in 1958. By 1980 this had halved to 35 years. Nowadays, it is at only 18 years.

Change management is an active approach within market-oriented corporate governance. The change in companies and operational processes does not only result from an adaptation to changing socio-economic conditions but also follows the objective of broa-
dening inherent innovation and marketing efforts, through which the company is able to influence its own environment [3]. Therefore, change management supports those in a company that are responsible to overcome rigid behavior patterns to effectively change internal structures and to develop an environment which serve as a flexible guide for businesses together with political and social groups.

1.2 Interdisciplinary Theory of Change in Organizations

Business administration does not equal management [2]. An interdisciplinary approach is particularly important for the management of change. Therefore, on the one hand, we will cursorily analyze specific models of change management. On the other hand, we will excursively elaborate those articles in this collective volume whose fundamental statements were discussed during the CASiM conference about “Management of Change” at the HHL Leipzig Graduate School of Management in the summer of 2013 in Leipzig, Germany.

1.2.1 Interdisciplinary Models of Change Management

Unlike other business models of change management that are based on “if-then-statements” the interdisciplinary models focus mainly on the categorization and the structuring of the complexity of change. In this context, “complexity” is defined in a more general sense than in Operations Research [6].

1. The Model by Senior

The model by Senior categorizes “permanent change”. We will identify and use essential categories of change management in order to conduct a comparative analysis of different change management approaches and to develop future theories. As a result, we will be able to characterize the main features of change, the frequency of changes, their impacts and their underlying factors. Senior’s categorization is shown in Table 1.1.

Senior’s categories are slightly complemented by several fragmented dimensions from relevant literature in Table 1.1.

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<th>Table 1.1 Dimensions of change</th>
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2. The Model by Reiss et al.
According to Reiss [57] we can distinguish between different change processes in relation to the sector level of business activity that either aim at personal, financial or the material resources of the company (change in resources), at the organizational structure (change in structures) or at the far-reaching reorientation of a company (change in strategy).

3. The Model by Levy and Merry
The model by Levy and Merry [42] differentiates between “Incremental Change” and “Radical Change”. The distinction between “Basic Innovation” and “Improvement Innovation” was first introduced in 1971 by Gerhard Mensch. While at the time this sparked a lively debate the distinction was eventually accepted [48–50]. Depending on the extent of the fundamental change, it may also be referred to as “Revolutionary Change” or as “Transformational Change” [12, 41, 73]. This indicates a break with the existing development in order to adhere to new competitive conditions and a new environment. This could result from disruptive innovations or from a new fundamental legal framework such as the ‘energy turnaround’ in Germany.

4. The Model by Nadler and Tushman
This model discusses the different ways a business can react to change requirements. The authors distinguish between “proactive” and “reactive”. In the reactive case, efforts by all affected parties to successfully manage change are bigger than in the proactive scenario.

This model offers four types of change depending on the intensity of change. Those four types are represented in Fig. 1.1.

A situation in which changes develop incrementally from within the company and move within existing business performance standards of the company is referred to as “Tuning”. The company acts proactively in this respective situation. If it acts reactively, it is referred to as “Adaptation”. Should the changes lead to a fundamental transition of company activities and performance they are called “Reorientation” (proactive behavior) or “Recreation” (reactive behavior) respectively.
5. The Models by Burnes and By
Those models deal with the frequency of change. Changes can be implemented by management in several planned stages or in a continuous way. A combination of both approaches is also possible. Furthermore, the authors consider the way in which employees and stakeholders meet the continuously changing requirements. According to them, radical changes promote self-satisfaction and inward orientation. They lead to routines that make further radical moves necessary in shorter periods of time.

By’s model demonstrates a continuum of various frequency levels between discontinuous and continuous change (Fig. 1.2).

6. Models of fundamental change
To Weick and Quinn [73] improvisation, translation and learning are drivers for continuous change. According to this concept, fundamental change can be achieved, if certain requirements are fulfilled. Those requirements are the maximum possible reduction of the time frame between development and implementation of new labor practices, the circulation, continuous acceptance and further processing of new ideas within the organization and the further development of existing thought and reaction patterns by means of learning.

Despite the undisputed important role of continuous change, many studies [7, 15, 55] assume that continuous improvement on an operational level is not enough to reach a fundamental change on the overall company level. Neither are incremental structural changes. As was shown by recent empirical studies about path dependency in networks (see Chap. 5) these types of weaknesses within continuous change occur primarily in businesses with a high degree of interdependencies between the subdivisions as well as a close network with external stakeholders, who limit the development of the company through established and stipulated activities and partnerships [29, 58].

However, the “Gradualist Paradigm” assumes a loose relation between the individual areas so that fundamental change might still be achieved continuously. Nevertheless, it runs the risk that change forces are limited to individual subdivisions [29, 73]. As a result, continuous change in single departments might not be able to change deeper structures of a business such as the corporate culture, the business strategy, the organizational structure or corporate governance.

A combination of discontinuous radical and continuous incremental change is supported by various empirical studies. Referring to the research by Tushman and Romanelli...
the so-called “Punctuated Equilibrium Paradigm” approach [15, 29] assumes that continuous incremental changes on the different company levels are substituted by more or less discontinuous fundamental changes in the corporate organization. Grundy [27] and Senior [64] refer to the cyclic alternation between relatively peaceful periods and stronger incrementally generated change periods as “Bumpy Incremental Change”.

In their empirical study on changes in the field of microcomputers, Romanelli and Tushman [58] found out that due to its organizational inertia, a fundamental change on the overall company level can only take place with short phases of radical change that include all essential departments. This indicates that continuous change within single departments is not sufficient to achieve fundamental transformation. Overcoming corporate inertia is most successful during periods of major performance crisis, disruptive changes within the corporate environment or when replacing the CEO.

7. Models of a Planned Change Process
A planned change process that was induced from the top has determined change management in research and in practice over many decades. With his research and studies in the 1940s about the significance of different leadership styles and the influence of group behavior on change processes in organizations (see the overview by Burnes [16]) and with his [43] three-step-concept of a planned change process, Kurt Lewin is considered one of the founders of change management as a scientific discipline [27]. His three steps of ‘Unfreezing, Moving and Refreezing’ aim at liberating employees from their old habitual ways and motivating them on a group level to take on new practices and to continue using those within the group after the successful completion of the change process.

Other fundamental contributions about the planned change process are the works by Burns and Stalker [17, 18] as well as by Kirsch et al. [39]. They are essential for the differentiation of adaptation systems according to the roles of the “Change Agent”, the “Client System” and the “Change Catalyst”. In this volume, they are mainly discussed in relation to the role of consultancy and in the context of current challenges for change management. Following Etzioni [25], Kirsch et al. deal with the question of a “Sustainable Organization”. They discuss the planned change process in light of the interest fields and the system of statements of an applied business administration.

Despite the developments of the past decades such as the four-phase-model by Bullock and Batten [11] increasing complexity, insecurity and pace of change in businesses raised critical voices for the concept of planned change processes [14, 19, 35]. Particularly problematic are the insufficient considerations of internal and external insecurities and the poor applicability to situations of fast and radical change. The assumption of quasi-stationary equality before and after the change process within the organization is being criticized. Eventually, the assumed willingness that the main stakeholders will be able to agree on a joint action is rejected [8, 14, 19].

While criticizing the concept of a planned change process, the so-called emergent approach gained more and more attention in the decades before and after the millennium. In addition to some rather theoretical-abstract models, the emergent approach also includes
concepts from consultancy practice such as Kanter’s concept of the “Ten Commandments for Executing Change” [35], Kotter’s “Eight-Stage Process for Successful organizational Transformation” [40] and the “Seven Steps” proposed by Luecke [44]. Despite the variety of approaches we can define the following similarities. The approaches are based on the assumption that change processes are not linear or nonrecurring, isolated processes, but rather continuous, open-ended, cumulative and unpredictable transitions. They aim at adapting the capabilities and resources of the company to the possibilities and requirements of an insecure and dynamic environment.

8. The Manager as the Moderator of Change
In order to achieve an ideal change process, smaller and medium-sized changes that take place continuously and that are closely intertwined on various levels over a longer period of time across organizations are considered useful, possibly ending in a greater, unplanned transition. According to this approach, change is not an analytic-rational process but develops as the result of political and cultural processes within an organization. The role of managers shifts from that of the decision-maker to the moderator of the change process who structurally and culturally shapes the organization in a way that employees are able to independently make out the necessary incremental changes from the bottom-up, on the various decision-making levels. This happens with the help of appropriate information distribution and communication. They should also be willing and be able to implement the respective changes with an eagerness to experiment, with individual and organizational training as well as with the necessary readiness to take risks [16, 30, 53].

In this relatively young approach, the lack in coherence and the diversity of different models and methods are being criticized. Those models and methods have a similar critical view on concepts of planned change processes [8, 19, 21]. At the same time, the central assumptions of this approach limit the general application. It is, therefore, suggested that turbulences take place in the form of an unstable environment with an unpredictability of internal and external changes. Furthermore, presumably the best way to deal with the before mentioned issues would be a continuous sequence of small and medium-sized changes that are generated from the bottom-up and not from the top-down [16].

1.2.2 Multi-disciplinary Contributions to Change Management
The following paragraph will offer a short overview of the contributions to this theme within this collective volume. They are based on the presentations given during the CASiM conference about “Change Management”. The diversity of the aspects on change made this conference a particularly interesting one.

In view of the strategic significance of change towards the so called Industry 4.0, Kagermann and Braun address the following two questions in particular (see Chaps. 2, 4). Firstly, how can cooperation between different partners be designed in the best possible way in the future? And secondly, how can we achieve a new era of Industry 4.0 in view
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of the fact that new infrastructure will have to be constructed on already existing, highly developed but potentially obsolete infrastructure. As a response to the growing need of interdisciplinary interconnection and collaboration, the authors suggest a platform of dialogue across sectors promoting a joint understanding of the technical challenges and a systematic development of technical solutions. The authors expect this mechanism to create a higher degree of agreement on objectives and less resistance in general.

Since those immense changes have to be carried out within a highly-developed economy and not on a green field, the authors favor a dual strategy of change. That is, a strategy for realizable and radical innovations that should be developed and implemented systematically on the basis of an equally sustainable and flexible architecture. An architecture that is open to future changes and enhancements that should provide a combination of changes that adapt perfectly to the existing infrastructure. It would also be plausible to implement this entire structure in a new location and in new markets. Furthermore, the contribution clearly shows that the existing change management approaches are not sufficient to successfully meet the challenges of the next industrial revolution.

The studies by Tushman et al. [51] already show that the frequency of change increases across nearly all industries and that the intervals between discontinuous, transformational change periods are becoming shorter and shorter. Hayes, therefore, comes to the conclusion “that all managers will be confronted with an ever greater need to manage both incremental and transformational change” [29]. In light of the new challenges and the possibilities of change management through open innovation that are being examined here more thoroughly, we can assume that continuous, incremental change could lead to more fundamental changes within businesses in the future.

Kagermann and Braun consider the fourth Industrial Revolution to cause profound changes to the world of employment and the human coexistence. In addition to the associated challenges for transformation within businesses and economies, it will result in a new boost for operational flexibilities. Given the economical and socio-political dimensions of change processes, the authors perceive the necessity for additional cooperation in two respects. According to Chesbrough [20], on the one hand the global interconnectedness demands a clear shift from closed to open innovation. This is the only way to ensure customers are included in the innovation process and to promote interdisciplinary exchange between different institutions. On the other hand, an industry that is advancing the new process needs to intensively cooperate with all the various social groups.

In Chap. 6, Abu El-Ella, Bessant and Pinkwart mainly analyze new possibilities for the inclusion of employees, customers and suppliers in the innovation and change process (Open Innovation). They consider the openness of businesses towards change and the willingness and capabilities of their employees to successfully shape the change process as pivotal core competencies. Prudent management and continuous learning is necessary to raise this potential even more. Change management with its well-established approaches and methods contributed greatly to this development.

According to the authors, however, change management is increasingly faced with the challenge to critically revise and, if necessary, adjust its own approaches and methods due
to the profound technical and societal changes that are occurring. The authors thus far see the potential of new social media as being widely underutilized within change management. It opens up new possibilities to include customers, employees and suppliers into the innovation and change process more systematically. For this, we need to substitute the existing, mainly linear and internally concentrated concepts, with more open and dynamic approaches.

**Thallmaier and Habicht** have contributed interesting insights into the possibilities and the limits of social media with the so-called co-evolution using the example of the ‘customer co-design in the mass customization industry’ (see Chap. 7). They trace the relationships that define the perceived benefits of co-design for customers. They also analyze the impact of social media on the perceived benefit of co-design considering the concepts of “Encouraging Discovery, Fostering Creativity and Facilitating Reinforcement”.

Continuous change approaches are becoming increasingly important due to the dynamic and growing pace of change. This is also supported by the fact that the progress which has been achieved in flexibility within companies has led to significant changes in labor conditions, as can be seen in the following overview (Table 1.2), referring to Gerlmaier and Kastner [26]:

A favorable environment, more flexible employment circumstances and an inclusion into the design of operational business activities open up new opportunities for employees to shape the continuous change process and, through this, create a higher level of commitment and job satisfaction. However, in case of poorly oriented resources during change management, employee job satisfaction levels may considerably decline and may lead to significant impairment to health amongst employees, to the loss of highly qualified personnel or to a resistance towards different elements within the change process [37]. The success of organizational change is closely connected to the behavior of each employee and his or her positive or negative influence on colleagues during the change process.

In Chap. 4, **Braun** enlarges upon this topic: She assumes an approach where employee diversity is of increasing importance. She also takes into consideration worker partici-
pation within the company. In the case of change processes there has to be a continuous search for specific solutions that distribute resources equally and efficiently and that adhere to legal requirements. This task is exacerbated, if the group of employees is divided into core personnel and a group of non-core personnel, and if the number of “multiple collective bargaining agreements” rises. In practice, emerging conflicts require a special circumspection and a different understanding of operational inclusion.

Also within this collective volume in Chap. 3, Finkbeiner and Morner analyze the significance of employee contribution for successful implementation of change management. They show ways in which organizations are able to improve their ability to change through cooperation on an individual, group and on the corporate level. Within a knowledge-oriented society, the employee willingness to adjust to the process of permanent change represents a pivotal point for business environments that promote learning and dynamic business development resulting from change process on both the individual and group levels. The authors consider the creation of adequate, joint cooperation rules as an essential precondition for change in businesses that occurs on a group level. Employees want to actively take part in cooperation. It is possible to develop a joint view on change with the help of cooperation which has a positive effect on both the willingness to change of the individual and of the organization as a whole.

The cooperative approach presented by the authors in this volume differs from change that is guided hierarchically or by the market, since a general willingness to cooperate cannot be instructed through ‘top-down’ approaches or from outside the company. Therefore, a highly competitive climate often leads to excessive pressure to perform and less willingness to cooperate. While change on the company level can prove to be beneficial or at least without an alternative, it frequently causes greater insecurity and anxiety in employees since they fear it doesn’t take their own interests into consideration or may even adversely affect them. By making use of Ostrom’s anthropological studies, Finkbeiner and Morner show that a willingness to cooperate is possible even in these situations assuming cooperation is conditional.

Both authors suggest to transfer the so-called “readiness model of organizational change” from the systematic perspective to the individual perspective of organizational learning. With positive interaction on an individual level and the creation of a joint understanding of the group concept, it is possible to create a positive learning environment during the change processes as a precondition to generate general openness of all employees towards change.

Following the emergent approach, successful change processes begin on the employee level according to Finkbeiner and Morner, which then continues onto the group level, eventually, influencing the entire organization. Un-involved employees will become involved rather than blocking the change process through consistent inclusion and by motivating all employees. Involved employees on the other hand, turn into active change agents.

In contrast to Finkbeiner and Morner, Sydow does not focus his contribution (Chap. 5) on naming the possibilities but rather on accentuating the limits of permanent change
through persistence and path dependencies that were proven in empirical studies of inter- and intra-networks. Management should be aware of those issues and should adopt appropriate counter measures. According to Sydow, those measures could be the correct selection and inclusion of internal and external partners. The allocation and reallocation of tasks, resources and responsibilities belong to these counter measures. Sydow advocates the development of network rules and evaluating cooperation according to their impact on the network and its members. He further recommends a stronger consideration of the down sides of future network research which he uncovered.

**Gehrig and Jaeckel** have contributed in Chaps. 8, 9, both from an economic and from a legal perspective, concrete examples on how regulations can influence individual company behavior and how companies in turn handle and influence regulation. They also show the potential risks of poor or inadequately designed regulations, not only for the respective company but also the market as a whole. They offer tips on how businesses can adapt to existing or expected regulations and how they may even influence them.

Employing medical technology innovations as an example for a functioning competition, Jaeckel illustrates the considerable impact technology-oriented regulations can have on the promotion of innovation activities, and on change dynamics within the particular sector. While technology-oriented regulations and subsidies can lead to undesirable developments in the market—as can be currently observed in the German energy sector—regulations that are targeted towards quality objectives on the other hand, have proved to be highly efficient. With a comprehensive and critical analysis of the legal and market framework taking place prior to the implementation of regulations, such risks can be avoided or at least limited. Depending on the significance of regulation affecting the survivability of the company, the firm must be given the opportunity to influence this analysis within the statutory framework prior to and during consultation and implementation.

The financial crisis in 2007/2008 impressively revealed the devastating consequences of poor regulations in combination with dynamic drivers such as the increasingly globalized world. It originated in part from banks changing their business model from one with a long-term concept backed with significantly more equity capital to one aligned towards short-term decisions for quick returns. Even though stricter regulations are being demanded as a result of the crisis, Gehrig, points out that despite all criticism on the conduct of banks, dispensing with far-reaching regulations for all involved may be the better solution. This would mean that banks would have to compete for equity capital based on adequate risk-bearing capacities and their reputation.

The examples from corporate practice cases offered in this collective volume will provide important tips for a synthesis of planned and emergent change and for successful heuristics in order to meet change process requirements.

On the basis of three case studies from their consultancy practice, **Lattuch and Seifert** demonstrate in Chap. 10 the different possibilities and limits of heuristically-based change methods for dealing with concrete change necessities in businesses. They are following the approach of a closely aligned synergy of soft corporate factors of change management with hard factors of the respective change project. Furthermore, they report on the introduction of evaluation methods for product innovations aiming not only to boost innova-
tion success but also to increase job satisfaction amongst employees. They also provide information on a combination of different heuristically-based tools that were employed for the consolidation and centralization of a DAX-enterprise in the financial sector. The main factors for success were not only the general applicability of the methods employed but also their acceptance and appreciation by particular change leaders who were included in the selection of methods by the external consultants. In the third case, the external consultants used the instrument of crowd sourcing in order to comprehensively include employees into a corporate-wide change project. With this heuristically-based method key issues of the process could be successfully identified in the collaboration between employees and other key stakeholders. As a result, possibilities to address those respective issues were developed.

Making use of practical examples, both authors demonstrate that in cases of successful change processes it appears to be easier to include critical stakeholders into the change process and to overcome resistance through a targeted transfer of individual heuristic onto the superordinate heuristic.

In Chap. 11, Sharma and Mukherji discuss the fundamental transformation process of an Indian energy company into an environmentally friendly, global and competitive enterprise. Their theoretical basis is the nine-step-model of organizational transformation by Galpin. This model assumes that fundamental change needs strategic deliverables by top-management as well as targeted inclusion and training of employees, in order to achieve the necessary radical and incremental changes. In light of the consequences of the change process, maintaining strong momentum during the entire change process is also necessary.

Ambitious environmental objectives can be achieved through raising environmental awareness of employees and other stakeholders, through appropriate technologies and their adequate use as well as through the communication of the competitive advantages resulting incrementally from change. This concrete example reconfirms this phenomenon, as well as the fact that this type of transformation process shows a high degree of complexity and requires perseverance by all. However, the case study decisively indicates that those efforts are worthwhile for stakeholders and, most of all, for the environment.

Starting from a basic thematic classification of the different spheres of activity of brand management, Burmann, Pichler and Löwa demonstrate in Chap. 12 the possibilities and limits of flexibility in brand management using practical examples in order to be able to react appropriately to different competitive, technological and behavioral changes of framework conditions. Adjustments in brand management are considered a continuous adaptation or dynamic brand management rather than a unique event.

Based on theoretical facts and on the example of a frozen foods company it is assumed that brand identity should not change too rapidly or too radically but rather continuously. This gives customers enough time to understand the transformation process and adapt to it. Companies should also be careful and moderate when changing fundamental elements of their brand identity. They often have significantly more freedom with non-essential components of the brand identity. However, in practice it is often difficult to distinguish between essential and non-essential brand identity components. Another challenge lies in the internal implementation and the transformation of the brand. In the interest of main-