



MBA 7024

Managing Change

The road towards  
a digital, customer-oriented  
municipality

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## Abbreviations

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CA..... Change agent

CATS ..... Changing As Three Steps

CM ..... Change Management

CP..... Change Process

EU..... European Union

GDPR .... General Data Protection Regulation

GLOBE ... Global Leadership and Organizational Behaviour  
Effectiveness

OD ..... Organisational Development

PAR ..... Participative Action Research

PEST ..... Political, Economic, Social and Technological factors

PSO ..... Public Service Organisation

PWC ..... Price Waterhouse Coopers

RTC ..... Resistance To Change

“There’s a race to the future and if you stand still, very well is it going to pass you.”

Helen Clark, Administrator of the United Nations Development Programme (PwC, 2013)

“Uncertainty, deep down in an organization, can keep a change initiative from gaining momentum.”

DeAnne Aguirre, Co-Leader Katzenbach Center (Aguirre et al., 2013)

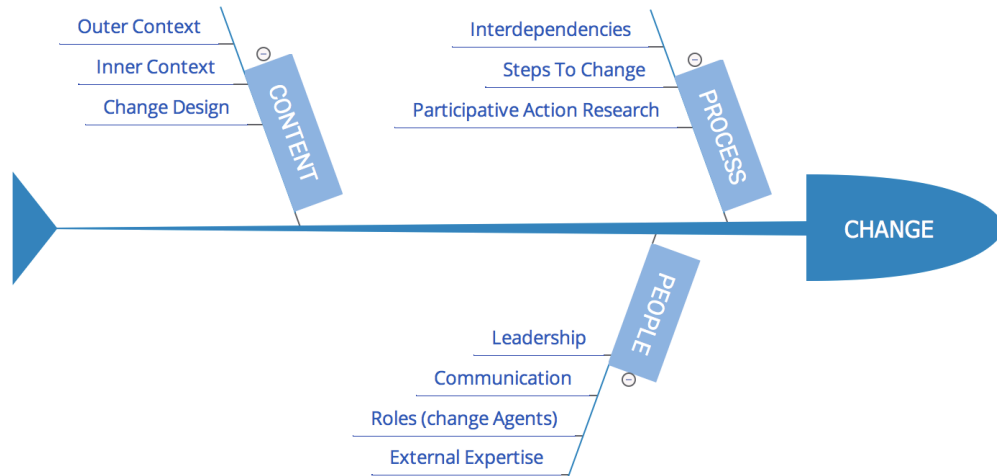
## 1. Introduction

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The purpose of this essay is to critically evaluate approaches to change management (CM) that could be applied to the broader usage of social media at the municipality of Sulz am Neckar. This is part of the change process (CP) of digitalisation in order to improve future- and customer-orientation, flexibility, efficiency, resilience, safety, and business development of the town.

Municipalities are complex systems and scholars have asserted a lack of literature about CM and innovation in that field (Fernandez and Rainey, 2006; Osborne et al., 2013; Kuipers et al., 2014; Moussa, 2018). Moreover it is questioned that CPs and a resulting continuously improving culture is achievable in such organisations (Osborne and Brown, 2005; Gravesteijn and Wilderom, 2018) – especially through planned, linear, single CPs. Therefore, a range of theories is examined. An approach based on Kotter as a backbone, driven by change agents (CA) and accompanied by participative action research (PAR) to further develop and monitor the process, is recommended (see figure 1 for a schematic diagram). The report only shortly discusses the important

role of leadership, as this has already been topic of a former report (Börnard, 2018).



**Figure 1 – Multi-dimensional change process**

The author of this essay works amongst other jobs (see appendix 1) at the municipality of Sulz am Neckar. His team is responsible for tourism, communications, cultural activities, and city marketing.

## 2. Digitalising a municipality: the need for change

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Digitalisation is seen as a crucial location factor (Strobl, 2017). “The dynamics of globalization mean that countries and municipalities must vie for investment, workers, and knowledge— resources for which digital technology can be a magnet” (Corydon et al., 2016, p. 3). More than just the infrastructure, becoming a smart city through a new culture of people dealing with digital technology and communication, and organisational development and learning (Walker, 2014) is urgent – and CM is needed to get there.

Balogun et al. (2016, p.1) state that “change has become a way of life, in part because organisations are experiencing many different types of change.” But that there is constant change does not guarantee effective, efficient and focused change in the necessary fields: Only 10% of German municipalities think, that they perform good on digitalisation (Wittpahl, 2018). Such a divergence is seen by Weick and Quinn (1999, p. 365) as a “result of a growing misalignment between an inertial deep structure and perceived environmental demands.” In that sense, change in “a new era of transformation” (Davis and Florea, 2016, p. 3) as shown in figure 2 has to be managed to be successful and appropriate to a changing surrounding.





**Figure 2 – Digital Transformation of Cities and Regions**

Source: (Davis and Florea, 2016, p. 2)

Opposing the range of chances of digitalization, there are challenges in the necessary CP. As Kotter (2014, p. 5) points out, organisations usually develop from a growing, agile network to a “well-designed hierarchy” with specific, proofed, efficient managerial structure. Municipalities are traditional, formalized, bureaucratic type, hierarchically organised systems (Cardador and Rupp, 2010; see Appendix 2), they are dependent from a partly rigid legislation, they have a highly complex environment and stakeholder requirements. Amongst other factors, this might additionally slowdown change. As the system is designed to avoid uncertainty, resistance to change (RTC; Đurišić-Bojanović, 2015) is to be expected. Especially, as municipalities have numerous, diverse and divergent teams or even

single employees that often operate largely autonomous – to the point of municipality owned, nearly stand-alone businesses.

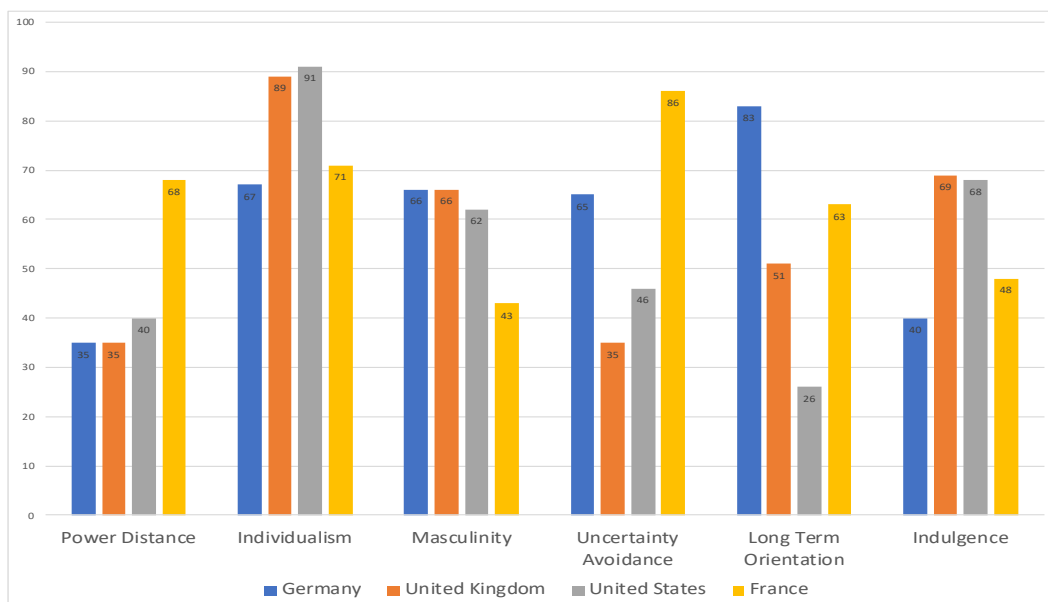
The strategy to address that is to identify factors that drive and restrain (Kotter, 1995; Torppa and Smith, 2011; Hughes, 2016) the necessary transformation, and to develop a context-sensitive roadmap (Kotter, 2014; Balogun et al., 2016) and compass (Fernandez and Rainey, 2006) for change to win-over management, supervisors, city council, employees and citizens.

To further develop the municipality, it has to be better as a learning organisation (Senge, 2006; Walker, 2014), learn from the CP itself (Tidds et al., 2005) and establish continuous change (Anderson and Anderson Ackerman, 2010; Balogun et al., 2016).

One part of the above-named strategy to digitalize the public service organisation (PSO) – discussed in this essay – is to utilize the broader use of social media (see appendix 3) in the municipality as a pilot project (Child, 2015) and a dual system's structure (Kotter, 2014) and therefore 'pilot site' (Balogun, 2016) on an experimental scale that is a model for future CPs.

### 3. Theoretical Approach

Digitalising a municipality is a mainly transformational, but partly radical process (Ackerman, 1997; Gravesteijn and Wilderom, 2018), as technology is already available – but some individuals and teams in the complex organisation e.g. have to alter their handling of information, their culture of cooperation, their internal processes and their communication (internally and externally), their structure, and their whole strategy. In this sense, there will be an incremental change of technology, an adjustment of structure and processes, but also a “mindshift” (Oakley, 2017) – a radical change in life through learning. This is a challenge in a country that by culture (the most critical success factor in CPs due to Aguirre et al., 2013) prefers avoiding uncertainty and seeks decisive and assertive managers (Hofstede, 2018; see Figure 3 and appendix 4).



**Figure 3 – Comparison of Cultural Dimensions**

Source: (Hofstede Insights, 2018)

As Osborne and Brown (2005) point out, PSO act in a 'volatile environment'. Political, economic, social and technological (PEST) factors are in constant change, therefore the nature of change is emergent (the organisation is enabled to deal with unpredictable changes) rather than planned (with a desired future state).

This essay will focus on the three fields necessary for successful change listed by Anderson and Ackerman Anderson (2010; see table 1): process, people, and content. The latter, as scholars criticize many approaches as "ahistorical, acontextual, and aprocessual" (Pettigrew, 2011, p.68; Kuipers et al., 2014).

Following a study of the Katzenbach Center (Aguirre et al. 2013, p.3), this essay will briefly outline concepts to establish organisational change as "formal change management processes or techniques" and aspects of the "culture-enabled transformation". It is looking for a facilitating process and for influencing, interdependent factors (Iles and Sutherland, 2001; Fernandez and Rainey, 2006; Pettigrew, 2012) – being aware that these dimensions cannot be differentiated completely.

<b>Process</b>	The way changes How the content and people changes will be planned for, designed, and implemented. In other words, process denotes the actions that will produce both the external (content) and internal (people) changes.
<b>People</b>	People refers to the behaviours, emotions, minds, and spirits of the human beings who are designing, implementing, supporting, or being impacted by the change (mostly internal domains).
<b>Content</b>	Content refers to what about the organisation needs to change, which are usually components found in the external domain, such as strategy, structure, systems, processes, technology, work practices, etc.

**Table 1 – Comprehensive transformation strategy**

Source: (Anderson and Ackerman Anderson, 2010, p.5 f.)

### 3.1 Process: Formal CM processes and techniques

As shown, municipalities are complex and complicated systems with partly autonomous acting, but interdependent units (represented by the 'bubbles' in figure 4), influenced by and interacting with internal and external factors.

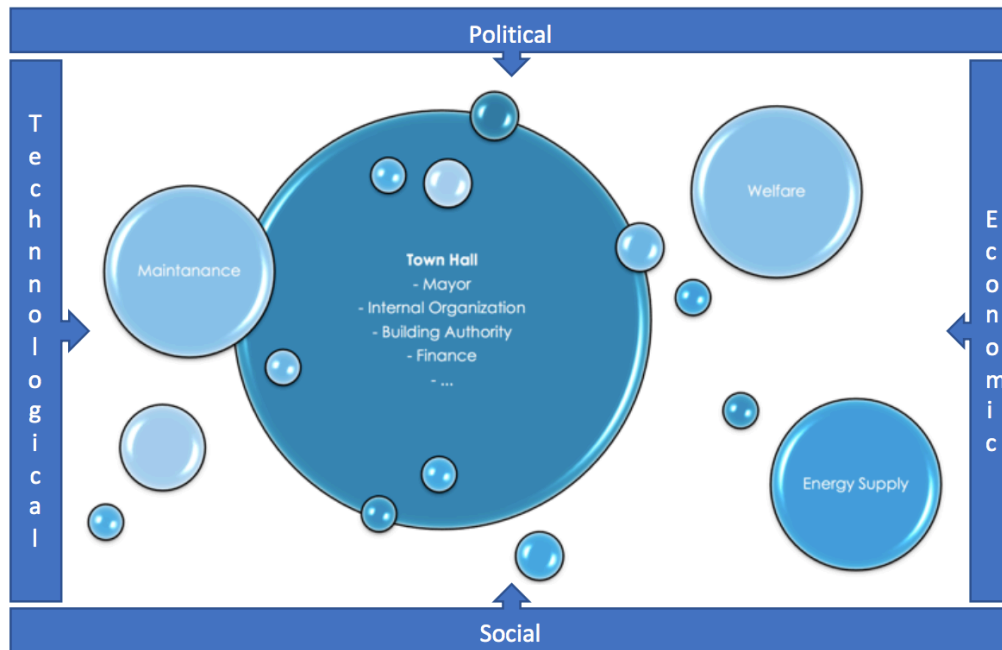


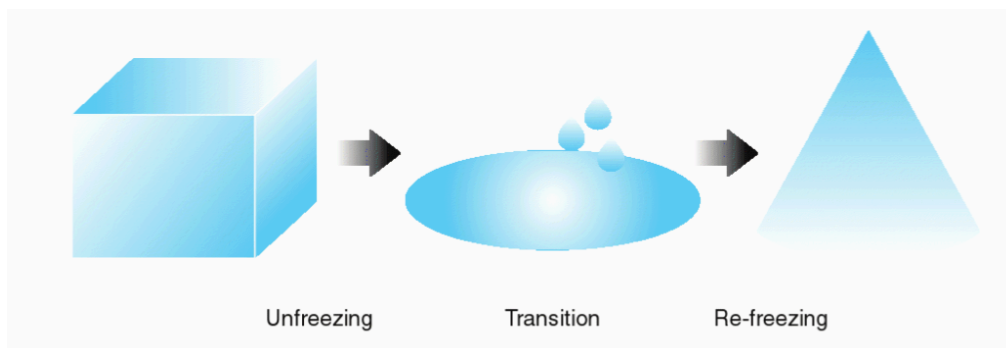
Figure 4 – Complex system of a municipality

Therefore the challenge is to find a framework for the CP that is manageable, appropriate to the interdependencies and the changing environment, but also plausible for the employees. The 'process' in this sense is seen as a roadmap crucial for the successful implementation.

#### Kurt Lewin's 'changing as three steps' (CATS)

The triple jump 'unfreezing – moving – refreezing' (see figure 5) is still seen as the classical process to innovate a system – even though

Lewin himself never wrote 'refreezing' (for a good reason, as only a stable, but flexible structure will adapt to the environment, not a frozen one). Moreover, the usually quoted book 'Field Theory' ('Lewin, 1951') just contains a short passage about something like CATS, not the concept itself (Cummings et al., 2016). As Galli (2018) points out, Lewin did not see CM simplistic or mechanistic: identifying some need to change in a stable state, react and act, and in the end establish a new stable state.



**Figure 5 – Change in three steps**

Source: (Child, 2015, p. 349)

According to Burnes and Bargal (2017), Lewin's assumptions have to be seen in the context of his psychological field theory, therefore individuals and groups, their interactions, longing for safety and stability on the one hand – environment and forces affecting on the other have to be taken into account. Moreover, he "believed that groups were never in a steady state, seeing them instead as being in continuous movement, albeit having periods of relative stability or 'quasi-stationary equilibria'" (Cummings et al., 2016, p. 38) and Lewin appreciated

people and their possible resistance to change as a powerful influencing factor.

CATS is still the foundation for so-called N-Step models of CPs, as the following figure 6 by Cummings et al. (2016) shows.

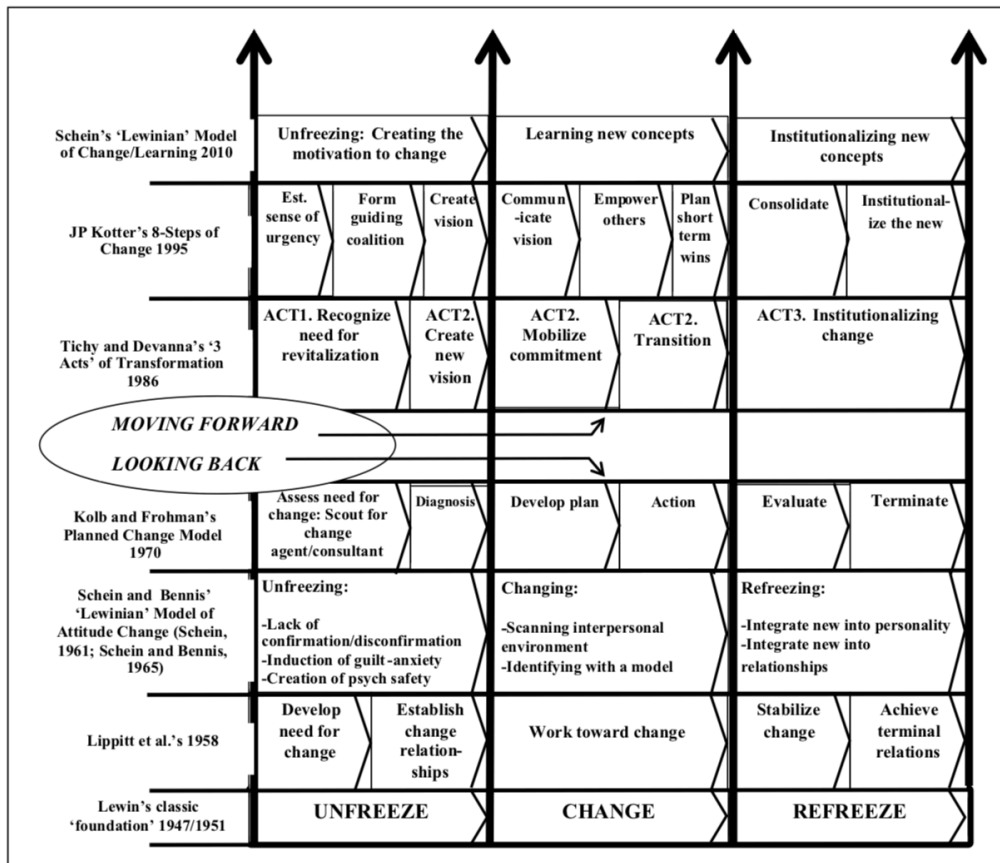


Figure 6 – CATS as a foundation

Source: (Cummings et al., 2016, p. 42)



### Kotter's 8 Step Change Model

Kotter expanded CATS (Cummings et al., 2016; Galli, 2018) with an more detailed model, that is also based on describing steps to follow. He begins with analysing “eight errors common to organizational change efforts and their consequences” (Kotter, 1996, p. 16). Based on that, he introduced an eight-stage process for successful change (ibid., p. 20 f.) with a table looking like a waterfall model – a straight forward way to realize goals. In contrast to that – and more according to Kotter's holistic approach –, the 2014 edition (Kotter, 2014, p. 28, see figure 7) contains a less clear, but more adequate to reality sketched visualisation. It reminds of a well-tuned gearing mechanism as well as of the Navajo-sand-painting of labyrinthine snakes used by Senge (2014).

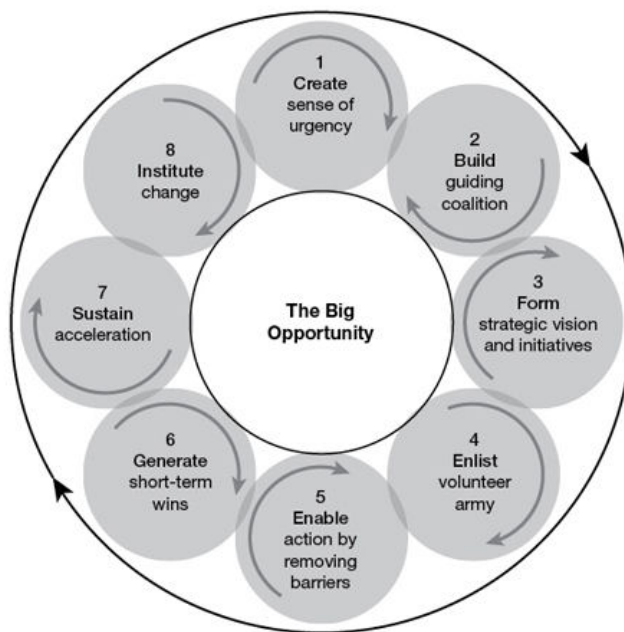


Figure 7 – Kotter's Change Process

Source: (Kotter, 2014)

This comparison of a simple table with a more abstract, albeit complex mechanism (see also appendix 5) originates in the dichotomy:

- Change models have to be clear defined, comprehensible, manageable, conceivable and therefore simplifying – to “communicate the vision to someone in five minutes or less and get a reaction that signifies both understanding and interest” (Kotter, 1995).
- CPs are usually complex – in contrast to their visualisation: “all diagrams tend to oversimplify reality” (Kotter, 1995, p. 20). According to Osborne and Brown (2005), PSOs can rarely define a clear vision or a straightforward way to a future status quo. More common is a continuous learning cycle dependant from external influences.

Hughes (2016) criticized Kotter’s work for not being informed by research, nor proofed by evidence besides his own work and watching companies. The model is top-down orientated, it simplifies, it does not pay enough attention to the relationship between leadership and innovation (Vos and Rupert, 2018), and the model was not developed further in a changing environment. For example, companies driven by poor management, or e.g. quarterly financial statements (or politics and project budgets in the case of municipalities) tend to produce short-

term wins – sometimes regardless of their long-term outcomes, as the financial crisis has shown. So more continuous monitoring is needed. Nonetheless, scholars (Alas and Sharifi, 2002; Child, 2015; Hughes, 2016; Galli, 2018) have found Kotter's theory to be useful for academics and practitioners. It is the most cited CM publication for several reasons:

- It visualizes the CP from analysing the need and starting it via driving and managing change, till establishing a new stage and making change sustainable
- It pays attention to people, their resistance to change and dealing with it (communication, participation)
- It is well-known and acknowledged in top-down oriented institutions
- It can be applied to CPs for whole organisations and parts of it
- It suggests a dual system structure: a parallel, innovative, dynamic system based on networks accompanying the traditional, hierarchical, bureaucratic main-system

Lastly, it has influenced other approaches like the following one.

### **McKinsey's 7S Framework**

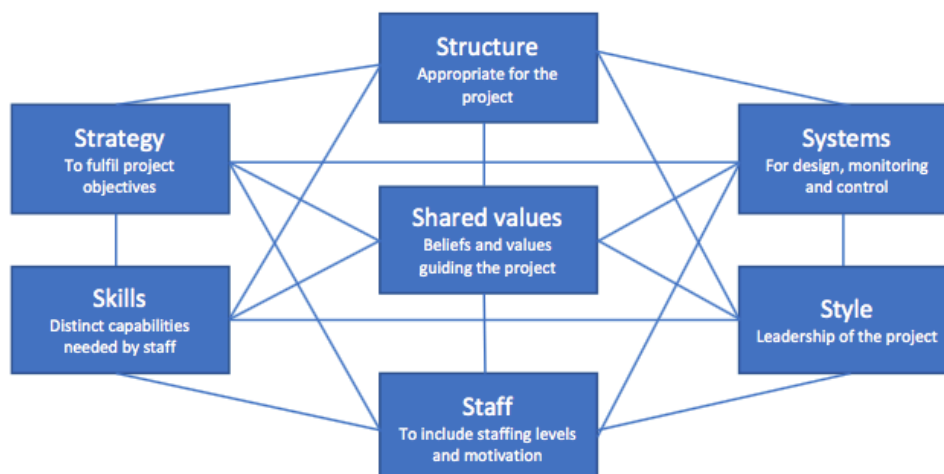
Based on the foundation of Lewin and Kotter, the 7S framework is a tool to analyse areas of change within an institution. Two groups (soft and hard elements) consist of seven elements shown in table 2:

Hard	Soft
<ul style="list-style-type: none"> <li>•Strategy</li> <li>•Structure</li> <li>•System</li> </ul>	<ul style="list-style-type: none"> <li>•Value / Shared Goals</li> <li>•Style</li> <li>•Staff</li> <li>•Skill</li> </ul>

**Table 2 – Elements of the 7S framework**

Source: (Hadiansyah et al., 2017; Galli, 2018)

Although the 'soft' group deals largely with people, the framework is seen as a strategic assessment and alignment model that enables research on processes, interdependencies, and impacts of the key elements (Hughes, 2012; Singh, 2013; Galli, 2018) shown in figure 8.



**Figure 8 – McKinsey 7S model**

Source: (Hughes, 2012)

The model is discussed controversially, as it allows practitioners to identify areas that need to be changed – at the same time, it is considered as simplistic, and laborious and difficult to imply (Wright et al., 2013; Galli, 2018) because of its numerous dimensions. Lastly, the

context is not mentioned in the model, which focuses on interdependencies of the 'S-factors'.

### 3.2 People: Culture-enabled transformation and resistance

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Defined by Project GLOBE (Global Leadership and Organisational Behaviour Effectiveness) as "the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members" (House et al., 2002, p.5), leadership with approved skills and styles within a municipality is 'daily business'. But the transformation – or 'moving' as Lewin puts it – towards digitalisation is in contrast to routine a disruption with special requirements and challenges.

Both the importance of leadership and of culture play a role in Lewin's, Kotter's and McKinsey's approaches to change – so do the importance of a clear vision, RTC and the vision of a 'learning organisation' (Senge, 2014), too. Aguirre et al. (2013) argue, that only one half of companies' strategies to transformation are successful. They identify 'change fatigue', a lack of capabilities to make change sustainable and a lack of participation of employees as main obstacles. Moreover, due to their study 84% of managers name culture as crucial for the success.

In this sense, 'people' is crucial for the success of the CP.

## Senge's Learning Organization

The above mentioned obstacles may also be seen as tasks described by Senge for “developing three core learning capabilities: fostering aspiration, developing reflective aspiration, and understanding complexity” (Senge, 2014, p. xii), under which he subsumes the five fundamental learning disciplines shown in table 3:

Discipline	Content
<b>Personal mastery</b>	<ul style="list-style-type: none"> <li>- Clear, deep personal vision</li> <li>- Target orientation</li> <li>- Patience</li> <li>- Objectivity</li> </ul>
<b>Mental models</b>	<ul style="list-style-type: none"> <li>- Understanding of assumptions</li> <li>- Openness to influences</li> </ul>
<b>Shared vision</b>	<ul style="list-style-type: none"> <li>- Goals, values, mission</li> <li>- Fostering commitment</li> </ul>
<b>Team learning</b>	<ul style="list-style-type: none"> <li>- Dialogue</li> <li>- Thinking together</li> </ul>
<b>Systems thinking</b>	<ul style="list-style-type: none"> <li>- Holistic understanding</li> </ul>

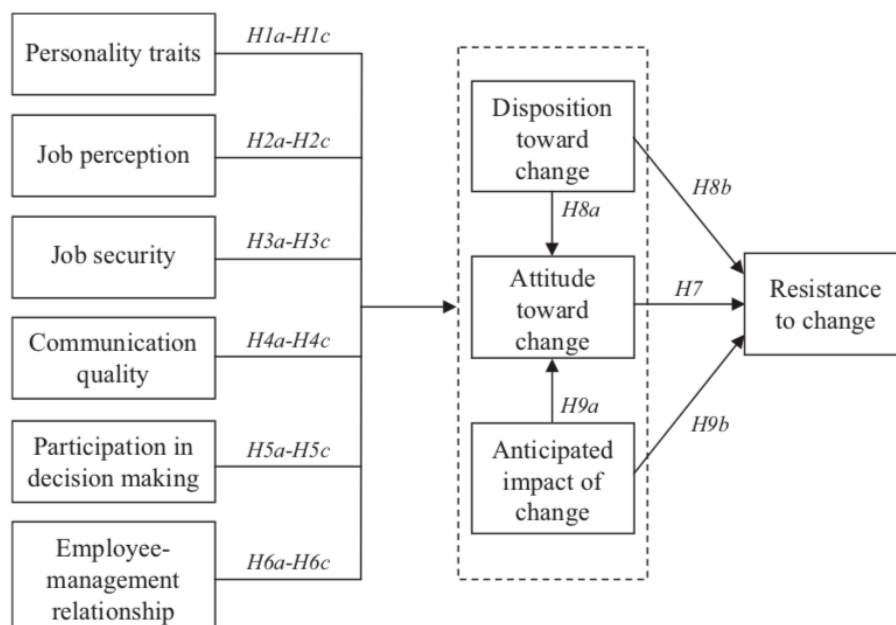
**Table 3 – Senge's Five Disciplines**

These disciplines are vital for businesses to become more ‘learningful’ to be able to deal with an increasingly complex, agile environment influenced by networks and inside the institution with more intrinsic motivated employees. The latter are at the centre of transformation, so they have to be enabled to create and continuously change the organisation.

Despite the ‘learning organization’ became proverbial, even scholars “[...] found it difficult to understand what a ‘learning organization’ would look like” (Örtenblad, 2007), because Senge’s definitions are vague. The vagueness led to a lack of “hard evidence of the effect of the theory of organisational learning in practice” (Iles and Sutherland,

2001, p. 65). This is seen as a problem, but also as an opportunity – organisations can use an individual interpretation to implement the idea.

A challenge Senge only briefly addresses is RTC, defined by Waddell and Sohal (1998, p. 544) as “a complex multi-faceted phenomenon that is caused by a variety of factors.” Employees try to avoid existing or perceived negative consequences of change, which can lead to conflicts with the management and the social environment in general (Child, 2015; Đurišić-Bojanović, 2016; Amarantou et al., 2018, see figure 9 and Appendix 6).



**Figure 9 – Proposed conceptual framework to RTC**

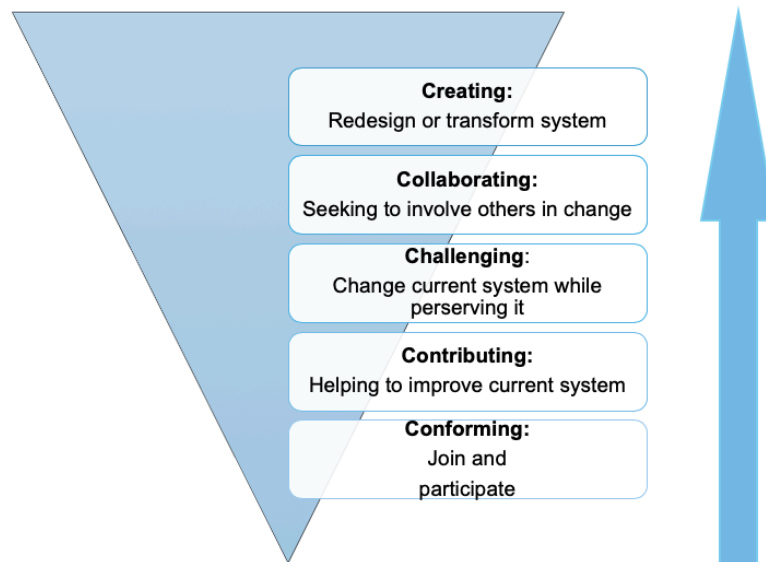
Source: (Amarantou et al., 2018, p. 428)

Castillo et al. (2018, p. 468) stress, that considering emotions and the perspective of individuals is critical for the success of a CP. They

define six emotional stages: “denial and anger, bargaining, depression, revising, deserting and acceptance”, of which some could have serious impacts on “the relationships between individuals and their social environments”. Lastly, bureaucratic cultures as such – like municipalities – tend to refuse significant change due to risk avoidance and rule-thinking opposed to customer oriented service thinking (Gravesteijn and Wilderom, 2018). In contrast to scholars and consultants who see RTC only as an obstacle, Dawson (2008, p. 505) adds it is a “valuable source of knowledge and critique of change programs”.

To deal with RTC, Amarantou et al. (2018, p. 441) suggest managers to “be as honest as possible with employees, in order to create trust and loyalty”. Due to scholars, participation (see figure 10, which shows increasing levels of it), understanding behaviour and individual cognitive styles, effective communication, and appropriate leadership is necessary to do so (Torppa and Smith, 2011; Klev and Levin, 2012; Walker, 2013; Đurišić-Bojanović, 2016; Tayefi et al., 2017; Vos and Rupert, 2018).





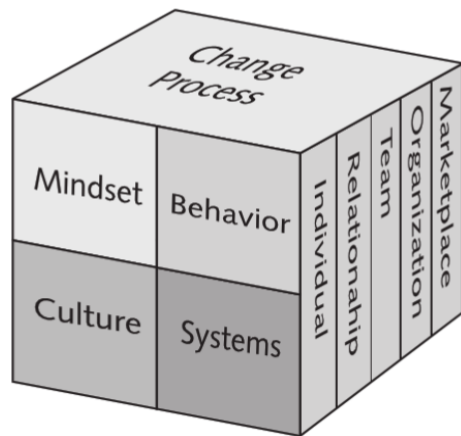
**Figure 10 – Increasing levels of participation**

Source: (Pasmore and Fagans, 1992)

Chances are, that these approaches lead to a learning and service culture oriented organisation (Gravesteijn and Wilderom, 2018) – as Hall et al (2014, p. 223) state, the role of the leader is not “to identify the right strategy, but to encourage strategic thinking in the organisation, and to design effective learning processes to make this happen.”

### **Anderson and Ackerman Anderson: Change Leader**

Consequently, a multi-dimensional approach to mastering change leadership is proposed by Anderson and Ackerman Anderson (2010), with conscious leaders that pay respect to mindset, culture, behaviour and systems shown in figure 11.



**Figure 11 – Conscious Leader Accountability Model**

Source: (Anderson and Anderson Ackerman, 2010, p. 5)

The idea is to transform organisations and people. By developing a strategy and a process plan, change will transform at all ‘quadrants’ and all levels. Especially in a hierarchical system, leadership is a key driver for CM (Kuipers et al., 2014). Anderson and Ackerman Anderson (2010, p. 4) state (without giving evidence) that “organizations have put tremendous resources into turning their managers into leaders”.

In the concrete case, neither leadership, nor CM has been trained in the municipality in theory and practice. Therefore, intensive planning and training of leaders and knowledge from external consultants will be part of the CP.

### 3.3 Content and context of change processes

So far, the roadmap for (3.1) and dealing with the participants and drivers (3.2) of the process have been in focus. The formal CPs and techniques are an appropriate starting point for analyzing the need,

identifying requirements and planning the design. Moreover they can be used to communicate the process internally to the employees and externally to the stakeholders (citizens, councilors, superordinate authorities etc.).

But they are not sufficient for the complex system of a municipality as dimensions like people and dynamic context have to be considered in more detail – which is an often neglected perspective in CM (Iles and Sutherland, 2001; Ackerman Anderson and Anderson, 2010; Osborne et al., 2013; Kuipers et al., 2014).

In contrast to the simplistic step-by-step table, Kotter's visualisation of a gearing mechanism has been mentioned. It will in practice only work, if the key internal and external dynamics are considered. In this sense, 'content' is crucial for the strategy and for adjusting the 'compass' (Fernandez and Rainey, 2006; Osborne et al., 2013) that continuously offers the direction. This is important, as impacts of digitalisation are manifold (see table 5).

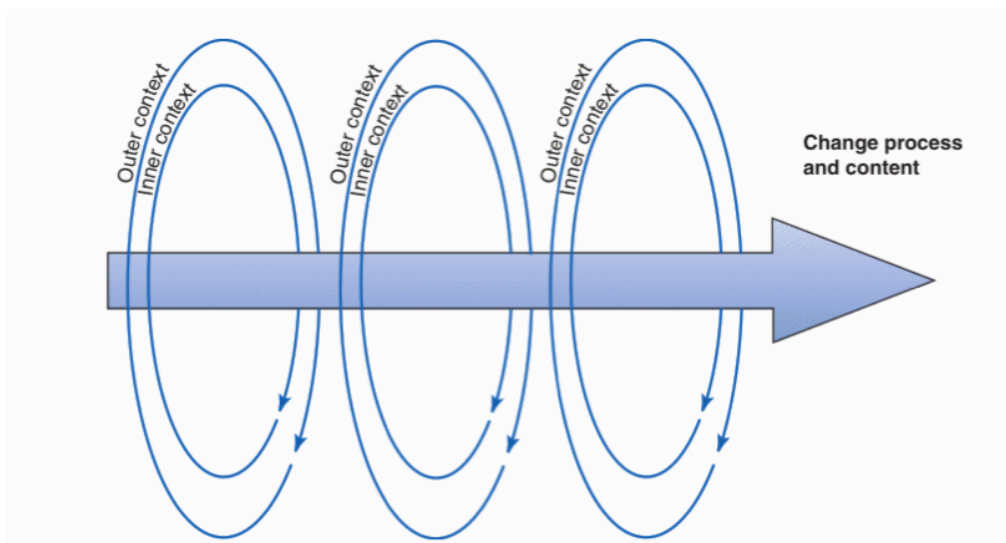
	Digitalization (e.g.)	Impact (external)	Impact (internal)
<b>Services</b>	E-Government, Online public services (e.g. passport renewals)	Easier, faster access, transparency	Reduction of routine processes
<b>Processes</b>	Paperless office	Faster processes	Increased efficiency; safety issues
<b>Decisions</b>	Citizen participation	Democratization of towns	Dealing with non-professional stakeholders
<b>Communication/ Marketing (outgoing)</b>	Information presented on multiple channels	More citizens are informed better	More employees are informed, too
<b>Relationship</b>	Social Media	More openness to citizens' needs; low-threshold communication	Dealing with more requests; interacting on

Table 4 – Impacts of Digitalization

(based on Corydon et al., 2016; Flores and Rezende, 2018)

**Balogun et al.: Context sensitive strategic Change**

Balogun et al. (2016, p. 4) state, that strategic or transformational change “typically involves a redefinition of mission and purpose, and a substantial shift in goals, to reflect a new direction in response to environmental threats.” They sketch the dynamics with the following figure 12, as any CP depends on the specific situation or context of each organisation.

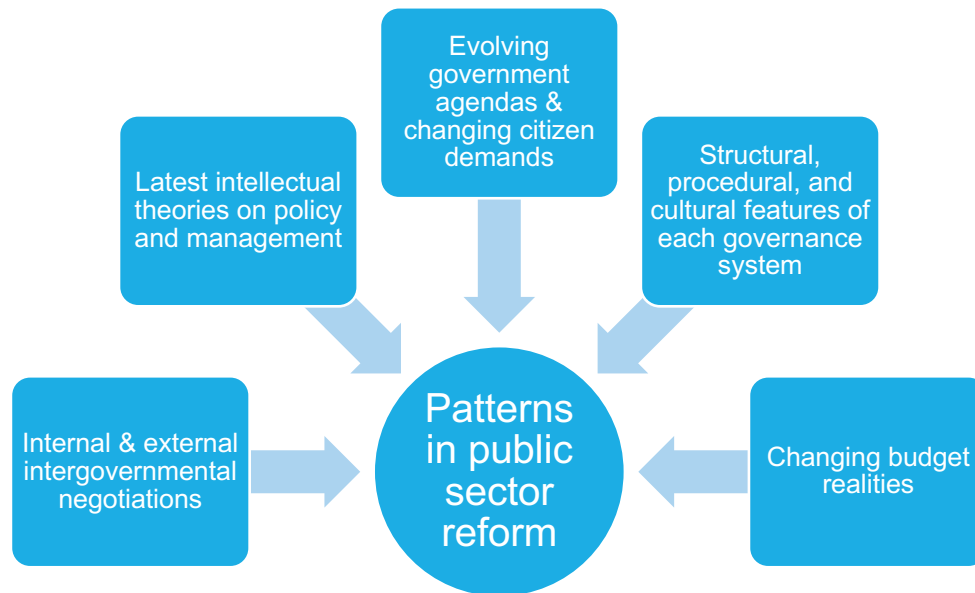


**Figure 12 – Change process through time**

Source: (Balogun et al., 2016, p. 10)

In contrast to the predictable looking movements in the model, the reality in driving a process of digitalisation will be more episodic, “because it tends to occur in distinct periods during which shifts are precipitated by external events such as technology change or internal events such as change in key personnel” (Weick and Quinn, 1999).

There will be unexpected developments in the context (see figure 13), that lead to a 'strategic drift', a gap between what the municipality tries to achieve and what happens outside and inside it.



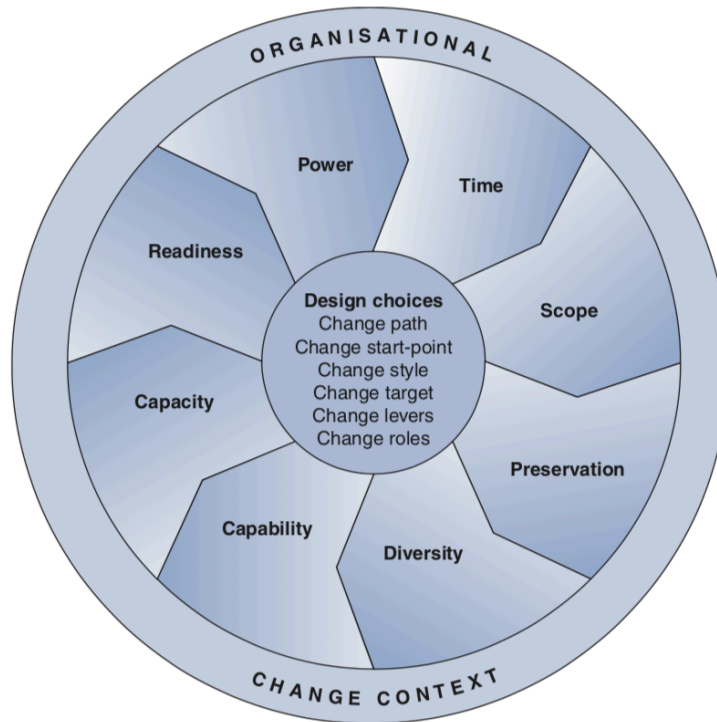
**Figure 13 – Streams of Influence on Public Sector Reform**

Source: (Lindquist, 1999, p.6)

This increases the 'complexity', defined by Uhl-Bien and Arena (2017, p. 9 f.) as „rich interconnectivity [...] when things interact, they change one another in unexpected and irreversible ways. [...] In this new reality, it is more essential than ever for organizations to adapt—to pivot in real time with the changing needs of the environment. They must fit the mantra of complexity theorists that it takes complexity to beat complexity.”

The suggested framework of Balogun to analyse the organisations features or capabilities to deal with complexity is the 'change

kaleidoscope' (figure 14), showing from the outer to the inner ring the strategic context, the abilities of the municipality and lastly the resulting strategy.



**Figure 14 – Change Kaleidoscope**

Source: (Balogun et al., 2016, p. 15)

Before the practical implication is discussed, this essay will put the focus on the unique context of municipalities.

### **Osborne and Brown: Managing Change and Innovation in PSOs**

Two aspects are special about the approach by Osborne and Brown (2005; Osborne et al., 2013), as it merges 'change' (as a 'gradual improvement') and 'innovation' ('new element'). The topics are overlapping, therefore discussing differences and commonalities is

sensible (Law, 2006). Moreover, Osborne and Brown discuss CM literature in the unique context of PSOs, that underlie amongst others external influences that are shown in table 6. As the collection is 13 years old, it is here opposed to current trends. The comparison shows some differences, but not a general change of challenges for PSOs.

2005	2018
Global economic changes which meant that PSOs could no longer rely upon steady incremental growth, and had instead to focus on the efficient and effective use of increasingly scarce resources	Dealing with increased complexity; Globalization; Scarce resource: skills shortage and allocation
A consequent growth of a managerial, rather than administrative, approach to the provision of public services (New Public Management)	Change-oriented leadership; Creativity; Conversation and discussion via social media; More holistic service delivery
Demographic changes, particularly the ageing of the population in most countries	Life-long-learning; Smart-home; Towns as welfare service provider
Changes in expectations as citizens became more sophisticated, requiring greater focus on choice and quality in the provision of public services	Service-orientation; e-Government; e-Services; Developing alternative future concepts with citizens; Citizen Participation in decision making; More holistic service delivery
Political changes, which marked a paradigmatic change against the hegemony of the state in meeting expressed public needs and towards more complex approaches which increasingly required the governance of multiple relationships between service providers	Organisational Learning; Collaboration; Coopetition; Encouraging innovation; business development

**Table 5 – Key changes in PSOs**

Sources: 2005: (Osborne and Brown, 2005, p. 4 f.); 2018: (Aladalah et al., 2015) (Bjørn, 2015) (Bekkers et al., 2011) (Corydon et al., 2016) (Dobson, 2017) (Dorsman et al., 2015) (Flores and Rezende, 2018) (Gravensteijn and Wilderom, 2018) (Halverson et al, 2004) (Higgs et al., 2015) (Holmberg et al., 2016) (Jun and Bryer, 2016) (Pearce, 2007) (Popli and Rizvi, 2017) (Rowe and Watermeyer, 2018) (Sancino et al., 2015) (Sørensen, 2016) (Sulz, \*2018) (Visser and Van der Togt, 2016)



The underlying complexity of the listed influences is confirmed and even widened by PwC's compilation of tasks for cities in the digital transformation process (see figure 15).



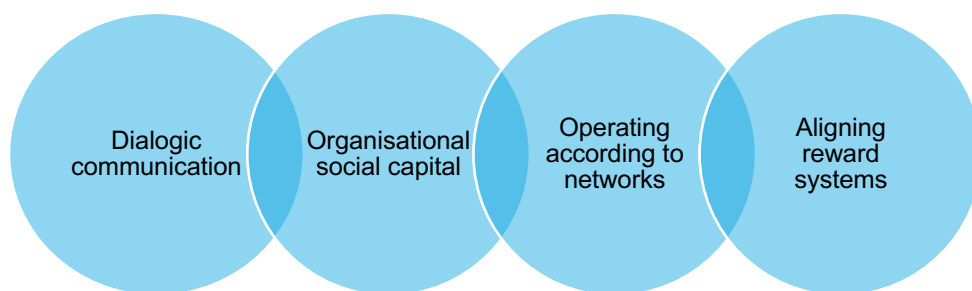
**Figure 15 – Key dimensions in the digital transformation process**

Source: (Davis and Florea, 2016, p. 3; based on PwC, 2013)

PwC (2013, p. 2) states, that “[...] tomorrow’s public body will need to act quite differently, more like a living organism, adapting to change and evolving to address society’s needs as they develop.” Osborne and Brown (2005, p. 42) have warned, that this request of a learning organisation might overburden PSOs, because:

- The existing culture is hierarchical and professional. Confidentiality is expected and respected. For good reasons, experimental approaches are not accepted.
- Employees underlie stress. Therefore, they search for stability.
- PSOs are risk-averse, amongst others because they deal with “vulnerable people and sensitive issues” and they “tend to be very high profile in the media, because they deal with issues fundamental to society”.
- In contrast to business, there are no “guiding principles offered by the profit motive” (ibid., p. 229).

They argue, that successful CPs in PSOs need to merge planned (respecting the formalized structure) and emergent (respecting the necessary flexibility), reactive (to current influences) and proactive (according to the long-term strategy) approaches with active participation of all managers and employees. To make CP sustainable, “higher order skills and approaches to change” are necessary (see figure 16):



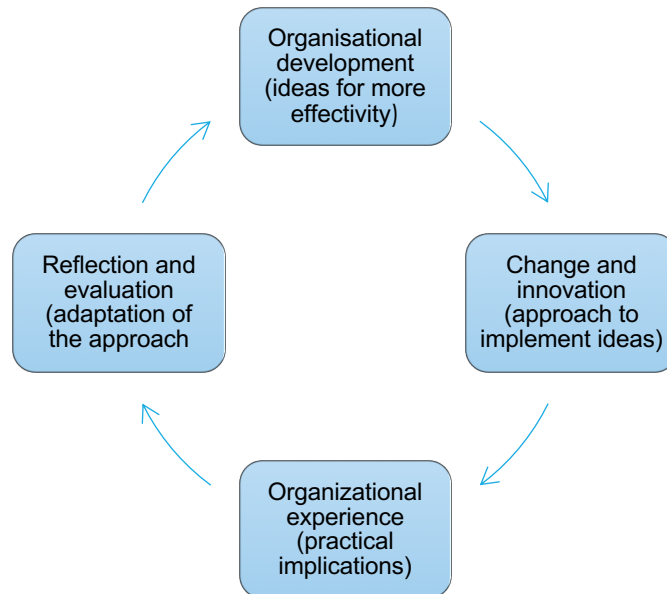
**Figure 16 – Higher order skills**

Source: (Lewis and Thompson, 2003)

The contribution of Osborne and Brown is a divergent discussion considering the unique context of PSOs. Though a broad mix of approaches is sensible, for the case of the municipality it is not clear, what components could build such a mixture.

### **Gravesteijn and Wilderom: Participative change**

In the special case of digitalizing a municipality and improving customer orientation, Gravesteijn and Wilderom (2018) suggest participative action research to aid the process becoming successful. This might solve the challenge noted above of considering multiple internal and external influences, cultures, requirements and the resulting, confusing multiplicity of possible approaches to CM. They recommend organisational development (OD) as a mixed process – managed top-down like a typical planned change at PSOs, but with high participation, taking part in a learning cycle (see figure 17) and delivering a new, meaningful social construction (ibid.; Walker, 2014).



**Figure 17 – Organisational learning cycle**

Sources: (Salaman, 1995) (Osborne and Brown, 2005, p.41) (Vos and Rupert, 2018)

In this PAR, scholars (who deliver external expertise, learn by changing the system and monitor the process) work together with practitioners (who have knowledge embedded in practice) in a continuous, cyclic dialogue in four stages: planning, acting, observing, reflecting (Babington, 2017). In the concrete case, they followed the five concepts shown in table 7.

Concept	Practical implication
Redesigning work processes from a customer's perspective	Customers demand: <ul style="list-style-type: none"> <li>• Faster service</li> <li>• Low-threshold communication</li> <li>• Extended availability (time 24/7; channels like mobile, online)</li> <li>• Increased quality (information management)</li> <li>• Less bureaucracy</li> <li>• More democratic dialogue</li> <li>• Participation</li> </ul>
Communication and clear goal setting	Diverse impact, benefits, requirements, communication channels for and to employees
Intensive employee participation	Gradual improvement; dialogue with autonomous acting individuals; establishing cognitive changes
Continuous performance assessment	Analysing performance of the OD process from the perspective of employees, managers, citizens
Local change agent development	First-line supervisors support the change of values, attitudes and behaviours; they analyse, report to management, judge, translate, implement

**Table 6 – PAR framework**

Sources: (Gravesteijn and Wilderom, 2018) (Vos and Rupert, 2018)  
(Balogun et al., 2016)

The findings show, that this approach has helped to successfully implement digitalisation as well as a “more customer-oriented, continuously improving culture” (Gravesteijn and Wilderom, 2018, p. 742).

In the study, a lack of role clarity has been identified as a problem, as managers have seen their guiding coalition as change agents – but they failed to communicate the expectations connected to that.

To address this, Balogun et al. (2016, p. 11) recommend a ‘context-sensitive’ approach, accompanied and driven by CAs “that instead of identifying ‘best practice’ solutions or ‘recipes’ [...] need to start looking for ‘best questions’” is necessary. They state, that CAs need four core skills shown in table 8:

Skills	
<b>Analytics</b>	<ul style="list-style-type: none"> <li>• Understand culture and motivation</li> <li>• Develop holistic picture respecting the context</li> <li>• Pick appropriate level of detail for analysis</li> </ul>
<b>Judgemental</b>	<ul style="list-style-type: none"> <li>• Prioritize influences of context on content</li> <li>• Focus on the goal (change judgement)</li> </ul>
<b>Translation</b>	<ul style="list-style-type: none"> <li>• Communicate concepts in a practical, meaningful way</li> <li>• Communicate feedback to management*</li> </ul>
<b>Implementation</b>	<ul style="list-style-type: none"> <li>• Develop a manageable sequence</li> <li>• Establishing a reward system</li> </ul>

**Table 7 – Skills for change agents**

Sources: (Balogun et al., 2016, p. 10 f.) (\*= ibid., p. 153; Vos and Rupert, 2018)

In the given case of digitalizing the municipality of Sulz, those skills are trained through the pilot program of introducing social media before starting the more extensive, holistic project.

Working with external expertise and consulting is common and proofed on complex projects in municipalities. Therefore, the approach of Gravesteijn and Wilderom finally adds aspects to the solution of the problem:

- Using a mixed OD approach.
- Adding a learning cycle with PAR, accompanied by external consultants.
- Utilize CAs, qualified by a pilot process with continuous dialogue.

### 3.4 Conclusion on Theoretical Approach

Key contributions of the theories and their practical meaning have already been mentioned in the analysis. The following table 9 summarized the findings for the chosen approach, that uses Kotter as a backbone.

Approach	Key contribution	Applicability
<b>Lewin</b>	Basic, linear concept of three clear steps; to be seen in context of other concepts	As an overview on the process for communication
<b>Kotter</b>	Renowned, proofed, more detailed model; dual systems structure	As a roadmap and the backbone of the CP; innovative system parallel to the traditional structure
<b>McKinsey</b>	Strategic assessment and alignment model	As a tool to analyse the municipality
<b>Senge</b>	Starting point for establishing a learning organisation	For deep research on the strategy, to deal with RTC, and to build a 'compass'
<b>Ackerman and A. Anderson</b>	Conscious Change Leader Accountability Model	Key qualifications for managers to transform the organisation
<b>Balogun et al.</b>	Context-sensitive approach to reflect on content	Deep analysis of the internal and external dynamics; redefinition of goals, mission, purpose
<b>Osborne and Brown</b>	Approach specialized on PSOs, considering change, innovation, and unique context	Adapting the process, dealing with people and content to the special context
<b>Gravesteijn and Wilderom</b>	Specific on PAR accompanied change to digitalization and customer-orientation in municipality	Impulses to monitor the pilot CP of introducing social media for later use in digitalization process

**Table 8 – Summary on approaches**

#### 4. Application of Theories

The application will follow a funnel-approach, reversing the sequence of the analysis as shown in figure 18:

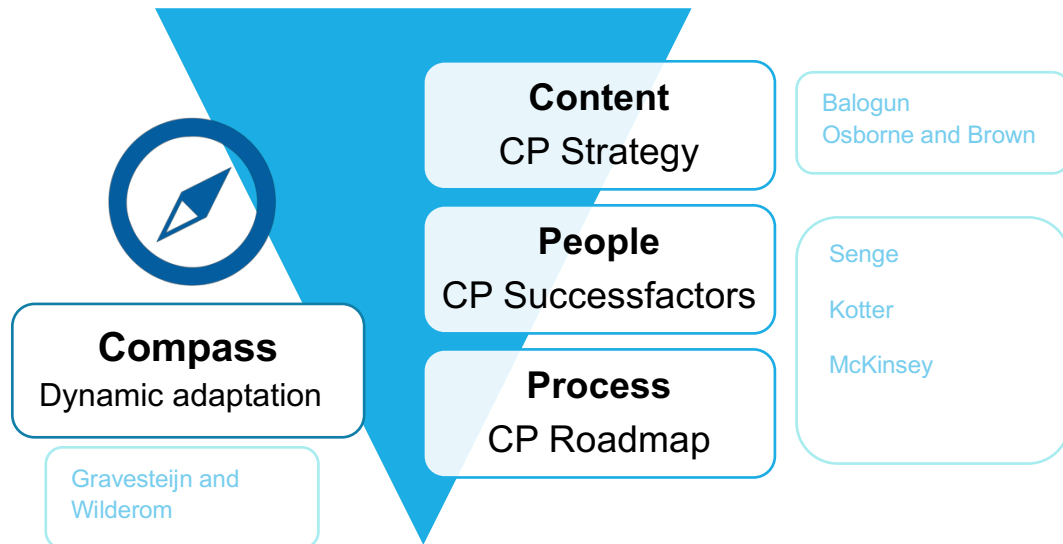


Figure 18 – CP approach for digitalization

‘Content’ refers to an extensive analysis done by the guiding coalition, ‘people’ to the way CAs interact with the most valuable resource – both assisted by external expertise, where necessary. Finally, ‘process’ refers to the roadmap that is communicated internally and externally.

The three fields mentioned above are not to be designed and applied separately, nor subsequently. A ‘compass’ is added to respond to unforeseen developments.

The following chapters can only give an brief overview on the decisions and tasks, using mainly tables to indicate the immanent fields of work.



### 4.3 Content: A strategy to adapt to inner and outer context

The content of the CP has to consider the inner and outer context

(Balogun et al., 2016), which is outlined in the following tables 10 and 11 on Osborne and Brown's Aston Matrix and Balogun's strategic change.

Factors	Level		
	Meta	Macro	Micro
<b>Political</b>	EU Digital transition action plan; EU data protection regulation (GDPR); Free Wi-Fi program; Digital Education Action Plan	Regional partnerships in tourism and in business development; 'New Rights' in councils	Affinity and scepticism of some councillors towards social media; high pressure on more efficient marketing and communications; increased competition between neighbouring towns
<b>Economic</b>	Initiatives to gain skilled employees	Regional Centre for digitalization; Digital Hubs; New regional industrial park	New inter-municipal industrial park
<b>Social</b>	Demographic change; Inclusion; Digital connections of seniors and children to family	Digital networks for seniors (e.g. emergency call systems); Improved regional digital information and communication	Digital services for seniors; digital education and technology in schools
<b>Technological</b>	Robots; Industry 4.0; Smart Home; Voice Technology; Autonomous Driving; e-Government	Improved broadband and mobile connections; free training for seniors to use digital technology	Free Wi-Fi; better mobile connections

**Table 9 – Application of the Aston Matrix on digitalization**

Sources: (Osborne and Brown; 2005) (European Commission, 2018a) (European Commission, 2018b) (European Commission, 2018c) (European Commission, 2018d) (OECD, 2015) (Osborne et al., 2013) (re:publica 18, 2018) (Vaas, 2018) (Wirtschaft digital Baden-Württemberg, 2018)

Feature	Situation in municipality
<b>Time</b>	Urgency is diverse through the units and departments (e.g. high in marketing, business development; middle in service, communication, building; low in maintenance, gardening)
<b>Scope</b>	Transformational change is needed. To restrain the growing gap between units, the whole organisation has to take part.
<b>Preservation</b>	Reliability, legitimacy, respectability, long-term orientation have to be preserved.
<b>Diversity</b>	Like the above mentioned, there are predominantly shared values, attitudes and given norms. But there are multiple cultures within the organisation according to the diverse tasks.
<b>Capability</b>	Experience with change and innovation is inhomogeneous. CM is often accompanied by external expertise and consultants.
<b>Capacity</b>	A first estimate is EUR 70.000 for external expertise and a temporary employed consultant.
<b>Readiness for change</b>	An estimated 15% of employees are on their way to digitalization. 75% are willing, 10% RTC.
<b>Power</b>	Acceptance of institutional and personal power is high, the structure is hierarchical. Stakeholder groups such as citizens, town council, superordinate authorities etc. have to participate in the process.

**Table 10 – Application of strategic change on digitalization**

Sources: (Balogun et al., 2016; see appendix 7) (Stahl, 2011)

The tables indicate an outer and inner context with multiple layers and interconnections. CAs have to be trained with PAR in the pilot process of introducing the higher usage of social media to cope with the dynamic, complex situation. This leads to design choices shown in table 12.

Change	Design choice
Path	Incremental transformation (Kotter's 8-Steps)
Start-point	External expertise and experts + management + guiding coalition ('pockets of good practice' and 'pilot sites')
Style	Participative, emergent
Target	Learning organisation
Levers	Technical: improved infrastructure; political: utilizing digitalisation initiatives; cultural: customer-service orientation; interpersonal: learning cycles
Roles	Driven by management, accompanied by superordinate authorities; CA as enablers

**Table 11 – Design choices in the CP**

Source: (Balogun et al., 2016)

## 4.2 People: Success through influencing and enabling employees

By establishing a PAR with continuous dialogue and learning circles, the municipality will gradually accustom people to change, respecting RTC as a valuable source. The goal is – according to Senge (2014) – to develop a clear, shared vision and a holistic understanding of the need and way to change. Further details will be mentioned in the next chapter, as they were integrated into the framework.

The role of leadership is critical for CPs in PSOs, it is complex, manifold (see appendix 8), and has already been discussed in the author's essay on leadership in the direction of transformational leadership (Börnard, 2018; see tables 13 and 14) and key digital-era leadership capabilities.

Description	Outcome
<ul style="list-style-type: none"> <li>• Leaders try to align employees' goals with organisational needs</li> <li>• Stimulating intrinsic motivation and self-confidence</li> <li>• Leader acts as role model (idealised influence)</li> <li>• Inspiration by compelling vision (inspirational motivation)</li> <li>• Stimulation to be creative and innovative (intellectual stimulation)</li> <li>• Mentoring for employees</li> </ul>	<ul style="list-style-type: none"> <li>• Organisational productivity</li> <li>• Job performance</li> <li>• Positive emotional experience</li> <li>• Confidence and excitement for employees</li> <li>• Trust in leaders</li> <li>• Enables change, innovation</li> <li>• Dealing with diverted, heterogeneous teams</li> <li>• Better integration of ideas, knowledge, insights</li> <li>• Better team performance</li> </ul>

**Table 12 – Transformational Leadership and its outcomes**

Sources: (Bass, 1999) (Howell and Hall-Merenda, 1999) (Judge and Piccolo, 2004) (Kearney and Gebert, 2009) (Lim and Ployhart, 2004)

(Ng, 2017) (Piccolo and Colquitt, 2006) (Tummers and Kruyen, 2015)  
(Van Knippenberg & Schippers, 2007)

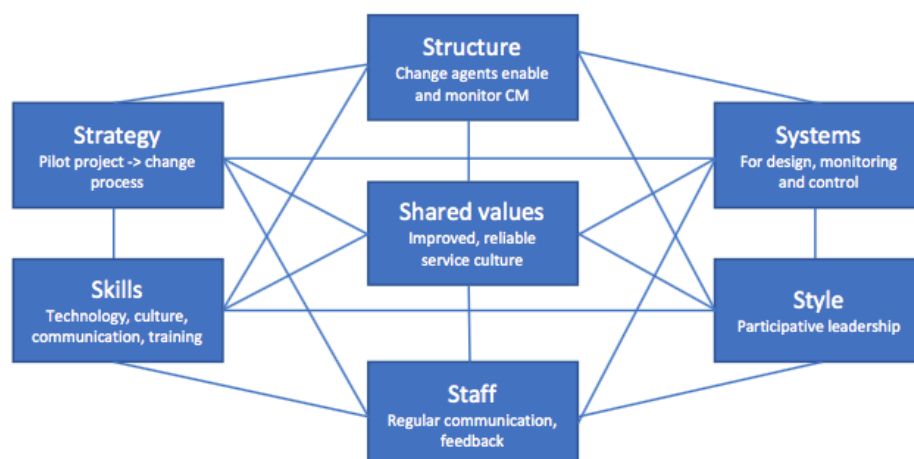
Key-capability	Description
<b>Drive</b>	digital by leveraging technology to modernize their business strategy and operations.
<b>Navigate</b>	a complex digital landscape by embracing disruption with clarity of purpose and resilience.
<b>Connect</b>	people and possibilities in an increasingly dispersed and ecosystem-driven working world.
<b>Relate</b>	to others on a very human level by balancing people and technology, and lead with true empathy and inclusivity.
<b>Think</b>	differently, focusing on holistic situational understanding and seeking creative and innovative possibilities.

**Table 13 – Key digital-era leadership capabilities**

Source: (Deloitte, 2018)

#### 4.3 Process: Building a roadmap to transform the municipality

The assessment via McKinsey's 7S-framework shows the interdependencies and puts a focus on the central role of shared values, which have to be developed within the pilot process (figure 19).



**Figure 19 – McKinsey 7S framework for digitalization**

The backbone of both the pilot process (see table 15) and the CP building on that (table 16) is the application of Kotter's 8-Step Change Model, driven by change agents and accompanied by learning cycles.

Step	Implementation
<b>Establishing a sense of urgency</b>	Citizens are searching for information, communication, participation and service via social media; using social media will make work more satisfying and efficient, improve quality, reduce stress
<b>Creating a guiding coalition</b>	Mayor, public relations office, chief officers, human relations, ambassadors will communicate via social media; external consultants
<b>Developing a vision and strategy</b>	Social media training, handbook, dialogues
<b>Communicating the change vision</b>	Marketing and advertising, internal and external
<b>Empowering broad-based action</b>	Training for apprentices, employees; improved handbook; encourage citizens to take part in the process, improve it
<b>Generating short-term wins</b>	Celebrating follower milestones (1000, 1500...)
<b>Consolidating gains and producing more change</b>	Encourage new ideas to gain followers, participation, interactivity
<b>Anchoring new approaches in the culture</b>	Implement improvements

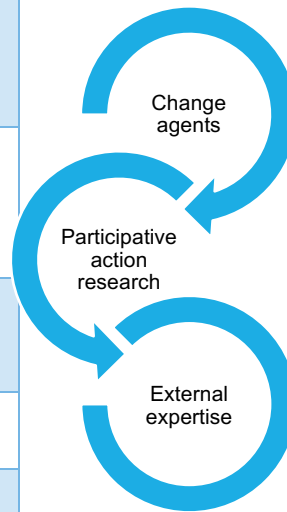


Table 14 – Application of Kotter's 8 Steps on social media

Step	Implementation
<b>Establishing a sense of urgency</b>	<ul style="list-style-type: none"> <li>• War for talents</li> <li>• Customer/citizen's demands</li> <li>• Efficiency (demographic change; skills shortage)</li> <li>• Safety (GDPR)</li> <li>• Business development</li> </ul>
<b>Creating a guiding coalition</b>	Mayor, public relations office, chief officers, human relations, ambassadors
<b>Developing a vision and strategy</b>	Digitalisation plan; Community development plan*
<b>Communicating the change vision</b>	Marketing and advertising, internal and external
<b>Empowering broad-based action</b>	Training for leaders, apprentices, employees; encourage citizens to take part in the process, improve it
<b>Generating short-term wins</b>	Celebrating implementation (e-government, e-services, apps...)
<b>Consolidating gains and producing more change</b>	Encourage new ideas to enlarge utilisation, participation, interactivity
<b>Anchoring new approaches in the culture</b>	Implement improvements

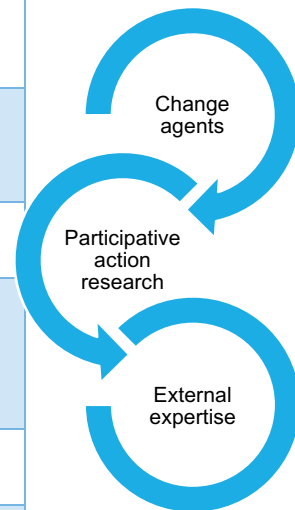


Table 15 – Application of Kotter's 8 Steps on digitalisation

\*= (Integriertes Stadtentwicklungskonzept, Sulz, 2014)

Though looking similar, the actual CP is far more ambitious, as more (and more diverse) people are involved, impacts are more significant and meaningful.

## 5. Conclusion

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Digitalisation is seen as a crucial location factor and municipalities flexibly deal with change – nonetheless, there is a significant gap between the actual and the demanded status of digitalisation. CM is needed, but complex, as PSOs act in a volatile external context while having a unique, specific, hierarchical structure. Therefore, a multi-dimensional approach focusing on content, people, and process is proposed to establish a context-sensitive roadmap and compass for change to win-over management, supervisors, city council, employees and citizens. For monitoring and further development, learning cycles and PAR (driven by change agents) are recommended. The backbone will be based on Kotter as his approach is manageable, and moreover well-known and acknowledged in top-down oriented institutions.



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## 7. Appendices

### Appendix 1 – Current jobs of the author and aspects of change

The author of this report currently has three jobs (table 17):

Job Title	Task of the author	Change
<b>Business Developer (Part time, 50%)</b>	Acquire business customers who buy land in a business park	From selling land to support customers who build industrial properties and search for employees
<b>Chief of Office for Culture, Public Relations, Tourism (Part time, 50%)</b>	Event management, press work, social media, tourism marketing, presentations etc.	From reacting to requests and informing citizens to an active city marketing strategy, and to drive digitalisation and networking
<b>Director Steinbeis Consulting impulses.ideas.innovations (self-employed)</b>	Business consulting; assistance at local Business School Alb-Schwarzwald	From focusing on supporting students to a broader spectrum of tasks within the Steinbeis network

**Table 16 – Jobs of the Author**



**Figure 20 – Key Facts on Sulz am Neckar**

Source: (Statistisches Landesamt, 2018a, 2018b) (Landkreis Rottweil, 2018)

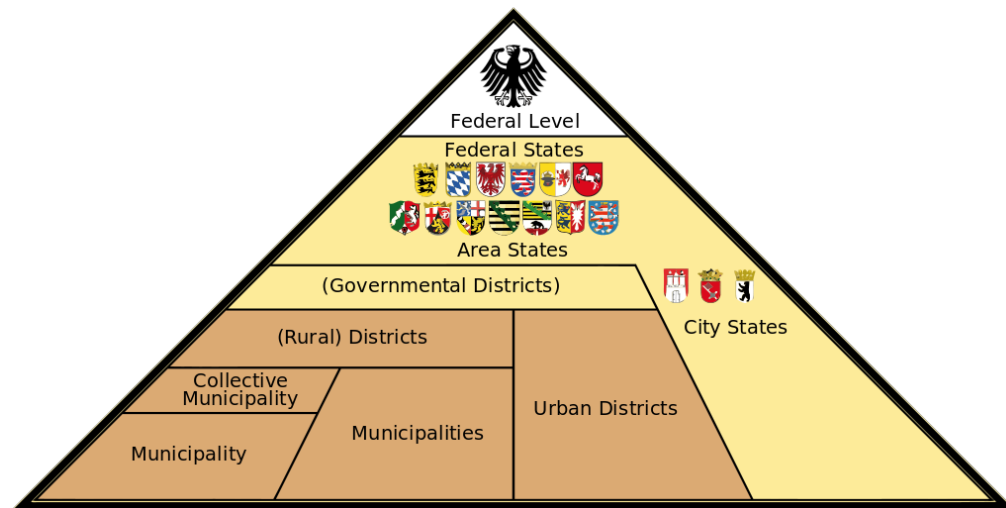
Sulz am Neckar is located in the South of Germany, situated between the capitals Zurich (Switzerland) and Stuttgart (federal state of Baden-Württemberg). The region is characterized by many towns similar in size, attractiveness, infrastructure and job offers. The unemployment rate of 2,1% (Bundesagentur für Arbeit, 2018) is very low, the accessibility of the metropole region of Stuttgart by train (1 hrs.) and car (Autobahn, 3/4 hrs.) is very good. Therefore, 3817 commuters leave the town every day – while 2597 employees come into it to work there (Statistisches Landesamt, 2018c).

## Appendix 2 – Leadership in municipalities (Börnard, 2018)

Achievement criteria and specification are often controlled and regularly adapted, e.g. by municipal council. Therefore, leadership in a municipality happens or is done in an dynamic environment.

Jašarević et al. (2017, p.655) point out, that “public administration is classified into a specific organizational form that follows the development of all civilizations.”

Today, this form is influenced by the hierarchical system, visualized in figure 8 by a classical pyramid.

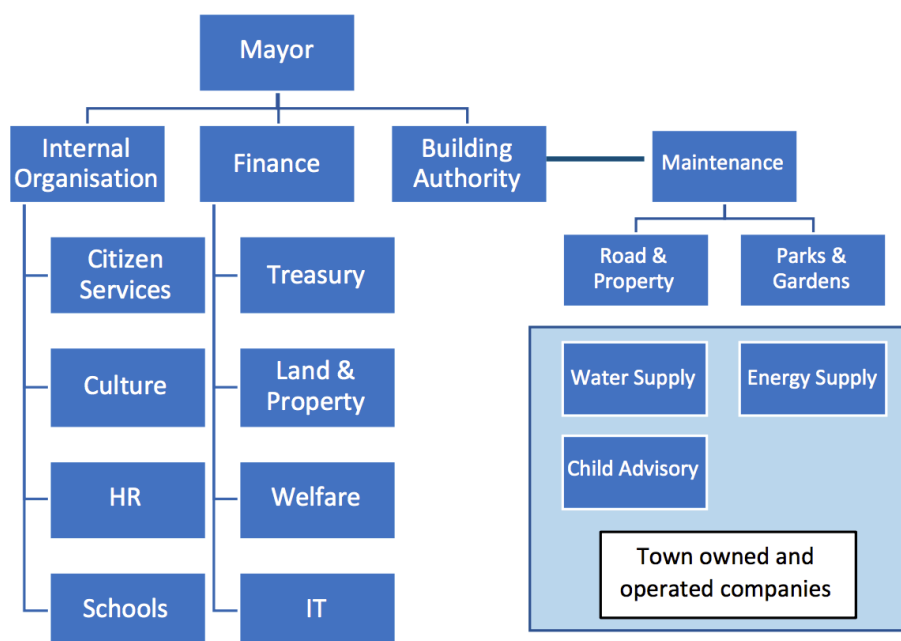


**Figure 21 – Administrative Divisions of Germany**

Source: (Liuzzo, 2018)

Besides the official government by a municipal council, the mayor in southern Germany has strong power, as he “is the chairman of the local council with a right to vote, head of the administration, representative and legal representative of the municipality” (Haschke,

1998). But according to Jašarević et al. (2017, p.655), “more than ever, we deal with creating a new model of public administration. The reform of public administration intends to achieve the model adjusted to the needs of society, based on lawful solutions, and real conditions. The EU integration process puts a pressure on public administration to deliver better service, with more and more demands to increase the skills of employees, to make performance of duties and tasks more effective, adhering to the principles of good governance.” Moreover, cities and towns are in an increasing competition for companies, population, tourists, people and more (Mäding, 2006; Buettner and Janeba, 2016). To be successful, management – especially of people – is seen as the key factor (ibid.; Huselid and Becker, 1997), creativity and innovation is needed in a municipality, too (Łukowski, 2017).



**Figure 22 – Organisation Chart Municipality of Sulz**



### Appendix 3 – Social Media

The introduction of the broader use of social media is a challenging, but manageable task. An extensive set of stakeholders, regulations, goals and learning processes has to be considered. Table VVV gives an insight into the content strategy – just one part of the planning – to indicate the complexity.

<b>Social media content strategy</b>
Online conversations using a social listening tool
Messaging and campaign priorities for your department
Cross-government messaging and campaign priorities
Events and awareness days to leverage
Evidence from previous campaigns
Your process for crisis communications
A press contact in the department, so that urgent points are communicated efficiently
Content pillars of 3-5 areas that any social output must align with to make sure messaging meets priorities. A content pillar is a specific piece of content that can be broken into sections
Using an editorial calendar will help you get the balance right. More on this can be found in the 'Creating an editorial calendar' section

**Table 17 – Social Media Strategy Recommendations**

Source: (Government Digital Service, 2018)

## Appendix 4 – Drivers of German Culture

Driver	Description
<b>Power Distance</b>	Co-determination rights are comparatively extensive and have to be taken into account by the management. A direct and participative communication and meeting style is common, control is disliked and leadership is challenged to show expertise and best accepted when it's based on it.
<b>Individualism</b>	Loyalty is based on personal preferences for people as well as a sense of duty and responsibility. This is defined by the contract between the employer and the employee.
<b>Masculinity</b>	Performance is highly valued and early required as the school system separates children into different types of schools at the age of ten. People rather "live in order to work" and draw a lot of self-esteem from their tasks. Managers are expected to be decisive and assertive. Status is often shown, especially by cars, watches and technical devices.
<b>Uncertainty Avoidance</b>	Germany is among the uncertainty avoidant countries (65); the score is on the high end, so there is a slight preference for Uncertainty Avoidance. In line with the philosophical heritage of Kant, Hegel and Fichte there is a strong preference for deductive rather than inductive approaches, be it in thinking, presenting or planning: the systematic overview has to be given in order to proceed. This is also reflected by the law system. Details are equally important to create certainty that a certain topic or project is well-thought-out. In combination with their low Power Distance, where the certainty for own decisions is not covered by the larger responsibility of the boss, Germans prefer to compensate for their higher uncertainty by strongly relying on expertise.
<b>Long Term Orientation</b>	Germany's high score of 83 indicates that it is a pragmatic country. In societies with a pragmatic orientation, people believe that truth depends very much on situation, context and time. They show an ability to adapt traditions easily to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results.
<b>Indulgence</b>	Societies with a low score in this dimension have a tendency to cynicism and pessimism. Also, in contrast to Indulgent societies, Restrained societies do not put much emphasis on leisure time and control the gratification of their desires. People with this orientation have the perception that their actions are Restrained by social norms and feel that indulging themselves is somewhat wrong.

**Table 18 – Drivers of German Culture**

Source: (Hofstede Insights, 2018)

## Appendix 5 – Visualisations of change processes

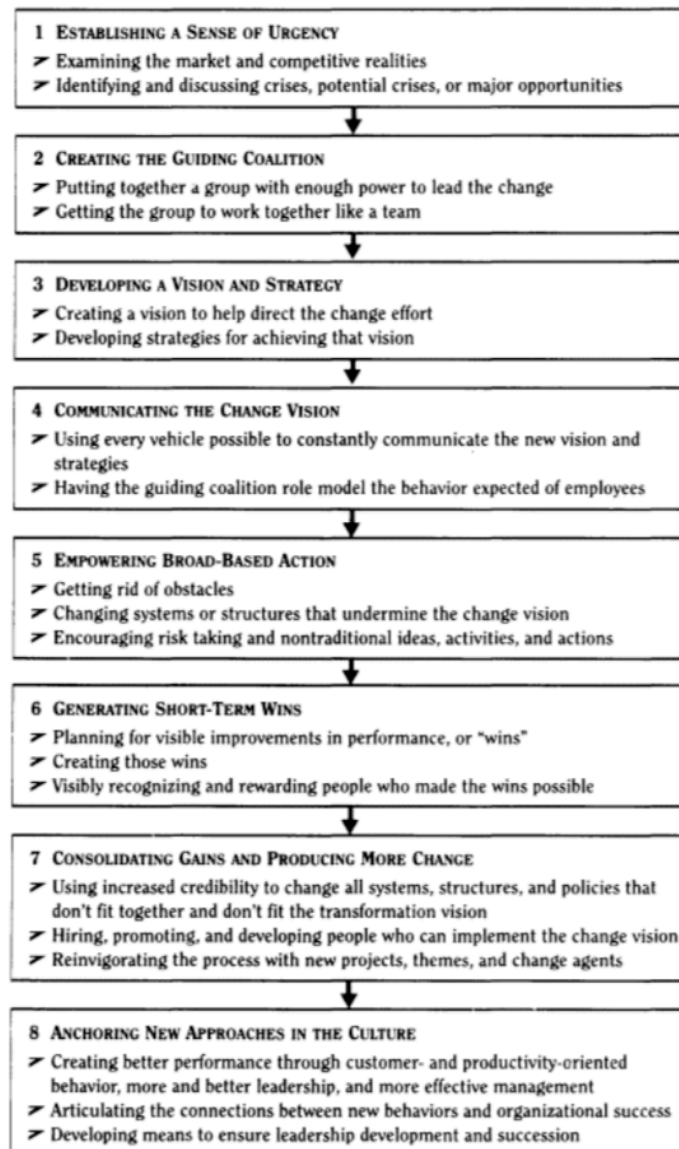


Figure 23 – Kotter's Eight-Stage-Process (1996)

Source: (Kotter, 1996)

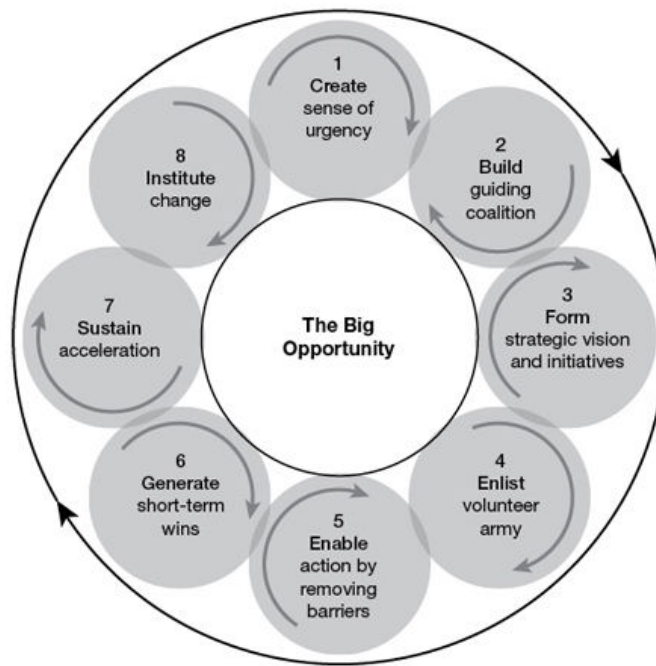


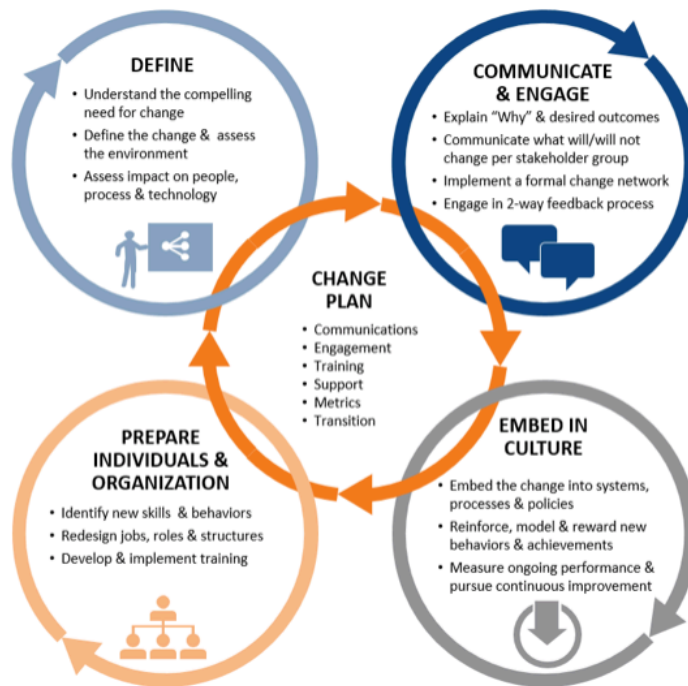
Figure 24 – Kotter's Eight-Stage-Process (2014)

Source: (Kotter, 2014)



Figure 25 – Senge's Navajo Sand Painting (2006)

Source: (Senge, 2006)



**Figure 26 – University of Virginia change process model**

Source: (University of Virginia, 2018)

## Appendix 6 – Resistance to change

Child (2015, p. 357):

“Why do people resist organizational change?

1. Most people will initially react to a proposed change with some suspicion because they see it as an unwelcome disturbance and interference to their established routine.
2. People will resist organizational changes that they perceive as negatively affecting their job security, payment and status differentials, working conditions, and value of their acquired skills. These are the “hygiene” factors singled out by Herzberg as sources of dissatisfaction when threatened.<sup>41</sup> This has become an acutely sensitive area due to the extreme levels of

insecurity many people feel today as a result of downsizing and other moves away from the old, relatively stable structures of employment.

3. Line managers often resist changes proposed by specialists such as systems and HRM experts, who to some extent justify their presence by the projects they contribute for improvement and change. Managers often resist such proposals because they perceive a risk to the smooth running of their operations in accepting the potential disruption caused by something new. They may also resent what they regard as the implied criticism of having specialists tell them how to improve their management approach.
4. Specialists for their part are often uncomfortable with the emphasis that new forms of organizing place on their integration with other specialists in teams or other units that cut across traditional disciplinary or functional boundaries. They may therefore resist developments of this kind."

## Appendix 7 – Organisational change context

<b>Time</b>	How quickly is change needed? Is the organisation in crisis or is it concerned with longer-term strategic development?
<b>Scope</b>	What degree of change is needed? Realignment or transformation? Does the change affect the whole organisation or only part of it?
<b>Preservation</b>	What organisational assets, characteristics and practices need to be maintained and protected during change because they contribute to competitive advantage in some way?
<b>Diversity</b>	Are the different staff/professional groups and divisions within the organisation relatively homogeneous or more diverse in terms of values, norms and attitudes? Are there multiple cultures within the organisation or mainly one?
<b>Capability</b>	What is the level of organisational, managerial and personal capability to implement change? How much experience is there within the workforce of handling a comparable change?
<b>Capacity</b>	How much resource can the organisation invest in the proposed change in terms of cash, people and time?
<b>Readiness for change</b>	How ready for change are the employees within the organisation? Are they both aware of the need for change and motivated to deliver the changes?
<b>Power</b>	Where is power vested within the organisation? How much latitude of discretion does the unit needing to change and the change leader possess? Or are they constrained in their actions by other powerful stakeholder groups such as trade unions or shareholders?

**Table 19 – Balogun's change kaleidoscope**

Source: (Balogun et al., 2016, p. 86)

## Appendix 8 – Specifics in Municipal Government (Börnard, 2018)

According to Klovienė and Valanciene (2013), to develop management in a municipality, it is necessary to assess its performance. Which is a challenge, as “the literature analysis revealed that municipalities are extremely complex and that various regulators and peculiarities should be incorporated into the formation of performance measurement model in municipalities” (ibid., p.383). Goals and objectives reach from strategy papers like “EUROPE 2020” (European Commission, 2010; see table 24) over laws, regional policy and programmes, duties, responsibilities and benefits to orders of the municipal council (“Gemeinderat”), local initiatives and others.

<b>Smart growth</b>	developing an economy based on knowledge and innovation
<b>Sustainable growth</b>	promoting a more resource efficient, greener and more competitive economy
<b>Inclusive growth</b>	fostering a high-employment economy delivering social and territorial cohesion

Table 20 – Mutually reinforcing priorities

Source: (European Commission, 2010)

Some goals and objectives are given by municipal code, constitution, federal state law. They are usually clearly formulated and reliable. Others are formulated more open and less specific as visions and missions. The town of Sulz am Neckar has developed and agreed on a community development plan (“Integriertes Stadtentwicklungskonzept”, Sulz, 2014) to capture and enhance the communities and its districts



aspirations for the future and define, how these can be achieved. A set of unique common goals has been published (see table 25).

<b>1</b>	A town with a shared identity
<b>2</b>	A town with assured basic services and fully functional infrastructure
<b>3</b>	A caring town with participation of all demographic and age groups
<b>4</b>	A financially stable town
<b>5</b>	A place worth living in the rural area
<b>6</b>	A growing location for business with a regional network
<b>7</b>	A town secure from flooding and aware of its resources

**Table 21 – Guiding Principles of Sulz am Neckar**

Source: (Sulz am Neckar, 2014)