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## Weg van verandering: systematisch besturen

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# Summary

## **The Way of Change: systematic management**

Explorations and applications of the 'in control' concept  
from an organisational and change management perspective

These past years the concept in control has emphatically entered the language and repertoire of managers. This is a good development, if it were not for the fact that the concept is usually linked to the accountant's perspective. This scrutiny is a direct consequence of the affairs at, for example, Enron and Ahold, and the subsequent (public) discussions about good governance – such as the Tabaksblat code (Commission corporate governance, 2003) and the Frijns Commission which tested this code for good governance (Frijns Commission, 2005).

However, under much less scrutiny is what in control actually means to managers who want to implement good governance in their organisation. This thesis aims to rectify that. Being in control namely means much more than good financial and risk management alone; in essence it is more about looking ahead than about looking back, more about systematic management than about justification. Why is one organisation in control while the other is not (quite)? More specifically: which (combined) management processes make the difference between organisations that have and do not have systematic management (i.e. are in control)? What makes an organisation develop from process oriented to systematic management? That is the central question in this thesis.

Chapter 1 illustrates in broad strokes the formation of this thesis and its (intellectual) sources of inspiration. In 1994 a study was commissioned by the European Commission of the typical management practices of well-organised organisations: The European Way to Excellence (1994-1996). A requirement was that these organisations had to distinguish themselves in a positive way on at least a national level by the manner in which they are organised and have demonstrable proof of their success (by having received a quality award, for example). The study revealed four distinguishable management processes: (strategic) focus, policy deployment, (strategic) alignment and learning and feedback (Hardjono, Ten Have and Ten Have, 1996). In the framework of further doctoral research four large complex enterprises from this European pool were studied for nine years: Nokia, PTT Post, Sollac and ST Microelectronics. The central question in this study was: how did these enterprises succeed in purposefully and determinedly implementing changes over a lengthy period of time? Four management practices made the difference: Direction, Consistency, Coherence and Feedback – abbreviated as the DCCF model.

To what extent is this model applicable to complex non-profit organisations? That is one of the secondary questions in this thesis. Another secondary question is whether the DCCF model can be the basis of a new model that accurately describes which management processes make the difference between having and not (quite) having systematic management? Can that new model offer insight into how larger complex non-profit organisations can transition into the same category as the four enterprises in Ten Have's research (2002)? Is it possible to measure, and if so how, to what extent an organisation has systematic management (is in control)?

Prior to formulating answers to these questions, extensive literature research was done. That is the subject of chapter 2. Supported by that research one can argue that the concept of being in control can be interpreted as systematic management in organisations. Chapter 2 also contains an explanation of the INK management model (Hardjono and Hes, 1993). In 1991 the Ministry of Economy initiated the foundation of the *Instituut Nederlandse Kwaliteit* (INK – Institute of Dutch Quality); its mission is to support organisations to continually improve performance in order to remain sustainably competitive. Organisations can earn a quality award or distinction. The core of the INK management model is nine areas of special interest, such as leadership, management of employees and management of processes. This model bears a close relation to the DCCF model. Both models are effective for many organisations because they help with orientation (direction), translate choices into assignments and activities (consistency), give insight into connections (cohesion), and contribute to learning and improvement (feedback).

Chapter 3 describes the development of a new conceptual model: the MP model. The acronym MP stands for Management Processes; the model is a further specialisation of the DCCF model. Based on the assumption that effective management requires multiple management processes, six twofold and four threefold management processes were developed. They are derived and composed on the basis of the four single coordinates (Direction, Consistency, Coherence and Feedback) in the DCCF model, creating the following management processes: policy deployment (DCon), key process management (DCoh), strategic monitoring (DF), interface management (CC), operational control (ConF), process improvement (CohF), strategic goal setting (DCC), strategic learning (DConF), organisational learning (DCohF) and management control (CCF). Partly due to further literature research, characteristic elements were determined for each management process and the presence of which can be identified with an assessment framework. The chapter concludes with six hypotheses.

Chapter 4 focuses on the methodology and research plan. The INK provided thirteen cases for this doctoral research. In the last few years all these complex non-profit organisations competed for the INK distinction, requiring them to reach a systematic management phase that scored 450 points on the INK scale. Six of them were considered as having systematic management (in control) and seven were not (based on the INK criteria). In a preliminary study at a non-profit organisation, the *Rijksdienst voor Wegverkeer* (RDW – the National Agency for Road Traffic), was first tested whether the DCCF model (developed for enterprises) could also apply to non-profit organisations. It turned out that the activities and interventions of the RDW could in fact be categorised with it. It was also possible to order the activities and interventions in phases. That implied that the DCCF model could provide insight into the development of a non-profit organisation in becoming in control. Subsequently the assessment framework was tested on one of INK's thirteen cases, on Organisation X. It was established that the assessment framework was able to identify the different

management processes as well to determine whether an organisation is in control. Based on the test results, a definitive assessment framework was drawn up to evaluate the remaining twelve cases.

Chapter 5 contains the core research of this thesis: a case control study with the other twelve complex non-profit organisations. Two independent evaluators per case determined with the developed assessment framework to what extent the identified management processes were present. The evaluator's inter-reliability proved to be high; therefore one can conclude that it was performed reliably. The hypotheses could largely be verified. *T*-tests show, among other things, that organisations in control do not score significantly higher on the single management processes and on the twofold policy deployment than organisations that are not in control. However, in control organisations do score significantly higher on the twofold management processes key process management, strategic monitoring, interface management, operational control and process improvement. There were also differences with all the threefold management processes. In control organisations scored significantly higher on strategic goal setting, strategic learning, organisational learning and management control. On the (explorative) fourfold management process systemic management control (DCCF), in control organisations also scored significantly higher than organisations that are not in control.

Chapters 6 and 7 include the conclusions and reflections respectively. Threefold management processes make the difference between larger complex non-profit organisations that have and do not (quite) have systematic management. Organisations with systematic management apply these management processes more effectively than the other organisations. They can do so with twofold management processes as well; however, those are necessary, not adequate conditions to rate a complex non-profit organisation as being in control. The MP model proved to be quite useful for the data in this thesis. Whether the model also proves to be effective in the field, in terms of organisational questions about being in control and systematic management, will require further research.