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A perspective on leading and managing organizational change[1]

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Abstract: Organizational change poses significant challenges. Change itself is changing; evolving in ways that present new rules, new strategies for winning, and more and more dynamic complexity. This paper presents the principal drivers of change as stand-alone entities and later discusses their interaction effects. Organizational Life Cycle Change, types of change, capacity for learning, and the common causes of change failures are explored to establish an understanding of the proclaimed enormity of the change-failure issue and our difficulty in quantifying it. The paper concludes with suggestions that will help organizational change agents improve their success rates.

Keywords: change management, organizational change, organizational culture, learning organization, strategic entrepreneurship.

JEL codes: M00, M1, M14, M19.

Introduction

Change is ubiquitous: Our bodies change throughout life, as do the physical, economic, social, and technological environments in which we live. So it should come as no surprise that the organizations to which we belong also change. In fact, they are designed to change and that is why we employ leaders and managers and assign them responsibilities to be agents of change. So why does organizational change pose such a challenge for us? Why is successful organizational change the exception, not the rule? The short answer is because change

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From 2002–2014, dozens of participants in the doctoral-level Change Management Seminars offered by the International School of Management (ISM) , Paris, helped shape the perspective presented in this paper via their shared experiences, lively discussions, probing questions, and post-seminar project applications. Appreciation is extended to all.

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itself is changing; evolving in ways that present new rules, new strategies for winning, and more and more dynamic complexity.

In *The Fifth Discipline*, Peter Senge [1990a] introduced us to the challenges posed by dynamic complexity:

Systems thinking teaches us that there are two types of complexity – the 'detail complexity' of many variables and the 'dynamic complexity' when 'cause and effect' are not close in time and space and obvious interventions do not produce expected outcomes [p. 364].

The examples he used to introduce the concept help explain why organizational change is a continuous challenge for leaders and managers:

When the same action has dramatically different effects in the short and the long run, there is dynamic complexity. When an action has one set of consequences locally and a very different set of consequences in another part of the system, there is dynamic complexity. When obvious interventions produce nonobvious consequences, there is dynamic complexity [Senge 1990a: 71].

In the next section of this paper, we examine four principal drivers of change and the interaction effects among them resulting in dynamic complexity.

In this paper, we do not accept the less than optimal success rates of organizational change as inevitable and argue that many of the failures are preventable. Specifically, this paper has three purposes. To:

- Sensitize the reader to the dynamic complexity underlying organizational change;
- Highlight the documented common causes of less-than-optimal change; and to
- Provide practical, step-by-step, theory-based suggestions for leading and managing organizational change more effectively.

1. The dynamic complexity of organizational change

The principal drivers of change are presented here as stand-alone entities and later discussed in terms of their interaction effects. The interaction effects are potential sources of dynamic complexity, described as "situations where cause and effect are subtle, and where the effects over time of interventions is not obvious" [Senge 1990a: 71].

1.1. Strategic change

All organizations, even not-for-profit ones, exist in environments where gaining and sustaining competitive advantage is a prerequisite for success. Organizations survive and thrive when they have substantive advantages over their competitors. As Porter told us: "Competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of

value" [1996: 6]. But in our high-tech, communication-rich, global environment, unique competitive strategies are challenged by a cadre of imitators. So organizations find themselves frequently changing or fine-tuning their strategies to ensure differentiation or cost advantage. Strategic change, however, has a cascading effect on the organization requiring changes to, and realignment of structures, systems, and processes to maintain required "fit" between strategy and operational effectiveness [Burke 2002; Nadler and Tushman 1989]. This is where timing can become an issue: Strategies can be changed faster than structures; and during the period of "catch-up" between strategy and structure, organizations lose both efficiency and effectiveness.

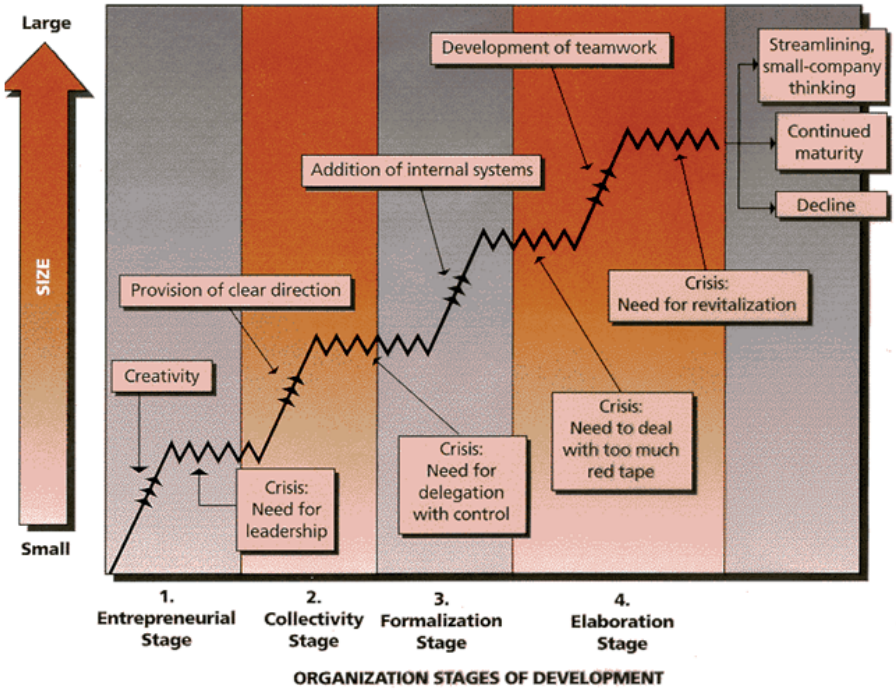
The "fit/timing" issue between strategy and structure is not new. Based upon his research in the 1950s, Alfred Chandler stated the issue in the form of a behavioral law in 1962: ***Structure follows strategy.*** Simply put: First we decide what we want to do, next we plan how we will do it, and then we organize the resources needed to do it. But today's competitive world is quite different from the environment of Chandler's research in the decade of the 1950s. Market competition is changing too fast for organizations to initiate a strategic change and then patiently work for a year or two to bring its structure, systems, operations, and human resources in line with it. To cope with today's dynamic realities, organizations must adopt flatter, more flexible structures, and position their processes, systems, and people to have greater capacity for creativity and innovation, all at a much more rapid rate. In brief in Grant's [2002] terms: Many operating organizations have morphed into innovating organizations to cope with the demands of rapidly changing external environments.

The demands for sustained competitive advantage and innovation are forging a new scholarly coalition, strategic entrepreneurship (SE), focused on the question: "[…] how do firms create and sustain competitive advantage while simultaneously identifying and exploiting new opportunities?" [Hitt et al. 2011: 57]. Building on research from multiple disciplines, SE operates at the nexus of strategic management and entrepreneurship designing actions "to exploit current advantages while concurrently exploring opportunities that sustain an entity's ability to create value across time" [p. 57]. Hitt and his associates suggest that SE may be of particular value to large established firms that need to become more entrepreneurial to sustain competitive advantage.

Strategic entrepreneurship provides a convenient transition to our next driver of change: Life cycle change, the natural process whereby small, entrepreneurial, startup organizations grow and mature into large operating organizations less capable of maintaining competitive advantage through innovation.

1.2. Life cycle change

Over time, startup organizations face similar crises and challenges, and grow and mature in predictable ways as they survive and prosper. These changes



Organizational stages of development
Source: [Daft 1992]; adapted from [Quinn and Cameron 1983; Greiner 1972]

have become commonly known as "Life Cycle Change" [Cawsey, Deszca, and Ingols 2012]. Multiple authors have described the life-cycle process of growth and development with three of the better known models/theories being a five-phase model proposed by Greiner [1972], a four-phase model developed by Quinn and Cameron [1983] based upon their synthesis of nine published life-cycle models, and the compilation and adaptation of both of these by Daft [1992: 164] (Figure).

Life cycle changes manifest themselves in various ways and are dealt with differently across industries and cultures causing critics to label Greiner's model as "overly prescriptive" while at the same time acknowledging its applicability: "While Greiner's model is prescriptive, it captures many of the issues faced by organizations both in growth and in dealing with the human side of organizational change" [Cawsey, Deszca, and Ingols 2012: 83].

For purposes of discussion here, we will use Daft's [1992] four-stage model which incorporates features and inputs from Quinn and Cameron's [1983] nine published life cycle models. The four stages (Entrepreneurial, Collective, Formalization and Control, and Elaboration of Structure) represent the passage of time from startup to full maturity and typically substantive increases in size.

- **Stage 1: Entrepreneurial.** The enterprise often starts with a novel idea that is launched as a small business under the direction of the entrepreneur/owner whose creativity is now being made operational by a small group of trusted employees (sometimes friends and relatives). It is characterized by:
  - *A marshalling of resources* (often personal resources combined with whatever venture capital could be raised),
  - *Lots of ideas* (helping to shape and implement the original creative idea),
  - *Entrepreneurial activities* (to establish a customer base, provide reliable goods and/or services, produce cash flow; i.e., to do what is needed to survive),
  - *Little planning and coordination* (operating basically "free-form" to get things started),
  - *"Prime Mover" has the power* (Stage 1 organizations are run by the owner).

- **Stage 2: Collectivity.** This is also known as the *success stage* because of the rapid growth. Here the owner can remove her/himself from the active management role turning it over to professional managers or reinvest the profits into more growth while maintaining control. This stage is characterized by:
  - *Informal communication and structure* (we are too busy growing the business to worry about efficiency),
  - *Sense of collectivity* (we feel like a "family" and are often cross-trained to do each other's jobs as needed),
  - *Long hours spent at work* (work comes first and there's always more to be done than the time to do it),
  - *Sense of mission* (we are part of this, it is part of us),
  - *Innovation continues* (the original creativity improves through refinements),
  - *High commitment* (success drives success).

- **Stage 3: Formalization.** In this stage the organization transitions from entrepreneurial to professional. Structure and systems develop to bring the organization under control, to standardize and stabilize how it does business. The formalization makes the organization more efficient thereby enabling it to move from a differentiation competitive advantage to a cost advantage should it choose to do so. It is characterized by:
  - *Formalization of rules* (rules substitute for the face-to-face, hands-on guidance and direction from leaders and managers),
  - *Stable structure* (structure and systems are refined to make operations more reliable and efficient),
  - *Emphasis on efficiency and maintenance* (change is replaced by order),
  - *Conservatism and institutional procedures* (tradition and past success are honored as existing order is maintained).

– **Stage 4: Elaboration.** Here the mature organization attempts to cope with changing conditions in their business environment and find new ways to continue growing. With more diversification, they often decentralize decision-making and try to adapt to change via more teamwork. When adaptation fails, decline ensues.
  - *Elaboration of structure* (to cope with continued growth through diversification),
  - *Decentralization* (to cope with elaboration of structure and the need to bring decisions closer to the point of implementation),
  - *Adaptation* (reactive change to continue and consolidate growth),
  - *Renewal* (transformational change to reposition the organization within its competitive environment).

The Life Cycle model of change presents a diagnostic framework for two common problems:
– Leadership/structure mismatch: The entrepreneur who started the organization continues to lead it in a Stage 1 manner even though its growth, complexity, and management systems are now operating in a Stage 3 or 4 manner. As Patrick Canavan noted in his analysis of a *Harvard Business Review* case by Beer [2006]: "Charismatic CEOs […] can be good news for small companies, but they can be bad news for large ones" [p. 52].
– Entrepreneurial organizations morph into operating organizations as they grow and age: Rules and formulization of structure slowly produce an organization that finds it difficult to respond to ongoing or new opportunities for competitive advantage through innovation. In brief, they have become so good at what they do that it is difficult for them to do something different, that is to change.

1.3. Learning-based change

People learn via experience. Organizations, as collections of people working together to achieve common objectives, also learn via experience. To exist is to experience, therefore organizations learn continuously throughout their life cycles: "Learning is a relatively permanent change in behavior or behavior potential resulting from direct or indirect experience" [Griffin and Moorhead 2007: 102]. We tend to think about learning as positive, but we are also capable of learning inappropriate, counter-productive ways of behaving, multiple forms of prejudice, and even resistance to change.

Given that learning can produce ways to increase performance and innovations essential to competitive advantage, some organizations strive to become learning organizations. While discussing strategic change, Rowden [2001] described the learning organization as one which is actively engaged in "[…] identifying and solving problems, enabling the organization to continuously ex-

periment, change, and improve, thus increasing its capacity to grow, learn, and achieve its purpose" [p. 15]. He then specified four defining characteristics of the learning organization presented here in summary form:

- Constant Readiness
  - Exists in a constant state of readiness, anticipates change,
  - Is prepared for change in general, stays attuned to its environment,
  - Is willing to reevaluate past assumptions and future directions.
- Continuous Learning
  - Flexible plans are shared and embraced by the entire organization,
  - Maintains flexible, open strategic directions, revisions are expected.
- Improvised Implementation
  - Encourages experimentation throughout the organization,
  - Learns from successes; small wins are rewarded and institutionalized.
- Action Learning
  - Builds on previous learning of an individual and their peers and focuses on problems within the organization that are relevant and require immediate application [Vince and Martin 1993],
  - "[…] the learning organization takes action, reflects, and adjusts its course as it goes, seeking to enhance the speed and effectiveness by which it learns how to change" [Rowden 2001: 16].

Rowden's [2001] portrayal of the learning organization is similar to the concepts underlying Argyris, Putnam and Smith's [1985] *Action Science*, Anderson and Anderson's [2001] *Unfolding Change*, Vera and Crossan's [2004] *4I Framework of Organizational Learning*: *Intuiting, Interpreting, Integrating, and Institutionalizing*, and Senge's [1990b] challenge to leaders: *The Leader's New Work: Building Learning Organizations*. The bottom line is that well-developed systems of learning allow the organization to capture knowledge important to effective change. And as knowledge acquisition and application gained recognition as the underpinnings of successful strategic change and organizational effectiveness, knowledge management became a formalized function with a "chief knowledge officer" as its designated leader/manager [Grant 2002].

In brief, the relationship between organizational knowledge systems and effective change that gained recognition in the decade of the 1990s and became more formalized in the decade of the 2000s seems to continue to escalate in importance:

Together, economic, technological, and social events have changed the knowledge needed to manage organizations effectively. Complexity has increased as the economy has become more global, and information technology has changed the way people and organizations operate. […] Today, more than ever, organizations need research-based knowledge about organizational change, management, and effectiveness [Mohrman and Lawler 2012: 41].

1.4. Leader-initiated change

According to Warren Bennis: "Leaders are people who do the right thing; managers are people who do things right" [1989: 36]. In this brief statement, he has succinctly described and differentiated two important types of leader-initiated change: Transformational and transactional. In so doing, he joined a cadre of leadership experts who differentiate between "leadership" and "management" [for example: Bass 1985; Kotter 1990; Rowe 2001; Zaleznik 1977]; and took issue with experts who make no such differentiation [for example: Herold and Fedor 2008; Mintzberg 2004; Yukl 2010]. For our purposes, we will start by describing two types of change and their importance to organizational survival and prosperity.

Transformational change. This is change that is often radical, transforming entire organizations, creating a need for new structures and management systems, and that is often associated with breakthrough technologies, new products, and new markets. Transformational change has a visionary component taking the organization out of its present (known) comfort zone and moving it into a future (unknown) state therefore making it "unpredictable, uncontrollable change that must be shaped, and adapted as it unfolds" [Anderson and Anderson 2001: 4]. Transformational change realigns the organization with its external environment enabling it to pursue opportunities and avoid threats and in so doing disrupts the congruence among the internal components that evolved overtime to facilitate efficient functioning. When one part of the organization is changed, the other parts also need to adapt to restore congruence [Nadler and Tushman 1989]. In brief, transformational change necessitates immediate attention to needed transactional change [Burke 2002].

Transactional change. This type of change is incremental in nature, designed to restore congruence among the components of the organization so it can function efficiently to meet the demands resulting from its transformed status in the external environment. This is planned change focused on improving specific systems, operations, and organizational components to restore equilibrium and stability thereby allowing the organization to function efficiently. Transactional change is reactive in nature focusing on goals that arise out of necessities that result from the need to merge people, systems, and technologies to restore or improve performance [Bass 1985; Cawsey, Deszca, and Ingols 2012; Rowe 2001].

These two essential types of change require two types of change leadership, whether performed by different individuals which is often the case in large organizations or by the same individual which is typical in small and mid-size organizations:

- Transformational leadership: The process of keeping the organization in sync with the demands of its external environment,
- Transactional leadership: The process of creating systems, policies, and practices to keep the organization functioning efficiently.

Interestingly, the interplay of these two types of change leadership causes the inherent paradox complexity theorists contend is found in dynamic organizations [Cawsey, Deszca, and Ingols 2012]. The propositions underpinning complexity theory state that organizations are a web of nonlinear feedback loops connected to other individuals and organizations through nonlinear feedback loops. These feedback systems can operate in both stable and unstable states [Stacey 1996]. Thietart and Forgues described the dynamic interplay succinctly:

[…] Organizations also have counteracting forces at play. Some forces push the system toward stability and order; these include the forces of planning, structuring, and controlling. Some other forces push the system toward instability and disorder: the forces of innovation, initiative, and experimentation. The coupling of these forces can lead to a highly complex situation: a chaotic organization [1995: 23].

To put the leader-driven change dimension in perspective we turn to Complexity Theory which posits two competing forces at work in organizations: *Change vs. Stability*. It says transformational leaders create *disequilibrium* in the organization and transactional leaders (aka: managers) restore *equilibrium* by revamping structures, systems, technology, and people [Cawsey, Desca, and Ingols 2012; Thietart, and Forgues 1995]. Gersick [1991] synthesized theory from six fields of inquiry and referred to this phenomenon as the "Punctuated Equilibrium Paradigm" which she summarized as follows: "Systems evolve through the alternation of periods of equilibrium, in which persistent underlying structures permit only incremental change, and periods of revolution, in which these underlying structures are fundamentally altered" [p. 13]. These alternations are the context for leader-driven change.

1.5. Dynamic complexity

The four principal drivers of change function in an interactive manner resulting in what Peter Senge [1990a] and others label *dynamic complexity*. Each principal driver of change triggers related changes via the other drivers. For example:

A visionary leader sees an opportunity for competitive advantage, engages in futuristic, non-linear, "out-of-the-box" thinking, articulates his vision and obtains buy-in for a long-range strategic change that unfolds and must be reshaped over a multi-year period during which there are changes in the organization's political, economic, social, and technical environments. While this strategic change is in play and is driven by transformational leadership, the organization matures and experiences substantial growth. The transformation demands new ways of performing which, in turn, requires a new knowledge base, new technology, and the acquisition of new skills. And while these obvious sources of disequilibrium are pushing the organization toward chaos, skilled managers engage in transactional leadership to restore order to keep the organization's components functioning in a congruent manner.

The dynamic complexity inherent in the above example must be acknowledged, leveraged, and managed to ensure success:

If organizations give into the forces for stability, they become ossified and change impaired. If they succumb to the forces for instability, they will disintegrate. Success is when organizations exist between frozen stability and chaos [Cawsey, Deszca, and Ingols 2012: 84].

2. Avoiding the common causes of change failures

Before we explore the common causes of change failures we need to understand the proclaimed enormity of the change-failure issue and our difficulty in quantifying it. Trautlein [2013] cited evidence that the failure rate for major changes in organizations has been about 70 percent for the last 20 years. To define major changes, she provided the following breakdown from a survey of human resource professionals in 2010 who were asked to describe major changes their organizations faced in the next six months:

- Organizational restructure: 51 percent,
- New leadership: 20 percent,
- Acquisition/merger: 13 percent,
- New product launch: 10 percent,
- New technology: 6 percent [Trautlein 2013: 9].

Adding to the perspective of a 70 percent persistent failure rate for changes such as these, she commented: "These are all large-scale changes that affect nearly every corner of an organization. Done right, they can enhance a company's performance dramatically; mishandled, they can turn into costly disasters" [Trautlein 2013: 9]. Similarly, Herold and Fedor [2008] concluded that "between 67 percent and 80 percent of change efforts, large and small, fail" [p. 2].

One further comment before we discuss what we know about the common causes of change failures: Quantifying failure rates can be challenging. Change efforts seldom fail completely, nor are they completely successful. How do we rate an ambitious change effort that achieves 5 of 7 stated objectives, a success or failure? How do we rate a change that meets its stated objectives but has overruns of time and costs? How do we judge a change effort that does everything its planners set out to do but failed to save the organization, i.e., "winning the battle but losing the war"? Regardless of the measurement issues, we know that too many change efforts fail and we have considerable insight into why failures happen. So next we explore five common causes of failure described by Herold and Fedor [2008] that change agents should make conscious efforts to avoid.

Common Cause of Failure #1: A disconnect between the solution and the problem. **The change was successful but did not address the problem it was intended to resolve.**

The causation here may range from inadequate pre-change research to define the problem to a powerful organizational leader getting emotionally caught up in a popular fad, personal agenda, and everything in between. That said, Herold and Fedor [2008] suggested two major reasons:

1. *What was changed failed to address the problem* (for example, cosmetic changes, staffing changes, reorganizations, or new technologies that were not able to deal with the underlying issues or support the overall business strategy).
2. *The change addressed the wrong or even a nonexistent problem* (for example, still another restructuring when the basic strategy is not working) [Herold and Fedor 2008: 18].

How could reasonable change agents possibly initiate changes that even when successful do not help the organization solve a fundamental problem? Two general managerial tendencies have been known for years to mitigate problem solution: First, looking for quick fixes instead of taking a long-term view; and second, implementing solutions piecemeal rather than taking a systems perspective [Neal and Tromley 1995].

Common Cause of Failure #2: Inadequate resources to complete/sustain the change. **The change is valid in terms of what the organization needs but the capacity to see it through to a successful completion does not exist.**

Change is often expensive. If an organization experiencing revenue losses for an extensive period decides to implement an appropriate but expensive change, the first question it should ask is "Can we afford it?" If the answer is clearly "No", the search for a feasible alternative may be the only prudent course of action. Similarly, pre-change questions need to be answered honestly about the organization's human resource capacity: "Can we do it?" Do we have the talent base needed to implement the proposed change? If not, can we acquire it in time to see the change through to completion? If the fiscal resources and/or needed knowledge, skills, and abilities are absent, going ahead with a well-designed, well-intended change will have little chance of success.

Common Cause of Failure #3: Change turbulence. **Starting new changes before earlier changes are completed; mistakenly seeing organizational changes as independent events.**

Complexity theory warns us that when organizations experience excessive instability, they disintegrate [Cawsey, Deszca, and Ingols 2012] and the congruence model of organizations [Nadler and Tushman 1989] argues persuasively that when one part of the organization changes other parts need to adapt to restore congruent functioning; yet it is commonplace to see new changes implemented while the organization is still attempting to cope with the disequilibrium of previous changes. Perhaps the most convincing presentation for avoiding change turbulence comes from Herold and Fedor's [2008] depictions

of the decline in performance due to the introduction of a major change and the duration of the recovery in production merely returning to the pre-change baseline [Figure 7.2; p. 89] and the cumulative effect of overlapping changes on performance recovery, that is "Change Turbulence", on performance recovery [Figure 8.1; p. 109]. Based on their analyses, they state unequivocally: "Performance inevitably declines in the face of change" [p. 92] with the recovery dependent upon the slope of the learning curve, motivation, time and effort, and the assistance and resources committed to the recovery effort. Here we present their concerns about change turbulence:

– Each change requires an expenditure of […] resources, and as these resources get diverted to new changes they are unavailable for application to previous changes, prolonging the duration of recovery to baseline and the realization of performance improvements. Furthermore, each change following on the heels of previous yet only partially digested or mastered change starts from a lower performance baseline [Herold and Fedor 2008: 109].
– People have a finite capacity for change [Herold and Fedor 2008: 110].
– Organizational changes cannot be contemplated as independent, isolated events […]. All changes cannot be 'priority one' [Herold and Fedor 2008: 112].

In summary, when multiple ongoing change initiatives compete for money, time, effort, and leadership, each is less likely to be successful.

Common Cause of Failure #4: Counter-cultural change. **Change that is inconsistent with an established culture which has a powerful impact on perception, cognition, affect, and behavior.**

While it is possible to develop cultures that facilitate change [Smits and Bleicken 1997], the general function of organizational culture is to maintain stability [Kotter 2012]. Using an analogy, Herold and Fedor [2008] described the stabilizing effect of culture succinctly: "When change is introduced, *if it is seen as an attack on basic and valued aspects of the organism*, the immune system will go into rejection mode" [p. 108]. Organizational culture, the result of extensive group learning, deeply ingrained via experiences of success and failure, and largely unconscious by nature, as a stabilizing force is especially disruptive to change in two situations:

– Transformational change. Here the change is focused on what Gersick [1991] called the underlying, or deep, structures of the organization that can only be changed during "periods of revolution" because they function to reinforce "the basic activity patterns that will maintain its existence" [p. 14]. In brief, to transform the organization is to change its underlying culture. And when the transformation is completed, if it is not anchored in a new culture, the transformed organization will soon revert back to its former way of perceiving, thinking, and behaving [Kotter 2012].

– Mergers and acquisitions. Here the change often relies on a due diligence process that describes the organizations involved in much detail but seldom takes more than a cursory look at culture. As Schein [1985] warned us: "[…] a culture mismatch in an acquisition or merger is as great a risk as a financial, product, or market mismatch" [p. 34].

In summary, change agents need to be conscious of the organization's culture and to extend their thinking from organizations as systems to organizations as complex, paradoxical entities (even ambidextrous) that will often not be controllable; where possible, leveraging it to promote the desired change; and where counter-cultural, taking the necessary steps to change the culture as part of the overall change strategy.

Common Cause of Failure #5: Inadequately led change initiatives. **A failure to provide the different types of leadership at different levels of the organization needed to complete the change.**

As Anderson and Anderson [2001] demonstrated with their model, meaningful change often cascades through three levels of the organization, strategic, managerial, and operational, requiring a coordinated change initiative among the levels. Herold and Fedor [2008] extend that argument insisting that three levels of informed, active, focused leadership are required for successful change efforts:

– *Strategic leaders* are needed to set a clear direction, get the organization into change mode, and communicate via multiple channels what is to be done and why.
– *Implementation leaders* get their marching orders from the strategic leaders but have much discretion regarding what is to be changed within their units and how to go about making the change (time-tables, resource allocation, assignments).
– *Process leaders* are tasked with how to make it happen. They seldom have the latitude enjoyed by implementation leaders; the strategy is set, the parameters of the implementation are set, their leadership is focused on making it operational by getting the membership in general to do what needs to be done.

If the leadership at any level is not adequate, the change fails: "[…] to assume that senior leadership is the only leadership level that really counts […] to ensure a change's success as it cascades down through the organization tends to be foolhardy and helps explain why so many changes go away" [Herold and Fedor 2008: 42].

In this section we briefly reviewed five common causes of change failures. Change failures cannot be eliminated but we contend the frequency of their occurrence can be reduced and the severity of their impact ameliorated. In the next section, we offer suggestions to help change agents be more successful.

3. A brief "to-do" list for successful change agents

From our perspective, the following suggestions will help organizational change agents improve their success rates. As we know, change agents may take different routes to solving similar problems [de Caluuwe and Vermaak 2003; Trautlein 2013]. Therefore, while our "to-do" list appears prescriptive, it is intended more as a way to focus attention on issues of importance than as a recipe for a fixed process.

Understand your organization and the environment in which it functions.

Organizations are unique so change initiatives need to be tailored to fit their realities. Change agents, whether internal to the organization or outsiders brought in specifically to initiate change, need to have an in-depth understanding of its history, culture, and current life cycle stage/status. They must start with the organization **as it is**, not with a general model of similar organizations in its industry. This can be especially challenging for outsiders brought in as change agents. However, outsiders often have an objectivity advantage assuming they begin the pre-change organizational analysis with an open mind and gather the needed information from a variety of reliable sources.

In addition to knowing the organization's strategy, structure, operating systems, and people, it is important to know its capacity to learn and to change. Does it have demonstrated knowledge management capabilities? What are the knowledge, skills, and abilities levels of its human resources? Have they demonstrated a capacity to learn and implement new performance-oriented behaviors? What is their experience with change? How much change turbulence are they experiencing at this time? What is their change readiness?

Several models reviewed in earlier sections of this paper can help change agents understand the organization more fully. Life cycle status can be assessed using Daft's Organizational Stages of Development [1992] which was adapted from Greiner's *Five Phases of Organizational Growth* [1972] and Quinn and Cameron's synthesis model of multiple life cycle theories [1983]. Organizational culture can be assessed using Cameron and Quinn's user-friendly *Organizational Culture Assessment Instrument* based on the *Competing Values Framework* [2011]. Additionally, the 34-item, easy to score, *Readiness to Change Scale* [Cawsey, Deszca, and Ingols 2012] has subscales depicting six key dimensions of interest to change agents:

- Previous Change Experience,
- Executive Support,
- Credible Leadership and Change Champions,
- Openness to Change,
- Rewards for Change,
- Measures for Change and Accountability.

An in-depth understanding of the organization to be changed minimizes the occurrence of several common causes of change-failure described in the earlier section.

Guideline #1: Start the change process with the organization where reality-based indicators say it is.

Know what to change; and since not everything can be changed at once, set priorities for a change agenda.

Nadler and Tushman's Organizational Congruence Model [1980: 35–51; 1989] provides a clear blueprint to help change agents focus on what to change. In summary, their model says: Change whatever is needed in order to (a) keep the organization's strategy in sync with the political, economic, social, and technical (PEST) factors in its changing environment; (b) keep the organization's internal components aligned with its strategy; and (c) achieve congruence among all components of the organization in order to meet desired outcomes efficiently and effectively.

Herold and Fedor's [2008] contribution to our second suggestion is to remind us that we cannot do everything at once, often cannot afford to do expensive idealistic change, and must guard against the demoralizing impacts of change turbulence. This reminder suggests the need for a well-planned, realistic change agenda. Where can we get the most benefit for our expenditures of time, talent, energy, motivation and limited fiscal resources to achieve change? Which changes are most crucial to our short-term and long-term survival and prosperity?

Change agendas have the additional benefit of showing progress, "generating short-term wins" to put it in the context of Kotter's eight-step model [2012].

Guideline #2: Change what is possible starting with the changes likely to produce the most benefit with the least risk and cost.

Understand the nature of the change you are undertaking: Planned vs. Unfolding.

The type of change initiated determines how it is to be planned and executed for success. Planned change (aka: transactional change), typically designed to restore stability and promote efficiency after some disruptive event (like transformational change) can and should be carefully designed and managed within defined time and budget parameters with everyone accountable for achieving the planned outcomes. Traditional management tools applied by experienced, competent managers should take much of the ambiguity out of the change process and minimize the unintended consequences associated with dynamic complexity.

Unfolding change, to use Anderson and Anderson's [2001] term is essentially different from planned change: Unfolding change (aka: transformational

change), disrupts stability and takes the organization into a future state where key parameters in the external environment are themselves changing while the unfolding change plays out. Unfolding change is a long-term process during which unpredictable and uncontrollable events happen in the PEST Factors of the external environment [Nader and Tushman 1980; 1989] requiring the change agent to revamp the change as **it unfolds.** Planned vs. Unfolding change have different time perspectives and require a different mindset to see them through [Gersick 1991; Thoms and Greenberger 1995].

Applying planned change techniques to unfolding change and vice versa, is a certain recipe for disaster. Managing short-term change takes a different mindset and skill set than leading visionary unfolding change that may take several years to accomplish.

Guideline #3: Do not confuse stability-focused change intended to restore equilibrium with change designed to put the organization on a fundamentally different course.

Know your change leadership team: Change must be led at all levels of the organization (Strategic, Managerial, and Operational) in a coherent, integrated, consistent manner.

Change typically cascades down through the organization with a strategic initiative launched at the executive level, translated into relevant structural and systems changes at the managerial level, and made operational by supervisory personnel and employees at the operational level. Like a relay race, the hand-offs are important, and are likely to involve fewer setbacks when the leaders at each level know and trust each other and have practice working together.

Multi-level change implementation leadership teams should start by selecting members with "influence power"; that is leaders and managers who have the respect of those being led through the change and have expertise/credibility consistent with the nature of the change being made. Such individuals are often the most talented members the organization has to offer and therefore also its busiest members. For the change to be led and managed successfully, the members of the change leadership team need to have designated time away from their normal responsibilities and a clear mandate to make the change effort a top priority.

Guideline #4: Don't skimp when staffing the change leadership team; pick the best available members at each level and give them the time and resources needed to insure a successful change.

Carefully manage the transition from the current modus operandi to the new mode of organizational performance.

Cawsey, Deszca, and Ingols [2012] emphasized the important of managing the transition from the old to the new and put the challenges of doing so in perspective by observing: "Change management is about keeping the plane flying while you rebuild it." [p. 326]. Their primary recommendation is to select an experienced transition manager to lead a knowledgeable and respected transition team and to make sure it is fully coordinated with the change leadership team. Our suggestion is to make the transition manager a key member of the change leadership team.

Lengthy transitions from the old to the new are especially challenging and often require carefully planned midpoint goals and milestones to prevent lagging motivation and comprehensive communication systems to keep people informed, thereby reducing their natural anxiety about such personal concerns as: "Will my pay be affected?", "Who is my new boss?", or "What is my new job description?" [Cawsey, Deszca, and Ingols 2012: 327].

Guideline #5: Manage the transition carefully with respect and compassion for the insecurities that major changes are capable of causing among members of the transforming organization. Don't crash!

Concluding statement

In this paper, we have attempted to share a practical perspective on how to improve the success rates for organizational change efforts. Our perspective relies on selected theories that seem to us to capture the essence of the change challenges that leaders and managers face as a normal part of their responsibilities. We conclude here with statements from Herold and Fedor [2008] from their concluding chapter entitled: SMART CHANGE LEADERS – THEY GET IT! In it they contend that searching for one "right" approach to change or one "right" type of change leader is futile arguing that the only thing successful change leaders have in common is that their behaviors were appropriate to the realities of the situations they were facing. That is the core of our message as well. We hope we have provided a perspective about change that is consistent with the following description:

Smart change leadership is about recognizing, diagnosing, tailoring, balancing, and otherwise adapting one's hoped-for outcomes and implementation strategies to the realities of the situation. […] Ultimately, the savvy change leader juggles all elements of the situation, engages in parallel rather than serial processing, and arrives at decisions about what to change and what implementation process to use […] [Herold and Fedor 2008: 130–131].

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