

**RETHINKING ORGANIZATIONAL CHANGE:
Reframing the Challenge of Change Management**

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ABSTRACT

Despite the ongoing spate of theory building and empirical research on organizational change, it is estimated that the majority of change initiatives continue to fall short of their stated objectives. This low success rate may be due to a mismatch between the requirements of the situation and the selected change management strategy. The paper begins by differentiating three basic approaches to organizational change – directed change, planned change and guided changing – and the concomitant challenges for organizations and their change agents. A framework is then developed, looking at the appropriateness of these three approaches within the context of the relative business complexity and socio-technical uncertainty in the situation. Two moderating factors – the change capacity of the organization and the urgency of the situation – are also considered. The paper concludes with a discussion of the implications for our thinking about organizational change and change management practices.

Key words: change management, planned change, resistance to change

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Companies in every industry are increasingly being challenged to build the capacity for change, not only in response to competitive and technological pressures but also in anticipation of those changes. Accordingly, significant attention – in conceptualization, empirical research and practice – has been devoted to the growing field of change management. Most large consulting firms, for example, have developed extensive change management practices within their organizations (Garfoot, 2003; Werr, Stjernberg & Docherty, 1997; Worren, Ruddle & Moore, 1999), a growing number of MBA programs have added courses and curricula on change management (Adams & Zanzi, 2001; Kerber, 2001), and the literature on managing organizational change seems to be expanding exponentially (cf. Beckhard & Pritchard, 1992; Beer & Nohria, 2000; Conner, 1993; de Caluwé & Vermaak, 2002; Fullan, 2001; Kotter, 1996; Kotter & Cohen, 2002; Quinn, 1996). Many of the resulting tools for managing and influencing change have enhanced our ability to deal with change processes, especially in terms of their focus on the very necessary and critically important task of dealing with people's emotional reactions to change. As such, we are beginning to develop a much more informed base of actionable knowledge to support our change efforts.

Unfortunately, many of these prescriptions and models continue to fall well short of the challenge. Our contention is that, to a large extent, such failure is exacerbated and magnified by inappropriate tactics and approaches to change. Building true organizational change capacity involves leading change in ways that are appropriate to the situation.

Situational or contingency models of management and organizational behavior, of course, are commonplace in the literature about organizations, ranging from situational models of

leadership to variations on organization design. When it comes to organizational change, however, there is a normative bias toward participation as the preferred strategy for overcoming many of the negative reactions associated with the change process (cf. Beer, Eisenstat & Spector, 1990; Bennis, Benne & Chin, 1961; Kotter, 1996; Sashkin, 1984). While there are some situational approaches, they tend to focus on specific aspects of the change process. Kotter and Schlesinger (1979), for example, describe different methods of dealing with resistance to change. They suggest that key situational variables, such as the amount and type of resistance and the locus of relevant data for designing the change, should influence the choice of method. Examining technological change in organizations, Orlikowski and Hofman (1997) distinguish between traditional and improvisational change, and propose that the process of change should be aligned with the technology to be implemented and with the culture of the organization in which the change is introduced. Recent work by de Caluwé and Vermaak (2002) is pushing the field, emphasizing different types of (color coded) change, their underlying assumptions, and the concomitant ramifications for the role and focus of change agents and consultants.

Despite these efforts, organization development theorists and practitioners continue to exhibit a strong normative bias toward involvement and participation as the solution for organizational change related problems. It appears, however, that while participation does increase a sense of ownership in the change, in far too many instances such participative strategies either waste critical resources by involving people when it isn't necessary or take a limited view of the nature of participation that is necessary for success. In essence, many of our participation-based solutions either go too far or not far enough. As Beer and Nohria (2000) argue, as many as 70 percent of major change efforts fail to achieve their stated objectives – despite the good intentions to “involve” people in the change process.

CONCEPTUALIZING CHANGE MANAGEMENT: THREE APPROACHES TO CHANGE

Our premise is that, in large part, this low success rate may be due to a mismatch between the requirements of the situation and the approach to change that is selected. From a conceptual vantage point, there are three interrelated approaches to organizational change that are present in organizations today (Kerber, 2001): directed change, planned change and guided changing.

Directed change is driven from the top of the organization, relies on authority and compliance, and focuses on coping with people's emotional reactions to change (see Figure 1). Leaders create and announce the change, and seek to persuade organizational members to accept it based on business necessity, logical arguments, and emotional appeals. Used inappropriately, managers and employees throughout the organization are forced to cope with the well-known and expected reactions among those having change imposed on them – denial, anger, bargaining, sadness and loss (cf. Kubler-Ross, 1969; Marks, 2003).

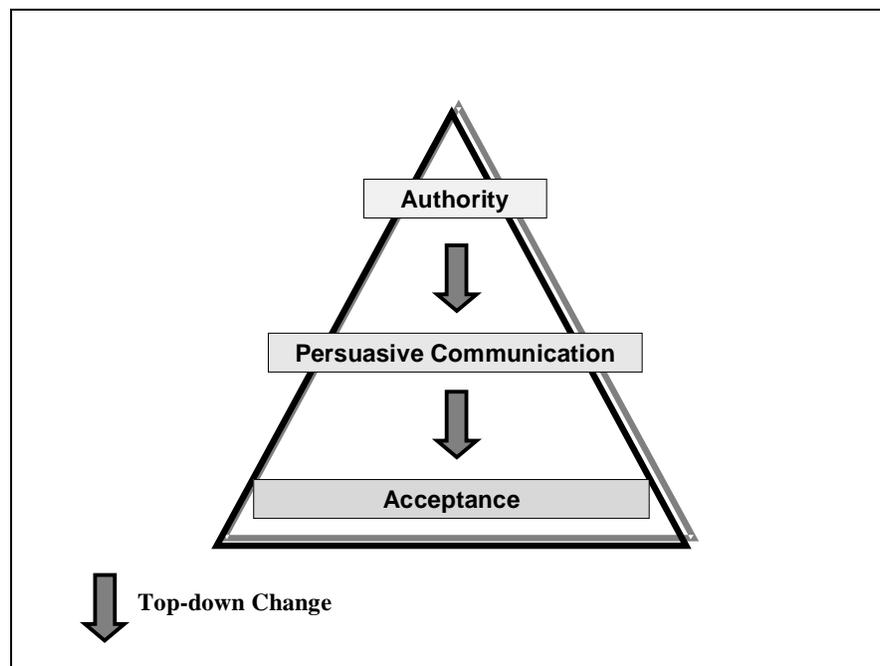


Figure 1. Directed Change

Planned change, which has become an increasingly popular approach to change management, may arise from any level in the organization but ultimately is sponsored at the top. Change leaders and implementers seek involvement and commitment to the change by making extensive use of specific actions, identified through research and experience, that mitigate the typical resistance and productivity losses associated with directed change (e.g., Beckhard & Pritchard, 1992; Kotter, 1996; LaMarsh, 1995). Underlying most planned change efforts is the Lewinian three-stage process of unfreezing, changing, and refreezing – (1) unfreezing or releasing the organization from its current patterns, (2) transitioning the resulting, more malleable, organization over time from its current patterns to more adaptive ones, and then (3) refreezing the organization into a new set of patterns by weaving them into the fabric of the organization (Lewin, 1947, 1951; Weick, 2000; Weick & Quinn, 1999).

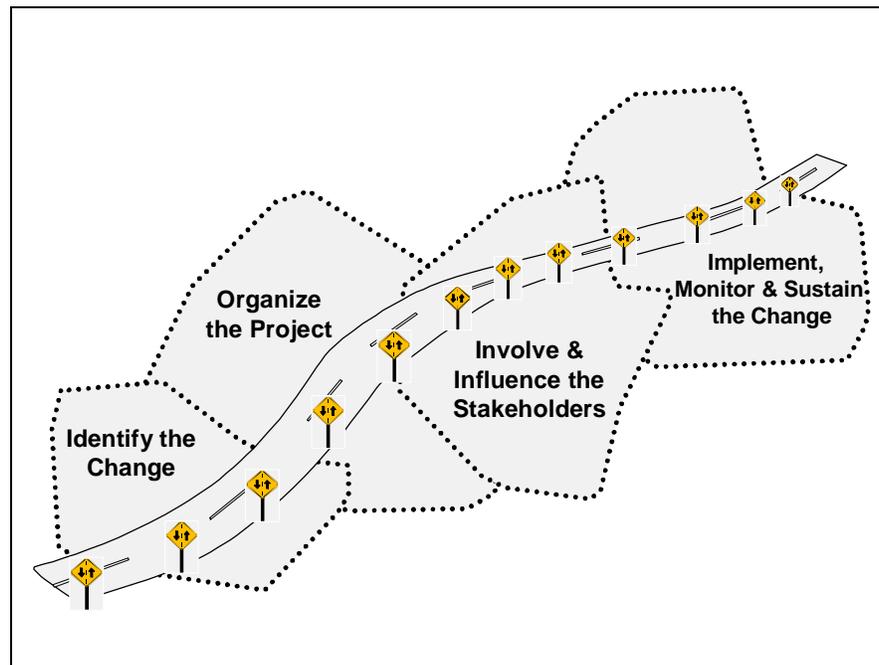


Figure 2. The Planned Change Roadmap

As illustrated in Figure 2, rather than simply creating and announcing the change, planned change provides a “roadmap” that outlines a project management approach to the

change process. It attempts to create the conditions for people to become more involved in the change process, identifying and encouraging key stakeholders to participate in both the form and implementation of the change. Yet, while planned change creates an important capability in today's organizations, used inappropriately it can still result in significant reductions in productivity, alienate key stakeholders in terms of limited participation and true influence in the process, and constrain the ability of the organization to fulfill its intended goals (cf. Abrahamson, 2000; Kerber, 2001)

Guided changing emerges from within the organization as a result of people's commitment and contributions to the purpose of the organization. In the context of the type of continuous and over-lapping change that is characteristic in today's hypercompetitive environment, this approach largely focuses on enhancing and extending the effects of the myriad changes that are already underway. Reflecting on Lewin's (1947, 1951) seminal contribution to change, guided changing follows a different three-stage process: freezing, rebalancing, and unfreezing (see Weick & Quinn, 1999). Specifically, guided changing involves "pausing" the action in an organization, at least figuratively, so that sequences and patterns can be identified (*freezing*). Change agents can facilitate this process through vision casting and the creation of cultural "maps" that link different change efforts and initiatives. Based on a clearer understanding of what is happening in the organization, patterns can then be rebalanced, reinterpreted, relabeled or re-sequenced to eliminate obstacles and blockages to emergent changes (*rebalancing*). Instead of telling people what to do and why to do it (*logic of replacement*), the underlying key is to inspire organizational members so that they are drawn to the change (*logic of attraction*). At this point, the "pause button" is released, *unfreezing* the action and resuming the learning and improvisation that characterize the guided changing

process.

As illustrated in Figure 3, guided changing is an iterative process of initial interpretation and design, implementation and improvisation, learning from the change effort and then sharing that learning system-wide, leading to re-interpretation and redesign of the change. The resulting “spiral” of learning, innovation and development contributes to both continuous improvement of existing change efforts as well as the ability to generate novel solutions. Used inappropriately, however, it can result in organizational chaos, as continuous changes and transitions confuse and frustrate rather than enlighten and support organizational members and other key stakeholders.

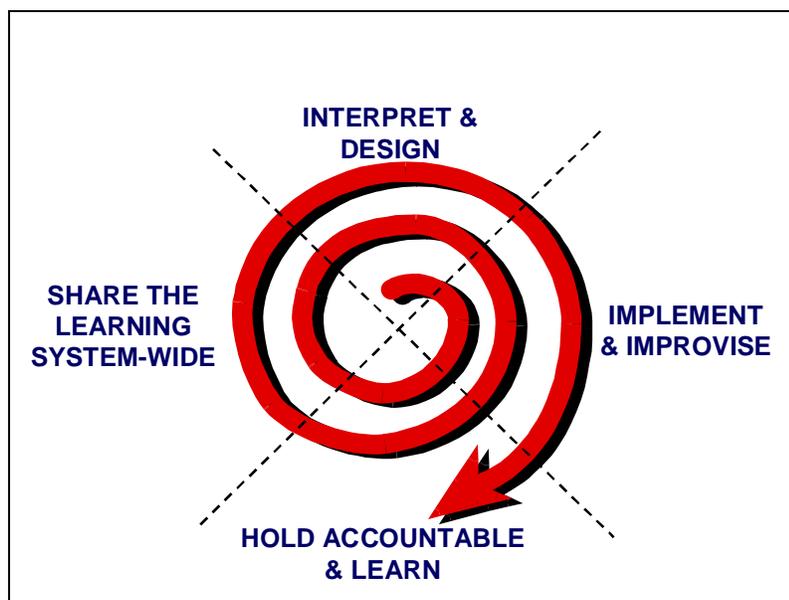


Figure 3. The Guided Changing Spiral

Source: Kerber (2001)

A SITUATIONAL APPROACH TO CHANGE MANAGEMENT

While there appears to be a normative bias when thinking about preferred approaches to change, moving away from directed change toward highly participative planned change and more organic, guided changing efforts, any of the three approaches to change may be appropriate

depending on the situation. Similarly, any one of these approaches, if used inappropriately, could readily create problems and contribute to discontent.

We suggest that there are two key factors that influence the appropriateness of each approach to change management: socio-technical uncertainty and business complexity. *Socio-technical uncertainty* refers to the amount and nature of information processing and decision-making that is required for the change, based on the extent to which the task(s) involved is determined, established or exactly known. In low uncertainty situations, the “solution” to the change challenge is known, while in high uncertainty contexts the solution may not be known or even fully understood. *Business complexity* refers to the intricacy of the organizational system in which the change is to be implemented – based on size, interdependencies, technology, geographical dispersion, number of products and services, array of critical stakeholders, and other relevant characteristics of the system. The focus here is on the relative complexity of implementation of the change “solution” and what it will take to successfully introduce and sustain the change over time.

As shown in Figure 4, directed change is most appropriate in situations where both socio-technical uncertainty and business complexity are low. In other words, if the change involves well-known and well-accepted actions that are implemented in a relatively simple, routine environment, then directed change makes the best use of limited organizational resources. As the complexity of the implementation process increases, a planned change approach becomes more appropriate, especially when key stakeholders differ about what actions may be most effective in different parts of the organization. Effectively and appropriately engaging people in the planning process ameliorates implementation problems and generates commitment for more complex changes. Within such planned change efforts, the burden for initiating and sustaining the change

is still placed directly on the change strategists – from identifying the need for change, creating a vision of desired outcomes, deciding which changes are ultimately feasible, and so forth (see, for example, Mento, Jones & Dirndorfer, 2002).

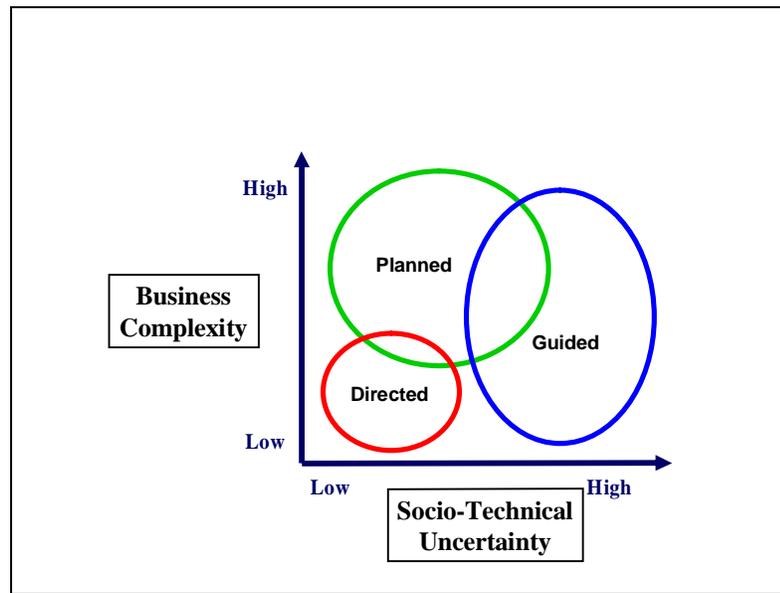


Figure 4. Complexity, Uncertainty and Approaches to Change

In situations where socio-technical uncertainty is high, guided changing is the most appropriate approach. If the future state is unknown, even in what appear to be relatively simple situations, guided changing relies on improvisation and experimentation to identify the most effective actions and outcomes. While planned change has clearly provided us with implementation-related tools and participative strategies to get people involved in the change process, it doesn't go far enough in those situations where the "solution" to the change problem is unknown or unclear. The dynamics inherent in the guided changing spiral are crucial as organizational members create, test, experiment and mutually adjust to each other's efforts. In effect, guided changing reflects an attempt to break through the constraints imposed by hierarchy

and closely managed change processes, dispersing awareness much more broadly throughout the organization and ensuring that the right talent and appropriate resources are available (Oxman & Smith, 2003). An underlying challenge, especially as excitement about change possibilities begin to emerge, is to harness the energy of organizational members around those aspects of the organization that require change while maintaining continuity where appropriate (see Gosling & Mintzberg, 2003).

Moderating Factors

Two moderating factors further influence the appropriateness of each approach to change: change capacity and urgency. The *change capacity* of the organization refers to (1) the willingness and ability of change makers (i.e., change leaders/strategists, implementers, and participants/recipients) to assume responsibility for the change, (2) an infrastructure that facilitates change (e.g., available communication technologies, flexible systems and processes, responsive training and education), and (3) appropriate resources (e.g., mind share, time, budget). The *urgency* of the change situation refers to the risks associated with no or slow change, such as needed changes to ensure the personal safety of organizational members or to increase the probability of organizational survival.

As stated earlier, the choice of an approach to change should be driven primarily by socio-technical uncertainty and business complexity. As reflected in Figure 5, however, the greater the change capacity (change maker willingness and ability, facilitating infrastructure, appropriate resources) in an organization, the greater the ability to handle guided changing. Even if organizations are faced with ambiguous and uncertain situations, if the change makers are *not* willing or able to assume responsibility for change, the change agent is faced with a people development challenge. Thus, as a way of enhancing and developing the change capacity of an

organization, companies may experiment with planned or guided changing efforts even when a more direct approach to change is called for. Alternatively, in a simple, certain situation, when change makers *are* willing and able to assume responsibility for change, then getting people to accept directed change is a communication challenge.

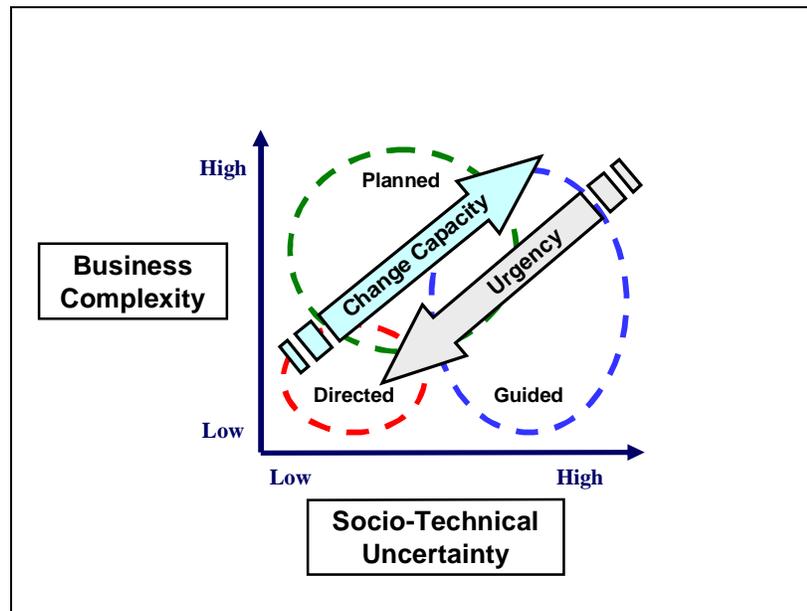


Figure 5. The Influence of Change Capacity and Urgency

Within this context, persuasive and ethical communication is critical, ensuring both the clarity of the message and the honesty and trustworthiness of the change agent/strategist. An important dimension of such communication is responding to the “so that” question – “We are changing X *so that* we will be able to accomplish Y” – making certain that organizational members fully understand the reason and rationale for the change (see Ulrich, Zenger & Smallwood, 1999). While this might seem obvious, research indicates that employees, including many managers, often have little or no objective knowledge of the intention and/or outcomes of their change efforts (e.g., Olsson, Ovretveit & Kammerlind, 2003; Walston & Chadwick, 2003).

If the infrastructure and resources supporting change are not in place, then any approach to change will require additional planning and effort to create the necessary infrastructure and to acquire the necessary resources – in addition to implementing the change itself. In fact, when the infrastructure and resources supporting change are not in place, successful organizational change could very well be impossible – even with an appropriate approach to change. Thus, the capability to marshal broad-based resources, including cultivating a senior-level sponsor (see Mento, et al, 2003), to support change programs and problem-solving activities is a crucial dimension of the change process. Even though guided changing draws on the energy, enthusiasm and commitment of organizational members, it must still be supported and encouraged by organizational leaders to be successful and sustainable.

As also illustrated in Figure 5, when circumstances involve a strong sense of urgency, for example dealing with such outcomes as personal safety or organizational survival, a directed approach to change may be necessary, even in complex and uncertain situations. While this strategy may only result in a short-term, temporary solution to longer-term problems, as long as the directed change is carried out in the manner described above it can still provide the basis for subsequent planned change and/or guided changing efforts. Moreover, such short-term successes – in essence “small wins” – can serve as a source of motivation and direction in longer-term change efforts (cf. Kotter, 1996; Weick, 1984). An underlying key is the type of persuasive, open and honest communication and direction discussed earlier.

THINKING ABOUT CHANGE AND CHANGE MANAGEMENT

Given today’s turbulent business environment, the ability to lead organizational change is essential for individuals, teams, and entire organizations – and the nature and pace of change

require an expanded framework. Based on our analysis, the most effective approach to organizational change appears to be dependent on key contingencies of the situation, focusing on (1) the socio-technical uncertainty of the task/problem and (2) the complexity of the business environment, along with (3) the change capacity of the organization and (4) the risks associated with either no or slow change. Within this context, resistance to change can be thought of, in part, as a function of the mismatch between the demands of the situation and the selected approach to change.

To be successful today, organizations require a combination of directed, planned and guided change. As one moves from directed change to planned change to guided changing, it is clear that there is an underlying need for significant competence transfer from change strategists to change recipients, as organizational members become, in effect, the new change strategists. The transition from planned change to true guided changing, however, poses a significant challenge for consultants/change agents and organizational members who are accustomed to having the former lead the change. While resistance is clearly related to instances where people feel change is being thrust upon them, a downside of carefully orchestrated planned change is that it might create a (artificial) sense of security among recipients that could counteract reflection (Werr, et al, 1997), and, as a result, suppress the type of learning and improvisation necessary for guided changing. As research has suggested, most change processes place heavy demands on the consultant/change agent's cognitive capacity and communication/facilitation capabilities (see Werr, et al, 1997). While this takes place in a variety of role sets – consultant-client, consultant-consultant, and client-client – the latter becomes increasingly important in guided changing.

It is also important to realize that change can be experienced very differently across organizational members (see de Jager, 2003). Directed, planned and guided change can have very different meaning from the perspective of change strategists, implementers and recipients. For example, just because a management group may view a particular initiative as a planned change intervention, a typical guiding assumption is that others in their organization will view it the same way. Depending on how it is carried out, however, recipients can perceive the change as much more directed in nature – and, as a result, have quite different reactions to the change process.

As the pace of change in our business environment continues to accelerate, organizational success will be increasingly dependent on our capacity for continuous adaptation (Weick & Quinn, 1999). All three change management approaches can contribute to this process, however, an appropriate balance across directed and planned change and guided changing appears to be necessary to achieve this ideal. Abrahamson's (2000) notion of "dynamic stability" reflects the essence of such balance, interspersing major (*directed* and *planned*) change initiatives with thoughtful direction and carefully paced periods of smaller, organic (*guided*) changes. Encouraging people to initiate and experiment with change as they see fit may seem risky. But as long as it is accomplished within strategically focused parameters, such guided changing endeavors encourage both incremental changes associated with continuous improvement methods (e.g., Choi, 1995) and transformative, breakthrough changes (Kerber, 2001). A critical challenge for twenty-first century organizations and their change agents is the ongoing development of individuals, teams, and entire organizations that are capable of understanding these different types of change and adapting their change approach to the complexity and uncertainty in which they are immersed.

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