Leadership and Change Management:
Navigating the Turbulent Frontier
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Introduction

"Change is no longer an irregular outing, an inconvenient upheaval to be undertaken once every ten years. Change is something we have to learn to live with, to structure and to manage. Change is here to stay, and the winners will be the ones who cope with it."

- (Bainbridge, 1996, p. 4)

Adaptation to change has become a common agenda for organizations of all types - health care, business, social, governmental, educational, and cultural. The later decades of the twentieth century will go down in history as an "era of perpetual change." In all organizations, the effects of change are multifaceted. "New competitors enter the marketplace and sweep away established customer bases, technology changes the rules of how business can be undertaken, legislation demands changes to the way in which products and services are delivered, and deregulation throws up whole new trading blocks and industry sectors. Behind it all the expectations of customers grow as they become ever more knowledgeable and demanding," (Bainbridge, 1996, p. vii).

Traditional ways of doing business are quickly going out the window. Bureaucracy, control, rigidity and functionalism have become outmoded, and are actual obstacles to change management. Perhaps the biggest obstacle is people's attitude toward change, which are often fixed and resistant. Yet, businesses must continue to function as new capabilities and ways of dealing with change after change are cultivated. Capabilities and resources are the heart of an organization, and are all susceptible to changes: the people, the information technology (IT) systems, the procedures and the management characteristics.

Change within organizations occurs on a myriad of levels. New international and national legislation, aware and discerning customers, the global marketplace, sophistication in IT development, new industries, markets and knowledge sectors, a move towards a flexible, short-term workforce and uncertainty about the future all impact on business and social organizations across the globe. The combination of these widespread changes can create a pressure-cooker environment within organizations struggling to adapt and prosper.

The Phenomenon of Change

Lewin (1951) produced the first viable model of change in his force field model. In this model, change was characterized as a state of imbalance between driving forces and restraining forces. If these forces were balanced or in equilibrium, no change could take place. Change is inherent in every context and is a relative concept. "Every phenomenon is subject to change, however apparently stable its nature," (Wilson, 1992, p. 8). That change exists is a predictable notion. "In every industry and business, change ebbs and flows in recurring cycles that to at least some extent can be charted and therefore anticipated and managed," (Nadler & Nadler, 1998, p. 45).

Change is disruptive, messy, and complicated. Even with the best laid plans, events rarely occur exactly as they were predicted. "Real change in real organizations is intensely personal and enormously political," (Nadler & Nadler, 1998). Change processes entail not only structures and ways of doing tasks, but also the

performance, expectations and perceptions of all involved parties. Change has become widespread and unpredictable, but is still manageable (Bainbridge, 1996). An inherent characteristic of change is that it is risky, especially when it encompasses many different sectors within an organization or society. Change can also be planned or emergent. Wilson pointed out that a shift from emergent models of change to planned ones has steadily occurred over the past two decades. A total shift is not advised though, since the political and economic context of the surrounding environment can not be ignored, and must also be adapted to. Strategies to deal with unplanned change are just as necessary as planned ones.

Effects of Change on Organizations

To effectively adapt to change, most established organizations have a daunting task ahead of them in a variety of operational and procedural areas. Business processes must be redefined and redesigned and adapted to specific geographical and cultural settings. The workforce needs to be retrained to be ready for changes in how work is done, what skills and knowledge is needed, and how to relate to global collaborators and customers. The very culture of an organization needs to be reshaped to properly support the new processes introduced. Structures, reward systems, appraisal measurements and roles need redefinition (Bainbridge, 1996). Leadership styles and management procedures must shift and adapt, and ways of relating with customers, suppliers, and other stakeholders need refining. Technological advances and capabilities must be introduced, and preparation of the workforce to work with the new IT structures is needed.

Successful adaptation to change necessitates "an understanding about how to convert and rebuild from the complexities and legacies of the old, as well as generate designs about the new," (Bainbridge, 1996, p. 12). Change necessitates that organizations realistically move beyond antiquated processes, empower and retrain employees, and incorporate advances in IT into the everyday work setting. No longer are organizations reacting to sequential or occasional change. New changes now occur as organizations are in the throes of initiating the change process. Change has become perpetual. In order to cope, organizations need a design process with strategies and guidelines for thriving amongst a multitude of changes. "Real change is an integrated process that unfolds over time and touches every aspect of an organization," (Nadler & Nadler, 1998, p. 6).

The Role and Issues of Leaders in Guiding Change

The creation and design of change processes within an organization is most often a role of the leaders within it. Change processes which encompass human resources, IT adoption and upgrades, tools and techniques, as well as the basic rules and controls within the organization are the mandate of leaders engaged in the management of change (Bainbridge, 1996). It is up to the leaders to make these change initiatives tangible rather than abstract and to awaken enthusiasm and ownership of the proposed changes within the corporate milieu. Leaders are responsible for bridging the gap between strategy decisions and the reality of implementing the changes within the structure and workforce of the organization. A myriad of details and effects must be acknowledged and addressed for successful adaptation to change in all sectors of a firm.

"Underlying this principle is the fact that almost everything in an organization's infrastructure has an influence on some other part of it. Management style affects culture, technology affects the way staff interact with customers, internal communication methods affect how people work together," (Bainbridge, 1996, p. 37). A holistic approach to change management encourages the redesign and

adaptation to change at all organizational levels. In essence, process itself can become the platform for change to occur, as well as the protector of the existent daily operations.

A clear picture of how the business operates currently is afforded, as well as a picture of how the business must plan, schedule, and undergo the change process.

Nadler and Nadler (1998) emphasized the importance of leaders in organizing and maintaining a climate for change within organizations. Although participation of all players is necessary, the role of the leader in the change process is crucial. Dubbed the "champions of change" it is the leaders, - the top management players who keep the change process moving while maintaining the operational integrity of the organization. Adaptive leaders provide direction, protection, orientation, conflict control, and the shaping of norms while overseeing the change process within the corporate structure (Conger, Spreitzer & Lawler, 1999). Priorities need to be set which encourage disciplined attention, while keeping a keen eye focused for signs of distress within the company members.

Steps to transform an organization were identified by Conger et al (1999). The steps included: a) establishing a sense of urgency; b) forming a powerful guiding coalition; c) creating a vision; d) communicating the vision; e) empowering others to act on the vision; f) planning for and creating short-term wins; g) consolidating improvements and producing still more change and h) institutionalizing new approaches.

A new model of organizational learning is important for survival and adaptation in the new century. Learning is a key requirement for both leaders and followers for any effective and lasting change to occur. "Without learning, the attitudes, skills and behaviors needed to formulate and implement a new strategic task will not develop, nor will a new frame by which selection and promotion decisions are made," (Conger, Spreitzer & Lawler, 1999, p. 127). The authors proposed an action learning process, called Organizational Fitness Profiling to help leaders to learn how to skillfully transform the particular business they are managing. Scheduled dialogues with followers provide information on how leadership style and behaviors impact on values, organizational design, strategies, and follower perceptions. Organizational success is a process of mutual adaptation between leader values and behaviors, existing people, culture, and organizational design amidst an environment of continual and prolific change. This profiling process requires that leaders are courageous enough to learn about their own assumptions and values about change, leadership and management roles and tasks. In essence, "...a paradigm shift in management thinking about leadership and organization development is needed," (Conger, Spreitzer & Lawler, 1999, p. 158).

Types and Complexities of Change

According to Wilson (1992) technology has become the engine of change for many organizations. Nadler and Nadler (1998) credited increased competition and globalization as the most sweeping factors in the new global change environment. Eccles (1994) outlined six contexts of change common to the corporate world. Takeover change, injection change, succession change, renovation change, partnership change, and catalytic change were all identified as inherent and challenging for most modern organizations. Takeover change primarily entails a change in management players. Injection change purports a change in CEO or the top senior manager. Succession change is felt when the top management layer is succeeded by current members who move up the ladder as the existent management retires or moves on. Renovation change entails the planned change process set by

management, while partnership change occurs when the decisions for change is shared across the spectrum of organizational players. "Finally, and in a different style to the other five contexts, there is catalytic change in which an agency, typically a set of consultants or advisors, intervenes on behalf of one or more stakeholders, usually the management," (Eccles, 1994, p. 88).

Lasting change must occur on many levels within an organization (Nadler and Nadler, 1998). The people, the work, and the formal as well as the informal organization are all key factions to be considered and worked on. Nadler and Nadler (1998) identified four different types of organizational change. Incremental or continuous change is the orderly sequence of change that is expected as time and growth progress. Step by step continuous improvement is the most logical reaction to incremental change. Discontinuous or radical change is another matter. "Complex, wide-ranging changes brought on by fundamental shifts in the external environment are radical, or discontinuous, changes," (Nadler & Nadler, 1998, p. 50). Discontinuous change requires radical departures in approach and strategy, often leading to a complete overhaul of the organization.

Anticipatory change is done in the absence of threat, and in preparation for anticipated environmental changes. Reactive changes represent the opposite of anticipatory change, and are responses to threats and competition in the environment. Nadler,

Shaw and Walton (1995) warned that the present era is swiftly becoming one of discontinuous change. "The core competency for business leaders in the twenty-first century will be change management," (p. 273). Leaders will need both skill and the motivation to become constant visionary change agents. Discontinuous change profoundly affects three key areas of any organization: leadership capability, organizational architecture, and corporate identity. Improvisation, innovation and visionary awareness will be the name of the game for successful firms. Planned spontaneity and deliberate opportunism will be the key to survival in a turbulent global environment. Changes may occur in several different sectors of an organization simultaneously. Strategic, structural, cultural, technological, merger and acquisition, breakup and spin-off, downsizing, and expansive changes are all common, complex, and challenging to incorporate into the organizational milieu (Nadler & Nadler, 1998).

Leadership Change Tools and Strategies

Bainbridge (1996) outlined a five step process of redesign for organizations undergoing planned change. The five steps included:

a) the design stage to determine overall requirements;

b) the definition stage where the design is specified and documentation of the design stage requirements occurs;

c) the development stage, where new capabilities are cultivated through training, education and restructuring;

d) the dismantling stage, where redundant parts of the organization are removed or converted into new capabilities;

and e) the deployment stage, where new capabilities are introduced into the new organizational environment, both internally and externally.

This design process is accomplished within a carefully arranged change process architecture. "This includes the link to strategic objectives, the definition of measures and the production of the high-level design itself," (Bainbridge, 1996, p. 53). The vision of change must be expressed as clearly as possible and used consistently to spearhead every step of the change design process, including the specification of design principles. Design principles reflect the context and also the content of both internal and external desired change outcomes. Specification and communication of these principles by leaders are necessary to facilitate adoption and adaptation within the organizational culture. Pettigrew (1987) pointed out the wisdom of considering the content, the context (inner and outer) and the process of change within organizations. There is a need to "explore content, context and process linkages through time," (p. 6).

Strategies of organizational change have become a viable vehicle for business success and the creation of competitive performance. The ability to handle strategic change is now a defining characteristic of successful post-industrial organizations. "The leitmotiv of modern management theory is that of understanding, creating and coping with change. The essence of the managerial task thus becomes one of establishing some rationality, or some predictability, out of the seeming chaos that characterizes change processes," (Wilson, 1992, p. 7).

An open systems approach can facilitate emergent change processes within an organization (Wilson, 1992). The linkages and interdependencies between the organization and the external environment can be used to create a pattern for emergent change adaptation. Galpin (1996) described a process for implementing planned change at a grassroots level, using the strengths and capabilities of the human resources within an organization as the central hub for change. This process included stages of a) setting goals; b) measuring performance; c) providing feedback and coaching and d) instigating generous rewards and recognition. Galpin also outlined the strategic steps leaders needed to employ in order to initiate the change process. These steps were:

• defining the need to change;

• developing a vision of the result of change;

• leveraging teams to design, test, and implement changes;

• addressing the cultural aspects of the organization that will help and sustain change; and

• developing the essential attributes and skills needed to lead the change effort," (p. 123).

Cognitive mapping and computer assistance for group decision support are alternative change strategies that can help to cultivate group support for the planned initiatives (Hendry, Johnson & Newton, 1993). The cognitive maps or strategic belief systems of managers and employees can have a profound effect on how change is planned and implemented. Cognitive maps become a practical tool "by acting as a device for representing that part of a person's construct system they are able and willing to make explicit," (p. 121). However, the cognitive map is "significantly biased by the necessary social interaction, or social gaze, that is the basis of elicitation through interview," (p. 122). Still, cognitive maps can be a strategic tool for negotiation and decision making in the change planning and implementation process.

Flamholtz and Randle (1998) identified strategic transformational planning as a key tool for change in an organization. This process describes the planning necessary to

transform an organization into what it needs to become to maximize the fit and reduce the gaps between corporate size, environment, business concept and organizational design. Flamholtz and Randle labeled these transformations as First, Second, and Third kinds. A First kind transformation related to professional management transformation. Planning revitalization or second kind transformation related to all layers of the corporate pyramid, while business vision transformations (third kind) focused on changes needed to address new markets and the firm's role in the existing markets. All three of these transformations were addressed by using the transformational planning process: a) assessing the environment; b) reviewing the existing business; c) resolving core transformational issues and d) developing the written strategic transformational plan. Organizational managers at the top must exhibit leadership, commitment, and conviction to the change and transformation process (Caravatta, 1998).

Incremental change, often the result of a carefully thought out analysis and planning process, has been the most common form of planned change within organizations (Quinn, 1996). A feeling of control is afforded, enough time and commitment are present, and each step of the process can be trialed and adapted to. However, with the advent of technology and globalization, a deep change is necessary. "Deep change differs from incremental change in that it requires new ways of thinking and behaving. It is change that is major in scope, discontinuous with the past and generally irreversible. Deep change means surrendering control," (Quinn, 1996, p. 3). Deep change on any level entails inherent risk. To adapt to the profound changes of our times, leaders must be willing to go out on a limb, to take some big risks by stepping outside of well-established boundaries.

Effects and Consequences of Change

Noer (1997) cautioned leaders to not rely too heavily on external tools for change. "The futile quest for an external, objective tool is a dysfunctional heritage of the old paradigm; the outgrowth of the erroneous attempt to graft the objectivity of the scientific method onto the subjective phenomena of the human spirit. It is a fundamental mismatch," (p. 15). According to Noer, the leader, as a person, is the most important tool for change. The leader's spirit, insight, wisdom, compassion, values, and learning skills are all important facets in the capabilities to lead others to embrace change and redesign.

To be lasting, deep change must not only be made amidst organizational layers, but within each of the players themselves. Deep personal change can be uncomfortable, yet the need for each member of an organization to become empowered, and internally driven is essential for success in this era of change and evolvement. Quinn cautions that if players are not willing or able to make these deep personal changes, then"slow death" is the alternative. Slow death, "a meaningless and frustrating experience enmeshed in fear, anger, and helplessness, while moving surely toward what is most feared" is the consequence of resistance to change. Burnout can occur if this resistance to change persists, resulting in loss of employment or even destruction of the organization as a whole.

The leader who instigates change within a firm is often subject to speculative suspicion. "Because resistance is so common, learning to overcome it is crucial to managing change at every level," (Nadler & Nadler, 1998, p. 84). The transition stage where the change process is instigated must be handled expertly and with enthusiasm. Leaders must own and align the proposed changes, setting expectations, and modeling and communicating the rationale to all members of the organization. The processes of engaging and rewarding help to motivate members, smoothing the transition period, and attempting to win the hearts and minds of all

involved to the change process.

Preparing for and Thriving in the Continuous Change of the Future

Quinn (1996) enthused that "We are all potential change agents. As we discipline our talents, we deepen our perceptions about what is possible. Having experienced deep change in ourselves, we are able to bring deep change to the systems around us," (p. xiii). Leaders who have embraced deep change personally are able to design change processes that reflect a heroic yet enlightened leader stance, one that imparts enthusiasm and vitality into the other members and creates a new perspective of the logic and wisdom of moving with the flow of change. Nadler and Nadler (1998) described a four part matrix of responses to change: tuning, adapting, redirecting and overhauling. "Tuning" represents an anticipatory change process in response to incremental or continuous change, while "adapting" represents a reactive response. "Redirecting" is an anticipatory response to discontinuous, radical change, while "overhauling" represents a reactive response to discontinuous change.

To survive the effects of continuous change, leaders need to accomplish three major tasks: a) to shape the political dynamics of the change process; b) to motivate change; and c) to manage the transition period (Nadler & Nadler, 1998). Pasmore (1994) identified flexibility as a key trait for successful change implementation. "Another strategy must be employed, one that prepares the organization for continuous change in a world that provides no stability and accepts no excuses for being unprepared; a strategy based on flexibility. Being flexible means being able to change everything, all at the same time," (p. 5). In today's world, this flexibility relates to people, technology, ways of thinking, ways of leading, and to the actual organizational design. The trick it seems, is to realize that once a change is achieved, change is not finished. It is ongoing and perpetual (Hambrick, Nadler, & Tushman, 1998).

"Norms, values, and common operating principles rather than rules and direct supervision will furnish the cohesion necessary to provide direction and coordination," (Nadler, Shaw & Walton, 1995). The effective leader will shape the vision and values of the organization, and spend considerable time in developing team leaders and members. A strongly developed and integrated culture and network of individuals who use their own sense of leadership will boost the organizational capabilities for successful adaptation to changes of all kinds and magnitudes.

Conger, Spreitzer and Lawler, (1999) warned that old ways of shaping behaviors in employees, namely rational persuasion and coercion are outmoded and will not work in the future. In the past these have rarely been successful in perpetuating lasting change. In the future, they could be deadly to any organization. Instead, a change style reminiscent of the behaviors used by Martin Luther King, and M. Gandhi are suggested: an empowering self-modification strategy.

This technique is based more on a moral-relational premise rather than a political-technical paradigm, which "requires the change agent to employ a high level of cognitive, behavioral, and moral complexity," (p. 164). To shake people out of complacent stances, or from taking "the path of least resistance" true empowerment must be experienced. Members must feel both challenged and supported for feelings of empowerment to develop. In effect, this entails leaders who are willing to model the desired behaviors: the ability to walk at the edge of chaos by stepping outside the comfort zone and letting go of control. The internal discipline, vision, expectation and sensitivity of the leader is enhanced, which is apparent to followers and peers alike. "In freeing self from external sanctions through personal modification, the change agent obtains increased understanding, enlightenment, or vision about direction and strategy," (Conger, Spreitzer & Lawler, 1999, p. 170).

Summary

Today's fast-paced environment requires people and organizations to develop the ability to adapt to pervasive change and upheaval (Conger, Spreitzer & Lawler, 1999). "Cutting-edge technology, the triumph of capitalism over communism, a burgeoning global economy, a billion new entrants to the global workforce, and a surplus of products all feed into an environment that is highly competitive and fast-changing," (p. xxxi). The key to successful organizational change, is heroic and learned change management by competent and visionary leaders. Change can be managed in a top-down style or as a highly participative exercise from all levels of personnel. Change is context specific, meaning that no single change process is appropriate for every situation or corporate entity.

Leaders are responsible for setting the context for change within an organization. A culture and vision must be cultivated that can support the planned changes, and deal with unplanned change. Envisioning, energizing, and enabling are all important strategies for rallying support for change initiatives. Leaders must be able to counsel, teach, coach, and reward employees as they adopt and move through the change process. For lasting change to occur, habits, attitudes, and values at all levels of an organization must be congruent with the vision and goals inherent in the process.

Transformative leaders share fundamental characteristics that allow them to enable organizational members in the change process (Conger, Spreitzer & Lawler, 1999). They are able to generate the energy needed to undertake the change process; use vision to lead; have a total system perspective; create a sustained process of organizational learning embedded in a systemic change implementation process. "They must create a transformative process architecture to orchestrate the passage from current to vision state," (p. 225). As success in the transitional context of change is experienced, comfort and preparedness is developed, equipping the organizational members with capabilities to deal with even greater change. Change has become the name of the game, and the wise leader embraces it with open arms. The success of the corporate entity and the people within it depends on it.

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