

*James McCalman, Robert A. Paton & Sabina Siebert*

# CHANGE MANAGEMENT

A Guide to

## EFFECTIVE IMPLEMENTATION



# CHANGE MANAGEMENT

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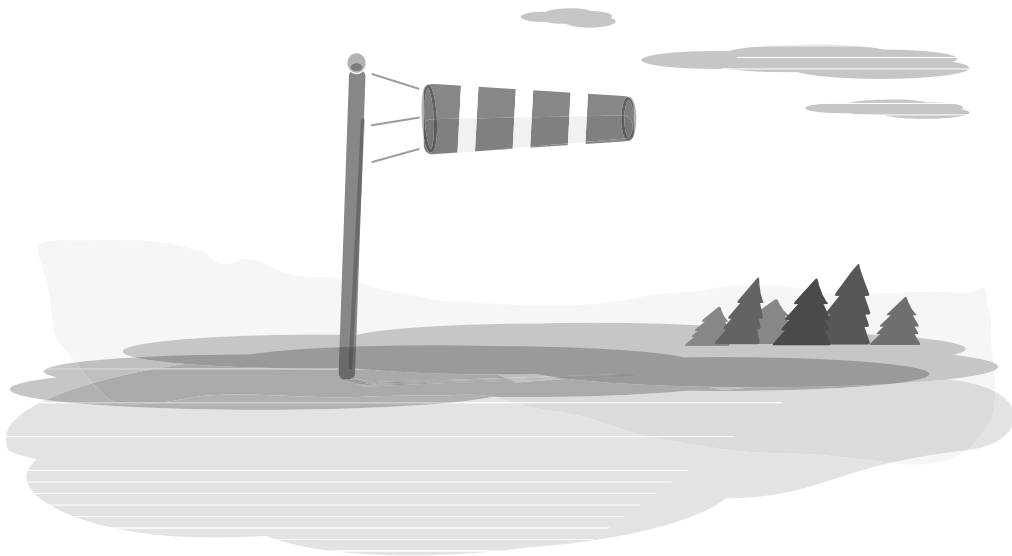
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From James McCalman  
To Sara, for all her love and support and to my Dad,  
James Honeyman McCalman

From Robert A. Paton  
To my family

From Sabina Siebert  
To my family



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# GUIDED TOUR



## Learning Objectives

By the end of this chapter you should:

- Be able to establish who is best placed to manage a particular change scenario.
- Understand the managerial competencies associated with change management.
- Identify potential sources of resistance and how they may be addressed.
- Recognize and apply the key golden rules of the effective change agent.

One view of change in organizations is that managers should not let the change happen; instead they should actively manage it. The question of who should manage change – managers (i.e. the insiders) or external consultants (i.e. the outsiders) – remains one of the contested issues debated on the pages of change management textbooks. This chapter discusses both roles – the manager and the outsider – in managing change and outlines the competencies needed to do the job effectively. Let's look at these two roles in turn.

### Change and the Manager

Organizations and their managers must recognize that change, in itself, is not necessarily a problem. The problem more often than not is a less than competent

### Reader Activity 2.1

If organizations do not manage their communications, others will. The media, unions, the 'rumour mill' and competitors are only too willing to assist the 'silent' corporation in their time of need. Effective communication, designed to inform, consult and promote action, will assist in overcoming both resistance to change and ignorance. Communicating change initiatives via social media can bring immediate benefits to the 'change owner', but it may also pose reputational risks. What are such possible risks?

### Resistance to Change

An organization can create an operating environment, both internally and throughout its supply chain, which encourages an opportunistic stance to be adopted. However, no matter how welcoming an organization is to change, it will still face a degree of employee, supplier, distributor, stakeholder and consumer resistance to change. It may manage to reduce the frequency and potency of such resistance but it will never eradicate the fear of the unknown.

Why do people resist change? Quite simply because they fear the unknown and are comforted by the familiar. Also very often successes and power bases are rooted in the past and present, not necessarily in the future. Why risk losing position, control and reputation?

It ought to be remembered that there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things. Because the innovator has for enemies all those who have done well under the old conditions, and indifferent defenders among those who may do well under the new. (Machiavelli, *The Prince*)

Kanter (1983) echoes Machiavelli's thoughts. She points out that it is always far easier to say yes, in the first instance, to a new idea for in the early developmental stages its impact will be minimal. Once the development work starts to produce results then the detractors will appear and a host of negative comments and actions materialize. No matter the extent to which an organization has designed procedures, structures and cultures to encourage openness, responsiveness and innovation, there will always be detractors. All too often we forget that: 'We are not creatures of circumstance, we are the creators of circumstance' (Disraeli).

When facing an uncertain personal change it is easy to forget mankind's successes in shaping the world. Unfortunately, organizations, individuals and groups often fear change for many rational reasons:

## Learning Objectives

A bulleted list of all the key points you should understand by the end of each chapter.

## Reader Activities

Regular signposted activities are included to encourage you to foster an active engagement with key theories and concepts.

### Websites

<https://www.changemakers.com/storytelling>  
<http://www.organizational-storytelling.org.uk/>  
<http://www.pwcohistory.com/blog/>  
<http://www.forbes.com/sites/danschawbel/2012/08/13/how-to-use-storytelling-as-a-leadership-tool/>

### Case Study

The following case study comes from Dawson, P.M. and McLean, P. (2013) 'Miners' tales stories and the storytelling process for understanding the collective sensemaking of employees during contested change', *Group & Organization Management: An International Journal*, 38(2): 198–225.

The decision to institute an appraisal system was initiated by the chief executive officer of a large multinational mining company who decided, without consultation with locally situated stakeholders, that a performance management system would be introduced for underground coal miners and gave directions to middle managers to implement this initiative. A senior HR manager at one of the collieries was co-opted to direct the implementation of the project throughout the division and was given the title of Performance Management Superintendent. He canvassed the views of mine managers on the topic and then conducted a search in other industries for a performance management system which he could appropriate for service at the coal mines within his jurisdiction. An appraisal system in use in a steel works in another city became the template for use at Glenrothes Colliery. Management was completely unprepared for the vehement resistance from coal miners that occurred even before the first round of appraisals. Miners refused to participate in the appraisal process until forced to do so by the Industrial Relations Commission, which ruled that performance appraisal was a legitimate managerial prerogative. Miners then insisted on their right to have a union official accompany them during their performance review meetings. Management responded by insisting that a senior HR manager accompany the reviewer at these meetings [which...] averaged over two hours in length as miners argued over their scores on each of the performance criteria. There were massive resource implications in pursuing this change initiative that caused disruptions to shift crews and a lowering of productivity through having four men tied up in every single review. The introduction of comparative

support that group culture even if their personal values do not entirely agree with some of the established dominant values in use that are sanctioned as normal in the culture.

### Mini Case Study 3.1 Cultural Values – The John Lewis Partnership

In modern times the value framework has been used to craft a bespoke company organizational culture. An excellent example of a company that has internalized a value framework that guides their operating culture and aims at integrating the goals and aspirations of the employees with those of the organization through a culture of collaboration and self-actualization opportunities is The John Lewis Partnership, a British retailer. The founder of The John Lewis Partnership, John Spedan Lewis, signed away his personal ownership rights in his expanding retail company to allow future generations of employees to take forward his 'experiment in industrial democracy'. Mr Lewis established a values framework that would guide the trading activities of the company for generations. This values framework was enshrined in what is now called the John Lewis Constitution.



Image 3.1 The Constitution of the John Lewis Partnership

Source: Courtesy of the John Lewis Partnership Archives [www.johnlewispartnership.co.uk/about-us/constitution.html](http://www.johnlewispartnership.co.uk/about-us/constitution.html)

The Constitution details the personal values that motivated the founder and would preserve his legacy throughout the passage of time. The Constitution states that,

## Case Studies and Mini Cases Studies

Full-length and shorter case studies with examples from real-life business practice and questions to test your understanding of the topic.

Managers, organizations and the societies they serve would be naive, even fatalistic, if they failed to realize the necessity of planning for the future. Planning for planning's sake must be avoided. The ultimate failure of centralist planning initiatives, such as those adopted in the past by the Soviet Union, China and even the American automotive giants such as Chrysler, along with many corporations in the 1960s and 1970s, illustrate the need to be responsive. Plans must be flexible and in tune with the environment in which they are to be implemented. Operating environments, in the broadest sense of the term, need to be understood and managerial actions must reflect their complexities and intentions.

There is no evidence to suggest that the rate and the nature of change are likely to alter dramatically. Technologies, industries and societies will continue to converge. Organizations will continue to seek strategic alliances and maximize the benefits associated with a well-managed supply chain. Managers and employees will be judged, as they are now, on their ability to cope with and manage change. Adaptability, continuous improvement, lifelong learning and sustaining competitive advantage remain the watchwords.

Corporate winners, whether public or private enterprises, will have fostered and maintained a desire to succeed through progressive, dynamic and challenging initiatives. Strategies and cultures that welcome, address and imaginatively manage change will continue to triumph. We will return to the theme of maintaining a competitive advantage in Part 3 of the book, but in the meantime the following quote seems to encapsulate the general message:

The first law of the jungle is that the most adaptable species are always the most successful. In the struggle for survival, the winners are those who are most sensitive to important changes in their environment and quickest to reshape their behaviour to meet each new environmental challenge. (Gunter, 1995)

### Points for Discussion

1. Think of an organizational restructuring initiative which you have witnessed or experienced as an employee or stakeholder. To what extent was an ISM approach followed and did it work?
2. In this chapter we argued that the evaluation of the solutions stage is crucial in the implementation of systems' change. What are the potential consequences of inadequate evaluation of options?
3. In certain circumstances politics may intervene in the decision-making process. Can you think of examples of situations where this has happened?

### Acknowledgement

We would like to express our thanks to Dr David Potter of the Cultural Change Company whose work forms the basis of this chapter.

### Recommended Reading

As you would expect there is a vast amount of material relevant to cultural change. We have selected two books, four websites and five interesting but differing articles for further reading. These range from examining managerial morals and culture change from an Anglo-German perspective, through Luhmann's theory of organizations and how this relates to culture, social systems and structure, to sense-making and how bias informs and influences cultural change. On a practical note, two of the websites relate to organizations who deal exclusively in cultural change with organizations.

### Books

Frost, J.P., Moore, F.L., Louis, R.M., Lundberg, C.C. and Martin, J. (1991) *Reframing Organizational Culture*. London: Sage.  
 McCalman, J. and Potter, D. (2015) *Leading Cultural Change. The Theory and Practice of Successful Organizational Transformation*. London: Kogan Page.

### Journal Articles

Johnson, G. (2000) 'Strategy through a cultural lens', *Management Learning*, 4: 429–52.  
 Landau, D., Dorot, I. and Terjesen, S. (2014) 'Multiple legitimacy narratives and planned organizational change', *Human Relations*, 67(1): 1321–45.  
 Mabeck, N., Tremblay, M.-S. and Gendron, Y. (2012) 'Sense-making in compensation committees: a cultural theory perspective', *Organization Studies*, 33(3): 389–421.  
 Martens, W. (2006) 'The distinctions within organizations: Luhmann from a cultural perspective', *Organization*, 13(1): 85–108.  
 Molhan-Hill, P. (2014) 'The moral muteness of managers, an Anglo-American phenomenon? German and British managers and their moral reasoning about environmental sustainability in business', *International Journal of Cross Cultural Management*, 14(3): 289–305.

### Websites

<https://www.youtube.com/watch?v=WFqGt4G2Qk>  
<https://bbc.com/2012/07/cultural-change-that-sicks>  
<http://culturalchange.co.uk/cc/>  
<http://www.strategyand.pwc.com>

## Points for Discussion

Reflective end-of-chapter questions designed to get you discussing the concepts with classmates to focus your learning.

## Recommended Reading

A list of relevant reading suggestions, ranging from books, journal articles and online resources, for further research into the important ideas and concepts explored in every chapter.

# FOREWORD

**CHRISTOPHER RODRIGUES CBE**  
**CHAIRMAN, VISITBRITAIN**

A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.

Wayne Gretzky, Canadian ice hockey player

We live in a world full of change. The ability to lead change even became a platform on which the 2012 US Presidential Election was fought. Mastering change management is a key skill for the twenty-first century and living with change is a key survival skill.

This book addresses some of the key issues related to change from a practical, hands-on and realistic perspective. It will help the reader understand how to lead change, engage with change and survive change.

One of the key elements of change management about which we are all still learning is how to achieve it on a global basis. While the desired outcomes may be the same the world over the means of getting there can be very different. International organizations need the sensitivity not to drive through change using the culture of their home market. Europeans, Asians, North Americans and South Americans are not the same; they don't have the same value systems and they don't react to change in an identical manner. That much I learned for certain when I was CEO of Visa International.

I therefore very much welcome this updating by James McCalman, Robert A. Paton and Sabina Siebert of their successful text on *Change Management*. The focus remains very firmly on the 'nuts and bolts' of organizational change – competing resources, politics, conflicts of interest and understanding. But the reader also benefits from change being examined from two very different angles – the organized *systems perspective* and a focus on *people development*.

I think the book also succeeds by providing detailed case analyses and in particular illustrations of change for growth and innovation. These stories of real world change in action give readers pause for thought and help them reflect on the change management issues they raise and the potential lessons for their own organization.

The fourth edition also brings change itself in terms of introducing new subject areas that have come to the fore since the publication of the third edition. *Leadership*, with its impact on management style and change, is a welcome addition. So too is the focus on *organizational power and politics* which can have a significant impact on the success or failure of change programmes particularly in the area of competing narratives which the authors also address. Finally, they examine *complexity from a knowledge perspective* – how to overcome internal barriers to release organizational potential.

The book remains true to its original beliefs – change can be managed, but only by the driven and the willing. The debate on the best ways to manage change continues. Individuals and organizations will address the issues in a myriad of ways. Readers can use the material in this volume – coupled with their own experience – to evaluate the arguments and address the practical aspects of change implementation.

I wish you every success in your endeavours.

Christopher Rodrigues  
Chairman, VisitBritain  
<http://www.visitbritain.com/>



# ABOUT THE AUTHORS

Formerly Managing Director of Sotheby's Institute of Art, **Professor James McCalman** is currently the Head of the Centre for Strategy and Leadership at the University of Portsmouth. He has previously enjoyed roles as MBA Director at the Universities of Glasgow and Strathclyde as well as Ashridge Business School before moving to senior leadership roles in the private and charitable sectors. His most recent previous post was Chief Executive for the Windsor Leadership Trust, a charity delivering senior leadership development programmes to the private, public, military and charitable sectors at Windsor Castle.

James is a senior academic with executive and leadership experience in the private, charity and higher education sectors. He has driven several change/transformation projects and gained wide experience of management and postgraduate teaching in the UK, Europe, Southeast Asia and the United States. His current research interests include leadership, culture and the politics of organizational change.

**Professor Robert A. Paton** is the Director of Graduate Studies (Adam Smith Business School) and a Deputy Dean (College of Social Sciences) at the University of Glasgow. He researches, publishes and lectures in change, knowledge transfer and service innovation. He has collaborated widely and is currently working with the Glasgow School of Art on design-led innovation. At present he is particularly interested in the promotion of meaningful and sustainable service transactions within partnerships. He has recently published in the *European Management Journal*, *Long Range Planning*, *International Journal of Human Resource Management* and the *International Journal of Operations and Production Management*.

**Dr Sabina Siebert** is a Senior Lecturer in Management in the Adam Smith Business School, University of Glasgow. Her research interests include organizational trust and trust repair, sociology of the professions, and management in the creative industries. She employs a range of qualitative methodologies including discourse analysis, narrative analysis and organizational ethnography. Sabina has published in various journals, including *Organization Studies*, *Sociology*, *Social Science and Medicine* and *Work Employment and Society*. She is currently the Editor-in-Chief of the *European Management Journal*. Sabina holds a visiting appointment in Macquarie University in Australia. The subjects she has taught include change management, organizational behaviour, human resource management and research methods.

# ACKNOWLEDGEMENTS

The ability to get on well with people is a distinct benefit in both teaching and writing about the management of change. We therefore, once again, need to thank a host of friends, colleagues and acquaintances.

Particular thanks must go to David Potter from The Cultural Change Company whose own research works provide the basis for the Chapters on culture and leadership.

We would like to express our thanks to Ramona Blanes and Laurence Dessart, both currently doctoral researchers at the Adam Smith Business School, University of Glasgow, for their assistance in sourcing and compiling case material, particularly with regard to Chapter 6 and 8 respectfully. Also for support during the final stages of editing and in seeking permissions, we express our gratitude to Joannah Duncan, the Managing Editor for the *European Management Journal*.

James McCalman, Robert A. Paton and Sabina Siebert



# PART 1

## THE IMPACT AND DEFINITION OF CHANGE

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# INTRODUCING CHANGE MANAGEMENT

Change may be regarded as one of the few constants of recorded history. Often society's 'winners', both historically and contemporary, can be characterized by their common ability to effectively manage and exploit change situations. Individuals, societies, nations and enterprises who have at some time been at the forefront of commercial, and/or technological expansion, have achieved domination, or at least competitive advantage, by being innovative in thought and/or action. They have been both enterprising and entrepreneurial.

Management and change are synonymous; it is impossible to undertake a purposeful journey without first addressing the purpose of the trip, the route you wish to travel and with whom. Managing change is about handling the complexities of travel. It is about evaluating, planning and implementing operational, tactical and strategic 'journeys'.

Today, organizations throughout the world face unprecedented economic drivers for change. These change drivers are forceful beyond any recent historical precedent. The emphasis advanced through the media is for economic change. The underlying theme that is pressing upon organizations is one of economic determinism. However, what has not yet reached the media is the change in leadership, management and organization necessary to support a re-invented model of organizations that can gain acceptance to trade with in the future. The cultural paradigm that was sufficient to support the delivery of services provided by the banking system and the public sectors as well as many competitive private sector organizations over the past 30 years needs to be deconstructed and a new cultural paradigm that is a hybrid of the best practices from both the private and the public sector needs to be built in place of

the old one. The need to embrace a strong sense of corporate social responsibility and to operate to an ideology akin to that of social capitalism is acute. The strategic priority facing senior executives and political leaders throughout is one of significant cultural change in their operating ideologies and cultural paradigms (Bones, 2011).

Change has been studied and researched for many years. Philosophies, theories, models and techniques abound; all aim, with various degrees of credibility and success, to deliver sustainable organizational change (Todnem By, 2005). Whittington and Mayer (2002) argue in favour of the notion of 'adaptive reorganization' where frequent redesign is part of organizational performance. And to feed the beast of change Armenakas and Bedeian (1999), in a review of both theoretical and practitioner research models related to change, concluded that organizational change literature and the underpinning research continue to be highly responsive to the demands of management and also the workplace and market. Demand for change literature remains high as managers continue to strive for that 'perfect' change as many continue to consider reported failure rates, as high as 70%, rather excessive (Balogun and Hope Hailey, 2004). However, these figures are very much disputed (Hughes, 2011).

Our purpose in writing this book is to try to begin to resolve some of the questions that you might ask when faced with the concept and reality of change. How do I cope better with the journey? We have deliberately set this book out in a framework, which offers models for tackling the different change scenarios facing individuals and organizations. However, we have also set out to provide examples of how and where the models are used. What we wanted from this book, for ourselves and for the reader, were four things:

1. valid and defined models for the effective management of change;
2. proactive approaches to change that relate to internal and external business performance;
3. practical, step-by-step means of handling change;
4. illustrations of the use and validity of the models through current, real-life case studies.

If we are successful, you will leave this book with the sense that the management of change is a complex, dynamic and challenging process rather than a set of recipes. In most examples of successful change those responsible have developed clear and shared visions of where they are going and have linked these to implementation strategies designed to produce the desired results. We believe that change management is never a *choice* between technological, organizational or people-oriented solutions, but involves combinations for best fit; integrated strategies designed to produce results. In this sense, the management of change adopts the contingency approach to organizations – it all depends. However, recognition of what it depends on is the subject of this book.

Successful exploitation of a change situation requires:

- knowledge of the circumstances surrounding a situation;
- understanding of the interactions; and
- the potential impact of associated variables.

One can try to predict and prepare for the future. Indeed history teaches that failure to do so will undoubtedly result in the same mistakes being made. However, it is best to remember that such predictions produce at best a blurred picture of what might be and not a blueprint of future events or circumstances. Future scenarios are dynamic as are one's abilities to manage them! Only the effective and progressive management of change can assist in shaping a future which may better serve the enterprise's survival prospects.

## The Importance of Change

---

Change will not disappear nor dissipate. Technology, civilizations and creative thought maintain their ever-accelerating drive onwards. It could be argued that a state of continuous change has almost become routine (Luecke, 2003). Managers, and the enterprises they serve, be they public or private, service or manufacturing, continue to be judged on their ability to effectively and efficiently manage change. Unfortunately, for the manager of today the ability to handle complex change situations will be judged by ever-decreasing time scales.

The pace of change has increased dramatically. Since the publication of the last edition of this book there have been a number of global change events that have had and are continuing to have an impact on the way we all live, work and play. In particular how will we, at all levels and dimensions of our societies, manage the future scenarios associated with:

- The global economic recession;
- Social networking;
- Climate change and the impact on an increasingly fragile earth – governmental, social and organizational responses to the associated challenges;
- China's changing global role; and
- An increasing movement towards moral and social responsibility in Leadership and Change.

The web is enabling globalization to march on apace, shaping the way we work and trade, while environmental pressures threaten the reliability of the physical supply chains that underpin globalization and the growth of China, India and the Pacific Rim economies. Global change can seem remote from the individual or enterprise. But how might the software engineer, working for a global organization (reliant on both



the stability of world markets and supply chains), logged onto the company portal in Dublin, solving a problem networked with colleagues in Delhi, Budapest and New York (whom they will never physically meet nor travel with to the office), all, for a client based in Sichuan (who has sourced the solution via the web), view this new exciting world? How would you manage such an individual, their network or indeed the client interface?

Businesses and managers are faced with highly dynamic and ever more complex operating environments. Technologies and products, along with the industries they support and serve, are converging. Is the media company in broadcasting, or telecommunications, or data processing, or indeed all of them? Is the supermarket chain in general retail, or is it a provider of financial services? The iPhone isn't merely a device for texting (honest!) but part of an integrated multimedia communications package.

As industries and products converge, along with the markets they serve, there is a growing realization that a holistic approach to the marketing of goods and services is required, thus simplifying the purchasing decision. Strategic alliances, designed to maximize the 'added value' throughout a supply chain, while seeking to minimize costs of supply, are fast becoming the competitive weapon of the future. Control and exploitation of the supply chain makes good commercial sense in fiercely competitive global markets. The packaging of what were once discrete products (or services) into what are effectively 'consumer solutions' will continue for the foreseeable future (Paton and McLaughlin, 2008). Combined with the general ability to replicate both 'hard' and 'soft' innovations within ever diminishing time scales, the creative and effective management of change is placed well towards the top of the core competencies required by any public or private enterprise. The networked age supported by integrated supply chains, distributed manufacturing and integrated product offerings is here to stay.

This new world is a fragile one. Old traditions, conventions and belief systems are being challenged. Regulatory pressures, as one would expect, are increasing as those deemed to be in control (governments, civil services, politicians, managers and social leaders) attempt to both direct and manage in an increasingly dramatic and dynamic environment. In this new age staying marginally ahead of the game could be considered not only an achievement but also a prerequisite for survival.

### Reader Activity 1.1

Identify two or three colleagues, friends or relations who are, or have been, in management or business positions. Ask them, without prompting, what they find challenging about their job? What do they find most frustrating? Attempt to find out what strategies and/or skills they employ to manage challenging and frustrating situations.

How can you manage change in such a fast moving environment, without losing control of the organization and existing core competencies? There are, as one would expect, no easy answers and certainly no blueprints detailing best practice. Designing, evaluating and implementing successful change strategies largely depends upon the quality of the management team, in particular the team's ability to design organizations in such a way as to facilitate the change process in a responsive and progressive manner.

## The Imperative of Change

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Any organization that ignores change does so at its own peril. One might suggest that for many the peril would come sooner rather than later. To survive and prosper, organizations must adopt strategies that realistically reflect their ability to manage multiple future scenarios.

Drucker (1997: 20–4), for example, argues that:

Increasingly, a winning strategy will require information about events and conditions outside the institution ... Only with this information can a business ... prepare for new changes and challenges arising from sudden shifts in the world economy and in the nature and content of knowledge itself.

Bamford and Forrester (2003) agree, stating that a 'realistic approach to change must take into account multiple and varied forces'. They note the importance, in relation to a realistic take on change, of the history of the organization, customers, suppliers and the economic environment, while stressing the need to also take into account both national and international legislation. Balogun (2007) recognizes the inevitability of organizational restructuring in the face of ever changing competitive, economic and social factors: she stresses the need to consider the actual practice of change, the internal environment, and the need to align strategic aspirations with practical realities. In short, restructuring must take into account those at the 'sharp end': the middle management.

If we take an external perspective for a moment, the average modern organization has to come to terms with a number of issues, which will create a need for internal change. At the point of writing we can identify six major external changes that organizations are currently addressing or will have to come to terms with in the new millennium:

1. A larger global market place made smaller by enhanced technologies and competition from abroad. What three things would you see as realistic change opportunities for you?
2. A worldwide recognition of the environment as an influencing variable and government attempts to draw back from environmental calamity. The legal, cultural and socio-economic implications of realizing that resource use and allocation is a

finite issue and that global solutions to ozone depletion, toxic waste dumping, raw material depletion and other environmental concerns will force change on organizations, sooner rather than later. What three things would you recommend that your local community do?

3. Health consciousness as a permanent trend amongst all age groups throughout the world. The growing awareness and concern with the content of food and beverage products has created a movement away from synthetic towards natural products. Concerns have been expressed about the spread of 'bird flu', genetically engineered foodstuffs and the cloning of animals. What opportunities does this afford the individual organization in dealing with the demands of a more health conscious population?
4. Changes in lifestyle trends are affecting the way in which people view work, purchases, leisure time and society. A more morally questioning, affluent, educated and involved population is challenging the way in which we will do business and socialize. How do you think this will mean you live your life?
5. The changing workplace creates a need for non-traditional employees. Organizations are currently resorting to a core/periphery workforce, zero hour contracts, multi-skilled workers and outsourcing. A greater proportion of the population who have not been traditional employees will be attracted into the labour force. Equal opportunity in pay and non-pecuniary rewards will be issues in the future. Growth in the retirement age, pension gaps and shortfalls will create pressures on people to remain in work. What does that mean for you if you're about to graduate?
6. The knowledge asset of the company, its people, is becoming increasingly crucial to its competitive well being. Technological and communication advances are leading to reduced entry costs across world markets. This enables organizations to become multinational without leaving their own borders. However, marketing via the Internet, communication via social networking and other technology applications are all still reliant on the way you organize your human resources. Your only sustainable competitive weapon is your people. How do you expect to be managed when you join an organization?

The extent to which we could have picked half a dozen other issues for discussion indicates the imperative for change in organizations. What is important, however, is recognition that change occurs continuously, has numerous causes and needs to be addressed all the time. Lawler (1986) sums this up quite effectively by noting that,

Overall, planned change is not impossible, but it is often difficult. The key point is that change is an ongoing process, and it is incorrect to think that [a] visionary end state can be reached in a highly programmed way.

The difficulty is that most organizations view the concept of change as a highly programmed process which takes as its starting point the problem that needs to be

rectified, breaks it down to constituent parts, analyses possible alternatives, selects the preferred solution, and applies this relentlessly – problem recognition, diagnosis and resolution. Such an approach may be considered to be simple, straightforward and relatively painless. But what if the change problem is part of a bigger picture? For example, scientists are now 95% sure that mankind has caused global warming, but how do we respond? ‘It’s not our problem, and we’ll leave it for the politicians to sort out.’ This is a simple and effective response but progressive organizations are already providing their own solutions and recognizing that climate change will not be resolved by governmental action alone. This is a problem that nations have difficulties trying to address. As an issue, it creates an imperative for change. There are two ways of responding to that imperative. The individual organization can wait for legislation to hit the statute book and react to the legislation, or it can anticipate and institute proactive change, which most organizations won’t do. That’s because they are geared and managed to run on traditional, analytical lines of decision-making – if it isn’t broken, why fix it? What we would like to suggest here is that before it even gets to the point where a slight stress fracture appears, organizations should be addressing the potential implications of change scenarios, and dealing with them accordingly.

## The Impact of Change

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What makes an organization want to change? There are a number of specific, even obvious factors, which will necessitate movement from the status quo. The most obvious of these relate to significant changes in the external environment. For example, global warming drives regulatory, social and commercial forces to converge upon those perceived to be the key producers of greenhouse gases. Automotive giants and the petroleum producers are increasingly searching for technological solutions to offset the negative impacts of traditional fossil fuels. Governments are emphasizing the need to lessen our carbon footprint resulting in higher taxes on fossil fuel; investment in public transport; and, the incentive-driven search for more efficient energy sources. Such external pressures have existed throughout time. Pettigrew (1985) pointed out that there were no clear beginnings and ends to strategic change. Environmental disturbances were seen as the main precipitating factor, but he also believed that these were not the sole causes of, or explanations of change. Burnes (2004) and Dawson (2003) also point to what might be termed the discontinuous nature of change, citing the ad hoc nature of change events, occurrences of multiple change initiatives, and multiple triggers as evidence of discontinuity.

To attribute change entirely to the environment would be a denial of extreme magnitude. This would imply that organizations were merely ‘bobbing about’ on a turbulent sea of change, unable to influence or exercise direction. This is clearly not

the case. Pettigrew (1985) went on to argue that changes within an organization take place both in response to business and economic events and to processes of management perception, choice and action. Managers in this sense see events taking place that, to them, signal the need for change. They also perceive the internal context of change as it relates to structure, culture, systems of power and control. This gives them further clues about whether it is worth trying to introduce change. But what causes change? What factors need to be considered when we look for the causal effects which run from A to B in an organization?

We would like you to consider changes that have impacted you, your family, organization or networks you've engaged with over the last year. How often were changes a reaction to events outside your control? For example, can you cite instances linked to:

- Changes in technology;
- Changes in customer expectations or tastes;
- Changes as a result of competition;
- Changes as a result of government legislation;
- Changes as a result of alterations in the economy, at home or abroad;
- Changes in communications media;
- Changes in societies' value systems;
- Changes in the supply chain;
- Changes in the distribution chain?

Internal changes can be seen as responses or reactions to the outside world and are regarded as external triggers. There are also a large number of factors which lead to what are termed internal triggers for change. Organization redesigns to fit a new product line or new marketing strategy are typical examples, as are changes in job responsibilities to fit new organizational structures.

The final cause of change in organizations is where the organization tries to be ahead of the game by being proactive. For example, where the organization tries to anticipate problems in the market place or negate the impact of worldwide recession on its own business, proactive change is taking place.

## Change and Transition Management

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If the concept of change can be examined from an internal, external or proactive set of viewpoints, then the response of managers has to be equally as widespread. Buchanan and McCalman (1989) suggested that this requires a framework and termed it Perpetual Transition Management. Following from Lawler's (1986) concept of the lack of a visionary end state, what appears to be required is the ability to deal with constant change. This transition management model, although at the time related to

large-scale organizational change, has some interesting insights into what triggers change in organizations and how they respond. It suggests that four interlocking management processes must take place both to implement and sustain major organizational changes. These processes operate at different levels, and may involve different actors in the organizational hierarchy. The four layers are:

*The trigger layer:* concerning the identification of needs and openings for major change deliberately formulated in the form of opportunities rather than threats or crises.

*The vision layer:* establishing the future development of the organization by articulating a vision and communicating this effectively in terms of where the organization is heading.

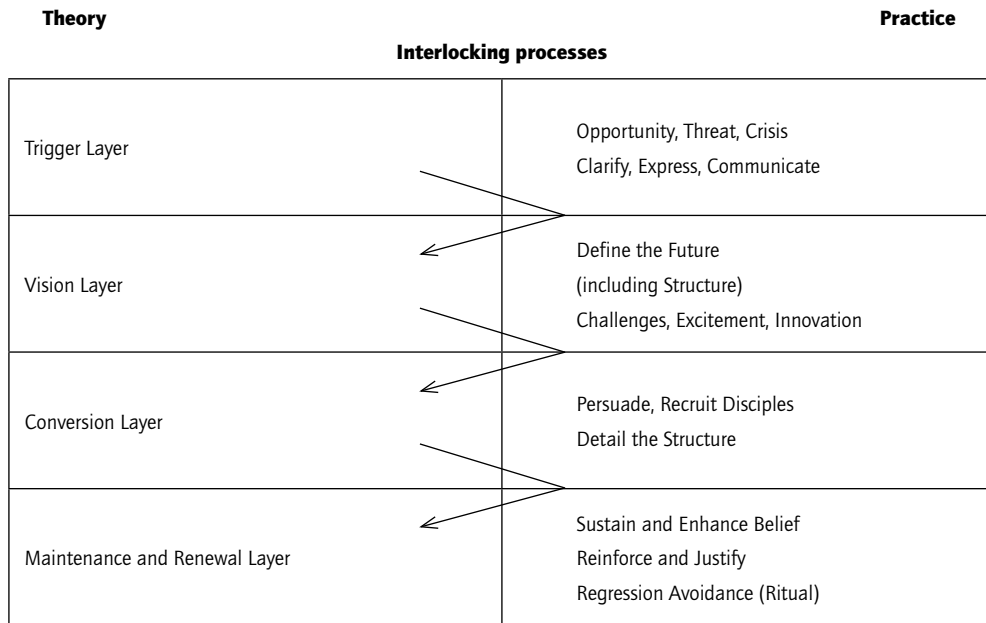
*The conversion layer:* setting out to mobilize support in the organization for the new vision as the most appropriate method for dealing with the triggers of change.

*The maintenance and renewal layer:* identifying ways in which changes are sustained and enhanced through alterations in attitudes, values and behaviours, and regression back to tradition is avoided.

Transition management suggests that organizations have to plan for, divert resources to, and implement four sets of interlocking processes. These are designed to implement, to sustain, and to build on change and its achievements in an attempt to address the issues associated with change over time. The argument here is that these layers – trigger, vision, conversion, and maintenance and renewal – are necessary processes that occur in change management. The respective emphasis and priority attached to each of them will alter over time, but recognition of their existence goes a long way in determining the management action needed.

The model of perpetual transition management starts out with a number of questions. How do we explain successful change? How do we explain attempts at change in organizations that were doomed from the start? How do we explain change that is initially successful but wanes or fizzles out halfway through? Effective large-scale change demands a series of management actions linked to the four interlocking layers or processes (see Figure 1.1).

In terms of the trigger layer, it is necessary to understand what is causing a need for change in the organization. These triggers need to be expressed in a clear way and communicated throughout the organization. For example, poor trigger identification and communication processes are best seen when the first that employees know of the difficulties facing the organization is when they are called in to discuss redundancy terms. People are generally willing and able to deal with change but many managers do not understand this. They are afraid that change is associated with some form of failure and they need to hide the changes. People will accept change when they know it is necessary and accept the explanation for the need for change.



**Figure 1.1 Buchanan and McCalman's model of perpetual transition management**

Source: Buchanan and McCalman, 1989: 198

It is necessary for these triggers to be expressed and communicated throughout the organization in clear and identifiable terms. For example, the trigger in many organizations is often a crisis, but it does not necessarily have to be a threat. People will respond to the challenge of a crisis but may react negatively to a threat. Expressing any potential crisis as an opportunity for change may assist the process itself. In this sense, the language in which the triggering mechanism is transmitted to the internal organization has to be clearly expressed as an opportunity, and communicated widely. The chances of successfully implementing change are significantly improved when everyone concerned has a shared understanding of what may happen and why.

If the trigger for change has been clearly recognized and expressed, it is also a requirement for management within the organization to define the future. This does not call for crystal ball gazing but for the establishment of a vision layer. The requirement here is for definition and expression of where the organization intends to go. Just as shared understanding and awareness of the triggers for change help smooth the process, so do shared awareness and understanding of the new vision and the desired organizational goals. Management must visualize the future in terms of three criteria. The first is that change is seen to provide an effective response to the events triggering change. Second, there is identification of the desired future condition of the

organization in terms of its design, its products and its goals. Finally, it must provide challenges and stimulation. Change is assisted by a climate of enthusiasm and participation; resistance is a result of fear, prejudice, anxiety and ignorance.

The third layer of perpetual transition management is related to gaining recruits for the change. By this it is meant that those who have to work through the change process need to be converted to the ideas and concepts and own them. Defining a future that no one can 'buy into' will slow or hinder the change itself. Everyone involved in making change work has to feel part of it and accept the reasoning for the vision and how this is to be realized. It is at this point that the vision has to be detailed and aspects such as the future structure and patterns of work are explained. There is a need at this point to recruit disciples to the vision. This is time consuming, as it requires detailed explanation. Failure to do so results in negotiation, re-negotiation or decay. This is related to the 'You've introduced this without consulting us first' syndrome. Managers at this stage need to get involved in two main activities. First, there is the planning team, the main core change unit. The most appropriate mechanisms here will depend on the organization and its consultation systems. Second, it is also necessary to talk to people about the change at every opportunity, formal or informal. This establishes a shared understanding of the change programme through debate.

The last question that perpetual transition management attempts to resolve is related to the decay associated with the management of midterm change. Maintenance and renewal attempts to address the 'moving goalposts' feature of change. There are four main examples of this. First, the events that triggered change in the first place fade in the memory or lose their relevance over time. Second, articulation of the vision becomes less expressive when the originators move on. Third, replacements feel less committed to the ideas and have to be taken through the reasons for, and responses to, the triggers. Fourth, the change that took place settles down and becomes the norm in the organization. To avoid this sort of decay process there is a requirement for organizations to allocate resources to maintaining and renewing the original visions in an evolutionary framework. In this sense, management takes part in a process that is described as one of permanent transition. It is this point that can be regarded as the crucial concept. Getting managers to recognize that change is a constant feature in modern organizations, and one which they have to deal with, goes a long way towards addressing some of the factors that lead to resistance to change.

## Outline of the Book

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The book is divided into three parts. Part 1, which includes this chapter, looks at leading change, the impact that culture has on change and 'agents' of change. Our focus of attention here is how the individual attempts to steer change, the effect that culture can have on the likely success, and the ability of the individual acting as an



agent of change to convince others. Part 2 looks at intervention strategies designed to cope with systems-related change. Part 3 offers a critical perspective of change from the perspective of competing narratives: power and politics within organizations, through an analysis of the snake oil salesmen of models of change, to the future of change management itself.

Chapter 2 – The Manager and the Objective Outsider – identifies the key player by looking at the managerial competencies associated with effectively managing change. The importance of remaining in ‘control’ of ongoing dynamic change situations is reviewed. Management must manage change, no matter its source or impact, in a planned and controlled manner.

We have then introduced two new chapters for this edition. Chapter 3 – Cultural Attributes of Change – focuses on the skills, attributes and attitudes that many consider essential to the effective management of change. In particular we ask, given this skills set, whether culture, be it corporate or national, can influence the chances of successful change. Chapter 4 – Leading Change – pays similar attention to the notion of leadership and how this influences, impacts and affects change.

In Part 2 of the book we deal with implementation strategies. In Chapter 5 the need to address the *nature* of change is introduced. All organizations, from both an external and internal perspective, operate within dynamic environments. Prior to entering a change situation managers must classify the nature of the change facing their organization. It is the nature of the impending change that will determine one's initial management approach. Chapter 6 is dedicated to mapping change through practical cases that illustrate each stage of the model and examine key aspects of implementation. This is a prelude to Chapter 7, which focuses on systems approaches to change. An interventionist approach to change is introduced and discussed, namely, the intervention strategy model (ISM). This model is designed to tackle change from the ‘hard’, technical, end of the change spectrum, although, as we will see, it may be employed to deal with ‘softer’, people-related issues. The origins and value of the model are discussed and this is followed by a sequential review of the model's component parts. Application issues, along with ‘dos and don'ts’, round off this chapter. Another method of dealing with project-based change is introduced in Chapter 8 when we examine total project management (TPM). To a greater or lesser extent all managers are project managers. This chapter describes the TPM process and outlines its rationale. Very often it is poor people management, not the degree of technical competence, which leads to less than effective project implementation. TPM offers a solution to this problem.

In Chapter 9 we examine the need for an organization development model for change. In many Western organizations, the concept of management is so restrictive that control and decision-making operates as a hindering device on performance. The belief still exists that management and workforce are separate entities that sometimes come together to manufacture product or deliver services, but often act as polar opposites in some form of industrial struggle for superiority.

We examine the organization development model (ODM) in Chapter 10. In this chapter we look at how organization development can assist the move from a situation that is regarded as undesirable to a new state that, hopefully, is more effective. The key to the ODM is looking at what change is required, what level the change takes place at, who is likely to be involved, and the processes by which change is instigated. We outline the techniques of organization development and the steps that the change agent is likely to be involved in.

In Part 3 we offer a critical perspective on change. Chapter 11 explores the phenomenon of the competing narrative. As researchers and exponents of change will readily testify, any post-change evaluation will, to greater or lesser extents, identify divergent views as to the rationale for the change: its resulting impact, its value and its consequences. Why, when the change was intended to be all encompassing and engaging, do those who managed events and implemented the outcomes perceive multiple realities? Chapter 12 focuses on organizational reality and in particular politics and power with a view to stripping away some of the tactics and techniques employed that can help or hinder change. Finally, Chapter 13 explores the future for change management.

New for this fourth edition is a section on recommended books, journal articles and websites at the end of the content-driven chapters. There are also a number of small case studies and reader activities. We have also taken advantage of the Internet by directing you to 'interesting' places, YouTube videos and resources.