

Managing Organizational Change

A Multiple Perspectives Approach

Fourth Edition

Ian Palmer

Richard Dunford

David A. Buchanan

**Mc
Graw
Hill**



MANAGING ORGANIZATIONAL CHANGE: A MULTIPLE PERSPECTIVES APPROACH,
FOURTH EDITION

Published by McGraw Hill LLC, 1325 Avenue of the Americas, New York, NY 10121. Copyright © 2022 by McGraw Hill LLC. All rights reserved. Printed in the United States of America. Previous editions © 2017, 2009, and 2006. No part of this publication may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written consent of McGraw Hill LLC, including, but not limited to, in any network or other electronic storage or transmission, or broadcast for distance learning.

Some ancillaries, including electronic and print components, may not be available to customers outside the United States.

This book is printed on acid-free paper.

1 2 3 4 5 6 7 8 9 LCR 24 23 22 21

ISBN 978-1-260-04371-6 (bound edition)

MHID 1-260-04371-1 (bound edition)

ISBN 978-1-264-07161-6 (loose-leaf edition)

MHID 1-264-07161-2 (loose-leaf edition)

Executive Portfolio Manager: *Michael Ablassmeir*

Product Developer: *Laura Hurst Spell*

Marketing Manager: *Lisa Granger*

Content Project Managers: *Melissa M. Leick, Bruce Gin*

Buyer: *Laura Fuller*

Designer: *Matt Diamond*

Content Licensing Specialist: *Gina Oberbroeckling*

Cover Image: *HT-Pix/Getty Images*

Compositor: *Aptara®*, Inc.

All credits appearing on page or at the end of the book are considered to be an extension of the copyright page.

Library of Congress Cataloging-in-Publication Data

Names: Palmer, Ian, 1957- author. | Dunford, Richard, author. | Buchanan, David A., author.

Title: Managing organizational change : a multiple perspectives approach / Ian Palmer, Richard Dunford, David A. Buchanan.

Description: Fourth edition. | New York, NY : McGraw-Hill Education, [2022] | Includes index.

Identifiers: LCCN 2020031288 (print) | LCCN 2020031289 (ebook) | ISBN 9781260043716 (hardcover) | ISBN 9781264071616 (spiral bound) | ISBN 9781264071531 (ebook) | ISBN 9781264071579 (ebook other)

Subjects: LCSH: Organizational change. | Organizational change—Management.

Classification: LCC HD58.8 .P347 2022 (print) | LCC HD58.8 (ebook) | DDC 658.4/06—dc23

LC record available at <https://lccn.loc.gov/2020031288>

LC ebook record available at <https://lccn.loc.gov/2020031289>

The Internet addresses listed in the text were accurate at the time of publication. The inclusion of a website does not indicate an endorsement by the authors or McGraw Hill LLC, and McGraw Hill LLC does not guarantee the accuracy of the information presented at these sites.

mheducation.com/highered

DEDICATIONS

From Ian

From Richard

From David

To Dianne, Matthew, and Michelle

To Jill, Nick, and Ally

To Lesley with love—and thanks

Acknowledgments

A number of people have contributed to this edition, and we owe them all a debt of gratitude, including Francis Adeola, University of New Orleans; Terrence R. Bishop, Northern Illinois University; Frederick Brockmeier, Northern Kentucky University; Lesley Buchanan; and James Cornwell, U.S. Military Academy. We must also thank the many change managers—too many to name—with whom we have explored the issues addressed in this book, for their time, their insights, and their willingness to share their experiences with us.

Brief contents

Preface x

PART 1 Groundwork: Understanding and Diagnosing Change 1

- 1 Managing Change: Stories and Paradoxes 3
- 2 Images of Change Management 29
- 3 Why Change? Contemporary Pressures and Drivers 63
- 4 What to Change? A Diagnostic Approach 103

PART 2 Implementation: The Substance and Process of Change 139

- 5 What Changes? 141
- 6 Purpose and Vision 175
- 7 Change Communication Strategies 211
- 8 Resistance to Change 249
- 9 Organization Development and Sense-Making Approaches 281
- 10 Change Management Perspectives 319

PART 3 Running Threads: Sustainability and the Effective Change Manager 353

- 11 Sustaining Change versus Initiative Decay 355
- 12 The Effective Change Manager: What Does It Take? 387

Name Index 425

Subject Index 433

Contents

Preface

x

Part 1

Groundwork: Understanding and Diagnosing Change

1

1

Managing Change: Stories and Paradoxes

3

Learning Objectives

3

Stories about Change: What Can We Learn?

4

The Starbucks Story

5

The Sears Story

7

The Detroit Story

10

Tension and Paradox: The State of the Art

11

Assessing Depth of Change

16

What's Coming Up: A Roadmap

18

Change Diagnostic: The Starbucks Story

20

Change Diagnostic: The Sears Story

21

Change Diagnostic: The Detroit Story

23

Exercise 1.1 Writing Your Own Story of Change

24

Additional Reading

25

Roundup

25

References

26

2

Images of Change Management

29

Learning Objectives

29

What's in a Name: Change Agents, Managers, or Leaders?

30

Images, Mental Models, Frames, Perspectives

31

The Six-Images Framework

32

Six Images of Change Management

36

Using the Six-Images Framework

45

Self-Assessment: What Is Your Image of Managing Change?

49

Self-Assessment: Scoring

51

Exercise 2.1: Assessing Change Managers' Images

52

Exercise 2.2: Turnaround at Beth Israel

53

Additional Reading

56

Roundup

57

References

58

3

Why Change? Contemporary Pressures and Drivers

63

Learning Objectives

63

Internal Organization Change Drivers

64

Environmental Pressures for Change

66

Why Do Organizations Not Change after Crises?

88

Exercise 3.1: COVID-19 Consequences

90

Exercise 3.2: Top Team Role Play

91

Exercise 3.3: Case Analysis—The Netflix Story

92

Exercise 3.4: The Reputation Trap—Can You Escape?

94

Additional Reading

96

Roundup

96

References

98

4

What to Change? A Diagnostic Approach

103

Learning Objectives

103

Organizational Strategy and Change

112

Diagnosing Readiness for Change 121
 Agile Organization 125
 Exercise 4.1: Scenario Planning 130
 Exercise 4.2: Readiness for Change Analysis 131
 Additional Reading 133
 Roundup 134
 References 135

Part 2

Implementation: The Substance and Process of Change 139

5 What Changes? 141

Learning Objectives 141
 What Changes? 142
 Organizational Culture 153
 Digital Transformation and the Social Matrix 159
 Exercise 5.1: The Mattel Toy Story 166
 Exercise 5.2: Organizational Culture Assessment 168
 Exercise 5.3: How Will Digital Transformation Affect Your Organization? 168
 Additional Reading 168
 Roundup 169
 References 172

6 Purpose and Vision 175

Learning Objectives 175
 Missions and Visions: Fundamental or Fads? 176
 Mission: Why Are We Here? 178
 Vision: Where Are We Going? 183
 Why Visions Fail 192
 Linking Vision to Change: Three Debates 194
 Exercise 6.1: Interviewing Change Recipients 201

Exercise 6.2: Analyze Your Own Organization's Mission and Vision 202
 Exercise 6.3: The Role of Vision at Mentor Graphics 202
 Additional Reading 203
 Roundup 204
 References 206

7 Change Communication Strategies 211

Learning Objectives 211
 The Change Communication Process 212
 Gender, Power, and Emotion 217
 Language Matters: The Power of Conversation 222
 Change Communication Strategies 228
 Contingency Approaches to Change Communication 231
 Communication Channels and the Impact of Social Media 235
 Exercise 7.1: Listen to Who's Talking 239
 Exercise 7.2: How Defensive Are You? 240
 Exercise 7.3: Social Media at the Museum 241
 Additional Reading 242
 Roundup 243
 References 245

8 Resistance to Change 249

Learning Objectives 249
 WIIFM, WAMI, and the Dimensions of Resistance 250
 Benefits 251
 Causes 254
 Symptoms 261
 Managers as Resisters 263
 Managing Resistance 265
 Exercise 8.1: Diagnosing and Acting 272

viii Contents

Exercise 8.2: Jack's Dilemma 272

Exercise 8.3: Moneyball 273

Additional Reading 274

Roundup 274

References 277

9 Organization Development and Sense-Making Approaches 281

Learning Objectives 281

Alternative Approaches to Managing Change 282

Organization Development (OD) 282

Appreciative Inquiry (AI) 293

Positive Organizational Scholarship (POS) 295

Dialogic Organization Development 297

Sense-Making 300

Exercise 9.1: Reports from the Front Line 307

Exercise 9.2: Designing a Large-Scale Change Intervention 307

Exercise 9.3: Making Sense of Sense-Making 307

Exercise 9.4: Interpreting the Interpreter: Change at Target 308

Exercise 9.5: Change at DuPont 309

Additional Reading 311

Roundup 311

References 313

10 Change Management Perspectives 319

Learning Objectives 319

Options for Managing Change 320

Why Change Fails 321

Change by Checklist 323

Stage Models 327

The Process Perspective 333

Contingency Approaches 336

Exercise 10.1: Develop Your Own Change Model 343

Exercise 10.2: Getting Boeing Back in the Air 343

Exercise 10.3: Did Heinz Choke on the 3G Recipe? 346

Additional Reading 348

Roundup 348

References 351

Part 3**Running Threads: Sustainability and the Effective Change Manager 353****11 Sustaining Change versus Initiative Decay 355**

Learning Objectives 355

Initiative Decay and Improvement Evaporation 356

Praiseworthy and Blameworthy Failures 359

Actions to Sustain Change 361

Words of Warning 369

Exercise 11.1: A Balanced Set of Measures 374

Exercise 11.2: Treating Initiative Decay 374

Exercise 11.3: The Challenger and Columbia Shuttle Disasters 375

Additional Reading 380

Roundup 381

References 383

12 The Effective Change Manager: What Does It Take? 387

Learning Objectives 387

Change Managers: Who Are They? 388

Change Managers: What Kind of Role Is This? 399

Change Management Competencies 401

Political Skill and the Change Manager 404

Developing Change Management Expertise	411	Additional Reading	418
Exercise 12.1: Networking—How Good Are You?	414	Roundup	419
Exercise 12.2: How Resilient Are You?	415	References	421
Exercise 12.3: How Political Is Your Organization?	417	Name Index	425
		Subject Index	433

Preface

The previous edition of this book was published in 2016. Since then, the organizational world has continued to change dramatically. The aftermath of the global financial crisis is still with us; there are fresh and severe geopolitical tensions; environmental concerns are increasingly urgent; the focus on corporate social responsibility has intensified; organizations are under pressure to demonstrate their environmental, social, and governance (ESG) credentials; technological developments continue to surprise; and cybersecurity is a constant concern. Organizations have to consider how to manage demographic trends including an ageing, multigenerational, and multicultural workforce. Consumer preferences and expectations change radically and rapidly. Stir into this mix the impact of social media, where positive and critical views of organizations and their products and services—along with personal and corporate reputations—can be shared instantly and globally.

What Do CEOs Think?

The business magazine *Fortune* carries out an annual survey of U.S. chief executives, asking them about trends and challenges. The 2019 survey (Murray, 2019) found that the main challenges facing these CEOs were:

- cybersecurity
- technological change
- increased regulation
- shortages of skilled labor
- competition from China
- shareholder activism

They were positive about the economy and business opportunities, particularly in America, and 65 percent said that they expected to be employing more people in two years' time and planned to continue investing in artificial intelligence (AI);

60 percent said that they had already used AI to improve efficiency and cut costs; and 22 percent had used AI to create new products and services. However, around half were expecting a recession within two years.

How do CEOs feel about wider social issues and criticisms of large organizations in particular? Over 70 percent said they thought that capitalism was not in crisis but that “some tweaking” to better serve society would be appropriate. Over 40 percent felt that their business strategy should include finding ways to address major social problems. They also felt that companies such as Amazon, Facebook, and Google had grown so large and influential that they needed additional regulation.

Murray, A. 2019. 2019 CEO survey: The results are in. *Fortune* 179(6):3.

From a management perspective, the drivers or catalysts for change are now more numerous and unpredictable. The pace of change has not slackened: more pressures, more opportunities, more changes, faster changes. Failure to respond to those pressures and opportunities, and in some cases failure to respond quickly enough, can have significant individual and corporate consequences. The “agile organization” has become fashionable—and is perhaps strategically indispensable. Many companies are experimenting with new ways of organizing—co-working spaces, no hierarchy, social enterprises, virtual teams, and platform organizations. The personal and organizational stakes appear to have increased.

The management of organizational change thus continues to be a topic of strategic importance for most sectors, public and private. Current conditions have continued to increase the importance of this area of management responsibility. This new edition, therefore, is timely with regard to updating previous content, while introducing new and emerging trends, developments, themes, debates, and practices.

In light of this assessment, we continue to believe that the multiple perspectives approach is particularly valuable, recognizing the various ways in which change can be progressed and highlighting the need for tailored and creative approaches to fit different contexts. Our images of how organizational change should be implemented affect the approaches that we take to understanding and managing change. Adopting different images and perspectives helps to open up new and more innovative ways of approaching the change management process. We hope that this approach will guide and inspire others in pursuing their own responsibilities for managing organizational change.

This text is aimed at two main readers. The first is an experienced practicing manager enrolled in an MBA or a similar master’s degree program or taking part in a management development course that includes a module on organizational change. The second is a senior undergraduate, who may have less practical experience, but who will probably have encountered organizational change directly through temporary work assignments or internships or indirectly through family and friends. Our senior undergraduate is also likely to be planning a management career, or to be heading for a professional role that will inevitably involve management—and change management—responsibilities. Given the needs and interests of both our readers, we have sought to present an appropriate blend of research and theory, on the one hand, and practical management application, on the other.

Instructors who have used our previous editions will find familiar features in this update. The chapter structure and sequence of the book remain much the same, with minor adjustments to accommodate new material. The overall argument is underpinned by the observation that the management of organizational change is in part a rational or technical task and is also a creative activity, with the need to design novel strategies and processes that are consistent with the needs of unique local conditions. We hope that readers will find the writing style and presentation clear and engaging. We have maintained the breadth of coverage of the different traditions and perspectives that contribute to the theory and practice of managing change, with international examples where appropriate.

What's New in This Edition?

The new content for this edition includes the following:

Real-world examples. We draw on the experience of change in the following organizations, including a U.S. city and baseball team and one nation-state. Examples range from full-length cases to short vignettes: Airbnb, Alibaba, Best Buy, Beth Israel Deaconess Medical Center, BlackRock, Boeing, BP, British Army, Carnival Cruise Line, Chobani, Continental Airlines, Detroit, DuPont, Estée Lauder, FedEx, Etsy, Facebook, Ford, General Motors Poland, Goldman Sachs, Google, HP, IBM, Instagram, Intuit, Johnson & Johnson, Kaiser Permanente, Kraft Heinz, Lego, Levi Strauss, McDonald's, Mattel, Mentor Graphics, a Siemens Business, Microsoft, NASA, Netflix, Nike, Oakland Athletics, Progressive Insurance, Sandvik AB, Sears, Semco, Spotify, Starbucks, Swiss Re, Thai Union, Twitter, Uber, Unilever, U.S. Postal Service, Vanuatu, YouTube, and Zumba Fitness.

Leadership language. The power of meaningful stories is well known. But the role of language in articulating vision and mission statements is less well understood. However, research on organization mission statements has found that concrete imagery works, and abstractions do not, with regard to encouraging support for change. In addition, support for change is more likely to be forthcoming when vision statements emphasize continuity as well as change (chapters 1 and 6).

Change managers and change leaders. We argue that the distinction between leaders and managers is blurred and that these are different labels for the same role. However, research offers counterintuitive advice with regard to the complementary roles of middle managers and senior executives. Middle managers may be better able to initiate change, because they have a better understanding of frontline operations. Senior leaders may be better able to execute change, because they have more power and better access to resources (chapters 2 and 8).

The world out there. Conditions in the external environment of the organization continue to become more turbulent, volatile, and unpredictable. The nature of globalization is also changing, creating more pressures and opportunities, as well as more change drivers and catalysts (chapter 3).

COVID-19 consequences. The World Health Organization declared a global pandemic in March 2020, following an outbreak of a zoonotic coronavirus, COVID-19, for which there was no treatment or cure at the time of writing. To stop the virus from spreading, countries closed borders and introduced social distancing. These steps had a major impact on social life, working patterns, and most businesses, driving major organizational changes. Exercise 3.1 asks readers to consider the nature of these changes and the long-term consequences (chapter 3).

Technology as a change driver. Robots, cobots, machine learning, artificial intelligence, automation. Emerging technologies are reshaping the world of work, probably creating more benefits and opportunities than downsides. Many organizations are undergoing digital transformations. Professional roles are no longer immune to

automation. The change implications are significant, requiring careful management (chapter 3).

Initiative overload. Too much change is a problem for many organizations. This leads to a dilution of effort and misallocation of resources. Why does this happen? What can be done to manage multiple change initiatives more effectively? (chapter 4).

Agile organization. Adaptability is a strategic priority in a turbulent, unpredictable world. “Agile” has its roots in the concepts of “mechanistic and organic” systems, “segmentalist and integrative” cultures, and “built to change” organizations. The core concept is based on the classic concept of autonomous, self-managing teams, but the approach needs “agile managers” in new roles, able to balance flexibility with stability (chapter 4).

Social media. Social media platforms have become increasingly important as a general management tool, contributing to change management by improving communications, employee voice, and involvement and by building momentum for change. Many organizations have yet to exploit fully these opportunities, and there is a need to balance the opportunities with the risks (chapters 5 and 7).

The purpose-driven organization. Purpose, or organizational mission, is now recognized as a driver of competitive advantage, and thus of change. But the concept is not always taken seriously by organizations, which often produce vague, abstract statements of purpose. We consider the evidence that supports clarifying the organization’s mission or purpose and consider the language in which purpose is best articulated (chapter 6).

Pragmatic resistance to change. Everyday resistance to change can benefit the organization by preventing or reshaping poorly designed change initiatives (chapter 8).

Has resistance to change been exaggerated? New research shows that employees often welcome the opportunities that new technologies have to offer. This positive approach contrasts with the beliefs and expectations of many managers (chapter 8).

Counterproductive work behavior (CWB). Evidence suggests that some types of damaging CWB can be triggered by change initiatives. Why does this happen? What can be done about it? (chapter 8).

Evidence-based implementation. A systematic review of the research suggests that there are 10 steps to successful change. Most organizations seem to ignore the evidence, and this may contribute to the reportedly high failure rate of major change initiatives (chapter 10).

Change resourcing. Contrary to accepted wisdom, research now suggests that, at least in some circumstances, underfunding a change initiative can be advantageous. How can this be? (chapter 10).

Transformational change. What is the nature of transformations? Why do as many as three-quarters fail? Many of the causes of failure are predictable. What can organizations do to improve the odds of success? (chapter 10).

Issue-selling. Why multimodal approaches are more successful for pitching change initiative ideas to senior management: how to choose the right combination of words, body language, and visual imagery (chapter 12).

Collective change agency. Responsibility for change management rarely rests with one individual, or even with a small group. Now, different models of change delivery units are emerging. Which approach best fits your organization? (chapter 12).

The politics of change. Management political games can disrupt or stop change initiatives. Political skill is critical for the change manager. The constructive aspects of “playing politics” are now widely recognized, challenging the negative stereotype of politics as harmful “dirty tricks” (chapter 12).

Chief transformation officer (CTO). A new kind of change agent, a “high-level orchestrator” of change. What is the nature of this role, and what capabilities are required? (chapter 12).

Pedagogy

The pedagogical features in the text include:

- learning outcomes identified at the beginning of each chapter
- a mix of short and longer “high-impact” case studies of organizational change
- case studies of “new economy” as well as “old economy” organizations
- organizational diagnostic and self-assessment exercises for personal and classroom use
- movie recommendations, identifying films and clips that illustrate theoretical and practical dimensions of organizational change management
- YouTube clip recommendations, following up case and research accounts with commentary from the managers and researchers concerned
- a “roundup” section at the end of each chapter, with reflections for the practicing change manager, summarizing the key learning points linked to the learning outcomes
- suggestions for further reading at the end of each chapter.

Instructors will also find useful the experiential learning exercises in the edited collection by Schwartz et al. (2019).*

Since our book was first published, we have continued our conversations with managers who have been using it as part of their teaching, consulting, and other change activities. In many of these conversations, it was reassuring to hear how our multiple perspectives framework strikes the right chord with them, opening up new, innovative, and different

*Schwarz, G. M., Buono, A. F., and Adams, S. M. (eds.) 2019. *Preparing for high impact organizational change: Experiential learning and practice*. Cheltenham UK: Edward Elgar Publishing.

ways of seeing, thinking, conceptualizing, and practicing organizational change. We hope that this new and updated fourth edition will continue to inspire our various change journeys, and we look forward to more conversations along the way.

Additional Resources

Instructors. If you are looking for teaching materials in this subject area, such as case studies, discussion guides, organizational diagnostics, self-assessments, company websites, audio-visual materials (feature films, YouTube clips) to use in lectures and tutorials, then go to: connect.mheducation.com.

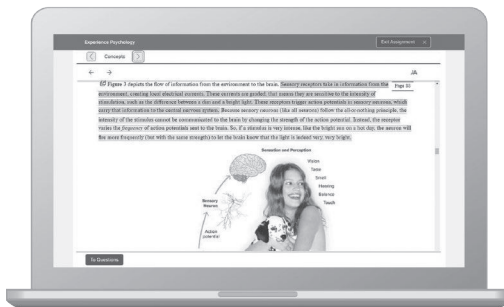


Instructors: Student Success Starts with You

Tools to enhance your unique voice

Want to build your own course? No problem. Prefer to use our turnkey, prebuilt course? Easy. Want to make changes throughout the semester? Sure. And you'll save time with Connect's auto-grading too.

65%
Less Time
Grading



Laptop: McGraw Hill; Woman/dog: George Doyle/Getty Images

Study made personal

Incorporate adaptive study resources like SmartBook® 2.0 into your course and help your students be better prepared in less time. Learn more about the powerful personalized learning experience available in SmartBook 2.0 at www.mheducation.com/highered/connect/smartbook

Affordable solutions, added value



Make technology work for you with LMS integration for single sign-on access, mobile access to the digital textbook, and reports to quickly show you how each of your students is doing. And with our Inclusive Access program you can provide all these tools at a discount to your students. Ask your McGraw Hill representative for more information.

Padlock: Jobalou/Getty Images

Solutions for your challenges



A product isn't a solution. Real solutions are affordable, reliable, and come with training and ongoing support when you need it and how you want it. Visit www.supportateverystep.com for videos and resources both you and your students can use throughout the semester.

Checkmark: Jobalou/Getty Images

SUPPORT ^{AT}
every step

Students: Get Learning That Fits You

Effective tools for efficient studying

Connect is designed to make you more productive with simple, flexible, intuitive tools that maximize your study time and meet your individual learning needs. Get learning that works for you with Connect.

Study anytime, anywhere

Download the free ReadAnywhere app and access your online eBook or SmartBook 2.0 assignments when it's convenient, even if you're offline. And since the app automatically syncs with your eBook and SmartBook 2.0 assignments in Connect, all of your work is available every time you open it. Find out more at www.mheducation.com/readanywhere

"I really liked this app—it made it easy to study when you don't have your textbook in front of you."

- Jordan Cunningham,
Eastern Washington University



Calendar: owattaphotos/Getty Images

Everything you need in one place

Your Connect course has everything you need—whether reading on your digital eBook or completing assignments for class, Connect makes it easy to get your work done.

Learning for everyone

McGraw Hill works directly with Accessibility Services Departments and faculty to meet the learning needs of all students. Please contact your Accessibility Services Office and ask them to email accessibility@mheducation.com, or visit www.mheducation.com/about/accessibility for more information.

Top: Jenner Images/Getty Images, Left: Hero Images/Getty Images, Right: Hero Images/Getty Images



PART

1

Groundwork: Understanding and Diagnosing Change

CHAPTER 1 Managing Change: Stories and Paradoxes

CHAPTER 2 Images of Change Management

CHAPTER 3 Why Change? Contemporary Pressures and Drivers

CHAPTER 4 What to Change? A Diagnostic Approach

The central theme of the four chapters in Part 1 is *groundwork*. How are we to approach an understanding of organizational change? With what approaches, perspectives, or images of change management should we be working? What drivers and pressures produce organizational change? What diagnostic tools can we use to decide what aspects of the organization and its operations will need to change or will benefit from change?

Chapter 1

Managing Change: Stories and Paradoxes

Learning Objectives

By the end of this chapter you should be able to:

- LO 1.1** Understand how stories of change can contribute to our knowledge of theory and practice.
- LO 1.2** Explain why managing organizational change is both a creative process and a rational process.
- LO 1.3** Identify the main tensions and paradoxes in managing organizational change.
- LO 1.4** Evaluate the strengths and limitations of our current understanding of this field.



Jonathan Haidt, social psychologist

LO 1.1 LO 1.2 Stories about Change: What Can We Learn?

Changing organizations is as exhilarating as it is messy, as satisfying as it is frustrating, as creative as it is rational. This book recognizes these tensions and how they affect those who are involved in managing change. Rather than pretend that these tensions do not exist or that they are unimportant, we confront them head-on, considering how they can be addressed and managed, recognizing the constraints that they can impose. We also want to demonstrate how the images that we have about the way in which change should be managed, and our image of the role of change agents, affect how we approach change and the outcomes that we think are possible.

To begin this exploration, we present three stories of recent changes. The first concerns how Roz Brewer restored the “buzz” at Starbucks. The second concerns the organizational model introduced at Sears Holdings in an unsuccessful attempt to restore falling sales and profits. The third describes how Mike Duggan, mayor of Detroit, transformed the city’s fortunes. These stories each address different problems: a coffeehouse chain, a retailer, and a city. But they illustrate common issues concerning the management of change. Each account opens with a set of assessment questions. We ask that you think through the answers for yourself. What can we learn about change management from stories like these? You will find our answers to these questions at the end of the chapter.

Our aim is to demonstrate that stories about change can be a valuable source of practical lessons, as well as help to contribute to our general understanding of change. This narrative perspective has a number of advantages. Stories are a familiar and popular medium. They give us rich information set in context. They enable us to put ourselves at the center of the action. They encourage us to consider how we could transfer the issues that we are reading about into our own experience.

These stories are, of course, each distinctive, one-off. How can they contribute to knowledge and practice in general, in other sectors and organizations? Stories are one of our main ways of knowing, communicating, and making sense of the world (Dawson and Andriopoulos, 2017; Gabriel, 2019). Our stories have actors: change leaders, other managers, staff, customers, etc. They make decisions that lead to actions that trigger responses: acceptance, resistance, departure. There is a plot: a serious problem that could be solved by organizational change. There are consequences: To what extent did the change solve the problem, and were other problems created along the way? The sequence of events unfolds in a typical manner: . . . and then . . . and then. This tells us *why* the outcomes were reached. These narratives do not simply describe what happened with a change initiative. They also provide us with *explanations*. These are *process narratives*. Process narratives have advantages over more traditional (quantitative, statistical) research methods (Mohr, 1982; Langley et al., 2013):

- They tell us about the context, give us a sense of the whole, a broader frame of reference.
- Complexity can be expressed within a coherent sequence of events.
- The nature and significance of the causal factors acting on events are exposed.
- The narrative patterns transcend individual cases.

This approach is based on what is called *narrative knowing* (Langley and Tsoukas, 2010; Vaara et al., 2016)—understanding events through the stories that are told about them. Because stories can reveal the mechanisms, or logics, behind a sequence of events, they are *process theories*. (We will explore process perspectives on change in chapter 10.) What combinations of factors drive, slow down, accelerate, or block the change process? The three stories that follow explain the relative success of the changes in Starbucks, Sears, and Detroit. We will ask you to consider the extent to which those explanations, each based on a single unique case narrative, can be applied to managing organizational change in general, in other settings.

LO 1.1 The Starbucks Story

Issues to Consider as You Read This Story

1. To what extent can management expertise in general, and change management expertise in particular, translate from one company and sector to another?
2. What elements of Roz Brewer's approach to change management would be appropriate for you to use in your organization?
3. Do you think that senior executives should be closely involved with the frontline day-to-day operations of the business as Brewer was?

The Context

Founded in 1971, based in Seattle, with over 30,000 locations, 330,000 employees, and annual revenues of around \$25 billion, Starbucks is the largest seller of coffee in the world.

The Problem

Roz Brewer joined Starbucks' business in America as chief operating officer in 2017, the first woman and first African-American to hold such a senior position in the company. In her new role, she had a number of problems to deal with. The company's iconic founder and executive chairman, Howard Schultz, had decided to leave the company after three decades. After five years of exceptional growth, sales had stalled. In 2018, the company was accused of racial bias after a manager called police to deal with two Black men who had been waiting for a friend in an outlet in Philadelphia; they had not bought drinks and refused to leave when asked. Some customers called for a Starbucks' boycott after a social media video of the arrest went viral. When Brewer analyzed Starbucks' business operations in detail in her first three months, she found that the company was "melting down behind the coffee bar." Paradoxically, this was the result of the success of the mobile order and pay system; customers placed their orders through an app before coming to the store. But the stores were not ready for the sudden increase in orders. Crowds of customers jostled each other as they waited for their drinks, and stressed baristas struggled to keep up with the flow. She also found that 40 percent of employees' time was spent on tasks away from the customers, such as counting milk jugs three times a day and unnecessarily restocking the floor with cups. And like many other organizations, there were too many development and change initiatives being run by corporate headquarters.

The Solution

Brewer was not an obvious choice for the role at Starbucks. Her previous position was as a senior executive at Walmart. Investors were skeptical that her experience with a big-box retailer could translate to a “high touch” coffee shop business. And she preferred green tea to coffee. However, one of Brewer’s colleagues at Walmart said, “Roz is a tough cookie. She’s into the details. She’s not a fluffy person. She gets things done.” Another colleague said, “She’s an operator. She’s not just a person with a point of view and vision. She can execute” (Kowitt, 2019, pp. 86 and 88).

Schultz had managed the company by instinct and intuition. Brewer, who trained as a chemist, focused on the numbers and sought to bring some discipline and order to the stores. Brewer and her team simplified, eliminated, or automated tasks to allow store staff to spend more time with customers. Dedicated baristas were appointed to handle the mobile orders in stores where those were popular. Cleaning was carried out when the stores were closed. Two-thirds of the corporate projects were stopped. Only those relating to three priorities—beverage innovation, store experience, and the digital business—were allowed to continue. Brewer earned a reputation for making tough decisions. For example, she asked her team to assess the benefits and disadvantages of Mercato—Starbucks’ fresh food business that was introduced, with much publicity, to 1,500 stores in 2017. The assessment showed that Mercato did not fit the company’s priorities, so she killed it. She also cut specialist stand-alone, time-limited offers, like the Unicorn Frappuccino. These were popular with only a small number of customers, and they complicated the baristas’ work. She had the development team work instead on simpler products that could be made with existing ingredients. Following analysis of the timing of customer visits to stores and focusing on converting occasional midday customers to “rewards” members (who account for 40 percent of sales), Brewer was able to grow the afternoon business, which was traditionally a slack period.

Following what became known as “the Philadelphia incident,” Brewer flew to Philadelphia to apologize in person to the two men, and she organized racial bias training for 175,000 employees. Brewer also spent a lot of her time visiting the stores, talking to employees, and assessing their pride in the business. Do employees who recognize her look her in the eye? Brewer says, “If they look down at their feet, they’re not proud about the store. Ninety-nine percent of the time I’m right about that” (Kowitt, 2019, p. 91). Brewer sees Starbucks’ stores as more than coffee shops; they are also public spaces, like libraries, serving the needs of employees and communities. In some shops, if they think that safety will be increased, managers have been allowed to install needle boxes in restrooms, for the disposal of drug users’ syringes. “Brewer wants baristas to make the perfect flat white or pour-over. But she also wants them trained in how to deal with the hardest social situations they could possibly encounter so that everyone feels like they belong in Starbucks” (Kowitt, 2019, p. 92).

The Outcome

Starbucks’ sales growth recovered, proving Brewer’s critics wrong. By 2018, there were 15 million rewards members, who spend three times as much as nonmembers. Afternoon customers started to generate 50 percent of beverage sales, and in 2019 Starbucks saw its best sales growth in three years. Starbucks’ stock price rose 70 percent between 2017 and 2019.

Case Sources

Kowitt, B. 2019. How Starbucks got its buzz back. *Fortune*, 180(4):84–92.

On *YouTube*, find ‘Starbucks COO Roz Brewer on big changes at Starbucks’ (2019; 6 minutes).

LO 1.1 The Sears Story

Issues to Consider as You Read This Story

1. How would you describe Eddie Lampert’s leadership style?
2. How would you assess his approach to implementing major organizational change—in this case restructuring the whole company with a new organizational model?
3. On balance, how would you assess his new organizational model?
4. What lessons about managing organizational change can we take from this experience and apply to other organizations, in this or other sectors?

The Setting

A household name in America, Sears was once the world’s largest retailer. In October 2018, the company filed for Chapter 11 bankruptcy, and its remaining assets were sold to a hedge fund, ESL Investments, owned by Eddie Lampert. What happened?

Sears Holdings Corporation was a specialty retailer, formed in 2005 by the merger of Kmart and Sears Roebuck. The merger was the idea of Eddie Lampert, a billionaire hedge fund manager who owned 55 percent of the new company and who became chairman. Based in Illinois, the company operated in the United States and Canada, with 274,000 employees, 4,000 retail stores, and annual revenues (2013) of \$40 billion. Sears and Kmart stores sold home merchandise, clothing, and automotive products and services. The merged company was successful at first, due to aggressive cost cutting.

The Problem

By 2007, two years after the merger, profits were down by 45 percent.

The Chairman’s Solution

Lampert decided to restructure the company. Sears was organized like a classic retailer. Department heads ran their own product lines, but they all worked for the same merchandising and marketing leaders, with the same financial goals. The new model ran Sears like a hedge fund portfolio with autonomous businesses competing for resources. This “internal market” would promote efficiency and improve corporate performance. At first, the new structure had around 30 business units, including product divisions, support functions, and brands, along with units focusing on e-commerce and real estate. By 2009, there were over 40 divisions. Each division had its own president, chief marketing officer, board of directors, profit and loss statement, and strategy that had to be agreed on by Lampert’s executive committee. With all those positions to fill at the head of each unit, executives competed for the roles, each eager to run his or her own multibillion-dollar business. The new model was called SOAR: Sears Holdings Organization, Actions, and Responsibilities.

When the reorganization was announced in January 2008, the company's share price rose 12 percent. Most retail companies prefer integrated structures, in which different divisions can be compelled to make sacrifices, such as discounting goods, to attract more shoppers. Lampert's colleagues argued that his new approach would create rival factions. Lampert disagreed. He believed that decentralized structures, although they might appear "messy," were more effective and they produced better information. This would give him access to better data, enabling him to assess more effectively the individual components of the company and its assets. Lampert also argued that SOAR made it easier to divest businesses and open new ones, such as the online "Shop Your Way" division.

Sears was an early adopter of online shopping. Lampert (who allegedly did all his own shopping online, but had no previous experience in retailing) wanted to grow this side of the business, and investment in the stores was cut back. He had innovative ideas: smart-phone apps, netbooks in stores, and a multiplayer game for employees. He set up a company social network called Pebble, which he joined under the pseudonym Eli Wexler, so that he could engage with employees. However, he criticized other people's posts and argued with store associates. When staff worked out that Wexler was Lampert, unit managers began tracking how often their employees were "Pebbling." One group organized Pebble conversations about random topics just so they would appear to be active users.

The Chairman

At the time of the merger, investors were confident that Lampert could turn the two companies around. One analyst described him as "lightning fast, razor-sharp smart, very direct." Many of those who worked for him described him as brilliant (although he could overestimate his abilities). The son of a lawyer, it was rumored that he read corporate reports and finance textbooks in high school, before going to Yale University. He hated focus groups and was sensitive to jargon such as "vendor." His brands chief once used the word *consumer* in a presentation. Lampert interrupted, with a lecture on why he should have used the word *customer* instead. He often argued with experienced retailers, but he had good relationships with managers who had finance and technology backgrounds.

From 2008, Sears' business unit heads had an annual personal videoconference with the chairman. They went to a conference room at the headquarters in Illinois, with some of Lampert's senior aides, and waited while an assistant turned on the screen on the wall opposite the U-shaped table and Lampert appeared. Lampert ran these meetings from his homes in Greenwich, Connecticut; Aspen Colorado; and subsequently Florida, earning him the nickname, "The Wizard of Oz." He only visited headquarters in person twice a year because he hated flying. While the unit head worked through the PowerPoint presentation, Lampert didn't look up, but dealt with his emails or studied a spreadsheet until he heard something that he didn't like—which would then lead to lengthy questioning.

In 2012, he bought a family home in Miami Beach for \$38 million and moved his hedge fund to Florida. Some industry analysts felt that Sears' problems were exacerbated by Lampert's penny-pinching cost savings, which stifled investment in its stores. Instead of store improvements, Sears bought back stock and increased its online presence. In 2013, Lampert became chairman and chief executive, the company having gone through four other chief executives since the merger.

The Outcomes

Instead of improving performance, the new model encouraged the divisions to turn against each other. Lampert evaluated the divisions and calculated executives' bonuses, using a measure called "business operating profit" (BOP). The result was that individual business units focused exclusively on their own profitability, rather than on the welfare of the company. For example, the clothing division cut labor to save money, knowing that floor salespeople in other units would have to pick up the slack. Nobody wanted to sacrifice business operating profits to increase shopping traffic. The business was ravaged by infighting as the divisions—behaving in the words of one executive like "warring tribes"—battled for resources. Executives brought laptops with screen protectors to meetings so that their colleagues couldn't see what they were doing. There was no collaboration and no cooperation. The Sears and Kmart brands suffered. Employees gave the new organizational model a new name: SORE.

The reorganization also meant that Sears had to hire and promote dozens of expensive chief financial officers and chief marketing officers. Many unit heads underpaid middle managers to compensate. As each division had its own board of directors, some presidents sat on five or six boards, which each met monthly. Top executives were constantly in meetings.

The company had not been profitable since 2010 and posted a net loss of \$170 million for the first quarter in 2011. In November that year, Sears discovered that rivals planned to open on Thanksgiving at midnight, and Sears' executives knew that they should also open early. However, it wasn't possible to get all the business unit heads to agree, and the stores opened as usual, the following morning. One vice president drove to the mall that evening and watched families flocking into rival stores. When Sears opened the next day, cars were already leaving the parking lot. That December, Sears announced the closure of over 100 stores. In February 2012, Sears announced the closure of its nine "The Great Indoors" stores.

From 2005 to 2013, Sears' sales fell from \$49.1 billion to \$39.9 billion, the stock value fell by 64 percent, and cash holdings hit a 10-year low. In May 2013, at the annual shareholders' meeting, Lampert pointed to the growth in online sales and described a new app called "Member Assist" that customers could use to send messages to store associates. The aim was "to bring online capabilities into the stores." Three weeks later, Sears reported a first-quarter loss of \$279 million, and the share price fell sharply. The online business contributed 3 percent of total sales. Online sales were growing, however, through the "Shop Your Way" website. Lampert argued that this was the future of Sears, and he wanted to develop "Shop Your Way" into a hybrid of Amazon and Facebook. The company's stock market valuation fell from \$30 billion in 2007 to \$69 million in October 2018, while carrying \$5 billion in debt. Revenues in 2018 were \$16.7 billion, down from \$50.7 billion in 2007. Sears had around 3,500 stores in America in 2007, and young shoppers rarely visited the 866 stores that remained in August 2018. Sears filed for Chapter 11 bankruptcy in 2018, and Lampert resigned as chief executive, but stayed on as chairman.

Case Sources

Kimes, M. 2013. At Sears, Eddie Lampert's warring divisions model adds to the troubles.

Bloomberg Businessweek, July 11. <http://www.businessweek.com/articles/2013-07-11/at-sears-eddie-lamperts-warring-divisions-model-adds-to-the-troubles>.

Forbes (n.d.), #2057 Edward Lampert, <http://www.forbes.com/profile/edward-lampert>.

10 Chapter 1 *Managing Change: Stories and Paradoxes*

Sears Holdings, <http://www.searsholdings.com>.

Sears holdings, *Wikipedia*, http://en.wikipedia.org/wiki/Sears_Holdings.

Shop Your Way, <http://www.shopyourway.com>.

The Economist. 2018. The collapse of an American retail giant. October 20. <https://www.economist.com/business/2018/10/20/the-collapse-of-an-american-retail-giant>.

On YouTube, find 'The fall of a retail icon: why Americans stopped shopping at Sears' (2018, 6 minutes).

LO 1.1 The Detroit Story**Issues to Consider as You Read This Story**

1. Mike Duggan transformed Detroit without a “management textbook” plan for change. Why do you think he was successful?
2. What aspects of Duggan’s change management style would be appropriate for you to use in your organization?
3. To what extent can we generalize from managing change in a Midwestern American city to managing change in commercial organizations?

The Context

Detroit, Michigan, has a population of over 4 million people. It was once the fourth largest city in America. In the early twentieth century, Henry Ford and other motorcar manufacturers made Detroit famous as the automotive capital of the world; Detroit is also known as the Motor City and Motown. But decades of decline, starting in the 1970s, made Detroit famous as America’s worst urban disaster story, as an iconic city in America’s Midwestern rust belt.

The Problem

Oil crises in the 1970s meant that customers wanted smaller, fuel-efficient vehicles, not the “gas guzzlers” that Detroit made. In the late twentieth century, with falling employment in the motor industry and other businesses leaving, Detroit’s population fell. As skilled workers found employment elsewhere, the proportion of poor people in the city’s population increased. These factors led to a smaller tax base, lower property prices, abandoned homes, and higher crime rates. The city administration was corrupt, and several officials (including the mayor) were imprisoned. In 2011, half of Detroit’s property owners failed to pay their taxes.

By 2013, Detroit was bankrupt, and \$18.5 billion in debt. When the current mayor, Mike Duggan, was elected in 2013, 40 percent of the city’s streetlights and 25 percent of the fire hydrants were not working and 40,000 properties were vacant. The city had stark racial, economic, and social divisions. In the run-up to his election, Duggan organized house parties with small groups of residents across Detroit. In total, 8,000 people turned up to these meetings, and Duggan described this experience as powerful:

You go to a house party at Mack and Beals, where the people had an abandoned house on each side of their property, and their streetlights were out, they have one perspective on the city of Detroit. And then you go to Indian Village and they have a different perspective. And East English Village has a different perspective. But the aspirations of the people

of the city are really the same. They want their neighborhoods back. They want the police to show up. They want the abandoned buildings dealt with. And they want to be able to stay in their neighborhood and not leave. They did teach me about the different issues in those neighborhoods. They were enormously educational. Anyone can come up to me from any neighborhood in this city, and I'm able to have a conversation about their problems and what we're going to do about them.

The Solution

Duggan's past experience involved turning around the Detroit Medical Center, which had lost \$500 million over the six years, before he was appointed chief executive in 2004. The Center generated over \$57 million net income in 2012. Duggan's priority as mayor of Detroit was once again to reverse the decline. He describes his strategy as "focusing on the boring."

Get the boring stuff right—streetlights, fire hydrants, ambulance response times—and the rest falls into place. If each individual person says, OK my job is to get the grass cut in the parks; my job is to get the tractors repaired 20 percent faster to get the grass cut in the parks, turnaround occurs. People get into public service because something in their heart wants them to help people, and over time the bureaucracy beats that idealism out of them. We are trying to bring idealism back.

Duggan continued to hold weekly meetings with residents, in their homes, where he asked them what he could fix next.

The Outcomes

Bankruptcy brought some debt relief. Wealthy Detroit families invested in redevelopment, which brought sports teams and businesses back to the city. Entrepreneurial start-ups came to Detroit for its low costs and light traffic and because "rust belt" became trendy. Now the streetlights work, the fire hydrants have been repaired, and the city's population is growing again. In 2018, Duggan bid to host the new U.S. headquarters for Amazon (subsequently awarded to northern Virginia). "Mike Duggan is an unremarkable guy who has done unremarkable things to achieve extraordinary results."

Case Sources

Hagen, N. 2018. Halting Detroit's decline. *Financial Times*, January 8, p. 24. <https://www.crainsdetroit.com/awards/mike-duggan-making-improbable-inevitable>.

On *YouTube*, find 'The revitalization of Detroit — Talks at GS', (2016, 15 minutes).

LO 1.3

LO 1.4

Tension and Paradox: The State of the Art

tension when two or more ideas are in opposition to each other
paradox when two or more apparently correct ideas contradict each other

From a management perspective, organizational change is seen as problematic. How do we persuade people to accept new technologies that will make their skills, knowledge, and working practices obsolete? How quickly can people who find themselves with new roles, and new relationships, learn to operate effectively after a major reorganization? How about

this new system for capturing and processing customer information? We prefer the old system because it works just fine. Change can be difficult. Change that is not well managed, however, can generate frustration and anger.

Most estimates put the failure rate of planned changes at around 60 to 70 percent (Bucy et al., 2017; Stouten et al., 2018; Keller and Schaninger, 2019). There is, therefore, no shortage of advice. However, that advice is both extensive and fragmented. The literature—research and other commentary—can be difficult to access, and to absorb, for several reasons:

<i>many perspectives</i>	There are contributions from different academic disciplines and theoretical perspectives—there are several <i>literatures</i> .
<i>rich history</i>	Work dating from the 1940s is still interesting and useful; recent research has not necessarily made previous commentary irrelevant.
<i>range of concepts</i>	The concepts that are used vary in scale, from schools of thought or perspectives on change, through methodologies, to single tools.
<i>blurred boundaries</i>	Depending on the definitions of change and change management in use, the boundaries of the topic vary between commentators.
<i>varied settings</i>	As with our stories, evidence and examples come from a range of organizational types and contexts, using different methodologies.

LO 1.2

Many perspectives is the most significant of these properties. That is usually seen as a problem—“the experts can’t agree.” We disagree and prefer instead to emphasize the advantages in adopting a multiple-perspectives approach to the management of organizational change. First, a perspective that works in one context may not work well in a different setting: We will explore contingency frameworks in chapter 10. Second, this is a way of opening up debate: “Should we define our problem in these terms, or in some other way?” Third, multiple perspectives encourage the search for creative solutions: “Can we combine ideas from two or more approaches and adapt them to fit our context?” We will meet all these characteristics again in later chapters.

The practicing manager, less interested in theoretical perspectives, wants to know “what works?” It is difficult to give a clear answer to that question, too, for the following reasons:

<i>many variables</i>	Even with simple changes, the impact is multidimensional, and measuring “effectiveness” has to capture all the factors to produce a complete picture.
<i>slippery causality</i>	It is difficult to establish cause and effect clearly across complex processes that unfold over time, usually at the same time as lots of other changes.
<i>many stakeholders</i>	Different stakeholders have different views of the nature of the problem, the appropriate solution, and the desirable outcomes. Whose measures should we use?

What works well in one setting may not work well in another. The broad outlines of a good change strategy are widely known and accepted. However, what matters is the detail,

concerning how an intervention is designed for a particular organization. For example, most practical guidelines begin by suggesting that change will be more readily accepted if there is a “sense of urgency” that underpins the business case for change. That sense of urgency can be seen in the issues facing Starbucks, in the falling profitability at Sears, and in the many problems in Detroit. Note, however, that there are many different ways in which a sense of urgency can be established and communicated. Some methods emphasize the (negative) “burning platform” that heightens anxiety and encourages escape. Other approaches encourage a (positive) “burning ambition” to confront and solve the problem.

What works depends on the context. It is rarely possible to just do what someone else has done. Change is in part a rational process; we know what kinds of issues need to be taken into account. Change is also a creative process; it is always necessary to design—to create—an approach that is consistent with local circumstances. However, creatively adapted, such accounts of how other organizations have handled change can be helpful in addressing similar problems in other settings.

LO 1.3

The field of change management is also rich in tensions and paradoxes. We will explore six of these briefly, in the form of key questions. These issues will also appear in later chapters. You will probably encounter further tensions in your reading across the subject and in practice. How these tensions and paradoxes are managed has implications for the process and outcomes of change.

Transformational Change, or Sweat the Small Stuff?

Where to start—with sweeping radical changes, or a gradual process of incremental initiatives? We will explore a simple model for “locating” the scale of change in the next section. However, faced with geopolitical, economic, demographic, sociocultural, and technological developments, most organizations seem to think in terms of deep transformational change. The Sears story reflects this view, implementing whole-organizational changes to deal with survival threats. In contrast, Roz Brewer at Starbucks began by focusing on operational details—“behind the coffee bar”—and Mike Duggan turned Detroit around by focusing on “the boring stuff.” A focus on transformation may mean that minor changes are seen as less valuable and important and are overlooked in favor of “high impact” initiatives. This could be a mistake. Moore and Buchanan (2013), for example, demonstrate how an initiative designed to fix small problems quickly in a hospital generated major improvements for almost no cost. In this case, “sweating the small stuff” was an enabling strategy, getting people involved (the small problems were identified by staff), establishing a reputation for getting things done, and creating the platform for further developments. Shallower changes can facilitate and complement the deeper initiatives, and evidence suggests that these should not be underestimated.

Systematic Tools, or Messy Political Process?

If one looks below the surface of cases of managed change, one can always discern the ever-present effect of the “other side” of organizational life. The ambiguities, uncertainties, ambivalences, tensions, politics and intrigues are always involved, and are influential and addressed in some manner—however half-cocked, fudged, guessed at, messed up or little understood.

(Badham, 2013, p. 24)

Most practical guidelines on change implementation (chapters 9 and 10) suggest a systematic sequence of steps, with support from diagnostic tools and assessments (chapters 4 and 5). We have already suggested that change is a creative process as well as a rational

one. It is also a political process. Organizations are political systems, and because there are often “winners and losers,” change is a political process. The systematic tools-based approach, the creativity, and the politics work hand in hand. We will explore the political skills that change managers require later (chapter 12). It is important to recognize that, despite what the textbook or the change management consultant says, those systematic tools are only part of the answer to, “how to do it, and how to get it right.”

Organizational Capabilities, or Personal Skills?

Starbucks’ founder Howard Schultz grew the company on a combination of instinct and intuition. Roz Brewer brought a different style, based on the evidence, data, and the numbers. Either of these approaches works well in the right context, particularly with regard to whether or not the organization will welcome change. We thus need to pay attention to organizational readiness and capabilities, as well as individual personalities and skills, to understand the change drivers and barriers (chapter 5). The skills of change agents are, of course, also important. However, skilled change agents struggle in rules-based organizations, and agile organizations still need capable change agents. We will explore the capabilities of effective change managers in chapter 12.

Rapid Change, or the Acceleration Trap?

The pace of change—social, political, economic, technological—appears to have accelerated. Can organizations keep up? There is now a considerable amount of advice on how to speed up change, to accelerate the pace. Rapid change, however, can cause problems. Can people keep up? Change too fast, and you run the danger of destabilizing the organization and creating staff burnout (Buchanan and Macaulay, 2019). There is also, therefore, advice on how to manage “painless change,” and how to avoid “the acceleration trap” (see chapter 8).

Change Has Never Been So Fast

That this is an age of change is an expression heard frequently today. Never before in the history of mankind have so many and so frequent changes occurred. These changes that we see taking place all about us are in that great cultural accumulation which is man’s social heritage. It has already been shown that these cultural changes were in earlier times rather infrequent, but that in modern times

they have been occurring faster and faster until to-day mankind is almost bewildered in his effort to keep adjusted to these ever-increasing social changes. This rapidity of social change may be due to the increase in inventions which in turn is made possible by the accumulative nature of material culture [i.e., technology]. (Ogburn, 1922, pp. 199–200).

Change Leader, or Distributed Leadership?

There is a personality at the heart of each of our stories: Roz Brewer, Eddie Lampert, Mike Duggan. It seems that the fate of change is in the hands of the leader. This is rarely the case. It is widely assumed that change needs a champion, a senior figure, who sets the direction, inspires others, and drives the project. A lot of work has gone into identifying the competencies of this “ideas champion,” the effective change leader. This parallels work on the capabilities of effective leaders in general (although the evidence says that leadership success is highly contingent). However, in most organizations, change is not a solo performance but a

team effort. There is usually a “guiding coalition” of more or less senior managers, who guarantee permission for change, oversee progress, and unblock problems. Different models of change delivery units have evolved (chapter 12). Research has shown how change is often driven by large numbers of organizational members, through “distributed leadership” or “leadership constellations,” or “leadership in the plural.” As you read the case history “The Vanuatu Plastics Ban,” note the number of individuals, groups, agencies, government ministers, and government departments contributing to this change. Vanuatu is a nation state, not a company, but this distributed approach to implementing change is typical.

The Vanuatu Plastics Ban

Vanuatu in the South Pacific is made up of 80 islands stretching over 1,000 kilometers, with a population of 300,000 people. Three and a half hours flight time from Sydney on the east coast of Australia, Vanuatu’s coral reefs and World War II wrecks are popular with scuba divers.

Ocean plastic is a global problem, harming marine life and polluting the food chain. It is estimated that by 2050, there will be more plastic by volume in the world’s oceans than fish. Most of this marine pollution comes from East Asian and Pacific countries. The United Nations has “declared war” on marine litter, noting that a garbage truck of plastic is dumped into the ocean every minute. Vanuatu makes a tiny contribution to global plastic waste. However, the waste damages the islands’ ecosystems and biodiversity. Vanuatu hosted cleanup days to develop awareness of the problems that plastics created. But after these cleanups, the plastic waste would gradually return.

Solution: First Phase

The war on plastic in Vanuatu started with a campaign organized by Christelle Thieffry and Georges Cumbo. Having seen the plastic rubbish on the beaches around the capital Port Vila, they launched their Facebook page in March 2017, calling for a ban on plastic bags. Their Facebook campaign attracted a lot of support, so they launched a petition in May 2017, gaining 2,000 signatures. Their efforts attracted the attention of politicians. In July 2017, the Prime Minister, Charlot Salwai, announced the government’s intention to eradicate plastic bags within a year.

In 2018, Vanuatu banned single-use plastics, including bags and polystyrene containers, with fines

of \$175 to \$900 for violations (World Bank, 2019). When the ban was introduced, it was resisted. But people became accustomed to the idea, and shops became more comfortable about not giving shoppers plastic bags. Ellen Jimmy, a stallholder in Port Vila’s market, said that her business had not been harmed by the ban, and customers rarely complained (Visser, 2019).

Solution: Second Phase

Donna Kalfatak became Director of Vanuatu’s Department of Environmental Protection and Conservation in 2019. To implement the second phase of the plastics ban, she worked with Vanuatu’s waste management team, the Ministry of Climate Change, and the Ministry of Foreign Affairs. The Centre for Environment, Fisheries, and Aquaculture Science conducted a waste audit and concluded that the ban should be extended to disposable diapers, drinking straws, grocery packaging, Styrofoam food containers, and plastic cutlery. Christina Shaw and her colleagues at Dive Against Debris gathered further data. The Minister of Foreign Affairs and External Trade, Ralph Regenvanu, announced the expanded list of banned items, endorsed by the Council of Ministers, in December 2019.

The Outcomes

The ban had an immediate effect, with locals noting the absence of trash on the capital’s streets and urban areas. The ban was helped by the islands’ handicrafts tradition of making biodegradable bags woven from pandanus fronds. Sales of these bags grew, benefitting those who made them (Bulvanua

(Continued)

Arts and Crafts Cooperative members). But bottle caps and chip packets still wash up on the beaches, and plastic bags and water bottles have not disappeared. To evade the ban on bags, some shops packaged fruits and vegetables in plastic netting. These will eventually be banned, too.

Foreign Minister Ralph Regenvanu thinks that Vanuatu's success may be explained by the fact that it is a small country. Only one company that makes plastic products and the government have helped them to adapt to the new regulations. Regenvanu says, "It's because we're so small that we can do it. We're like a little laboratory for being able to do things like this. One of the advantages here is that it

is so small that you can do things that you may think impossible in other places" (Visser, 2019).

Case Sources

Visser, N. 2019. Vanuatu has one of the world's strictest plastic bans. It's about to get tougher. *Huffington Post*, February 24. https://www.huffingtonpost.com.au/entry/vanuatu-plastic-ban-law-ocean-pollution_n_5c6ee757e4b0f40774cd355d.

World Bank. 2019. Meet the innovator battling plastic waste in Vanuatu: Donna Kalfatak. June 4. <https://www.worldbank.org/en/news/feature/2019/06/04/meet-the-innovators-battling-plastic-waste-in-vanuatu-donna-kalfatak>.

Find on *YouTube*, 'Local Impact Story Big Blue Vanuatu' (2018, 1.38 minutes)

Learning Lessons, or Implementing Lessons?

Change following crises, accidents, misconduct, failures, and other extreme events often does not happen. There is always an investigation, which produces recommendations for preventing such an event from happening again (or at least reducing the probability). The evidence shows that those recommendations are often ignored. One might assume that, in such circumstances, change would be welcome, rapid, and straightforward. The distinction between passive learning (identifying lessons) and active learning (implementing changes) is important here. The latter does not automatically follow. Why is that not the case? In exploring “why organizations change” in chapter 3, we will also consider why organizations do not change, when perhaps they should.

The perceptive reader will have noticed that the answer to each of these six paradoxes, these six questions, is in every case “both.” We need big change and small change. Change is at the same time a systematic process and a political one. We need both organizational and individual capabilities. The pace of change must, if possible, vary with circumstances. It almost always takes “a cast of characters” that includes champions and supporters to drive change. There is no point in learning lessons if we do not then implement them. As noted earlier, the way in which these tensions are confronted and managed both drives and constrains the change process and influences the outcomes.

LO 1.4 Assessing Depth of Change

We have noted the tension between transformational change and the small stuff. Depth is one metaphor that can be used to categorize change. Figure 1.1 presents a framework for that assessment.

At the bottom of Figure 1.1 sits the “small stuff” that may not even be regarded as “change.” In the middle of the scale, we have “sustaining innovation” that involves

FIGURE 1.1
Assessing Depth of Change

↑	Off the scale	Disruptive innovation Frame-breaking, mold-breaking Redraw dramatically organization and sector boundaries
	Deeper	Paradigm shift, strategic change New ways of thinking and solving problems, whole system change New ways of doing business
	Deep change	Change the mission, vision, values, the organization's philosophy, in order to symbolize a radical shift in thinking and behavior
		Change the organization's definition of success Create new goals, objectives, targets
	Sustaining innovation	Improve business planning to symbolize a shift in thinking Tighten up on documentation, reporting, controls
		Reallocate resources Grow some departments, cut others, create new units
	Shallow change	Fine-tuning: cut costs, improve efficiencies Constantly "nibble away" making minor improvements
↓	Not on the scale	"Sweat the small stuff"—quickly solve the minor annoying problems that nobody has bothered to fix; "grease the wheels"

improving on current practices. At the top of the scale is “disruptive innovation,” which involves radically new business models and working methods (Christensen et al., 2015). Clearly, in considering change in an organization, the proposed solution should be consistent with the diagnosis of the problem. Using shallow changes to address strategic challenges may not be appropriate. Attempting to solve minor difficulties with disruptive innovation could consume disproportionate amounts of time and resources.

Shallow changes are often easier to implement than frame-breaking changes. Transformational “off the scale” changes are more challenging because they are costly and time consuming and affect larger numbers of people in more significant ways, potentially generating greater resistance. However, in most organizations, several changes at different depths are likely to be under way at the same time (see the box “Turnaround at Etsy”). Many large organizations have thus established corporate project or program management offices (PMOs), or delivery units, to support and coordinate their multiple initiatives (Ward and Daniel, 2013; Wylie and Sturdy, 2018).

One of the tensions in this framework concerns the ambitions of the individual manager. When one is interviewed for the next promotion, stories about the impact of the deep transformations for which one has been responsible are typically more impressive than stories about minor stuff. If an initiative looks like “change for the sake of change,” find out who will be adding it to their resumé.

Turnaround at Etsy

When an organization is in trouble, should management focus on changing the high-level strategy or on fixing “the small stuff”? Here is an example of a company that did both, while cutting the number of change initiatives that were running.

Founded in 2005 and based in New York, Etsy is an e-commerce company linking customers with suppliers of handmade and vintage items such as jewelry, bags, clothing, toys, art, craft supplies, and furniture, with 60 million items for sale at any given time. But in this sector, Etsy is a small company, with less than 900 staff, competing with large e-commerce companies (such as Amazon Handmade), which offer fast, consistent, and reliable online shopping.

When Josh Silverman became chief executive in 2015, Etsy was making a loss. Sales were slowing. A major investor wanted the company to be sold if business did not improve. Etsy had 800 active business development initiatives. Silverman cut half of these, and most of the rest were fast-tracked to completion in weeks rather than months or years. Technical resources were moved to a cloud platform to give the technical team more time to focus on Etsy’s issues. In his first few weeks in the job, Silverman made a quarter of the employees redundant—a decision he described as “tough love.” Etsy has 40 million active buyers, but 60 percent make a purchase only once a year, with the average shopper spending \$100 annually. With its ethos of “keeping commerce

human,” Etsy has a loyal base of customers and suppliers. To grow, Etsy has to reach beyond this core group.

Silverman also focused on the “nuts and bolts” of the online business. An autocorrect feature was added to the website’s search box. Customers were reassured about the safety of using credit cards for online payments. Silverman made sellers use the company’s own payments system, allowing Etsy to charge transaction fees and standardize the check-out procedure. Tools to support the sellers were introduced, including a dashboard to track orders and streamline payments. The search algorithm was re-designed: While it used to prioritize low-value items that sold more often, it now finds higher-priced items of better quality, encouraging shoppers to consider buying a desk, for example, when searching for a desk lamp. The new algorithm also prioritizes sellers who offer free shipping.

What Silverman has not changed, however, is Etsy’s youthful, idealistic organizational culture. The headquarters in Brooklyn has a bicycle garage, local food in the cafeteria, and a plan to offset its shipping-related carbon dioxide emissions. Sales revenue rose by 65 percent over two years, to \$604 million in 2018. The company has been profitable for two years, and its stock value was five times higher in 2019 than when Silverman took over (based on Wahba, 2019).

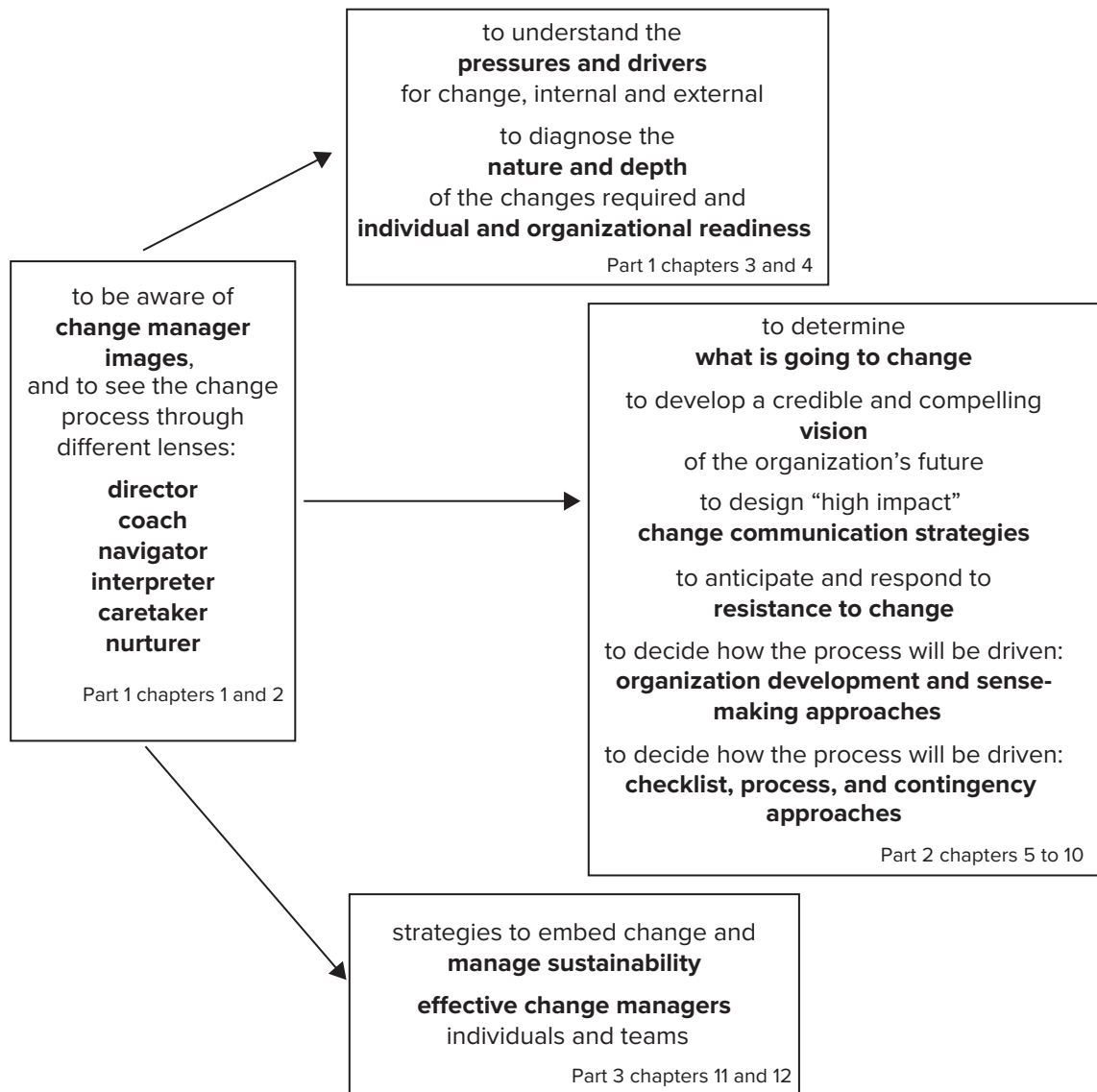
LO 1.4

What’s Coming Up: A Roadmap

This text is divided into three parts. Part 1, including this chapter, sets out the *groundwork* and is concerned with understanding and diagnosing change and with different images of change management. Part 2 focuses on *implementation*, exploring the substance of change, the role of vision, managing resistance, developing communication strategies, and several approaches to the implementation process. Part 3 examines two *running threads*, which

relate to all the previous chapters. The first concerns managing the sustainability of change, which we argue has to be considered from the beginning, and not managed as an afterthought. The second running thread is an assessment of what it takes to be an effective change manager—which is, of course, the theme of the book as a whole. Figure 1.2 sets out a roadmap, an overview of the content.

FIGURE 1.2
To Be an Effective Change Manager, This Is What You Need . . .



One of the main assumptions underpinning this roadmap is that our images of the roles of change leaders affect how we approach the other issues on the map. Remember, for example, how the different change leadership styles adopted by Roz Brewer at Starbucks, Eddy Lampert at Sears, and Mike Duggan in Detroit colored their approaches to designing and implementing the changes that they wanted to implement. This explains why “images,” chapter 2, is at the center of the figure. However, by necessity, a book such as this follows a linear sequence for presentational reasons. This is not necessarily the sequence in which change leaders will need to consider these issues or in which instructors will wish to introduce and explore these themes. What will work best depends on context. In some cases, the question of “vision” may be fundamental to the change process, and it would be unwise to proceed until that issue has been resolved. In many change models and textbooks, the question of sustainability is presented at the end, as it is here. However, if sustainability is not built into change implementation from the beginning, then this may become an unnecessary problem. Communication is another issue that is typically involved throughout the change process.

This roadmap comes with an added caution. If you follow a recipe correctly, that cake should be perfect; enjoy. However, success is not guaranteed by following a set of change implementation guidelines. There are two main reasons for this. First, designing a change process is a task with both technical and creative components; blending these components can in many circumstances be a challenging business involving much trial and error. Second, what works depends on organizational context, which is not stable, but which can change suddenly and in unpredictable ways. External conditions can change, intensifying or removing the pressures for change. Budget considerations may mean that resources are diverted elsewhere. Key stakeholders change their minds and shift from supporting to resisting. There are numerous factors that are not under the control of change leaders, and things go wrong despite careful planning and preparation. This is one reason why, as chapter 12 explains, resilience or “bouncebackability” is a core attribute for effective change leaders.

LO 1.1 Change Diagnostic: The Starbucks Story

Here are the three questions that you were asked to consider while reading Roz Brewer’s story, followed by our answers.

1. **To what extent can management expertise in general, and change management expertise in particular, translate from one company and sector to another?**

Critics argued that Brewer, with experience of the big-box retailer Walmart, was not a good choice for Starbucks’ coffee shop business. But she is not the only executive to transfer her capabilities to a completely different sector. Before joining and managing the turnaround of the computer company IBM, Lou Gerstner worked for American Express, a financial services company, and Nabisco, a cookie and snacks manufacturer. Most management skills are “portable”: strategic thinking, commercial awareness, communication and listening, diagnostics, data analysis, problem-solving, teamworking—and, of course, change management expertise. Gerstner may have had a limited

understanding of how computers work or how they were made, but he had people around him who did and on whose expertise he could draw. It was probably easier for Brewer to develop an operational understanding of Starbucks' business.

2. What elements of Brewer's approach to change management would be appropriate for you to use in your organization?

The main elements of Brewer's approach were:

- Focus on the evidence, not on intuition.
- Understand in detail how the company meets the needs of its customers.
- Be prepared to make tough, controversial decisions.
- When the company makes a mistake, apologize openly and take remedial action.
- Develop rapport and empathy with employees.
- See the organization as a part of the community, not just as a bunch of sales outlets.

3. Do you think that senior executives should be closely involved with the frontline day-to-day operations of the business as Brewer was?

This is a difficult judgment call. If you want to make improvements, it helps if you have a good understanding of the details of the operations that you want to change. Often, top management is accused of being too remote from the day-to-day, of not understanding frontline operations, and of making poor (or even unworkable) decisions as a result. Frontline staff members often complain that they never see top management or that any visits management does make are too short to be worthwhile. Understanding the operational details of the business can thus enhance management credibility and establish goodwill with employees on the frontline. However, acquiring that understanding takes time for someone not familiar with the business. Brewer spent three months doing little else. Shouldn't top management focus on more important strategic issues? There is also a danger that frontline and middle managers will feel threatened by a senior executive appearing to do their jobs. If you want to know what is going wrong, why not ask them, rather than doing it for yourself? It is helpful to pause and consider the benefits and disadvantages, before dropping into the operational details, as Brewer did. Should you draw on the expertise of the current team instead of doing this yourself?

LO 1.1 Change Diagnostic: The Sears Story

Is this the Sears story or the Eddie Lampert story? One commentator said that, as well as the other issues facing retailers, Sears had a unique problem—Lampert himself. Here are the four questions that you were asked to consider while reading the Sears story, followed by our answers.

1. How would you describe Eddie Lampert's leadership style?

Lampert could be described as a transformational leader. He was highly intelligent and decisive. He was innovative, concerning both the company structure and its service delivery. He had a clear and interesting vision for the online future of the business. Check out Shop Your Way for yourself.

However, he also appears to have been an autocratic leader. There is little evidence to suggest that he either sought or considered the views of others, including his senior colleagues, before making business-critical decisions. He was something of a recluse, preferring to meet with his division heads infrequently and through a video link (and he rarely allowed media interviews). His “engagement” with staff through the company’s social network was more confrontational than consultative.

2. How would you assess his approach to implementing major organizational change—in this case restructuring the whole company with a new organizational model?

If rapid action is necessary to rescue an organization that is experiencing extreme difficulties, then an autocratic approach may be appropriate. It takes time to pause, to ask everyone else what they think should be done, to process that feedback, to develop a more widely informed decision, to check that with those involved, and then to implement the approach. By that time, the company could be bust. Lampert’s “crisis management” style may thus have been appropriate immediately after the merger. Although profitability was declining, it is debatable whether that approach was appropriate in 2008.

A more prudent approach in this case would probably have been to listen to the views of colleagues, at all levels of the company, and to take those into account, before imposing that reorganization. There could have been many other ways in which to achieve the required end results, including improved divisional and corporate performance, and data transparency. Whatever restructuring was implemented, it was probably going to be more successful if those who were affected understood the decision, had contributed significantly to it, and had agreed with it. “Behavioral flexibility” is one of the core capabilities of managers and leaders at all levels in an organization. This means adapting one’s overall approach and personal style to fit the circumstances. Lampert did not do that.

3. On balance, how would you assess his new organizational model?

From 2005 to 2013, the company’s sales, profits, and share value fell. Although not mentioned in the case account, many experienced executives left the company, frustrated by the impact of the restructuring. Divisional collaboration was stifled, and it appears that the competition stimulated by the new organizational model was not healthy competition. The model, therefore, appears to have been damaging to the company’s performance and to its reputation. The new model, however, made it easier for Lampert to set up the online business as a division run independently of the other units. The balance of benefits and costs, however, appears to be weighted on the costs side.

4. What lessons about managing organizational change can we take from this experience and apply to other organizations, in this or other sectors?

Change leaders need to adapt their style to fit the context. An autocratic style can rapidly resolve a crisis. In other circumstances, “decisive action” may leave others feeling that they have been excluded, and they may decide to undermine decisions that they feel were ill-advised (especially where the approach was considered to be idiosyncratic), as well as imposed on them.

LO 1.1 Change Diagnostic: The Detroit Story

Here are the three questions that you were asked to consider while reading Mike Duggan's story, followed by our answers.

1. Mike Duggan transformed Detroit without a "management textbook" plan for change. Why do you think he was successful?

First, Duggan did not have a detailed plan to "sell" to Detroit's residents and employees. He had a single, clear aim—to reverse the city's decline. The operational details came from the residents themselves, and most, if not all, of the employees were also Detroit residents. Instead of telling the residents what he wanted to do, he asked them what they wanted him to do. As he was doing what the residents were asking him to do, there was no resistance to the changes that he made. Second, the changes that he introduced were immediately visible and beneficial: The streetlights and the fire hydrants worked again, and the city's population started to grow. Third, he won support for these changes from more affluent residents, creating a "virtuous circle," which enticed entrepreneurs to the city, which became fashionable. This could be described as a textbook case of participative change management, although there was no formally documented change strategy.

2. What aspects of Duggan's change management style would be appropriate for you to use in your organization?

Duggan's change management style had four components. First, he had previous successful turnaround experience and sincerely believed that he could do a similarly good job for Detroit. Second, he was willing to listen and to learn from those on the ground before launching into a major change program. Third, he paid attention to the operational details of the city's infrastructure, in the belief that minor improvements would be cumulative and transformational. Fourth, he trusted the public-service idealism of the city's employees. Self-belief, willingness to listen, attention to detail, trust in others—are those attributes useful for you in your change management role?

3. To what extent can we generalize from managing change in a Midwestern American city to managing change in commercial organizations?

Can we take general advice from a sample of one? The answer to this question, traditionally, is "no." But this is misleading. Of course, we can. We are always looking at single instances and asking ourselves, "Would that work for me or for my organization?" The technical term for this is *naturalistic generalization*; we naturally consider whether or not the behaviors and methods and techniques that we see, in single examples, would apply to us in some way. We can ask whether Duggan's approach to Detroit's residents would apply to a chief executive's approach to employees. We can consider how Duggan's focus on the "small, boring stuff" could contribute to a change program in a commercial organization or public-sector agency. Duggan's belief in the idealism of his employees applies in other parts of the public sector (healthcare, for example), and also in some commercial organizations.

EXERCISE

1.1

Writing

Your Own

Story of

Change

LO 1.1

Think of a change that you have experienced, in either your work or personal life. We would like to ask you to write a story about that experience. Here is a definition of a story to help you:

A story expresses how and why life changes. It begins with a situation in which life is relatively in balance: You come to work day after day, week after week, and everything's fine. You expect it will go on that way. But then there's an event—in screen-writing, we call it the “inciting incident”—that throws life out of balance. You get a new job, or the boss dies of a heart attack, or a big customer threatens to leave. The story goes on to describe how, in an effort to restore balance, the protagonist's subjective expectations crash into an uncooperative objective reality. A good storyteller describes what it's like to deal with these opposing forces, calling on the protagonist to dig deeper, work with scarce resources, make difficult decisions, take action despite risks, and ultimately discover the truth. (McKee, 2003, p. 52)

Plan A

Write down your experience of change in about one page, and then answer these questions:

- What made this experience a “story”?
- What lessons for managing change can you take from your story?
- Compare these with the lessons from the Starbucks, Sears, and Detroit stories. Which are the same?
- From your experience, what new lessons have you added, particularly for future changes in which you might be involved?
- In small groups, share your lessons with colleagues. Which lessons are similar, and what are the differences among you?
- What three main conclusions can you take from these stories about managing change?

Plan B

In small groups of around four to six people, ask each group member to tell their story of change, taking only three or four minutes each. Record key elements of each story on flipchart paper. When everyone has told their story, answer the following questions:

- What are the common themes and issues across these stories?
- What are the differences between these stories?
- Of the change lessons from Starbucks, Sears, and Detroit, which are revealed in the groups' stories and which are absent? What are the implications of this?
- Are there any further lessons embedded in these stories that could apply to future changes in which group members may be involved?
- What three main conclusions can you take from these stories about managing change?

Additional Reading

Barsoux, J. L., and Narasimhan, A. 2017. What everyone gets wrong about change management. *Harvard Business Review* 95(6):78–85. Notes that three-quarters of change efforts are unsuccessful. The answer, they argue, is to align three factors: the catalyst for transformation, the organization’s “quest” or strategy, and leadership capabilities. In other words, successful change depends on a combination of organizational and individual characteristics.

Christensen, C. M., and Carlile, P. R. 2009. Course research: Using the case method to build and teach management theory. *Academy of Management Learning and Education* 8(2):240–51. Explains how to use stories and case studies in management teaching, to develop, test, and improve theory.

Colvile, R. 2016. *The great acceleration: How the world is getting faster, faster*. London: Bloomsbury. Argues that almost everything we do—walking, travelling, communicating, processing information, buying things, you name it—is getting faster. He also claims that this is beneficial, because we are wealthier and better informed than we were. But organizations that are not able to keep up with the pace of change will suffer, and many of us now feel overwhelmed by too much information.

Gabriel, Y. 2019. Case studies as narratives: Reflections prompted by the case of Victor, the wild child of Aveyron. *Journal of Management Inquiry* 28(4):403–408. Argues from an unusual basis, that stories and case studies can give us considerable insights and are thus valuable vehicles for developing and sharing management knowledge.

Hughes, M. 2011. Do 70 per cent of all organizational change initiatives really fail? *Journal of Change Management* 11(4):451–64. Challenges the evidence behind the argument that so many change initiatives fail, suggesting that this has been exaggerated.

Roundup

Successful change is not guaranteed, despite the care and attention given to implementation planning. If there is one firm prediction that we can make about change, it is that it will go wrong, however meticulously designed. Why? By definition, we are always doing it for the first time—in this organization, facing these problems, with these resources, given the past history—and so on. One cannot confidently predict what will happen. The change leader is always building the plane as it flies. This is not an argument against planning; it is an argument for recognizing when things are going wrong, learning from that, and adapting accordingly. So this text does not set out to tell change leaders what to do. Such perspectives perpetuate the problem by creating the illusion that the outcomes can be kept under control if carefully planned steps are followed. Most people’s experience of organizations suggest that they are complex and untidy—and political—arenas. Acknowledging these characteristics is the first step to taking a more realistic view of what change leaders can expect to achieve. As discussed in chapter 2, it is more appropriate to think in terms of *shaping* the change process rather than *controlling* it. We hope that reflective

change leaders will accept that choices must be made for change to proceed and that these are informed choices, not adopted on the grounds that there is one best way to approach the process.

Here is a short summary of the key points that we would like you to take from this chapter, in relation to each of the learning objectives:

- LO 1.1** * *Understand how stories of change can contribute to our knowledge of theory and practice.*
Stories can be read as process narratives, which explain what happened in a given context. These explanations are therefore theories of change, pointing to the combination of factors interacting over time, leading to more or less successful change. Although those theories cannot be copied simply to other organizations and contexts, they are still a rich source of general lessons, and aspects of one organization's approach can be adapted to fit other organizational contexts, if appropriate.
- LO 1.2** * *Explain why managing organizational change is both a creative and a rational process.*
As with management practice in many other areas, what is going to work well when it comes to implementing change depends on the organizational context. Although general guidelines help to identify the factors to take into consideration, the details have to be determined by local, informed management and staff judgment. That is a creative process.
- LO 1.3** * *Identify the main tensions and paradoxes in managing organizational change.*
Should we focus on transformational changes, or do we need to sweat the small stuff as well? Should change be a rational, systematic process, or do we need to recognize the political dimension? What is more important, organizational capabilities or individual skills in implementing change? Should we accelerate the changes or adopt a more measured pace? Do we rely on one change champion or recognize the distributed contributions of many change agents? Once we have learned the lessons from a crisis or other extreme event, how do we ensure that these are put into practice?
- LO 1.4** * *Evaluate the strengths and limitations of our current understanding of this field.*
There is a significant amount of commentary, but little consensus. Most of the advice says much the same thing, but the failure rate of change is still high. The commentary is highly fragmented and includes multiple perspectives and conceptualizations. Evidence comes from a range of different settings and approaches, and contributions from the last century are still relevant today. Establishing cause and effect with regard to change and outcomes is made difficult by the many variables and the many stakeholders typically involved.

References

- Badham, R. 2013. *Short change: An introduction to managing change*. Sumy, Ukraine: Business Perspectives.
- Barsoux, J. L., and Narasimhan, A. 2017. What everyone gets wrong about change management. *Harvard Business Review* 95(6):78–85.
- Buchanan, D., and Macaulay, S. 2019. The seven deadly myths of change. *Training Journal* (November):29–31.

- Bucy, M., Fagan, T., Maraite, B., and Piaia, C. 2017. *Keeping transformations on target*. New York and London: McKinsey & Company.
- Christensen, C. M., and Carlile, P. R. 2009. Course research: Using the case method to build and teach management theory. *Academy of Management Learning and Education* 8(2):240–51.
- Christensen, C. M., Raynor, M., and McDonald, R. 2015. Disruptive innovation. *Harvard Business Review*, 93(12):44–53.
- Dawson, P., and Andriopoulos, C. 2017. *Managing change, creativity and innovation*, 3rd ed. London: Sage Publications.
- Denis, J. L., Lamothe, L., and Langley, A. 2001. The dynamics of collective leadership and strategic change in pluralistic organizations. *Academy of Management Journal* 44(4):809–37.
- Gabriel, Y. 2019. Case studies as narratives: Reflections prompted by the case of Victor, the wild child of Aveyron. *Journal of Management Inquiry* 28(4):403–8.
- Hagen, N. 2018. Halting Detroit's decline. *Financial Times* (January 8):24.
- Hughes, M. 2011. Do 70 per cent of all organizational change initiatives really fail? *Journal of Change Management* 11(4):451–64.
- Keller, S., and Schaninger, B. 2019. *A better way to lead large-scale change*. New York: McKinsey & Company.
- Kimes, M. 2013. At Sears, Eddie Lampert's warring divisions model adds to the troubles. *Bloomberg Businessweek*, July 11. <http://www.businessweek.com/articles/2013-07-11/at-sears-eddie-lamperts-warring-divisions-model-adds-to-the-troubles>.
- Kowitt, B. 2019. How Starbucks got its buzz back. *Fortune* 180(4):84–92.
- Langley, A., and Tsoukas, H. 2010. Introducing perspectives on process organization studies. In *Process, sensemaking, and organizing*, ed. T. Hernes and S. Maitlis (1–26). Oxford: Oxford University Press.
- Langley, A., Smallman, C., Tsoukas, H., and Van de Ven, A. H. 2013. Process studies of change in organization and management: Unveiling temporality, activity, and flow. *Academy of Management Journal* 56(1):1–13.
- McKee, R. 2003. Storytelling that moves people. *Harvard Business Review* 81(6):51–55.
- Mohr, L. B. 1982. *Explaining organizational behavior: The limits and possibilities of theory and research*. San Francisco: Jossey-Bass Publishers.
- Moore, C., and Buchanan, D. A. 2013. Sweat the small stuff: A case study of small scale change processes and consequences in acute care. *Health Services Management Research* 26(1):9–17.
- Ogburn, W. F. 1922. *Social change: With respect to culture and original nature*. New York: B.W. Huebsch.

28 Chapter 1 *Managing Change: Stories and Paradoxes*

Stouten, J., Rousseau, D. M., and De Cremer, D. 2018. Successful organizational change: Integrating the management practice and scholarly literatures. *Academy of Management Annals* 12(2):752–88.

Vaara, E., Sonenshein, S., and Boje, D. M. 2016. Narratives as sources of stability and change in organizations. *Academy of Management Annals* 10(1):495–560.

Visser, N. 2019. Vanuatu has one of the world's strictest plastic bans. It's about to get tougher. *Huffington Post*, February 24. https://www.huffingtonpost.com.au/entry/vanuatu-plastic-ban-law-ocean-pollution_n_5c6ee757e4b0f40774cd355d.

Wahba, P. 2019. Crafting a comeback at Etsy. *Fortune* 180(2):33–35.

Ward, J., and Daniel, E. 2013. The role of project management offices (PMOs) in IS project success and management satisfaction. *Journal of Enterprise Information Management* 26(3):316–36.

Wylie, N., and Sturdy, A. 2018. Structuring collective change agency internally: transformers, enforcers, specialists and independents. *Employee Relations* 40(2):313–28.

Source of the chapter opening quote: Wylie Communications, Quotes on the power of storytelling. <https://www.wyliecomm.com/writing-tips/creative-communications/storytelling/quotes-on-the-power-of-storytelling>.

Chapter opening silhouette credit: CharlotteRaboff/Shutterstock

Chapter 2

Images of Change Management

Learning Objectives

By the end of this chapter you should be able to:

- LO 2.1** Evaluate the use that different authors make of the terms *change agent*, *change manager*, and *change leader*.
- LO 2.2** Understand the importance of organizational images and mental models.
- LO 2.3** Compare and contrast six different images of managing change and change managers.
- LO 2.4** Explain the theoretical underpinning of different change management images.
- LO 2.5** Apply these six images of managing change to your personal preferences and approach and to different organizational contexts.

"We all have mental models: the lens through which we see the world that drive our responses to everything we experience. Being aware of your mental models is key to being objective."



Elizabeth Thornton, author

LO 2.1 What's in a Name: Change Agents, Managers, or Leaders?

This chapter focuses on those who drive and implement change. We first consider how those individuals are described, and then explore different ways in which their roles can be understood. This is not just a theoretical discussion. An understanding of organizational change roles has profound practical implications for the way in which those roles are conducted. And if you are in a change management role, now or in the future, the way in which you understand your position will affect how you fulfill those responsibilities and whether you are more or less successful. We will thus explore different mental models or images of the change management role.

The use of terms in this field has become confused, and we first need to address this problem. Do the terms *change agent*, *change manager*, and *change leader* refer to different roles in relation to organizational change? Or are these labels interchangeable?

For most of the twentieth century, the term *change agent* typically referred to an external expert management consultant who was paid to work out what was going wrong in an organization and to implement change to put things right. This model is still in use. Many external change agents use the “process consultation” approach popularized by Schein (1999). Here, the role of the “expert” is to help members of the organization to understand and solve their own problems.

Today, a change agent is just as likely to be a member of the organization as an external consultant. The term is now often used more loosely, to refer to anyone who has a role in change implementation, regardless of that person's job title or seniority. Given the scale and scope of changes that many organizations face, a significant number of internal change agents may be a valuable—perhaps necessary—resource. Internal change agents usually have a better understanding than outsiders of the problems that need to be solved and the changes that would lead to improvements. In short, when you see the term *change agent*, it is important to check the meaning that is intended, unless it is obvious from the context.

Conventional wisdom says that managers and leaders play different roles (Zaleznik, 1997; Kotter, 1990). For John Kotter (2012), change management involves the basic tools and structures with which small-scale changes are controlled. Change leadership, in contrast, marshals the driving forces and visions that produce large-scale transformations. His point is that we need more change leaders. In a series of studies, Kniffin et al. (2019) found that the traditional distinction between managers and leaders is deeply embedded in popular thinking and that leadership is evaluated more positively than management. Management is associated with terms such as supervises, fires, bosses, oversees, and budgets. Leadership is associated with terms such as inspires, encourages, motivates, guides, and teaches. Leadership has become more fashionable. Graduate business schools in the 1970s used management-related terms in their mission statements; today almost all use leader-related terms.

One explanation for this emphasis on leadership lies with the language used by the media and influential commentators. Leaders are routinely praised. Managers are regularly dismissed as bureaucratic paper pushers. Another explanation lies with today's turbulent

social and economic conditions that favor the change-oriented roles associated with leadership. Kniffin et al. (2019, p. 5) argue that:

These findings speak to what has been referred to as an infatuation with or romance of leadership in our society, where leadership is often loved for personal, historical, and ideological reasons rather than any direct connection to the facts of a situation. Beyond seeming to confirm this love of leadership, our findings highlight that this preference may come at the high cost of failing to appreciate the value of management in many situations.

In other words, “people learn to love prototypical leadership characteristics via repeated exposure to exhortations that they should” (p. 17).

The argument that management and leadership are distinct has two main flaws. The first concerns the assumption that large-scale transformations are more meaningful and potent and are therefore more valuable than small-scale change. They are not, as the discussion of “depth of change” (Figure 1.1) in chapter 1 suggested. The second flaw concerns the belief that distinct definitions of management and leadership concepts will survive contact with practice. They do not. It may be possible to define clear categories in theory, but in practice these roles overlap and are indistinguishable. The general distinction between management and leadership is challenged by Mintzberg (2009, pp. 8–9) who argues, “I don’t understand what this distinction means in the everyday life of organizations. Sure, we can separate leading and managing conceptually. But can we separate them in practice? Or, more to the point, should we even try?” He asks, how would you like to be managed by someone who doesn’t lead, or isn’t led by someone who doesn’t manage? “We should be seeing managers *as* leaders, and leadership as management practiced well.”

In short, management versus leadership is not a distinction worth arguing over and may be more simply resolved by a combination of personal and contextual preference. In this book, we will use the terms *change management* (or *manager*) and *change leadership* (or *leader*) synonymously.

LO 2.2 Images, Mental Models, Frames, Perspectives

More important than the terminology, the internal mental *images* that we have of our organizations influence our expectations and our interpretations of what is happening, and of what we think needs to change and how (Morgan, 2006; Hatch and Cunliffe, 2012; Bolman and Deal, 2017). We typically hold these images, metaphors, frames of reference, or perspectives without being conscious of how they color our thinking, perceptions, and actions. These images or mental models help us to make sense of the world around us, by focusing our attention in particular directions. The key point is that while an image or mental model is a way of seeing things, a standpoint drawing our attention to particular issues and features, it is also a way of *not* seeing things, shifting our attention away from other factors, which may or may not be significant.

For example, if we have a mental image of organizations as machines, then we will be more aware of potential component “breakdowns” and see our role in terms of maintenance and repair. In contrast, if we think of organizations as political arenas, we are more likely to be aware of the hidden agendas behind decisions and try to identify the winners and losers. We are also likely to see our role, not as maintaining parts of a smooth-running machine, but as building coalitions, gathering support for our causes, and stimulating

conflict to generate innovation. Shifting the lens again, we may see our organizations as small societies or “microcultures.” With this image, we are more likely to focus on “the way things get done around here” and on how to encourage the values that are best aligned to the type of work that we do. A microculture image highlights the importance of providing vision and meaning so that staff identity becomes more closely associated with the work of the organization. Each frame thus orients us toward a different set of issues.

There are no “right” and “wrong” images here. These are just different lenses through which the world in general, and organizations in particular can be seen and understood. The images or lenses that we each use reflect our backgrounds, education, life experiences, and personal preferences. There are some problems for which a “machine” image may be more appropriate, and other problems where a “microculture” image is relevant. Some problems may best be understood if they are approached using two or three images or lenses at a time.

Those who are responsible for driving and implementing change also have their own images of organizations—and more importantly, *images of their role as change manager*. Those images clearly influence the ways in which change managers approach the change process, the issues that they believe are important, and the change management style that they will adopt. Like the child with a hammer who treats every problem as if it were a nail, the change manager is handicapped in drawing on only one particular image of that role. It is therefore important, first, to understand one’s personal preferences—perhaps biases—in this regard. It is also important, second, to be able to switch from one image of the role to another, according to circumstances. This ability to work with *multiple perspectives, images, or frames concerning the change management role* is, we will argue, central to the personal effectiveness of the change manager and also to the effectiveness of the change process.

We will outline six different “ideal type” images of managing change, describing the assumptions that underpin each image and the theoretical views that support them. We will then explore how change managers can draw from and use these multiple perspectives and images of managing change.

LO 2.3 The Six-Images Framework

How are our images or mental models of organizational change formed? To answer this question, Palmer and Dunford (2002) argue that two dimensions of change are particularly important. The first dimension concerns *choice of change management approach*. The second concerns *expectations concerning the outcomes* of the change process. Of the many dimensions of the change management process, these two are particularly important because they concern the *how*, or the way in which change will be implemented, and the *results*, or what the change hopes to achieve.

With regard to the first of these dimensions, change management can be seen as either a *controlling* or a *shaping* activity. These images represent extreme points on a continuum and reflect the traditional distinction between autocratic/directive and participative/engaging management styles (e.g., Katz et al., 1950; Tannenbaum and Schmidt, 1958). Second, there are three broad images of the expected change outcomes, which can be seen as either *intended*, *partially intended*, or *unintended*. Outcomes do not always depend entirely on the decisions and actions of those who are implementing the change. Change outcomes can be affected by events and developments outside the organization, beyond the direct

TABLE 2.1
Images of
Change
Management

Images of Expected Change Outcomes	Images of Managing	
	Controlling (Roles and Activities)	Shaping (Enhancing Capabilities)
Intended	director	coach
Partially intended	navigator	interpreter
Unintended	caretaker	nurturer

control of change managers, whose intentions may be swamped by those external factors. How change managers understand those outcomes thus influences their image of the change management role. Combining these models of managing change and of expectations of change outcomes leads to the six images summarized in table 2.1: *director*, *coach*, *navigator*, *interpreter*, *caretaker*, *nurturer*.

Management as Controlling

The image of management as a controlling function has deep historical roots, based on the work of Henri Fayol (1916; 1949) and his contemporaries (Gulick and Urwick, 1937) who described what managers do, captured by the clumsy acronym POSDCoRB. This stands for Planning, Organizing, Supervising, Directing, Coordinating, Reporting, and Budgeting—activities that the change manager, as well as the general manager, may be expected to carry out (Kniffin et al., 2019). This reflects a “top-down,” hierarchical view of managing, associated with the image of organization as a machine. The manager’s job is to drive the machine in a particular direction. Staff members are given defined roles. Resources (inputs) are allocated to departments to produce efficiently the required products and/or services (outputs). Mintzberg (2009) also describes management roles in terms of deciding, focusing, scheduling, communicating, controlling, leading, networking, building coalitions, and getting things done. This is the “hard” dimension of management. But Keller and Shaninger (2019, p. 3) are not alone in emphasizing the importance of focusing on both the “hard and soft” elements of change management, concerning performance and organizational health:

Performance is what an enterprise does to deliver improved financial and operational results for its stakeholders. Health describes how effectively people work together to pursue a common goal. To deliver successful change at scale, leaders should emphasize performance- and health-related efforts equally.

Management as Shaping

This image of management as a shaping function, enhancing both individual and organizational capabilities, also has deep roots, based on the “human relations” school of management from the 1930s (Roethlisberger and Dickson, 1939; Mayo, 1945) and on the organization development movement (Bennis, 1969; Cheung-Judge and Holbeche, 2015). This image is associated with a participative management style that encourages involvement in decision making in general, and in deciding the content and process of change in particular. Employee involvement in change is based on two assumptions. First, those who are closest to the action will have a better understanding of how things can be

improved. Second, staff members are more likely to be committed to making changes work if they have contributed to the design of those changes. Managing people is thus concerned with shaping (and not directly controlling) behavior in ways that benefit the organization.

The contemporary concern with “employee engagement” is another manifestation of this image. The polling organization Gallup (2017) studied employee engagement in 155 countries. They found that 85 percent of employees worldwide are not engaged or are actively disengaged in their jobs and describe this as an “engagement deficit.” Levels of engagement vary from country to country, but no region exceeded 40 percent of employees engaged. The figure for Eastern Europe was 15 percent; Western Europe, 10 percent; France, Italy and Spain, below 10 percent; United Kingdom, 11 percent; Australia and New Zealand, 14 percent; Norway, 17 percent; and the United States and Canada, 30 percent. Gallup (2017) argues that these figures reflect a waste of potential. Employers with the most engaged workforces—those in the top 25 percent, with around 70 percent of employees saying they were engaged—were 17 percent more productive and 21 percent more profitable than those in the bottom 25 percent. Gallup (2017, p. 7) also concludes that addressing the engagement deficit would contribute to the implementation of beneficial organizational change:

The resulting sense of empowerment benefits both the employee and the organization. Employees who strongly agree that their opinions count at work are more likely to feel personally invested in their job. Gallup’s global data suggest that without such opportunities, workers are more likely to doubt their ability to get ahead by working hard—a devastating blow to their motivation and productivity. Higher levels of autonomy also promote the development and implementation of new ideas as employees feel empowered to pursue entrepreneurial goals that benefit the organization.

There is no argument concerning which of these images—controlling or shaping—is “correct” and which is “wrong.” It is possible to marshal argument and evidence in support of both frames. We have to ask, however, which would be more appropriate or effective in given circumstances.

Table 2.1 also identifies three dominant images of change outcomes, based on the extent to which it is expected that change outcomes can be wholly planned and achieved, or not. Change outcomes can be achieved as intended or partially achieved, or unintended outcomes can be achieved. This is a continuum, from wholly intended to wholly unintended, rather than three discrete categories.

Intended Change Outcomes

The dominant assumption of this image is that intended change outcomes can be achieved, as planned. This assumption underpins much of the commentary on organizational change and has dominated the practical advice offered to change managers for over half a century (Burnes, 2017).

The consulting company McKinsey, for example, advises a carefully planned approach to improving the chances of success of planned transformations (their research suggests that 30 percent fail to deliver their intended benefits). They describe the process as going through six stage gates: idea, identified, validated, planned, executed, and realized (Bucy et al., 2017).

These six stages represent a “change pipeline.” At each stage of the pipeline, however, value can be lost, which means that the end result falls short of the original intent. This happens, in part, because smaller initiatives, which can account for a significant component of a program’s overall value, often attract less management attention. To reduce the “impact leakage” through the pipeline, Bucy et al. (2017) offer three pieces of advice. First, be relentless: Assume that most initiatives will not achieve all that is expected, and do not lose sight of the minor changes that can contribute to the end result. Second, focus resources: Do not ask individual change managers to lead more than three initiatives at any one time, recruit more initiative owners, and limit the number of milestones and metrics. Third, plan and adapt: Plan the milestones, reduce delays, and initiate weekly actions for initiative owners.

In this image, therefore, the intended outcomes of a change program are achieved by following the right steps, planning, allocating resources appropriately, and focusing on all the components of an initiative that contribute to the final results. Managing change is a technical matter that involves following the correct sequence of actions. When things go wrong, it is because steps in the process or particular issues have been overlooked.

Partially Intended Change Outcomes

In this image, it is assumed that some, but not all, planned change outcomes are achievable. Power, competing interests, organizational politics, embedded processes, and different skill levels affect a manager’s ability to produce intended outcomes. As Mintzberg and Waters (1985) note, the link between initial intent and final outcome is not necessarily a direct one. This is due to the fact that both intended and unintended consequences may emerge from the actions of change managers; intended outcomes may be adapted along the way, or externally imposed forces may modify what was originally intended. Change goals can be altered or ignored by “everyday resistance” to initiatives that are seen as undesirable or unworkable by those who are affected (McCabe et al., 2019). For these reasons, change initiatives do not always deliver all the outcomes that were planned.

Unintended Change Outcomes

Less attention has been paid to this image in commentary on change management, but this is a common theme in mainstream organization theory. This image recognizes that managers often have great difficulty in achieving the change outcomes that were intended. This difficulty stems from the variety of internal and external forces that can push change in unplanned directions. Internal forces can include interdepartmental politics, long-established working practices that are difficult to dislodge, and deep-seated perceptions and values that are inconsistent with desired changes. External forces can include confrontational industrial relations, legislative requirements (tax demands, regulatory procedures), or industry-wide sectoral trends (trade wars, stock market volatility). These forces typically override the influence of individual change managers, whose intentions can be easily swamped. On occasion, of course, intentions and outcomes may coincide, but this is often the result of chance rather than the outcome of planned, intentional change management actions.

How to Achieve Unintended Change Outcomes

Hope (2010) describes how middle managers “redefined” senior management plans for change in the claims handling division of a Nordic insurance company. The claims handling process was time consuming and costly, and it was difficult for customers. Middle management, however, did not agree with the changes that senior management proposed and were concerned that, as they would be responsible for the implementation, they would be blamed if anything went wrong. A back office management team, who called themselves “The Gang of Four,” decided to implement their own proposals instead. The tactics they used to influence the change outcomes included:

- disobeying management decisions about project representation
- handpicking loyal and skilled people to fill project roles
- taking control over the subproject staffing
- controlling information gathering by deciding what questions were to be asked
- producing a memo supporting their own position and aims
- holding back information, and distributing information selectively
- questioning the expertise of the external consultants
- taking advantage of the new division head and his lack of local experience
- rejecting unfavorable decisions, and insisting on a “replay” to reach different outcomes

Middle management was thus able to implement its own more effective proposals.

LO 2.3

LO 2.4

Six Images of Change Management

Table 2.1 identifies six different images of change management, each dependent in turn on contrasting images of the role of the change manager, on the one hand, and of expectations concerning change outcomes, on the other. We can now outline each of these images and their theoretical underpinnings.

1. Change Manager as Director (*Controlling Intended Outcomes*)

The *director* image views management as controlling, and change outcomes as being achievable as planned. The change manager’s role here, as the title indicates, is to steer the organization toward the desired outcomes. This assumes that change involves a strategic management choice upon which the well-being and survival of the organization depends. Let us assume that an organization is “out of alignment” with its external environment, say with regard to the information demands of a changing regulatory system and the more effective responses of competitors. The change management response could involve a new corporate information technology (IT) system to apply data analytics to more efficiently capture “big data” (George et al., 2014). The director image assumes that this can be mandated, that the new system can be implemented following that command, and that it will work well, leading to a high-performing organization that is more closely aligned to its external environment.

What theoretical support does this image have? As chapter 10 will explain, there are a number of “*n*-step” models, guidelines, or “recipes” for change implementation that are based on the image of the change manager as director. The change manager is advised to

follow the steps indicated (the number of steps varies from model to model), more or less in the correct sequence and regardless of the nature of the change, to ensure successful outcomes. These models are united by the optimistic view that the intended outcomes of change can be achieved, as long as change managers follow the model, as discussed earlier. Kotter (2007; 2012b) developed one of the best known *n*-step models. He advocates working systematically through the eight steps in his approach, more or less in sequence, and not missing or rushing any of them. Even Kotter acknowledges that change is usually a messy, iterative process. Nevertheless, he remains confident that, if followed correctly, his “recipe” will increase the probability of a successful outcome.

As chapter 10 also explains, *contingency theories* argue that there is no “one best model” for change managers to follow. These perspectives argue that the most appropriate approach is contingent; that is, it depends on the context and on the circumstances (Stace and Dunphy, 2001; Balogun et al., 2016). Contingency theorists thus part company with *n*-step “best practice” guides, suggesting that a range of factors such as the scale and urgency of the change, and the receptivity of those who will be affected, need to be considered when framing an implementation strategy. In other words, the “best way” will depend on a combination of factors—but as long as the change manager takes those factors into account and follows the contingent model, then the intended outcomes should be delivered.

2. Change Manager as Navigator (*Controlling Some Intended Outcomes*)

In the *navigator* image, control is still at the heart of change management action, although external factors mean that, although change managers may achieve some intended change outcomes, they may have little control over other results. Outcomes are at least partly emergent rather than completely planned and result from a variety of influences, competing interests, and processes. For example, a change manager may wish to restructure the business using “agile” autonomous teams to streamline new product design and development (Brosseau et al., 2019). Although a change manager may be able to set up agile teams (an intentional outcome), getting them to work effectively may be challenging if there is a history of distrust, information hoarding, and boundary protection by the business units. In this situation, functional managers may appoint to the agile teams people who they know will keep the interests of their department uppermost and block any decisions that might decrease their organizational power—an unintended outcome of setting up the teams in the first place.

Exploring why change initiatives stall, Eric Beaudan (2006, p. 6) notes that “No amount of advance thinking, planning and communication guarantees success. That’s because change is by nature unpredictable and unwieldy. The military have a great way to put this: ‘no plan survives contact with the enemy’.” He also argues that “leaders need to recognize that the initial change platform they create is only valid for a short time. They need to conserve their energy to confront the problematic issues that will stem from passive resistance and from the unpredictable side effects that change itself creates” (Beaudan, 2006, p. 6). Change may be only partially controllable, with change managers navigating the process toward a set of outcomes, not all of which may have been intended.

What theoretical support does this image have? Processual theories (see chapter 10) argue that organizational changes unfold over time in a messy and iterative manner and

thus rely on the image of change manager as navigator (Langley et al., 2013; Dawson and Andriopoulos, 2017). In this perspective, the outcomes of change are shaped by a combination of factors, including:

- the past, present, and future *context* in which the organization functions, including external and internal factors
- the *substance* of the change, which could be new technology, process redesign, a new payment system, or changes to organizational structure and culture
- the implementation *process*—tasks, decisions, timing *political behavior*, inside and outside the organization
- *interactions* between these factors.

The role of the change manager is not to direct, but to identify options, accumulate resources, monitor progress, and navigate a way through this uncertainty, ambiguity, and complexity.

Change managers must accept that there will be unanticipated disruptions and that options and resources need to be reviewed. Change navigators are also advised to encourage staff involvement. For senior management, rather than directing and controlling the process, the priority is to ensure receptivity to change (Rafferty et al., 2013) and that those involved have the skills and motivation to contribute. However, given the untidy, nonlinear nature of change, navigators—consistent with the metaphor—have room to maneuver; the course of change may need to be plotted and replotted in response to new information and developments. There is no guarantee that the final destination will be as initially intended. In some instances, change may be ongoing, with no clear end point.

3. Change Manager as Caretaker (*Controlling Unintended Outcomes*)

In the caretaker image, the (ideal) management role is still one of control, although the ability to exercise that control is severely constrained by a range of internal and external forces that propel change relatively independent of management intentions. For example, despite the change manager's desire to encourage entrepreneurial and innovative behavior, this may become a failing exercise as the organization grows; becomes more bureaucratic; and enacts strategic planning cycles, rules, regulations, and centralized practices. In this situation, the issues linked to inexorable growth are outside the control of an individual change manager. In this rather pessimistic image, at best managers are caretakers, shepherding their organizations along to the best of their ability.

Theoretical support for the caretaker image can be drawn from three organizational theories: life-cycle, population ecology, and institutional theory.

Life-cycle theory views organizations passing through well-defined stages from birth to growth, maturity, and then decline or death. These stages are part of a natural, developmental cycle. There is an underlying logic or trajectory, and the stages are sequential (Van de Ven and Poole, 1995; Van de Ven and Sun, 2011). There is little that managers can do to prevent this natural development; at best they are caretakers of the organization as it passes through the various stages. Harrison and Shirom (1999) identify the caretaker activities associated with the main stages in the organizational life cycle, and these are summarized in table 2.2. Change managers thus have a limited role, smoothing the various transitions rather than controlling whether or not they occur.