2 RETHINKING ORGANIZATION CHANGE

Most efforts by executives, managers, and administrators to significantly change the organizations they lead do not work. By "change significantly," I mean to turn the organization in another direction, to fundamentally modify the "way we do things," to overhaul the structure—the design of the organization for decision-making and accountability—and to provide organizational members with a whole new vision for the future. And in the ever-increasing world of mergers and acquisitions, 75% fail at this (Burke and Biggart 1997; "How Mergers Go Wrong" 2000). To survive, especially for the long term, organizations must change and adapt to their environments, but typical changes consist of fine-tuning: installing a new system for sales management; initiating a program to improve the quality of products or services; or changing the structure to improve decision-making without first changing the organizational strategy, which is, after all, the basis for decision-making.

Examples of significant and successful organization change will be presented in this book. These examples, however, are exceptional. Most organization change is not significant or successful. Organizational improvements do occur, even frequently, and do work, but large-scale, fundamental organization change that works is rare. Why is this the case?

There are many reasons. First and foremost, deep organization change, especially attempting to change the culture of an organization, is very difficult. Second, it is often hard to make a case for change, particularly when the organization appears to be doing well. Nothing is broken, so what's to fix? A paradox of organization change is that the peak of success is the time to worry and to plan for and bring about significant change.

Third, our knowledge for how to plan and implement organization change is limited. The primary purpose of this book is an attempt to rectify this limitation, at least to some extent. Let's begin with a fundamental issue.

Accepted knowledge of organization change is that we plan change according to steps or phases, for example, step 1 is often to examine whether change is needed. If so, step 2 becomes crafting reasons and plans for the need to change. Step 3 is to take action accordingly – to "unfreeze" the system is the lingo – followed by step 4, etc. The latest regarding the efficacy of such steps is addressed in Chapter 17. The point at this stage of explanation regarding organization change is that "steps" are appropriate but in execution are not discrete. The change process itself does not actually occur according to steps. It's another paradox.

THE PARADOX OF PLANNED ORGANIZATION CHANGE

In an Associated Press release on June 1, 2001, the Federal Communications Commission head at the time, Michael Powell, referring to the shift to digital technology, was quoted as saying that "it will be messy and it will be confusing, and we will get a lot of it wrong and we'll have to start over. But that's the creative process, that's the evolutionary process" (Srinivasan 2001, 6A). *Revolutionary* process might have been more accurate; in any case, Mr. Powell described the change process very realistically. I thought at the time, this man knows what he is talking about.

As stated previously, when planning organization change, the process is usually linear, that is, Step 1 or Phase 1, then Step 2, 3, and so on. Although an attempt is made in the implementation of change to follow these steps or phases, what actually occurs is anything but linear. The implementation process is messy: Things don't proceed exactly as planned; people do things their own way, not always according to the plan; some people resist or even sabotage the process; and some people who would be predicted to support or resist the plan actually behave in just the opposite way. In short, unanticipated consequences occur. Leaders of change often say something like "for every step forward we take, we seem to fall back two steps; something always needs fixing to get us back on track."

Provided the change goals are clear and change leaders are willing to stay the course, over time, the process may end up being somewhat linear, or at least a pattern may emerge. But linearity is not what anyone experiences during the implementation process itself, in the thick of things, which may feel chaotic, with people in the organization constantly asking the question "Who's in charge here?" Figure 2.1 is a simple way of trying to depict this nonlinear process yet show at the same time the possibility of an emergent pattern. But no pattern will emerge unless there is a clear change goal or goals. The end in mind (although in organization change there are milestones that are reached but probably no *end* state) is what "pulls" or establishes a pattern.

Consider the figure further: We launch the change effort with some new initiative, for example, a different way of evaluating and rewarding performance from, say, results only as the index of performance to a "balanced scorecard" (Kaplan and Norton 1996). In planning for the change, we were counting on a number of key executives to support it, and we assumed that certain others would be resistant. Once the initiative was launched, to our surprise, we found that some of the executives that we were counting on for support actually resisted the change and some that we believed would be resistant turned out to be advocates. Thus, we faced a need to regroup, in a sense, and work hard on those now resisting who we had assumed would be supportive and at the same time rally around those now advocating the change who we thought were going to resist. In other words, we needed to "loop back." This occurrence, while unanticipated, does not necessarily represent a huge block or barrier to the change effort overall, and therefore the loop is not very large but requires a loop back to fix the problem nevertheless.

FIGURE 2.1 ■ **Depiction of the Nonlinear Nature of Organization Change**

FIGURE 2.1 ■ **Depiction of the Nonlinear Nature of Organization Change**
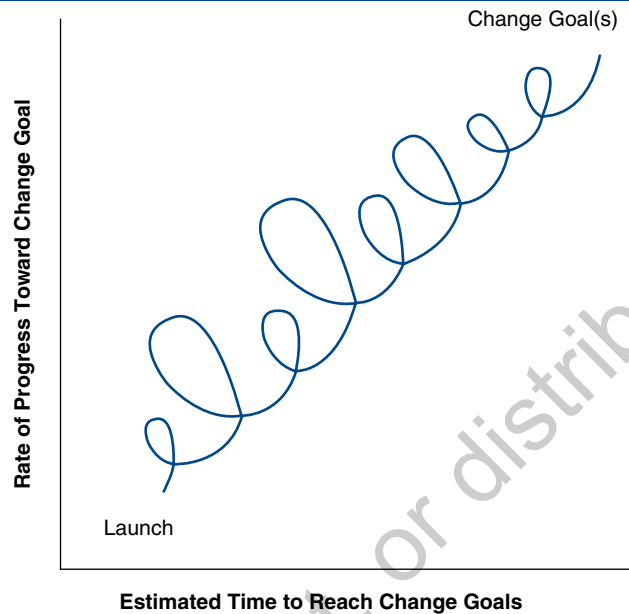
Note that the second loop is larger. It may have been necessary to install a new computer software program to facilitate the change to a different way of tracking and recording performance at the individual, work unit, business unit, and overall organizational levels. But what we found, let's say, was that the software package did not work satisfactorily. So, we have to loop back and fix the software problem. It represents a significant problem to fix and therefore the loop is larger. And so it goes. The managing change process as depicted in the figure is one of dealing with unanticipated consequences that occur when we intervene in the organization's normal way of doing things with a new way. Let us be clear: We must plan change yet understand that things never turn out quite as we planned. It's a paradox.

How organization change occurs, with particular emphasis on *planned* organization change, is the primary theme of this book. The assumption that organizations need to change is embedded in what has been stated so far. I will now expound on this assumption by making the case for organization change. Next, I will declare myself by explaining my points of view about organization change. These points of view provide an overview of the book, or "coming attractions." More than what is to come, these points of view also reveal my biases about what is important, if not critical, in organization change. So, here at the outset of our journey, I am declaring myself. Even with these biases on display, I hope you will continue the journey with me.

MAKING THE CASE FOR ORGANIZATION CHANGE

Changing Corporations

My primary source for this section is the volume by two McKinsey consultants, Foster and Kaplan, *Creative Destruction* (2001), referred to earlier in Chapter 1. In contrast to popular business books such as *In Search of Excellence* (Peters and Waterman 1982) and *Built to Last* (Collins and Porras 1994), Foster and Kaplan, with their data from more than 1,000 corporations in 15 industries over a 36-year period, argue that we now are clearly in the "age of discontinuity," as Drucker (1969) earlier predicted.

Consider the following points made by Foster and Kaplan (2001). The first *Forbes* top 100 companies list was formed in 1917. *Forbes* published its original list again in 1987. In 1987, 61 of the original 100 no longer existed. And of the remaining 39 companies, only 18 remained in the top 100: companies such as DuPont, General Electric (GE), Kodak, General Motors, Ford, and Procter & Gamble. These 18 companies survived but, according to Foster and Kaplan, did not perform. Long-term earnings returns by these companies for their investors from 1917 to 1987 were not exactly outstanding: 20% less than for the overall market. Today, only GE performs above the average.

Next, Foster and Kaplan (2001) refer to the Standard & Poor's (S&P) 500. Comparing the 500 in 1957 with those in 1998, only 74 remained on the list, with a mere 12 of those 74 outperforming the S&P index itself. Moreover, "if today's S&P 500 were made up of only those companies that were on the list when it was formed in 1957, the overall performance of the S&P 500 would have been about 20% less *per year* than it actually has been" (Foster and Kaplan 2001, 8). As the authors then ask, how can it be that so many companies do not survive, and that those that do survive, with few exceptions, perform below average?

Part of the answer rests with the pace-of-change phenomenon that Foster and Kaplan (2001) use as their opening lines. In 1917, the pace of change was indeed much slower than it is today. During that time and continuing on into the 1920s and 1930s, even with the climatic changes of the Great Depression, the turnover rate of companies in the S&P rankings averaged 1.5% a year. A new company making the list then could expect to remain for about 65 years. As Drucker (1969) pointed out, in those days, change was not a major concern. Continuity was the goal and the way of operating. Vertical integration was the name of the game—that is, owning as much of the production chain as possible, from raw materials to distribution to the customer. But in 1998, "the turnover rate in the S&P 500 was close to 10%, implying an average lifetime on the list of ten years, not sixty-five!" (Foster and Kaplan 2001, 11). Times have changed, and we are living in the age of discontinuity for corporations, not continuity.

The larger answer to Foster and Kaplan's (2001) question about corporate survival and performance can be found in a corporation's external environment. Although any organization's external environment consists of many factors—customers, the

general economy, changing demographics, and changing government regulations, to name a few—one of the most powerful factors or forces for business, especially those that are publicly owned, is the *capital market*. Capital markets are informal aggregations, not highly organized and structured as are corporations. Capital markets consist of buyers, sellers, and others who interact for the purpose of economic exchange. These businesspeople are loan officers in banks, investment bankers, stockbrokers, stock analysts, venture capitalists (those who often help to start companies), and anyone else who has money to invest. Although not acting in concert, these people decide whether your business, your company, and your vision for the future of your organization are worthy of investment. Is your company worth the risk of loaning you $1 million, of buying 1,000 shares of your stock, or investing money to help you with your desire to acquire another business? So, this informal aggregation of buyers and sellers forms a powerful force in the organization's environment, determining in part the long-term survival and success of a company. This world is largely a business-to-business arena, and a business can live or die from the vagaries of the marketplace. The point Foster and Kaplan make is that capital markets change far more rapidly than do corporations; are based on an assumption of discontinuity, not continuity; weed out poor performers; reward creativity and innovation; and encourage new business entries into the marketplace.

Before going too far with the concept of the power of capital markets to determine the fate of corporations, we should pause for a moment and make the most critical point of all, lest we overlook a fundamental one. In the end, it is the *consumer*, the customer out there in the organization's external environment, who determines the fate of any business. Will anyone, after all, actually buy our products and services?

By the time my son, Brian, was about 11 years old, he had amassed a huge collection of baseball cards. When I asked him why he had so many, he quickly told me that his collection was an investment. These cards, he informed me, would be worth far more money in a few years than what he'd paid for them. Ah, I thought, here is a teachable moment! So, I patiently explained that his investment would pay off if and only if someone in a few years were willing to buy these cards from him. Brian's reaction to my explanation was something like, "Dad, I don't think you really understand." Obviously, he had a huge psychological investment in those cards.

So, it is the consumer to whom the capital markets folks pay attention. Will anyone out there buy this stuff, pay for these services, and keep on doing so for the foreseeable future?

The primary point made by Foster and Kaplan (2001), then, is that capital markets outpace corporations, the rate of change is considerably different, and the basic assumptions of the two for long-term survival are opposites: discontinuity for the capital markets and continuity for corporations. For corporate survival and success, Foster and Kaplan argue that companies must abandon the assumption of continuity; corporations must understand and mitigate, as they call it,

"Cultural lock-in," the inability to change the corporate culture even in the face of clear market threats—[this] explains why corporations find it difficult to respond to the messages of the marketplace. Cultural lock-in results from the gradual stiffening of the invisible architecture of the corporation and the ossification of its decision-making abilities, control systems, and mental models. It dampens a company's ability to innovate or to shed operations with a less-exciting future. Moreover, it signals the corporation's inexorable decline into inferior performance.

(p. 16)

Changing Government Agencies

Government agencies are also having to deal with changes in their external environments. Take, for example, the National Aeronautics and Space Administration (NASA). The external environment for NASA is just as complex as a corporation's, if not more so. Every day, NASA deals with the public at large, the U.S. Congress, the president and the executive administration, contractors, vendors and consultants, the scientific community, and various watchdog organizations that constantly monitor how taxpayer dollars are spent. Daniel Goldin, the administrator of NASA for about a decade, significantly affected the organization as a change leader. His mantra of "faster, better, cheaper" permeated the agency. Goldin was quite clear about whom he and NASA served: the American public through its elected representatives, such as the president and Congress. His response to this critical part of NASA's external environment, under the banner of faster, better, cheaper, drove and continues to drive changes at this federal agency.

At the state level, a good example of significant change took place in Ohio, driven by the governor and a desire to be more efficient and customer-focused for the people of the state; several separate agencies merged into a much larger one of about 4,000 state employees. The merged organization, the Ohio Department of Job and Family Services, has the responsibilities of providing for families in need, especially those on welfare and with children who require special care, and of contributing to the Ohio workforce through unemployment support, training, and development. With more federal tax dollars being delegated to the states for administration and services, these government organizations have had to deal with significant change.

With this sixth edition more space is now devoted to change practices in government agencies. About half of Chapter 13 addresses this particular type of organization. Clearly, government organizations now affect our daily lives and other organizations more than ever before.

Changing Higher Education Institutions and Nonprofit Organizations

Institutions of higher education no longer exist exclusively in the nonprofit sector. The University of Phoenix, for one, is a profit-making company and by all accounts is doing

quite well. Even though it has a fairly sizable campus with classrooms in Phoenix, its forte is distance learning. It is more expensive than many of their competitors, but focuses on customer convenience and service. This relatively recent entrant into the world of higher education has caused a stir and has begun to call into question the long-term survival of many colleges, especially if they drag their feet on implementing technology. Moreover, with tuition increasing every year, many colleges and universities may be gradually pricing themselves out of the market. So, even in the domain of higher education, which includes some of the oldest, most traditional types of organizations in the world, the external environment is changing. Unless colleges and universities adapt, their traditions may not last, at least not for the centuries they have in the past.

With respect to the changing world for nonprofit organizations, consider the case of the A. K. Rice Institute (AKRI). This institute was founded in Washington, D.C., by a group of psychologists, psychiatrists, and related professionals who were keenly interested in the form of human relations and group dynamics training and education that had been developed by the Tavistock Institute in the United Kingdom. In the United States, the foundation took the name of A. Kenneth Rice because he was instrumental in bringing to this side of the Atlantic the methods and theory of this form of education. From 1965 until recently, AKRI has steadily grown and extended roots all across America through regional affiliates. AKRI has been both a membership organization (with dues) and an educational institute that holds national and regional conferences (learning laboratory groups) throughout the year. Qualified members of AKRI serve as staff for its educational conferences.

The primary point to be made with this example of an organization and its relation with its external environment is the distinct possibility that AKRI has not been sufficiently *in touch* with its external world. This insularity has been due in part to (1) the desire of members to work and, of course, earn money as staff for the conferences and (2) broader issues of membership per se; that is, what do we get in return for our dues, and who gets selected and why? These issues have been all-consuming. Members not selected, or not selected often enough, to staff conferences became angry and resentful. Blame was directed at the national organization, which was perceived to be overly restrictive and limited in its decision-making. It is interesting that the exciting group process of the conferences—learning experientially about issues of authority, leadership, individual-group interactions, and the power of the group as a whole—became the mode members and committees used to attempt to deal with AKRI itself. In other words, the real work before the institute was often left undone because the sexier way of working was the conference learning process, as opposed to tackling tasks and accomplishing objectives on behalf of AKRI itself. Confronting AKRI, *the authority*, was more fun than dull and time-consuming committee work.

The problem, therefore, has been the dual and somewhat conflicting missions of the institute, that is, to be a membership organization and serve its members, while at the same time having an educational mission for the public at large. Membership issues often prevented effective accomplishment of the educational mission. And to

be effective at the latter, AKRI's external environment needed to be monitored and responded to more directly, instead of indirectly via its members, who were often conflicted between an individual desire to earn money and a desire to give back to and serve AKRI. AKRI has recently launched a significant organization change effort to modify its bylaws and governance structure in support of one mission, the educational one, and to close down its membership structure. Among a number of other consequences, this change will force AKRI to be significantly more in touch with its external environment. And the likelihood is much greater that AKRI will indeed survive and perhaps be even more successful in the future, at least until the external environment changes again.

Summary

The sections in this chapter so far have been about changing corporations, changing government agencies, and changing higher educational institutions and nonprofit organizations, which have served as examples of the critical nature of organizations' external environment and their dependence on it for survival. These examples have also illustrated how organizations of all kinds today are having to deal with environments that are changing more rapidly than the organizations themselves. In fact, the remainder of this book could be filled with such examples alone. The ones covered are illustrative only, not comprehensive.

The primary purpose, therefore, of these sections has been to make the case for the need for a much greater depth of understanding about organization change across all major sectors of organizations. In addition to government organizations another neglected category of organizational types is health care, the other half of Chapter 13. With the rate of change becoming faster and faster and the demands on organizations to adapt and change themselves becoming greater and greater, our learning curve is steep. This book, then, is an attempt to climb that curve and provide more depth of understanding. Our need is to understand organizations more thoroughly, but the greater need is to learn more about how to change them.

Another purpose in presenting these examples of changing organizations and their interactions with their external environments was to introduce, perhaps not so subtly, a particular point of view about organization change: that the process begins (and ends, for that matter) with the external environment.

The objective of the following sections is to be more explicit about points of view and to provide with these personal declarations a preview of coming attractions.

PERSONAL DECLARATIONS AND POINTS OF VIEW

The purposes of the final section of this chapter are (1) to provide personal points of view about organization change, especially planned organization change, and (2) to provide very briefly an overview of what is covered in each of the following chapters.

The Metaphor of Choice

As Gareth Morgan (1997) has so eloquently explained, we can understand an organization through a variety of metaphors, such as a machine, a brain, a psychic prison, or an organism. Morgan appropriately warns us about metaphors: that although they are a way of seeing, at the same time they are a way of not seeing. Metaphors can help but can also limit our perspective and ultimate understanding.

With this warning clearly in mind, the metaphor of choice for this writing effort is the organism. A major strength of this metaphor is the emphasis on the interactions between an organization and its external environment. An organization, therefore, is *not* a closed system, a fact that encourages viewing it as an open and flexible entity. A second strength, as Morgan (1997) has pointed out, is the emphasis on survival; that is, certain needs must be satisfied for the organization to survive:

> This view contrasts with the classical focus on specific organizational goals. Survival is a process, whereas goals are often targets or end points to be achieved. This reorientation gives management greater flexibility, for if survival is seen as the primary orientation, specific goals are framed by a more basic and enduring process that helps prevent them from becoming ends in themselves, a common fate in many organizations.
>
> *(p. 67)*

One of the limitations of this metaphor is the fact that an organism is concrete; it is a fundamental of nature, with material properties that can be seen and touched. An organization, on the other hand, is socially constructed, a product of someone's ideas, vision, and beliefs. Although there may be buildings, land owned or leased, machines, and money, organizations depend on the actions of human beings for survival. It does not maintain itself through an autonomic process.

Also, this view suggests that organizations are totally dependent on their environments for survival, overlooking the fact that organizations *interact* with the external world: yes, being influenced, but influencing outwardly as well.

Another limitation of the metaphor is what Morgan (1997) calls functional unity. Organisms have highly interdependent parts, and each element supports other elements, as in the human being with a heart, lungs, glands, and so on, operating together to preserve the whole. Organizations rarely operate this way. We might argue that ideally they should, with an interdependence and harmony and all elements working for the good of the whole. Yet we know that creativity often stems from conflict and debate and that these kinds of actions by organization members may contribute more to its survival than harmony would.

The final limitation that Morgan (1997) notes is the danger that the metaphor might become an ideology: that organizations *should* be harmonious, that interdependence is always a *good* thing, or that individuals *should* get their needs met on the job.

Bearing in mind these limitations, the strengths of the organism metaphor support the points of view represented in this writing more than any other metaphor.

Thus, the choice. Not becoming trapped by the metaphor is nevertheless a highly important pitfall to avoid as we proceed.

The Theories of Choice

It should come as no surprise that, with the metaphor of choice being an organism, the primary choice here is the open-system theory, which was, after all, derived from biology. Moreover, the point of view established in this book is that the life sciences, with their theoretical foundations, are more relevant to understanding organizations and change than are the physical sciences. Fritjof Capra's (1996) work is especially relevant, particularly his emphasis on the concepts of pattern, structure, and process. Chapter 4 is devoted to these theoretical foundations.

Types of Organization Change

Think first about evolution versus revolution, a gradual continuous process of change in contrast to a sudden event. That sudden event might precipitate massive turmoil, resistance, and planned change that could lead to eventual organization change. This contrast is actually a useful way to think about the different forms that organization change can take. The language that scholars and practitioners currently use is exemplified as follows:

Revolutionary versus Evolutionary

Discontinuous versus Continuous

Episodic versus Continuous flow

Transformational versus Transactional

Strategic versus Operational

Total system versus Local option

Stating this language in terms of one versus the other is for purposes of clarity and understanding, not to suggest that the conditions they describe are mutually exclusive. Pascale, Milleman and Gioja (2000), for example, have stated:

The point is: Over time (and even concurrently) organizations need evolution *and* revolution. When they have been limited exclusively to the restrictive precepts of social engineering [for example], they have been handicapped and largely unsuccessful in unleashing authentic revolutionary change. The principles of living systems offer a powerful new recourse. The trick is to clearly identify the nature of the challenge and then use the right tool for the right task.

(p. 38)

Revolutionary change or transformation requires different tools and techniques for bringing about successful organization change than do methods for evolutionary or continuous change. The former requires total system events, such as (1) an initial activity that calls attention to the clear need for a dramatic modification of mission and strategy due to changes that have occurred in technology or (2) new, unforeseen forays by a significant competitor. The latter requires improvement measures in how a product is designed, how a service is delivered, or how quality is measured and upgraded. A transformation requires the immediate attention of all organizational members, whereas a continuous improvement action may require the attention of only a certain segment of the organizational population or a phased involvement of all organizational members over time. Chapter 5 provides further detail and examples of these two different forms of organization change. Chapter 7 also addresses this distinction from a theoretical and research perspective.

Levels of Organization Change

As in the case of the differences between transformational (revolutionary) and transactional (evolutionary) change, it is very important to understand the various effects of organization change across the primary levels of any social system. These primary levels are the *individual*, the *group* or work unit, and the *total system*. In many large corporations today there is an additional level—the business unit, which consists of multiple work units and teams and is a primary subsystem of the larger organization. In other words, a business unit is responsible for a significant piece of the overall corporation's business, such as a regional group—such as the southeastern United States—or a unit responsible for a primary segment of the larger market, such as a department of women's wear as part of a larger clothing and fashion business. The group level encompasses both local work units and may also include the larger business unit, which consists of local work units. In any case, the point here is that the way that organization change affects the individual differs from the way that groups are affected and from the way that the total system is affected. Furthermore, the major focus for change differs as a function of level. At the individual level, the focus of attention is on activities such as recruitment, replacement, and displacement; training and development; and coaching and counseling. At the group level, the focus is on, for example, team building and self-directed work units. At the total system level, the emphasis is on the more encompassing aspects of the organization such as mission, strategy, structure, or culture. In other words, components of the organization that will be affected sooner or later by the initial activity.

Chapter 6 is devoted to an examination of the levels of organization change, how resistance to change differs by level, and how change leaders need to deal with the resistances according to level. The process is not the same for all organizational levels.

How Organization Change Occurs

Let us assume that an organization needs to change itself significantly. With major shifts in its external environment, the organization must change its basic strategy and

certain aspects of—if not most of—its mission statement, the organization's raison d'être. Change in mission and strategy means that the organization's culture must be modified if the success of the overall change effort is to be realized. Change in the culture is in *support* of the changes in mission and strategy; it is the "people" side, the emotional component of organization change, or what a seasoned organization change consultant calls "the change monster"—the human forces that either facilitate or prevent transformation (Duck 2001). So, culture change is our focus. The point of view that I am presenting here is that you don't change culture by trying to change culture. Culture is "the way we do things around here" and concerns deeply held beliefs, attitudes, and values. Taking a direct, frontal approach to changing values is fraught with difficulty, resistance, and strong human emotion. We therefore start with behavior instead. We start with the behavior that will lead to the desired change in attitudes and values.

When talking about a desired organization change, leaders and managers often say something like, "We need to change people's mental sets." The implication is that attitude is the focus of change. As is the case with values, attempting to change an attitude, one's mental set, is difficult. So, we begin with behavior changes that, if enacted, will eventually lead to shifts in attitudes and beliefs and will subsequently affect values. Although it is absolutely necessary to be clear at the outset of a change effort about the desired values and about the modified culture that is the goal, we do not concentrate on the culture per se, but on the behaviors that will gradually influence the culture in the desired direction. Further thought about this point of view and the theory and research that support it is covered in Chapter 7.

The Content and Process of Organization Change

The *content* of organization change is one thing, and the *process* another. The distinction is important because the former, the *what*, provides the vision and overall direction for the change, and the process, the *how*, concerns implementation and adoption. Content has to do with purpose, mission, strategy, values, and what the organization is all about—or should be about. Process has to do with how the change is planned, launched, more fully implemented, and, once into implementation, sustained. The kinds of behaviors required for content differ from those required for process. Determining the *what* requires leadership in the form of taking a stand, declaring what the new world will look like, and composing the story of change that addresses issues of identity and purpose. Determining the *how* requires leadership that, for example, is participative, involves organizational members in the activities that will bring about the change, and recognizes accomplishments. So, for example, composing the story is the content, and telling the story is the process. This distinction between content and process, although useful for our understanding, is not pure. Composing the story of organization change is, after all, a process. In any case, the various ways of understanding the distinctions and overlaps is the subject matter of Chapter 8.

Organizational Models

In addition to theory about organization change, it is useful to have frameworks that help to simplify and focus: *simplify* in the sense of reducing the many parts and aspects of any organization into more manageable portions, and *focus* as a matter of determining which portions are the most important ones for our attention. A useful organizational model is one that simplifies and at the same time represents reality, a conceptual framework that makes sense to people who work in organizations and helps them to organize their realities in ways that promote understanding and action for change. Many organizational models or frameworks for understanding organizations exist in both the academic and applied worlds. The organizational models covered in Chapter 9 are highly selective. They are the ones most closely associated with organization change. For the most part, these models are steeped in the open-system theory and convey an organismic perspective. They also help to integrate content and process of change.

The Organizational Model of Choice

In making a choice about a model to apply to an organization change effort, certain questions are important to consider. First, in what kind of theory is the model grounded? Organization theory in general or, say, open-system theory in particular? If the latter, then an input-through-output sequence, with a feedback loop from output to input and vice versa, is absolutely necessary. Second, does the model consist of the most relevant and key factors or components? For example, is the mission included? Third, is the model merely descriptive, or is it prescriptive? That is, for performance to be optimized or for change to be effective, are there certain components in the model that are more important or carry heavier weight than other factors? For example, is culture more important than strategy or structure, or vice versa? And finally, are there any unique features of the model?

Although the questions just posed are appropriate, they are also somewhat leading. The Burke–Litwin model of organizational performance and change, the model of choice for me, represents a positive response to these questions. Born from the world of practice, the model evolved and was defined from a major organization change effort in the 1980s at British Airways (BA). Theoretically, the model is grounded in the open-system way of thinking. The components of the model come from original work on organizational climate by George Litwin, in the 1960s, and from experiences at BA. (On climate, see Litwin and Stringer 1968; for BA, see Goodstein and Burke 1991.) Also from these experiences, the model became both descriptive and prescriptive. The model is more normative than contingent on what actions should proceed what other actions in a large-scale transformation of an organization. Furthermore, the model is unique in that transformational or discontinuous change is addressed, as well as transactional or continuous change. A full description of the model is provided in Chapter 10.

Organization Change Should be Data-Based and Measured

With respect to planned organization change, it is imperative that the effort be based on data as much as possible to help ensure success. It is difficult to know what to do next if one does not know what the current situation is. Measures taken over time—Time 1 compared with Time 2, then with Time 3—help to (1) track progress, (2) establish priorities for next steps, and (3) determine what to celebrate when milestones are reached.

Planned Organization Change Requires Leadership

Change can emanate from any unit, function, or level within an organization. Regardless of its origin, leadership is required. There can be leaders anywhere in an organization. But if the organization change is large in scale and transformational in nature, requiring significant change in mission, strategy, and culture, then leadership must come from the top of the organization, from executives, particularly the chief executive. Chapter 13 addresses the importance of transformational leadership, and Chapter 14 concentrates on executive leadership and specifies the change leader's role for each of four sequenced activities: the prelaunch phase, the launch of the organization change, the implementation phase, and sustaining the effort. The perspective taken herein is that leadership should take the form of specified roles and behaviors rather than the form of a personality orientation. Is personality important? Yes, because leadership is far more personal than management. But charisma, for example, is not required for successful organization change. Neither should we attempt to emulate great leaders, such as Mohandas Gandhi, Margaret Thatcher, Martin Luther King Jr., Jack Welch, Ronald Reagan, Eleanor Roosevelt, or George Patton. Although lessons can be learned from the lives of these people, in the end, it is how each of us uses our *self* in its own unique formation that makes the difference. An article (Brooker 2001) about Herb Kelleher, the fabled former CEO of Southwest Airlines, had the subtitle of "I Did It My Way." How else could he have done it? And how else could anyone else do it except their own way? That is what leadership is about, doing it one's own way, but for purposes of leading change according to key roles and sequenced activities.

Planned Organization Change is Complex

Charles de Gaulle, the past president of France, once said, "I have come to the conclusion that politics are too serious to be left to the politicians." A similar statement could be made about the complexity of organization change. In other words, organization change is too complex to rely solely on the traditional literature in areas such as organization theory, organizational behavior, organization development, and strategic management. As stated in Chapter 1, sources for this book have not been exclusively the "usual suspects." The life sciences and theories related to chaos and nonlinear systems are more useful for our understanding and application. In Chapter 18, I will, for

example, address Gladwell's principles and perspectives from his book, *The Tipping Point*, and apply them to organization change.

Summary

With these personal declarations and points of view, I have attempted to accomplish two objectives. First, I wanted to declare myself—to state my points of view about organization change with biases clearly presented. With these declarations, I have also shown what I consider to be the most important topics for understanding organization change in more depth. A second objective was to summarize in a few pages what the book addresses in the following 16 chapters. Now, as you will see in my closing request, I hope that I did not tip my hand too much.

A CLOSING REQUEST

When you go to a movie theater, the film you came to see never begins at its designated time. What precedes it is a flood of previews and coming attractions attempting to entice you to return to the theater and see those movies as well. Some critics and pundits have been known to complain that these previews show the best parts of a forthcoming film, so that actually seeing the entire movie is not worth one's time. Whether this complaint is valid or not, the danger of having provided the previews of this book is that you, the reader, will now skip the details. But please read on. The richness of organization change is in the details.