

UNDERSTANDING CHANGE

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REMEMBER THAT a culture of change consists of great rapidity and non-linearity on the one hand and equally great potential for creative breakthroughs on the other. The paradox is that transformation would not be possible without accompanying messiness.

Understanding the change process is less about innovation and more about innovativeness. It is less about strategy and more about strategizing. And it is rocket science, not least because we are inundated with complex, unclear, and often contradictory advice. Micklethwait and Wooldridge (1996) refer to management gurus as witch doctors (although they also acknowledge their value). Argyris (2000) talks about flawed advice. Mintzberg, Ahlstrand, and Lampel (1998) take us on a Strategy Safari. Drucker is reported to have said that people refer to gurus because they don't know how to spell charlatan!

Would you know what to do if you read Kotter's *Leading Change*, in which he proposes an eight-step process for initiating top-down transformation (1996, p. 21)?

1. Establishing a sense of urgency
2. Creating a guiding coalition
3. Developing a vision and strategy
4. Communicating the change vision
5. Empowering broad-based action

6. Generating short-term wins
7. Consolidating gains and producing more change
8. Anchoring new approaches in the culture

Would you still know what to do if you then turned to Beer, Eisenstat, and Spector's observations (1990) about drawing out bottom-up ideas and energies?

1. Mobilize commitment to change through joint diagnosis [with people in the organization] of business problems
2. Develop a shared vision of how to organize and manage for competitiveness
3. Foster concerns for the new vision, competence to enact it, and cohesion to move it along
4. Spread revitalization to all departments without pushing it from the top
5. Institutionalize revitalization through formal policies, systems, and structure
6. Monitor and adjust strategies in response to problems in the revitalization process [cited in Mintzberg and others, 1998, p. 338]

What do you think of Hamel's advice (2000) to "lead the revolution" by being your own seer?

Step 1: Build a point of view

Step 2: Write a manifesto

Step 3: Create a coalition

Step 4: Pick your targets and pick your moments

Step 5: Co-opt and neutralize

Step 6: Find a translator

Step 7: Win small, win early, win often

Step 8: Isolate, infiltrate, integrate

And, after all this advice, if you did know what to do, would you be right? Probably not. Some of the advice seems contradictory. (Should we emphasize top-down or bottom-up strategies?) Much of it is general and unclear about what to do—what Argyris (2000) calls "nonactionable advice." This is why many of us have concluded that change cannot be managed. It can be understood and perhaps led, but it cannot be controlled. After taking us through a safari of ten management schools of

thought, Mintzberg and others (1998) draw the same conclusion when they reflect that "the best way to 'manage' change is to allow for it to happen" (p. 324), "to be pulled by the concerns out there rather than being pushed by the concepts in here" (p. 373). It is not that management and leadership books don't contain valuable ideas—they do—but rather that there is no "answer" to be found in them. Nevertheless, change can be led, and leadership does make a difference.

So our purpose in this chapter is to understand change in order to lead it better. The list that follows summarizes this chapter's contribution to understanding the change process. The goal is to develop a greater feel for leading complex change, to develop a mind-set and action set that are constantly cultivated and refined. There are no shortcuts.

UNDERSTANDING THE CHANGE PROCESS

- The goal is not to innovate the most.
- It is not enough to have the best ideas.
- Appreciate the implementation dip.
- Redefine resistance.
- Reculturing is the name of the game.
- Never a checklist, always complexity.

Before delving into a discussion of each of the items on this list, let's consider Goleman's findings (2000) about leadership that gets results, because they relate to several elements of the list. Goleman analyzed a database from a random sample of 3,871 executives from the consulting firm Hay/McBer. He examined the relationship between leadership style, organizational climate, and financial performance. Climate was measured by combining six factors of the working environment: flexibility, responsibility, standards, rewards, clarity, and commitment. Financial results included return on sales, revenue growth, efficiency, and profitability.

The following are the six leadership styles Goleman identified (2000, pp. 82–83):

1. Coercive—the leader demands compliance. ("Do what I tell you.")
2. Authoritative—the leader mobilizes people toward a vision. ("Come with me.")
3. Affiliative—the leader creates harmony and builds emotional bonds. ("People come first.")
4. Democratic—the leader forges consensus through participation. ("What do you think?")

5. Pacesetter—the leader sets high standards for performance. (“Do as I do, now.”)
6. Coaching—the leader develops people for the future. (“Try this.”)

Two of the six styles negatively affected climate and, in turn, performance. These were the coercive style (people resent and resist) and the pacesetter style (people get overwhelmed and burn out). All four of the other styles had a significant positive impact on climate and performance.

With this basic introduction to leadership styles, let us now turn to the list items.

The Goal Is Not to Innovate the Most

The organization or leader who takes on the sheer most number of innovations is not the winner. In education, we call these organizations the “Christmas tree schools” (Bryk, Sebring, Kerbow, Rollow, and Easton, 1998). These schools glitter from a distance—so many innovations, so little time—but they end up superficially adorned with many decorations, lacking depth and coherence.

Relentlessly taking on innovation after innovation is Goleman’s pacesetter leader (2000, p. 86):

The leader sets extremely high performance standards and exemplifies them himself. He is obsessive about doing things better and faster, and he asks the same of everyone around him. He quickly pinpoints poor performers and demands more from them. If they don’t rise to the occasion, he replaces them with people who can. You would think such an approach would improve results, but it doesn’t. In fact, the pacesetter style destroys climate. Many employees feel overwhelmed by the pacesetter’s demands for excellence, and their morale drops—guidelines for working may be clear in the leader’s head, but she does not state them clearly; she expects people to know what to do.

The pacesetter often ends up being a “lone ranger,” as Superintendent Negroni puts it when he reflects on his experience (and on his eventual change to lead learner). During the first three years of Negroni’s superintendency in Springfield, Massachusetts, his overall goal was “to change this inbred system”: “Intent on the ends, I operated as Lone Ranger. I didn’t try to build relationships with the teachers’ union or with the board. Instead, I worked around them. Most of the time, I felt that I was way out in front of them. I would change things on my own” (quoted in Senge

and others, 2000, p. 426). For all the changes he pushed through, Negroni says, “these were three brutal years for all of us. . . . I was running so fast and making so many changes that I was getting tired. People around me were even more sick and tired” (pp. 426–427).

Eventually, through reflective practice and feedback, Negroni moved to transforming the district into a learning institution. He explains:

Our most critical role at the central office is to support learning about learning, especially among principals—who will then do the same among teachers in their schools. At the beginning of the year, three or four central office administrators and I conducted forty-six school visits in forty-six days, with the principals of each school alongside us. Then the administrators and all forty-six principals met together to summarize what we had seen. This is one of a series of walk-throughs that principals do during the course of a school year—with me, with other central office administrators, and with each other. The sequence includes a monthly “grand round,” when every principal in the district goes with me and the eight academic directors to spend the day in one school. We break up into subgroups for hour-and-a-half visits, then come back and (still in subgroups) discuss what we saw. Then a representative from each subgroup makes a presentation to all of the principals. [quoted in Senge and others, 2000, p. 431]

These principals are still deeply engaged in innovation, but it is less frenetic, more organically built into the culture. Thus pacesetters must learn the difference between competing in a change marathon and developing the capacity and commitment to solve complex problems.

It Is Not Enough to Have the Best Ideas

It is possible to be “dead right.” This is the leader who has some of the best ideas around but can’t get anyone to buy into them. In fact, the opposite occurs—she experiences overwhelming opposition. The extreme version of this kind of leader is Goleman’s coercive leader (2000, p. 82): “The computer company was in crisis mode—its sales and profits were falling, its stock was losing value precipitously, and its shareholders were in an uproar. The board brought in a CEO with a reputation as a turnaround artist. He set to work chopping jobs, selling off divisions and making the tough decisions that should have been executed years before. The company was saved, at least in the short term.” Before long, however, morale plummeted, and the short-term success was followed by another, less recoverable downturn.

Even the more sophisticated versions of “having good ideas” are problematic. Pascale, Millemann, and Gioja (2000) call these leaders social engineers:

Corporations around the world now write checks for more than \$50 billion a year in fees for “change consulting.” And that tab represents only a third of the overall change cost if severance costs, write-offs, and information technology purchases are included. Yet, consultants, academic surveys, and reports from “changed” companies themselves indicate that a full 70 percent of those efforts fail. The reason? We call it *social engineering*, a contemporary variant of the machine model’s cause-and-effect thinking. *Social* is coupled with *engineering* to denote that most managers today, in contrast to their nineteenth-century counterparts, recognize that people need to be brought on board. But they still go about it in a preordained fashion. Trouble arises because the “soft” stuff is really the hard stuff, and no one can really “engineer” it. [p. 12, emphasis in original]

But surely having good ideas is not a bad thing. And yes, it is an element of effective leadership, as in Goleman’s authoritative style. Goleman (2000) talks about Tom, a vice president of marketing at a floundering national restaurant chain that specialized in pizza: “[Tom] made an impassioned plea for his colleagues to think from the customer’s perspective. . . . The company was not in the restaurant business, it was in the business of distributing high-quality, convenient-to-get pizza. That notion—and nothing else—should drive what the company did. . . . With his vibrant enthusiasm and clear vision—the hallmarks of the authoritative style—Tom filled a leadership vacuum at the company” (p. 83).

Goleman’s data show that the authoritative leader had a positive impact on climate and performance. So do we need leaders with a clear vision who can excite and mobilize people to committing to it, or don’t we? Well, the answer is a bit complicated. For some situations, when there is an urgent problem and people are at sea, visionary leaders can be crucial. And at all times, it helps when leaders have good ideas. But it is easy for authoritative leadership to slip into social engineering when initial excitement cannot be sustained because it cannot be converted to internal commitment.

Put another way, the answer is that authoritative leaders need to recognize the weaknesses as well as the strengths in their approach. They need, as Goleman concludes, to use all four of the successful leadership styles: “Leaders who have mastered four or more—especially the author-

itative, democratic, affiliative, and coaching styles—have the best climate and business performance” (p. 87).

Appreciate the Implementation Dip

One of our most consistent findings and understandings about the change process in education is that all successful schools experience “implementation dips” as they move forward (Fullan, 2001). The implementation dip is literally a dip in performance and confidence as one encounters an innovation that requires new skills and new understandings. All innovations worth their salt call upon people to question and in some respects to change their behavior and their beliefs—even in cases where innovations are pursued voluntarily. What happens when you find yourself needing new skills and not being proficient when you are used to knowing what you are doing (in your own eyes, as well as in those of others)? How do you feel when you are called upon to do something new and are not clear about what to do and do not understand the knowledge and value base of new belief systems?

This kind of experience is classic change material. People feel anxious, fearful, confused, overwhelmed, deskilled, cautious, and—if they have moral purpose—deeply disturbed. Because we are talking about a culture of pell-mell change, there is no shortage of implementation dips or, shall we say, chasms.

Pacesetters and coercers have no empathy whatsoever for people undergoing implementation dips. They wouldn’t know an implementation dip if they fell into it. Effective leaders have the right kinds of sensitivity to implementation. They know that change is a process, not an event. They don’t panic when things don’t go smoothly during the first year of undertaking a major innovation or new direction. They are empathic to the lot of people immersed in the unnerving and anxiety-ridden work of trying to bring about a new order. They are even, as we shall discuss, appreciative of resistance.

Leaders who understand the implementation dip know that people are experiencing two kinds of problems when they are in the dip—the social-psychological fear of change, and the lack of technical know-how or skills to make the change work. It should be obvious that leaders need affiliative and coaching styles in these situations. The affiliative leader pays attention to people, focuses on building emotional bonds, builds relationships, and heals rifts. The leader as coach helps people develop and invests in their capacity building (Goleman, 2000).

Further, elements of authoritative leadership help. Enthusiasm, self-confidence, optimism, and clarity of vision can all inspire people to keep going. The problems start when you are only authoritative or only affiliative or only a coach. Thus leaders who are sensitive to the implementation dip combine styles: they still have an urgent sense of moral purpose, they still measure success in terms of results, but they do things that are more likely to get the organization going and keep it going.

Redefine Resistance

We are more likely to learn something from people who disagree with us than we are from people who agree. But we tend to hang around with and overlisten to people who agree with us, and we prefer to avoid and underlisten to those who don't. Not a bad strategy for getting through the day, but a lousy one for getting through the implementation dip.

Pacesetters and coercers are terrible listeners. Authoritative leaders are not that good at listening either. Affiliative and democratic leaders listen too much. This is why leadership is complicated. It requires combining elements that do not easily and comfortably go together. Leaders should have good ideas and present them well (the authoritative element) while at the same time seeking and listening to doubters (aspects of democratic leadership). They must try to build good relationships (be affiliative) even with those who may not trust them.

We need to respect resisters for two reasons. First, they sometimes have ideas that we might have missed, especially in situations of diversity or complexity or in the tackling of problems for which the answer is unknown. As Maurer (1996, p. 49) says, "Often those who resist have something important to tell us. We can be influenced by them. People resist for what they view as good reasons. They may see alternatives we never dreamed of. They may understand problems about the minutiae of implementation that we never see from our lofty perch atop Mount Olympus."

Second, resisters are crucial when it comes to the politics of implementation. In democratic organizations, such as universities, being alert to differences of opinion is absolutely vital. Many a strong dean who otherwise did not respect resistance has been unceremoniously run out of town. In all organizations, respecting resistance is essential, because if you ignore it, it is only a matter of time before it takes its toll, perhaps during implementation if not earlier. In even the most tightly controlled and authority-bound organization, it is so easy to sabotage new directions during implementation. Even when things appear to be working, the supposed success may be a function of merely superficial compliance.

For all these reasons, successful organizations don't go with only like-minded innovators; they deliberately build in differences. They don't mind so much when others—not just themselves—disturb the equilibrium. They also trust the learning process they set up—the focus on moral purpose, the attention to the change process, the building of relationships, the sharing and critical scrutiny of knowledge, and traversing the edge of chaos while seeking coherence. Successful organizations and their leaders come to know and trust that these dynamics contain just about all the checks and balances needed to deal with those few hard-core resisters who make a career out of being against everything—who act, in other words, without moral purpose.

Reculturing Is the Name of the Game

It used to be that governments were the only group constantly reorganizing. Now, with reengineering and mergers and acquisitions, everybody is doing it. And they are getting nowhere. Gaius Petronius nailed this problem almost two thousand years ago: "We trained hard . . . but it seemed every time we were beginning to form up into teams we were reorganized. I was to learn later in life that we tend to meet any situation by reorganizing, and what a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization" (cited in Gaynor, 1977, p. 28).

Structure does make a difference, but it is not the main point in achieving success. Transforming the culture—changing the way we do things around here—is the main point. I call this reculturing. Effective leaders know that the hard work of reculturing is the *sine qua non* of progress. Furthermore, it is a particular kind of reculturing for which we strive: one that activates and deepens moral purpose through collaborative work cultures that respect differences and constantly build and test knowledge against measurable results—a culture within which one realizes that sometimes being off balance is a learning moment.

Leading in a culture of change means creating a culture (not just a structure) of change. It does not mean adopting innovations, one after another; it does mean producing the capacity to seek, critically assess, and selectively incorporate new ideas and practices—all the time, inside the organization as well as outside it.

Reculturing is a contact sport that involves hard, labor-intensive work. It takes time and indeed never ends. This is why successful leaders need energy, enthusiasm, and hope, and why they need moral purpose along with the other four leadership capacities described in this book. Reculturing is

very much a matter of developing relationships, building knowledge, and striving for coherence in a nonlinear world.

Never a Checklist, Always Complexity

It is no doubt clear by now why there can never be a recipe or cookbook for change, nor a step-by-step process. Even seemingly sophisticated plans like Kotter's (1996) eight steps, or Hamel's (2000) eight, discussed earlier in this chapter, are suspect if used as the basis for planning. They may be useful to stir one's thinking, but I have argued that it will be more productive to develop one's own mind-set through the five core components of leadership because one is more likely to internalize what makes for effective leadership in complex times. This makes it difficult for leaders because they will be pushed to provide solutions. In times of urgent problems and confusing circumstances, people demand leaders who can show the way. (Just try leading by explaining to your board of directors that you have based your strategic plan on the properties of nonlinear feedback networks and complex adaptive systems.) In other words, leaders and members of the organization, because they live in a culture of frenetic change, are vulnerable to seeking the comforting clarity of off-the-shelf solutions. Why not take a change pill? And if that doesn't work, there will be another one next year.

Alas, there is no getting around the conclusion that effective leaders must cultivate their knowledge, understanding, and skills of what has to come to be known as complexity science. (For the latest, best discussion of this subject, see Pascale and others, 2000; and Stacey, 2000; see also my *Change Forces* trilogy, 1993, 1999, 2002). Complexity science is a remarkable convergence of independent streams of inquiry. This science, as Pascale and others claim, grapples with the mysteries of life and living; it is producing exciting new insights into life itself and into how we might think about organizations, leadership, and social change: "Living systems [like businesses] cannot be *directed* along a linear path. Unforeseen consequences are inevitable. The challenge is to *disturb* them in a manner that approximates the desired outcomes" (Pascale and others, 2000, p. 6, emphasis in original).

The Complexities of Leadership

Leading in a culture of change is about unlocking the mysteries of living organizations. That is why this book places a premium on understanding and insight rather than on mere action steps. Complexities can be unlocked and even understood but rarely controlled.

There are, as can be seen, dilemmas in leading change. Goleman's analysis helps us because it informs us that elements of different leadership styles must be learned and used in different situations. But knowing what to do in given circumstances is still not for sure. If you are facing an urgent, crisis-ridden situation, a more coercive stance may be necessary at the beginning. Those dealing with failing schools have drawn this very conclusion: the need for external intervention is inversely proportionate to how well the school is progressing. In a case of persistent failure, dramatic, assertive leadership and external intervention appear to be necessary. In the long run, however, effectiveness depends on developing internal commitment in which the ideas and intrinsic motivation of the vast majority of organizational members become activated. Along the way, authoritative ideas, democratic empowerment, affiliative bonds, and coaching will all be needed.

In the preceding paragraph I deliberately said that more coercive actions may be needed "at the beginning" of a crisis. This is where leadership gets complicated. When organizations are in a crisis they have to be rescued from chaos. But a crisis usually means that the organization is out of synch with its environment. In this case, more radical change is required, and this means the organization needs leadership that welcomes differences, communicates the urgency of the challenge, talks about broad possibilities in an inviting way, and creates mechanisms that "motivate people to reach beyond themselves" (Pascale and others, 2000, p. 74; see also Heifetz, 1994).

Most people would agree that the public school system is in a state of crisis. It needs authoritative leadership before it disintegrates, but the system is still out of line with its environment, which calls for accelerated change and learning. There can be a fine line between coercive and authoritative leadership. Certainly the National Literacy and Numeracy Strategy in England has elements of coercive as well as pacesetter leadership. Is this degree of pressure required to get large-scale change under way? We don't really know, but I would venture to say that the strategy that moved the English school system from near-chaos to a modicum of success is not the same strategy that is going to create the transformation needed for the system to thrive in the future. For that you need plenty of internal commitment and ingenuity. School systems all over the world, take heed.

The need to have different strategies for different circumstances explains why we cannot generalize from case studies of success. In 1982, Peters and Waterman's *In Search of Excellence* galvanized the management world to inspiration and action. As it turns out, however, of the forty-three excellent companies (and they were excellent at the time), "half were in trouble" within five years of the book's appearance; "at present all but five have fallen from grace" (Pascale and others, 2000, p. 23).

To recommend employing different leadership strategies that simultaneously and sequentially combine different elements seems like complicated advice, but developing this deeper feel for the change process by accumulating insights and wisdom across situations and time may turn out to be the most practical thing we can do—more practical than the best step-by-step models. For if such models don't really work, or if they work only in some situations, or if they are successful only for short periods of time, they are hardly practical.

We can also see the complexities of leadership in J. B. Martin's comparison of John F. Kennedy and Robert F. Kennedy:

Jack Kennedy was more the politician, saying things publicly that he privately scoffed at. Robert Kennedy was more himself. Jack gave the impression of decisive leadership, the man with all the answers. Robert seemed more hesitant, less sure he was right, more tentative, more questioning, and completely honest about it. Leadership he showed; but it has a different quality, an off-trail unorthodox quality, to some extent a quality of searching for hard answers to hard questions in company with his bewildered audience, trying to work things out with their help. [quoted in Thomas, 2000, p. 390]

Robert Kennedy had his ruthless and conspiratorial moments, but it is likely that his style of leadership—committed to certain values, but uncertain of the pathways—is more suited to leading in a culture of change. Being sure of yourself when you shouldn't be can be a liability. Decisive leaders can attract many followers, but it is usually more a case of dependency than enlightenment. The relationship between leaders and members of the organization is complicated indeed.

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