

CHAPTER 4

Organizational Change Practices

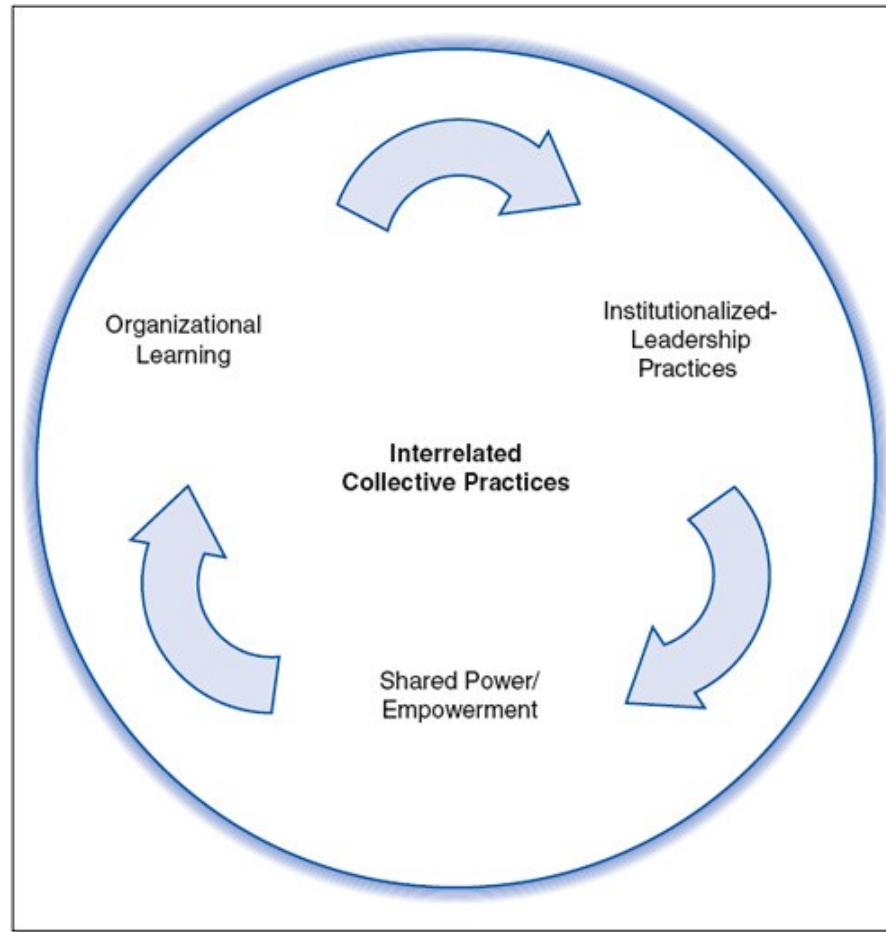
Which Practices Do We Employ to Implement Change?

The focus of considerable scholarship on leading change stems from studies of change practices in organizations. Researchers strive to determine which practices generate the most effective processes and outcomes. This section highlights several categories of practice—collective or collaborative approaches, strategic planning and goal setting, stages of praxis, and ethical practices—and links them to concepts of organizational change and leadership. Additionally, several practices including environmental scanning (periodic or continuous), scenario planning, and scenario building help to address several questions raised earlier in the chapter about the environment. Which primary factors or indicators in the environment are important to organizational well-being and survival? What are the indicators? How do organizational leaders and members proceed in this environment?

Collective/Collaborative Approaches

The literature on organizational leadership and change includes a small and diffuse body of research on collective or collaborative change approaches. Included in this category are institutionalized-leadership and change practices, organizational learning, and empowerment or shared power. These practices are interrelated and mutually reinforcing, as indicated in [Figure 4.1](#). They function to support teleological, dialectical, and chaos/complexity change in conjunction with collective concepts of leadership.

FIGURE 4.1 Collective/Collaborative Practices



Institutionalized-Leadership and Change Practices

O'Toole (2001) and his colleagues surveyed more than 3,000 leaders at various organizational levels in 10 large companies in Asia, Europe, and North America. They also interviewed 20–40 of the individuals who completed the survey from each company. O'Toole discovered that companies with the highest collective leadership capacity used systems that used institutionalized-leadership and change practices throughout their organizations. “We found that there is something palpably different about a company that emphasizes building enabling systems versus one that depends on a single personality at the top” (O'Toole, 2001, p. 168). Similar to Kelley's (1988) description of effective or exemplary followers, O'Toole (2001) made the following discovery:

[People throughout these companies] act more like owners and entrepreneurs than employees. ... Take the initiative to solve problems. ... Willingly accept accountability for meeting commitments and [living organizational values]. ... Share a common philosophy and language of leadership. ... [and] create, maintain, and adhere to systems and procedures designed to measure and reward ... distributed leadership behaviors.

(pp. 160–161)

Two major institutional practices when used together contributed to long-term success: coherence and agility. Coherence encompasses the common behaviors that are found throughout an organization and that are directed toward achieving the organization's goals, and agility represents the organization's institutionalized ability to detect and cope with changes in the external environment, especially when the changes are hard to predict (O'Toole, 2001, p. 167). O'Toole found that the successful companies focused on building human capacity collectively rather than relying on a small number of individuals to lead and change the organization.

O'Toole (2001) measured each organization's effectiveness using 12 leadership systems:

- *Vision and strategy*: Extent to which corporate strategy is reflected in goals and behaviors at all levels.
- *Goal setting and planning*: Extent to which challenging goals are used to drive performance.
- *Capital allocation*: Extent to which capital allocation decisions are objective and systematic.
- *Group measurement*: Extent to which actual performance is measured against established goals.
- *Risk management*: Extent to which the company measures and mitigates risk.
- *Recruiting*: Extent to which the company taps the best talent available.
- *Professional development*: Extent to which employees are challenged and developed.
- *Performance appraisal*: Extent to which individual appraisals are used to improve performance.
- *Compensation*: Extent to which financial incentives are used to drive desired behaviors.
- *Organizational structure*: Extent to which decision-making authority is delegated to lower levels.
- *Communications*: Extent to which management communicates the big picture.
- *Knowledge transfer*: Extent to which necessary information is gathered, organized, and disseminated. (p. 165)

The highest-performing companies intentionally selected specific systems to emphasize and did not attempt to focus on all of the systems. To develop collective capacity throughout the organization, leaders and members had to ensure that their professional development, performance appraisal, and compensation systems foster coherent practices. These practices ensure alignment among systems so that a compensation system for project teams, for example, includes rewards for collaborative teamwork and does not unintentionally perpetuate competitive individual performance.

Organizational Learning

Organizational learning is a process that adapts the organization and its members to change in the external environment by encouraging experimentation and innovation, continually renewing structures and practices, and using performance data to assess and further develop the organization (London & Maurer, 2004, p. 244). The Technology Solutions case in [Chapter 2](#) shows the company's emphasis on learning and continuous self-development in its employees through sharing ideas to spark new thoughts, seeking guidance from any member of the organization, and providing access to the newest and most innovative ideas possible.

Donald Schön (1971) was one of the early scholars to recognize the need for organizational learning as a process to foster change collectively. He made the following contention:

[Organizational participants] must become able not only to transform our institutions, in response to changing situations and requirements; we must invent and develop institutions which are “learning systems,” that is to say, systems capable of bringing about their own continuous transformations. (p. 30)

Since Schön's initial work, organizational-learning systems have become an integral component of the change literature. Senge (1990) popularized organizational learning as a generative process that enhances the capacity of organizational participants to create. He stated that five essential elements must develop as an ensemble to create a fundamental learning organization:

- Personal mastery—continually clarifying and deepening personal vision, focusing energies, developing patience, and seeing reality objectively;
- Mental models—changing ingrained assumptions, generalizations, pictures and images of how the world works;
- Shared vision—unearthing shared “pictures of the future” that foster genuine commitment;
- Team learning—aligning and developing the capacity of a team to create the results its members truly desire; and
- Systems thinking—integrating all the elements by fusing them into a coherent body of theory and practice. (pp. 6–10)

Several theories and concepts of leadership incorporate learning as a part of organizational development and change. Transformational, adaptive, and task-relations-and-change leadership encourage organizational learning by similar means, including challenging people to question assumptions; take risks; be innovative and creative; reframe problems and cultivate new approaches; analyze information about events, trends, and changes in the external environment; and then pursue new opportunities, meet unknown conditions or threats, and solve problems.

According to Berson, Nemanich, Waldman, Galvin, and Keller (2006), the literature on organizational learning implies that leadership can influence learning among organizational members and foster a learning culture. Individuals in leadership roles need to develop three essential organizational characteristics to facilitate a learning culture: participation—involvement of organizational members in processes such as decision making, learning, inquiry, challenge, and the creation of greater autonomy; openness—receptiveness to diverse ideas, tolerance, and free flow of information; and psychological safety—freedom to take risks, trust, and support (pp. 580–581).

Shared Power or Empowerment

Movement toward shared power or empowerment is a logical course of action as organizations place greater reliance on the collective or collaborative capabilities of their members to innovate and respond in turbulent or dynamic environments. Shared power or empowerment entails two components: delegating or distributing leadership, authority, responsibility, and decision-making power, formally vested in senior executives, to individuals and teams throughout the organization, and equipping organization members with the resources, knowledge, and skills necessary to make good decisions (Hughes, Ginnett, & Curphy, 2006, p. 537).

Like the example of empowerment at Johnsonville Sausage Company, discussed in [Chapter 3](#), senior executives must examine themselves to determine whether they are willing and ready to share power with employees as coleaders or partners in the process of leading change. Inauthentic attempts at empowerment can be more detrimental to organizational members than maintaining the status quo. Hughes et al. (2006) indicated that “empowered employees have latitude to make decisions, are comfortable making these decisions, believe what they do is important, and are seen as influential members of their team” (p. 539). The authors further described the following best practices for empowerment:

- having leaders in the organization decide whether the organization really wants or needs empowerment;
- creating a clear vision, goals, and accountabilities;
- developing others (through coaching, forging a partnership, developing knowledge and skills, promoting persistence, and transferring skills);
- delegating decision making to followers;
- leading by example; and
- making empowerment systemic—a strategic business practice that is reinforced in selection, performance appraisal, rewards, training, organizational structure, and so on. (pp. 539–542)

Strategic Planning

Executive leaders initiate strategic planning as a part of their overall design to adapt, change, and position the organization to thrive in a highly competitive and turbulent environment. Strategic planning generally originates from the top and involves members at various levels of the organization in certain components of the process. In business settings, companies use strategic planning to establish and sustain competitive advantage in their industry. Nonprofit and government agencies also use strategic planning to provide intentional direction to their organizations and adapt to external changes that affect their services and stakeholders.

Primary components of strategic planning include creating or updating the vision and mission, conducting an environmental scan, setting strategic direction using goals and strategies, and implementing and updating the plan. A vision, much like a compass, points an organization toward its desired end goal, or “true north.” It is a realistic, credible, and appealing future for the organization that sets a clear direction; defines a more successful and desirable future; fits the organization’s history, culture, and values; and reflects the aspirations and expectations of major stakeholders (Miller & Dess, 1996; Nanus, 1992; Yukl, 2006). A good vision links the present to the future, energizes people and garners commitment, gives meaning to work, and establishes a standard of excellence (Daft & Lane, 2005, p. 516). A mission is the tangible form of the vision that identifies the organization’s purpose or reason for existing and identifies its uniqueness or distinctiveness (Miller & Dess, 1996, p. 9).

The vision and mission serve as a base or foundation for planning the organization’s future (teleological change), whereas the strategic component involves specific positioning of the organization for competitive advantage or effective service delivery on the basis of factors outside the organization. Relying on multiple sources and multiple disciplines or inputs, leaders and members use environmental scanning to gather information about trends in the external environment:

- Stakeholder analysis—an assessment of the expectations, wants, and needs of all parties that have an interest or stake in the organization, including leaders, team members, managers, employees, customers/clients, recipients of services, and investors/shareholders, among others;
- Competitors’ activities—knowledge of competitors’ products, services, and methodologies through benchmarking and other information-gathering approaches;
- Demographic changes—changes in the age, ethnic composition, growth, or decline of the population;
- Social and lifestyle changes—women in the workforce, health and fitness awareness, erosion of educational standards, spread of addictive drugs, concern for the environment;
- Technological changes—advances in and use of all forms of technology;
- Economic changes—stock market indices, budget deficits, consumer-spending patterns, inflation rates, interest rates, trade deficits, unemployment rates;
- Legislative/regulatory and political changes—changes in crime laws, environmental protection laws, deregulation, antitrust enforcement, laws protecting human rights and employment; and
- Global changes—economic alliances, changes in consumer tastes and preferences, economic development, international markets, and poverty and disease rates. (Dess, Lumpkin, & Eisner, 2008, pp. 19, 44–50, 380)

The executive leadership team uses information from the environmental scan to determine the organization’s opportunities and threats along with its strengths and weaknesses. On the basis of this analysis, the team identifies core competencies (capabilities that combine expertise and application skills) in the organization, evaluates whether there is a need for a major change in strategy, and identifies promising strategies along with possible outcomes of each strategy (Yukl, 2006, pp. 378–380). Frequently, a broad cadre of managers and members are invited to participate in the strategy formulation process. Strategies represent desired states of affairs that the organization wants to reach or end points toward which organizational efforts are directed (Daft & Lane, 2005, p. 526). They are the indicators of the organization’s progress toward its vision, mission, and strategic direction.

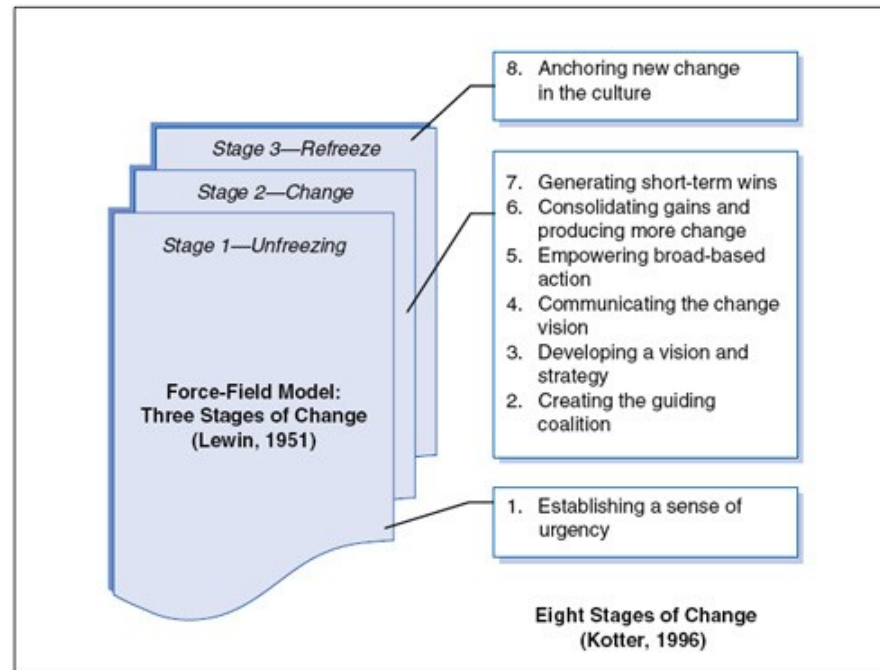
Clearly, strategic leadership uses strategic-planning processes to bring about strategic change in organizations. Strategic planning is also compatible with teleological and dialectical change. As stated earlier, teleological change is constructed internally by leaders and members of the organization, yet this form of change cannot be fully effective without considering the kind of information that the environmental-scanning component of strategic planning highlights. Dialectical change can also benefit from the environmental-scanning component of strategic planning, even though strategic positioning may or may not be feasible in dialectical change.

Strategic planning is often a lengthy process in many organizations. With the increasing pace and unique patterns of change in society, organizations will need continuous scanning and highly participative processes with a broader base of members (beyond executive levels) to determine appropriate action in the short term while planning for the long term. The strategic-planning process may assume a different structure or different characteristics in a less-predictable and less-controlled environment of continuous change, experimentation, and learning. Some communication scholars and practitioners suggest that planning strategically may mean engaging in scenario planning—exploring possible outcomes of what could happen in the future and planning for those possibilities (Ströh & Jaatinen, 2001, p. 162). Scenario planning, similar to Peter Schwartz's (see [Chapter 1](#)) concept of scenario building, uses information from continuous-scanning processes to develop and plan for probable scenarios, while keeping plans flexible and adjustable.

Stages of Praxis

Kurt Lewin (1951) provided some of the earliest research on stages of praxis in organizational change. His force-field model identified three fundamental stages of change: unfreezing—the stage where organizational participants recognize that their old methods are no longer useful, often due to crises, threats, or new opportunities; changing—the phase where people seek new ways of doing things and choose new approaches; and refreezing—the stage in which leaders and participants implement the new approaches and establish them in the organizational culture (Yukl, 2006, p. 286). Lewin's earlier work provided a foundation for subsequent models (Kanter, 1983b; Kanter, Stein, & Jick, 1992; Kotter, 1996; Nadler, Shaw, & Walton, 1995) that expanded the stages, methods, and practices of organizational change. [Figure 4.2](#) compares Lewin's three-stage model to a much later eight-stage model developed by John Kotter (1996). Kotter's model provides a fitting structure for examining praxis shared by other familiar models.

FIGURE 4.2 Stages of Praxis



The Unfreezing Stage

The purpose of unfreezing old ways of doing things (Lewin, 1951), establishing a sense of urgency (Kanter et al., 1992; Kotter, 1996), or initiating a galvanizing event (an action or situation that requires a change response) (Kanter, 1983a, p. 22) is to draw attention to the critical need for organizational change. This sense of urgency or galvanizing event may stem from a current or impending crisis. Yet it is just as likely to come from the organization's inability to adapt—that is, the ability of its members to see and take action to address the gap between the current organization and its need to modify or change its culture, structure, behaviors, and responsibilities. According to Kotter (1996), this stage involves identifying and discussing crises, potential crises, or major opportunities that may galvanize or inspire change (p. 21). Crises include economic threats, like the situation at Technology Solutions; competitive threats; changing markets; shifting demographics; or other changes in the external or internal environment. A galvanizing event may present a crisis or entail a new opportunity, such as launching new products; developing new markets, innovations, or services; and interacting with stakeholders in new ways, such as engaging in community volunteering or environmental sustainability programs.

Both crises and opportunities can create fresh or revitalized momentum in an organization, especially when these crises or opportunities are acknowledged as authentic by members of the organization. Many people fear change and resist change efforts even in situations where a crisis or beneficial innovation is justified. There are multiple reasons why members of organizations resist change:

1. Lack of trust—distrust of the people who propose the change;
2. Belief that change is unnecessary—satisfaction with the status quo and no clear evidence of serious problems with the current way of doing things;
3. Belief that the change is not feasible—a view that the change is unlikely to succeed, too difficult, or likely to fail like some previous efforts;
4. Economic threats—fear that the change may benefit the organization but result in personal loss of income, benefits, or job security;

5. Relative high costs—concern that the cost of change may be higher than the benefits due to loss of resources already invested in the current approach or loss of performance as employees learn the new procedures and debug the new system;
6. Fear of personal failure—organizational members' reluctance to abandon known skills or expertise and their insecurity about mastering new ways of doing things;
7. Loss of status and power—fear of shifts in power for individuals or subunits that may result in loss of status in the organization;
8. Threat to values and ideals—resistance to change that appears incompatible with personal values or strongly held values embedded in the organization's culture; and
9. Resentment of interference—opposition of individuals to perceived control, manipulation, or forced change by others in situations where they have no choice or voice in the change. (Yukl, 2006, pp. 285–286)

Despite these fears, various organizations have implemented successful change processes by using the stages approach with effective forms of leadership and change.

The Changing Phase

Lewin (1951) referred to the next stage simply as the changing phase; later scholars (Kanter et al., 1992; Kotter, 1996; Nadler et al., 1995) defined several additional stages in the changing phase. Specifically, Kotter delineated six stages—creating the guiding coalition, developing a vision and strategy, communicating the change vision, empowering broad-based action, generating short-term wins, and consolidating gains and producing more change (p. 21).

Creating the guiding coalition involves putting together a group with enough power to lead the change and getting the group to work together as a team. This group could comprise the tags, described earlier as members of the organization who lead with or without authority, often in a temporary capacity, to influence people and the processes of meaning making, cooperation, and action taking. They have the kind of influence that moves others to action through their facilitation of cooperation, interaction, and resonance among individuals involved in change or adaptive processes.

Developing a vision and strategy relates to the processes described in strategic planning or creating an image of a realistic, credible, and appealing future for the organization that energizes people, inspires commitment, gives meaning to work, and establishes a standard of excellence. The guiding coalition then develops a strategy to achieve the vision.

Communicating change¹ requires that change leaders use every vehicle possible to communicate constantly the new vision and strategies to organizational members and model the behavior expected of employees. In four case studies of planned change, the researcher concluded that “creating [and communicating] vision, maintaining buy-in to mission, sense-making and feedback, establishing legitimacy, and communicating goal achievement” are essential elements for maintaining commitment to organizational change (Lewis, 2000, p. 151).

Ströh and Jaatinen (2001) suggested that single incidents of change, such as a crisis, require different approaches to communication than do continuous changes (p. 159). They caution that technical communication channels, such as newsletters, electronic and face-to-face updates, or annual reports, are good but not sufficient in organizations where continuous change is a way of life. Effective communication channels need to be consciously embedded and facilitated in the continuous change process through dialogue, relationship building, diversity of ideas, and participative decision making for change (p. 159).

The use of dialogue, discourse, or conversation is a prominent theme in the literature on communicating change (Ford & Ford, 1995; Heracleous & Barrett, 2001; Jabri, 2004; Kellett, 1999). Kellett (1999) pointed out that creating collaborative learning through dialogue is one approach to generating continuous and intentional change in organizations (p. 211). Creating dialogic conversations is an intentional process with fundamental characteristics and guidelines:

- Dialogue provides a “container” for collective thinking with dedicated time to allow the process to emerge;
- The purpose of dialogue is to create thoughtful exchange, generate mutual understanding, make assumptions explicit, and take action with regard to the issues people care about and need to discuss;
- The spirit of inquiry is essential to dialogue and involves focusing on connections, embracing diverse perspectives, and allowing shared understanding to transform us;
- The process of reflective questioning relies on our ability to listen, value others, and address deep issues; and
- A dialogue is a practical approach for developing a meaningful vision or mission statement, understanding what needs to change and how the change aligns with other factors in the organization, and understanding and negotiating conflicts expressed in the dialogue process. (Kellett, 1999, p. 212)

Another key communication role in continuous change involves building relationships within and across the organization and building transorganizational relationships to develop networks and achieve creativity, innovation, mutual problem solving, and shared meaning. Given this emphasis on relationships between entities, one researcher remarked, “Relationships are all there is to reality and nothing exists independent of its relationships with the environment” (McDaniel, 1997, p. 24).

Dialogue that encourages diversity of ideas is critical for continuous change in organizations. Yet diversity brings both conflict and cooperation, “marked by the struggle of multiple voices to be heard” (Kellett, 1999, p. 213). Dialectic communication is a process through which change occurs:

In a change process, if there is an effective negotiation or resolution of core dialectics between the stakeholders, it is likely to be a collaborative change that is marked by a respect for difference. If, as Baxter and Montgomery say, “Relational well-being is marked by the capacity to achieve ‘both/and’ status” (p. 6), then “healthy” organizational change will be marked by talking through dialectics, or at least the respect for differences as they figure into change decisions. (p. 213)

Communication in continuous change environments is highly participatory by necessity. Organizations must facilitate dialogue within and across groups to generate and sustain a free flow of information, diversity of ideas, high levels of cooperation, and substantive involvement in decision making.

Empowering broad-based action requires getting rid of obstacles, changing systems or structures that undermine the change vision, and encouraging risk taking and nontraditional ideas, activities, and actions (Kotter, 1996, p. 21). Earlier in the chapter, empowerment was described as delegating or distributing leadership, authority, responsibility, and decision-making power and equipping organizational members with the resources, knowledge, and skills necessary to make good decisions. Empowerment can facilitate broad-based action in the change process when leaders and members fully endorse and incorporate it in their organizational values, culture, and practices. Organizational systems can be configured to reinforce empowerment in selection, performance appraisal, rewards, and training processes along with communication and work structures.

Generating short-term wins involves making change visible by recognizing, rewarding, and celebrating achievements along the way. This includes setting and achieving short-term goals that support the change initiative; recognizing and rewarding people who made the wins possible; demonstrating or showcasing completed projects and new products or services; publicizing new ventures, partnerships, or collaborative work arrangements; and recognizing monthly, quarterly, or annual accomplishments. Kotter (1996) identified three characteristics of a good short-term win—it’s visible and large numbers of people can see it for themselves, it’s unambiguous, and it’s clearly related to the change effort (pp. 121–122). He pointed out that one possible drawback to acknowledging and celebrating short-term wins is the tendency of some people to lose momentum and motivation for completing the larger change. As a result, recognition of intermediate successes needs to be balanced with a realistic perspective that much more remains to be done. Clear or visible gauges of the work ahead are as important as indicators of successes to date.

Consolidating gains and producing more change occur when the guiding coalition, tags, and participants in change throughout the organization learn from and use the gains at each juncture to develop expertise and experience for producing more change. Because complex organizations function through

inter-dependencies—people work in cross-functional and project teams across the organization and between organizations—change in one part of the system produces a kaleidoscope effect by changing all or most parts of the system. In other words, change in interconnected systems produces more change. This is a good outcome for the achievement and sustainability of the larger change, but it can be frustrating in the short run.

According to Kotter (1996), cumulative gains along the way provide increased credibility to change all systems, structures, and policies that no longer fit the transformation vision. Actions in this stage include hiring, promoting, and developing people who can implement the change vision and reinvigorating the process with new projects, themes, and change agents (pp. 21, 143).

Refreezing or Anchoring New Approaches in the Culture

This phase represents the last stage of change, as defined by Lewin or Kotter, respectively. Both Lewin and Kotter recognized this stage as the fitting time and place to establish or anchor new approaches and behaviors in the organizational culture (shared assumptions, beliefs, values, language, etc.). Many scholars (Deal & Kennedy, 2000; Kotter, 1996; Schein, 1992) acknowledge that culture is the most difficult element to change in an organization, and it is much more challenging to alter culture in mature organizations. Schein (1992) offered several primary and secondary ways to influence cultural change. Each of these factors reinforces the connection between new behaviors and organizational success:

- Primary ways to influence culture
 - *Attention*—the amount of attention leaders focus on certain issues or factors in the organization;
 - *Reactions to crises*—the values and assumptions expressed by leaders during crises;
 - *Role modeling*—the messages about values and expectations leaders communicate through their actions or through deliberate modeling such as coaching and teaching;
 - *Allocation of rewards*—the criteria used in the organization to allocate rewards; and
 - *Criteria for selection and dismissal*—values expressed through criteria for recruiting, selecting, promoting, and dismissing members of the organization.
- Secondary ways to influence culture
 - *Design of systems and procedures*—placing an emphasis on the new approaches or change in budgets, planning processes, reports, training programs, performance reviews, and so on;
 - *Design of organizational structure*—designing an organizational structure that facilitates the philosophy, working relationships or interdependencies, and flexibility needed to implement change and adapt to the environment;
 - *Rites and rituals of the organization*—the ritualization of certain types of behaviors can serve as a powerful reinforcer of leaders' assumptions;
 - *Design of facilities*—designing facilities that reflect the change in approach or philosophy such as open layouts; open access to conference rooms, dining facilities, and workout spaces; or similar offices for all members of the organization;
 - *Stories, legends, and myths*—transmitting stories about actual events, people, or actions that exemplify the philosophy, values, and approaches that are important for change in the culture; and
 - *Formal statements*—conveying the new or modified philosophy, values, and approaches in organizational publications and other appropriate venues. (Schein, 1992, pp. 230–252; Yukl, 2006, pp. 290–293)

A final factor in refreezing or anchoring new change in the culture is developing a means to ensure ongoing leadership development. If change is dependent only on individuals currently serving in formal (chief executive officer) and informal (tags) leadership roles, then change processes will likely end when these individuals leave. This statement may seem obvious; however, lack of adequate leadership development has been the downfall of many promising attempts to generate organizational change. Individual and team leadership development along with O'Toole's (2001) concept of

institutionalizing leadership in the people and systems of organizations provide the greatest potential for initiating, developing, and benefiting from change.

The practices identified in the stages-of-praxis category most often apply to teleological (intentional and constructed change) and strategic change. These stages can also facilitate evolutionary change when organizations need to adopt new structures, organizational types, or traits. They can apply to the maturity and revitalization phases of life-cycle change, especially as organizations face inertia or potential demise. Organizations in the maturity phase of life-cycle change have the hardest time embracing new opportunities or structures due to their entrenched organizational culture and history of success. Communicating a change strategy or vision among organizational members can foster dialectical change.

Different phases can require different forms of leadership. For example, charismatic leadership frequently succeeds in generating a sense of urgency by inspiring a motivating vision or purpose in the hearts and minds of organizational members. In the case of invisible leadership, however, the purpose itself may be the motivating factor (charisma of purpose) that drives organizational members to work toward a goal. Strategic leadership can help organizational participants shape the vision and strategies that will focus the change effort, and transactional and task-relations-and-change leadership may empower broad-based action to implement changes in behavior, work structures, or processes and generate short-term wins. Transformational leadership can operate during most stages of praxis; it may be particularly effective during the stage of consolidating gains and producing more change during the last phase involving anchoring new approaches in the culture. Coleadership or exemplary followership functions throughout the stages of praxis in a team effort to accomplish the common purpose of the change.

Scenario Building

Schwartz (1996) advocated an eight-step process of scenario building (also discussed in [Chapter 1](#)) that helps leaders and members take a long view in a world of uncertainty (p. 3). He contended that scenarios are not predictions but mechanisms to help people learn. Scenario building involves more than guessing. It requires a process that uses factual information and indicators of early trends to project alternative futures. The eighth factor, which corresponds with Willis Harman's (1998) concept of "acting with feedback" (pp. 193–194), fosters ongoing learning and flexibility as leaders and participants move toward a desired common goal. Although scenario building is a method used most often in business or organizational settings, it provides a useful means for developing informed action in other settings, including nonprofit and government agencies.

Scenario building is especially useful for teleological change and strategic leadership due to its planned, constructed approach. However, it may also be relevant to dialectical change, including chaos and complexity theory and collective or collaborative forms of leadership, because it helps organizations prepare for multiple possibilities and identify early indicators in uncertain environments. In virtual or multichannel organizations, scenario building is highly compatible with e-leadership, which uses technology such as groupware to brainstorm and generate multiple responses simultaneously.

Appreciative Inquiry

Appreciative inquiry (AI) is an organizational change practice developed by Cooperrider and Srivastva (1987). It focuses on aspects of the organizations that are working well—the positive history and stories, best organization members, and the relationships that contribute to advancement—rather than on negatives, such as distrust, resistance, and barriers to positive possibilities. AI begins with and retains the "positive principle"—hope, excitement, caring, esprit de corps, urgent purpose, joy in creating something meaningful together—to sustain momentum throughout the process (Fitzgerald, Murrell, & Miller, 2003, p. 6). The process has five essential phases:

1. Choose the positive as the focus for inquiry.
2. Inquire into stories of life-giving forces.

3. Locate themes that appear in the stories and select topics for further inquiry.
4. Create shared images for a preferred future.
5. Find innovative ways to create that future. (Seo, Putnam, & Bartunek, 2004, p. 95)

AI uses a social constructionist approach to organizational change, a teleological model that focuses on the human ability to construct new realities for the organization through an intended process of change. Cooperrider and Srivastva's (1987) AI model departs from previous change approaches because it fully supports the idea that "organizational members have the capacity to create their own future," it rejects interventionist approaches that focus on problem-solving with a heavy emphasis on positivist methods, and it employs less linear methods, such as "stories, narratives, dreams, and visions that stimulate human imagination and meaning systems" (Seo et al., 2004, p. 96).

AI has received positive attention and considerable use by practitioners. Yet there has been little academic research conducted on this method. Future researchers need to raise and examine several methodological and organizational questions regarding AI: Do the methodologies and philosophy used in AI omit significant factors from the change process? For example, does the "positive only" approach of appreciative inquiry resolve underlying problems, conflicts, and mistakes in the organization or does it inadvertently mask or ignore them? Can positivist methodologies (survey research, experiments, etc.) in combination with AI methodologies (dialogues, interviewing, imagining) add or reveal vital information for organizational change that would not be apparent or available using AI methodologies alone? How does AI compare to other theories of change and organizational development? What are the comparative outcomes of AI in relation to other organizational change approaches over time?

E-Practices

Leading change in virtual teams requires some of the same practices as those used by face-to-face (FTF) teams, as well as some different practices. In a study of effective practices in virtual teams, Lurey and Raisinghani (2001) found that these teams, like their FTF counterparts, must have a shared purpose, their members must rely on each other to perform the work, and team leaders must facilitate positive group processes, generate team-based reward systems, and select the most appropriate team members for projects or change initiatives (p. 532). Virtual teams need additional factors to be effective:

- added connectivity among team members through more structured or formal processes including clearly developed and designated roles for team members and very explicit team goals; and
- more attention to communication issues that enhance personal contact and connection among team members such as facilitating face-to-face interaction when possible and identifying and using the most appropriate technology for the people and project. (p. 532)

Respondents in Lurey and Raisinghani's (2001) study used daily e-mail, personal telephone calls, and voice mail most frequently. Other means of communication, including group-telephone and online-computer conferencing, FTF interaction, groupware, shared databases, and videoconferencing, received less frequent use. The researchers suggested that the availability and use of videoconferencing may be effective in bringing together geographically dispersed team members.

To enhance successful e-practices, Zigurs (2003) made the following recommendations for virtual team leaders:

- provide training on participation in virtual teams;
- use team-building exercises in face-to-face processes, when possible;
- provide for both task and relational roles;
- establish standards for communication of contextual cues with each message;
- use process-structuring tools but build in adaptability for individual needs;

- use frequent communication and feedback to nurture emergent leadership and self-leadership that moves the team forward;
- put special and continuous emphasis on relational development; and
- anticipate unintended consequences and debrief the team's responses and approaches to these events. (p. 348)

Virtual organizations and multichannel corporations need the capacity to innovate, change, and respond quickly to meet the needs of customers or service recipients in a round-the-clock Internet environment. Change in virtual organizations and virtual divisions of multichannel organizations entails practices that are information rich and highly collaborative. Stace, Holtham, and Courtney (2001) suggested that these organizations base their design on principles of self-management, collaborative behavioral protocols, shared strategic intent, and equitable sharing of returns (p. 417). They advised that organizations base their e-practices on time spent in productive interchange, trust developed between people, and territory, defined as psychological space and a stake in outcomes (p. 417).

On the basis of current information, e-practices seem to apply to teleological (planned, constructed) and dialectical change, including chaos and complexity theory, in multichannel and virtual organizations. They align with virtual leadership, or e-leadership, and may be fitting for other collective forms of leadership, such as adaptive, team, and invisible. Research on effective virtual or e-practices is still developing. E-change may ultimately constitute a new form of change with its own characteristics and processes.

Ethical Practices

Ethics require leaders and followers in organizations to take into account the impact of their actions in relation to others. Ethics are principles of right conduct or a system of moral values. The guiding question for ethical decisions and practices in leading change is, what ought to be done in regard to coworkers and customers (Gini, 2004, p. 28)? Gini (2004) pointed out that “ethics is primarily a communal, collective enterprise” (p. 28), which makes ethical practices especially relevant in this era of collective and collaborative approaches to leading organizational change, including adaptive, ubuntu, Tao, invisible, team, and virtual leadership.

Critical issues for ethical practices in leading change consist of authenticity, trust, and reciprocal care, among others. Authenticity entails honesty—with one's self and others, between and among organizational leaders and members, and between organizational members and other partners, collaborators, and stake-holders. Authenticity is critically important in the practice of empowerment or shared power, which is a fundamental component of collective or collaborative leadership and change. Ciulla (2004) maintained that “the obvious difference between authentic and bogus empowerment rests on the honesty of the relationship between leaders and followers” (p. 76). She warned that it is not adequate for members of an organization to “feel” empowered; they must “be” empowered to make decisions, take action, and be accountable for their efforts on behalf of the organization (p. 76).

Leaders in positions of authority have a choice to share power with members of the organization or not, but bogus empowerment is both inauthentic and ineffective in the long run. Leaders must weigh the risk in each direction. If organizational leaders choose empowerment or shared power, they need to develop the training, resources, systems, and practices that support it. Most of all, senior leaders must have enough self-knowledge and introspection to know whether they are truly capable of sharing power or whether they fear that most organizational members are unable to handle shared power appropriately, and, therefore, members' mistakes will reflect negatively on leaders. If leaders decide not to empower members, they need to develop substantial capacity within the senior executive team to lead change in a dynamic environment. They must assess the potential impact on their competitive position or service delivery in relation to similar organizations with and without shared power among their members.

Authenticity is a significant factor in developing a sense of urgency or establishing a galvanizing event in the stages-of-praxis approach. Organizational members will likely become indifferent and highly suspect of any change effort when executive leaders attempt to revitalize an organization by “creating” a scare tactic to generate a sense of urgency. Instead, organizational leaders and members must build an honest, compelling case for revitalization on the basis of information, involvement, and commitment.

Openness, or transparency, is included here under the rubric of authenticity. Openness reinforces authenticity and trust by making processes, decisions, and information open and available to members of the organization. In the Technology Solutions case, members indicated that the company's transparency practices—a “no secrets” policy, free sharing of ideas, the open-door policy among all company members, and the discussions during company meetings—contribute to an open and innovative environment. Team members at Johnsonville Sausage performed budgeting and finance, hiring and firing, scheduling, and quality control. Processes, decisions, and information in the organization were transparent, enabling members to take appropriate actions. Members were fully aware of the company's financial status and competitive position in the market, and they knew whether cost cutting, layoffs, or downsizing were necessary for the company to thrive.

Earlier in this book, I cited Tapscott and Williams (2006), who discussed the idea that openness, or the new-era transparency, goes beyond disclosure of information to internal members of the organization. It includes a vast array of external collaborators. As a result, senior leaders need to decide whether they can honestly practice openness in the organization. If they decide to implement openness in the organization's innovations, processes, decisions, and information, then they need to develop systems and practices that support transparency along with procedures that protect some (but not all) confidential and proprietary information. If leaders decide not to practice full transparency, they still need to develop an organizational culture of trust where members experience authenticity and integrity in leader-member relationships. They also will need to evaluate the potential impact on their competitive position or service delivery of maintaining a highly proprietary and confidential organization.

Trust is the foundation of a relationship between and among leaders and members of an organization. Robert Solomon (2004) contended, “*Trust* characterizes an entire network of emotions and emotional attitudes, both between individuals and within groups and by way of a psychodynamic profile of entire societies” (p. 95). He characterized trust as a social role, a reciprocal relationship, a dynamic decision that makes leadership possible, something to be given that transforms a relationship at its most basic level (pp. 95–99). Honesty builds trust so that members have confidence in a leader's word that the need for change is authentic, that power is indeed shared, and that the member has true agency to effect change in the organization, while leaders have confidence that members can lead themselves, build competence, use their shared power to advance the change initiative, and sustain commitment to the organization's purpose.

Reciprocal care develops from a relationship of trust where “every person matters and each person's welfare and dignity is the concern of us all” (Allen et al., 1998, p. 57). Leading change in a collective or collaborative context creates greater interdependence and mutual responsibility between organizational leaders and members. The leader-follower relationship shifts from a traditional dynamic, where leaders assume responsibility for members, to a shared dynamic, where leaders and members assume responsibility for each other. This relationship involves reciprocal care for the rights, treatment, diversity, and well-being of leaders and members.

Leaders and members in organizations with ethical practices establish a “healthy moral environment,” where ethical behavior and expectations are explicitly stated and conscientiously practiced and where ethical practices are not inadvertently undermined by contradictory messages in the organizations' environments (Ciulla, 1995, p. 494). The ethical practices of authenticity, trust, transparency, and reciprocal care apply to leadership and change concepts in this chapter and are necessary for collective or collaborative approaches. They provide the essential underpinning for the communal, collective enterprise of ethics in the process of leading change.

Conclusion

Although there is no one approach or formula to choosing the most appropriate practices for leading change, leaders and members of companies, nonprofit organizations, and government agencies can use the guiding questions in each of the