CHALLENGES FACING CHANGE MANAGEMENT

THEORIES AND RESEARCH

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CHANGE management models and research are still relevant for the twenty-first century. The problems are not with their relevancy or their worth. The problems and challenges facing organizational leaders, organizational development experts and researchers relate to the speed and complexity of change required today. This article addresses selected change management models and research, their relevance in today’s global economy and the challenges facing organizational leaders and researchers in terms of their application and expected results. We also suggest a relatively new strategic model as well as new applications of existing change management models and theories.

Key Words: Change Management, Transformation, Organizational Transformation, Organizational Change.

Introduction

Today change is constant and organizational leaders who anticipate change and react rapidly and responsibly are successful. However, the organizational leaders who anticipate and invent the future are even more successful because those who invent the game are the leaders in their industry. Other organizations are followers that adapt to change. Still others are the organizations that do not survive.

There are many models that can be used for successful organizational change. Winners respond to the pace and complexity of change. They adapt, learn and act quickly. Losers try to control and master change in the environment. It is important for organizational leaders to identify and use a model for transformation that will help their organizations survive and flourish in the next century and beyond. This article discusses and compares the components of various change models that have been (and can be) used to react to and/or lead change.

Organizational Change versus Organizational Transformation

Organizational change has also been referred to as organizational development and organizational transformation (Cummings and Worley, 2005; Newhouse and Chapman, 1996). Major differences in changes today and those of previous eras are: (1) the simultaneous nature of the changes; (2) the speed at which the different types of change occur; (3) the complexity of changes, (4) the immediate communication and impact of the changes throughout the world; and (5) the need for individuals as well as leaders of organizations and nations to step up and immediately make decisions and address problems, issues and resolution. There are significant differences in the types of change in terms of
convergent and radical change as well as revolutionary and evolutionary change (Cummings and Worley, 2005; Greenwood and Hinings, 1988; Kelly and Amburgey; Miller and Friesen, 1984; Mohrmann, Mohrmann, Ledford, Cummings and Lawler, 1989; Nadler, Shaw, Walton and Associates, 1995; Romanelli and Tushman, 1994). Radical organizational change or frame bending involves tearing loose from an existing ‘orientation’ (Johnson, 1987; Miller, 1982; Miller and Friesen, 1982, 1984) and transforming the organization (bending it toward another orientation). Greenwood and Hinings (1996, p.1024) note that “convergent change is fine tuning the existing orientation.” Because of the pace of change today, it is radical, not convergent change in which we are interested. Therefore, it is necessary to define change and organizational transformation in terms of the degree to which organizational change occurs as well as how rapidly the change occurs. Regardless of its speed, organizational change is the movement of an organization from the existing plateau toward a desired future state in order to increase organizational efficiency and effectiveness (Cummings and Worley, 2005; George and Jones, 2002).

Figure 1: Adapting Organization Responding to Change

Source: Adapted from Cateora and Graham (2002, p.9) and Pryor and Cullen (1993, p.10-14)

Such changes may be sporadic or ongoing, continuous improvement initiatives as a result of organizations REACTING to external forces for change. Changes like these may be a part of improvement initiatives such as Total Quality Management and Six Sigma or Organizational Development initiatives based on various change models. Such change initiatives are worthwhile. Figure 1 depicts an organization changing in response to its domestic and global environment.

Organizational transformation is a radical movement that reflects widespread revitalization throughout the entire organization. Instead of an incremental strategy, organizational leaders adopt a radical,
fundamental change strategy whereby continuously learning and rapid reinvention are an integral part of how they do business. They transform their respective organizations by developing (and deploying) new visions, missions, values, goals, strategies and structures that reflect a continuously-changing organization and the capability for ongoing, radical self transformation and reinvention. In other words, transformed organizations change to such an extent that change becomes an on-going process and the norm. Of utmost importance, the transformed organization PROACTIVELY drives innovation to the extent that it becomes a major force for change within the macro-environment as well. With this definition of organizational transformation, the transformed organization is added to macro-environmental forces along with technological advances, economic and political changes and other such forces (Beckhard, 1997, 1969; Beckhard and Harris, 1982; Beckhard and Pritchard, 1992, Boeker, 1989; Cummings and Worley, 2005, Pettigrew, 1990; Pryor and Cullen, 1993; Pryor, White and Toombs, 1998; and Pryor and erson, Toombs and Humphreys, 2007).

Today’s World of Change
Organizational leaders in this era are facing change that is unprecedented in terms of type, quantity, speed, span/reach, cause, world-wide communication and implications, time available to address changes and expectations for performance results. Also, they must simultaneously think and make decisions about future change, some of which is long term and some of which is immediate (Cummings and Worley, 2005; Greenwood and Hinings, 1988; Kelly and Amburgey; Miller and Friessen, 1984; Nadler, Shaw, Walton and Associates, 1995; Romanelli and Tushman, 1994). This requirement of simultaneously planning for the long term and the short term is not unique. What is unique is that organizational leaders must now plan into the future 20 or more years whereas in the past, long term meant 3- to 5-year plans. They must simultaneously plan for the short term which often means immediate responses in 15 minutes instead of weeks or months. This also requires much more planning for contingencies. Otherwise, change “happens to” organizations instead of organizations being on the forefront of change.

Examples of actions and circumstances which impact private for-profit and not-for-profit organizations as well as nations and which cause change include:

- Organizations and their employees are charged with illegalities (Burke, Polimeni and Slavin, 2007; Lindgreen, 2004; Doherty, 2007; Lindgreen, 2004; Heineman and Heimann, 2006).

- Economic conditions change as they are impacted by organizational failures, terrorist attacks, natural disasters, etc. (Caterinicchia, 2007; Johnson; 2002; Bram and Rapaport, 2002; May, 2006).

- Consumer behavior changes, e.g., children use computers at a very early age (PBS Parents, 2007; Subrahmanyam, Kraut, Greenfield and Gross, Fall/Winter, 2000).

- Suppliers fail as big customers force them to lower prices or as other changes impact them – e.g., Mattel toys manufactured in China containing lead (Spencer and Casey, 2007).

- Employee unions strike as organizational leaders give themselves bigger bonuses salaries and ask for concessions from unions (Bailey, 2007).

- Violence spills over from society to the work place and schools. Children and adults are injured and/ or (Reiss and Roth, 1993; Shaver, 2006).

- Natural disasters occur throughout the world and individuals, organizations and nations try to respond to the impact of hurricanes, earthquakes, tornadoes, tsunamis, fires and floods (CNN, 2007; NASA News, 2004; USA Today, 2005).

- Countries and terrorists threaten and attack each other verbally and physically; and the pictures of those attacks are shown 24 hours a day 7 days a week throughout the world (CNN/World/Asia, 2007; CNN/World/Europe, 2007; Media, 2007).

- Individuals and families experience pain from addictions to credit card debt, illegal and legal drugs, pornography, gambling, etc. (Copello, Templeton and Velleman, 2006; Reiss and Roth, 1993).
The following are recent events that have triggered the need for immediate as well as long-term preparations for and responses to, change:

**Terrorism** – Sept. 11, 2001 attacks against U.S. people, buildings and economy (National Commission on Terrorist Attacks, 2004). The 9/11 attacks killed thousands of people, destroyed airplanes and demolished buildings. The results of these attacks included immediate, crippling effects on the emotions of individuals as well as the U.S. economy. People began to question the extent to which their lives, their workplaces, their finances, their world were safe. Johnson (2002) feels that September 11, 2001 will always be remembered for the act of terrorism that not only struck New York’s financial center but also highlighted the vulnerability of the country’s financial system and exposed its exploitation for criminal purposes. Terrorism is now viewed as both a threat to US national security and the integrity of the US financial system, with money laundering linked to the hiding of terrorist funds. Bram and Rapaport (2002) evaluate the economic consequences of the September 11, 2001 in terms of the effects of the attack on the inputs to the production process: labor and capital. It is estimated that the aggregate present value of lost lifetime earnings for workers killed in the attack is about $7.8 billion. In addition, in the nine months following the attack, lost jobs and a reduction in the number of hours worked...
translated into an estimated shortfall in aggregate earnings of $3.6 billion to $6.4 billion. The cost of replacing the destroyed and damaged physical capital and infrastructure is estimated at $21.6 billion.

Terrorist attacks have occurred around the world – in Egypt, in England, in India, in Spain and in many other parts of the world. With each attack, the terrorists are able to hurt people and countries physically, economically and financially and they hurt people emotionally as they experience fear as well as the other hurts. Yet so far, no individual, no organization, no nation has been able to adequately plan and prevent such attacks or prepare adequate responses to them.

Natural disasters have occurred – e.g., in 2005, Hurricanes Katrina and Rita hit the United States (Texas, Mississippi and Louisiana). The U.S. was not prepared locally or nationally to immediately respond to natural disasters. Therefore, U.S. responses to Hurricanes Katrina and Rita were very slow. The U.S. Federal Emergency Management System and the Federal Emergency Management Agency (FEMA) may still not be prepared to deal with natural disasters. With the ever-rising U.S. coastal population, the emergency management system does not need to simply prepare for hurricanes alone. The preparation needs to include planning for greater populations, better infrastructure and associated vulnerabilities (May, 2006).

**Change Management Research**

Various articles reflect diverse research into the topic of organizational change. Some of these studies look at organizational change from several perspectives. For example, in their review of theoretical and empirical change literature over a nine-year period, Armenakis and Bedeian (1999) identify four research themes or issues common to all change efforts (1) content issues which focus on the substance of contemporary organizational changes; (2) contextual issues, which primarily deal with forces in an organization’s external and internal environments; (3) process issues, which address actions undertaken during the enactment of an intended change and (4) criterion issues, which focus on outcomes commonly assessed in organizational change efforts. Research dealing with monitoring affective and behavioral reactions to change is also reviewed. Some researchers have endeavored to understand the nature or content of change (Beer, 1980; Burke, 1993, 1982, 1976; Burke and Litwin, 1992, Child and Keiser, 1981) and continuous versus discontinuous change (Hinings and Greenwood, 1988; Romanelli and Tushman, 1994).

Many articles are devoted to identifying change factors from both the external and internal environments. As organizations face the dynamic, changing environment, they are required to adapt, change and in some cases, totally transform. Earlier research examines environmental factors that motivate organizations to change in response to external environmental threats and opportunities and focus on environmental factors that may motivate organizations to change (Kotter, 1996; Lawrence, 1990; Hedberg, Nystrom and Starbuck, 1976) showing that there are many driving forces that trigger the need for change. The most widely-stated causes come from macro-environmental factors such as major economic and political changes, technological advances, rapid expansion in the global marketplace and altering demographic and social structures (George and Jones, 2002).

Organizations go through various internal change processes throughout their normal life cycle where organizational leaders may create change-driving forces within the organization. For instance, some organizations initiate radical change that results in structural transformation through which organizations attempt to revitalize business orientations (Chandler, 1962; Child, 1972; Miller, 1982; Miller and Friesen, 1982; Miller and Friesen, 1984) through changing the reporting structure. Other changes such as mergers and acquisition, new top management teams and changing company dynamics because of reorganization and restructuring require organizations to make significant changes not only in strategy and structure, but also organizational culture and processes (Keifer, 2005). Research indicates that ongoing organizational change has reflected a spiraling effect where organizations are
becoming increasingly engaged in multiple and even ongoing internal change events. Still more research indicates that major restructuring as a result of downsizing the size of the organization (e.g., Keifer, 2005; Pfeffer, 1998; Parker et al., 1997) and instituting reengineering requires new patterns of behavior throughout the entire organization (Champy, 1997, Erakovic and Wilson, 2005). Often, the revolutionary types of change that result from restructuring and reengineering are necessary only because an organization and its managers ignored or were unaware of changes in the environment and did not make incremental changes as needed.

Regardless of which forces cause organizations to see the need for change, organizational leaders continue to struggle to maintain or increase their companies' competitive advantage as rapid changes occur both in the external and internal environments. Conclusions drawn by these researchers are that the driving forces for organizational change are the result of the need to constantly improve productivity and efficiency (Arnetz, 2005).

Once organizational leaders realize the need for change, they also face challenges in terms of successfully implementing initiatives that will lead to change. Again, there is significant research that focuses on the process of implementing organizational change, with issues such as how change occurs (Beer, Eisenstat and Spector, 1990; Kanter, 1983, 1989; Quinn, 1980), who initiates the implementation of change (Hambrick, 1989; Robbins and Duncan, 1988; Tichy and Ulrich, 1984) and reactions to the fairness of the change implementation, specifically whether the implementation process was handled fairly or unfairly handled (Cobb, et al., 1995; Schweiger and DeNisi, 1991).

When an organization is going through change, it is time for management to exercise leadership. They should become the role models for the rest of the staff and exhibit behaviors that demonstrate what is expected from employees in relation to the change. This would be consistent with social learning theory (Bandura, 1986; Miller and Dollard, 1941) and the concept that people learn through observation of others. Also during a time of organizational change, management needs to send positive messages about the change itself. On one level, positive verbal reinforcement from management that the organizational change is desirable and beneficial will expedite employees' willingness to learn the change. On another level, this will motivate employees in a direction of change. While this tactic does not fall under a learning theory per se, it is a vital motivational approach for management to employ during organizational change phases as a means of laying the groundwork for new learning and changes in behavior to take place.

Robbins (2005) emphasizes the fact that some sort of reinforcement is necessary to produce changes in behavior, so management needs to be very active during change phases to institute reinforcement tactics. One method to use that does not cost money is verbal reinforcement. Verbal reinforcement of behaviors that fit into the organizational change will increase employee repetition of those new 'change' behaviors. Over time, old behaviors will hopefully become 'extinguished' as they are replaced with new behaviors. It really depends on the extent of the organizational change taking place as to what type and how intense reinforcement needs to be. The essential point is that reinforcement of some sort is a necessity for change to take place in the individual. An organization can change its structure and policy by simply writing new rules and procedures, but the workers are not going to change quite as easily. That is where the link between learning theories and organizational change really is and where reinforcement comes in as a vital part of organizational change. Whether it is negative or positive, some reinforcement is going to have to be put into place for employees to successfully adapt to changes in the organization (Robbins, 2005).

According to Robbins (2005), research indicates that an Organizational Behavior model/approach may be one of the most pragmatic ways to deal with organizational change. It is a clear-cut, rational method
that can target behaviors and introduce strategies to help employees learn and change. The strength of an Organizational Behavior model or approach is that it is very methodical in dealing with change (i.e., critical behaviors are clearly identified; there is concrete information in the baseline data; behavioral consequences are identified, there is specificity in strategies to use to make change happen and the whole scenario is evaluated for effectiveness (Robbins, 2005).

Other studies show the failure of organizations to implement changes. This leads to more studies focusing on the topic of change management. A recent study of companies which implemented three process improvement programs – continuous improvement, reengineering and benchmarking found that: “(1) Reengineering delivered the greatest impact on performance; (2) executive commitment was needed to make this happen; (3) strategic alignment was the major influence on the success rate of Reengineering and Continuous Improvement programmes; and (4) employee empowerment was necessary for each programme to work effectively” (Lok, Walsh, Wang and Crawford, 2005, p. 1357).

Some research focuses on the successful change management process (Caldwell, Herold and Fedor, 2004). A recent study suggested that non-tangible factors such as strategy and culture were the major determinants of long-term positive results as opposed to the specific methods of implementing changes (Nohrai and Roberson, 2003).

**Change Management Models and Theories**

Change management models and theories addressed in this article and a comparison of the steps required for each are depicted in Table 1 and listed below:

- The Action Research Model/Theory (Collier, 1945; Lewin, 1946; French, 1969; Schein, 1980);
- Lewin’s Three-Step Model (Lewin, 1945; Lewin, 1951);
- Schein’s Extension of Lewin’s Change Model (Schein, 1980);
- The Lippit, Watson and Westley model of planned change which expanded Lewin’s Three-Step Model to a Five-Phase Model (Lippit, Watson, and Westley 1958);
- Kotter’s Strategic Eight-Step Model (Kotter, 1996);
- Mento, Jones and Dirmdofer’s Twelve-Step Model (Mento, Jones and Dirmdofer’s 2002);
- Jick’s Ten-Step Model (Jick, 2003; Jick, 2001); and
- Shield’s five-step model (Schield, 1999).

**Action Research Model**

Action research is a combination of changing not only attitudes and behavior, but also testing the change method being utilized (McShane and Von Glinow, 2005; Collier, 1945; Lewin, 1945, 1951; French, 1969; Schein, 1980; Argyris, 1970, 1968). The first part of the change process must be action-oriented because the ultimate goal is to make change happen. The second part revolves around trying different frameworks in a real situation to verify whether or not the theories really work or applying the various theories in various situations that require change. The process of action research is first to diagnose a need for change (unfreezing), then to introduce an intervention (moving) and finally to evaluate and stabilize change (refreezing). Each of these steps in the process is consistent with the three stages in Lewin’s Model. In relating this to the speed at which some changes must occur, this approach may be useful if it is done through the process of drills or exercises. For instance, in most schools students are regularly subjected to fire drills so that in the event that a “real” fire were to occur, the students, teachers and school personnel have learned behaviors on exiting the building quickly to reduce the potential dangers to human life.
Table 1: Comparison of Selected Change Models

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<tr>
<td>Identify Problem(s)</td>
<td>Lewin-Step 1 Unfreezing</td>
<td>Establish a sense of urgency</td>
<td>Analyze the organizational need for change</td>
<td>The idea and it’s concept</td>
<td>Define the desired result and change plans</td>
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<td>Consult with Behavioral Science (OD) Expert</td>
<td>Schein-Stage 1 Need for Change; People must be dissatisfied with the present.</td>
<td>Form a powerful guiding coalition</td>
<td>Create a shared vision and common direction</td>
<td>Define the change initiative</td>
<td>Create capability and capability to change</td>
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<td>Gather Data &amp; Begin Preliminary Diagnosis</td>
<td>Lewin-Step 2 Moving/Changing</td>
<td>Create a vision</td>
<td>Separate from the past</td>
<td>Evaluate the climate for change</td>
<td>Design innovation solutions</td>
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<tr>
<td>Provide Feedback to Client</td>
<td>Schein-Step 2 Cognitive Restructuring</td>
<td>Communicate the vision</td>
<td>Create a sense of urgency</td>
<td>Develop a change plan</td>
<td>Select and deploy solutions</td>
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<td>OD expert &amp; client members diagnose problems</td>
<td>Lewin-Step 3 Refreezing change to make permanent.</td>
<td>Empower others to act on the vision</td>
<td>Support a strong leader role</td>
<td>Find and cultivate a sponsor</td>
<td>Reinforce &amp; sustain business benefits</td>
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<tr>
<td>OD expert &amp; client jointly plan actions</td>
<td>Schein-Step 3 Refreezing involves self and others.</td>
<td>Plan for and create short term wins</td>
<td>Line up political sponsorship</td>
<td>Prepare target audience, the recipient of change</td>
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<td>Take action</td>
<td>Schein - To be permanent, change becomes a part of self, relations with others, &amp; system in which people exist.</td>
<td>Consolidate improvements producing more change</td>
<td>Craft an implementatio n plan</td>
<td>Create the cultural fit-making the change last</td>
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<tr>
<td>Gather data after action</td>
<td>*Lippitt, Watson, Westley expand Lewin’s Model</td>
<td>Institutionalize new approaches</td>
<td>Develop enabling structures</td>
<td>Develop and choose a change leader team</td>
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<td>Measure &amp; Evaluate results</td>
<td>*After Step 1, add Establish a change relationship</td>
<td>Communicate, involve people and be honest</td>
<td>Create small wins for motivation</td>
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<td>Feed back results</td>
<td>*After Refreezing, add Achieve a terminal relationship</td>
<td>Reinforce and institutionalize the change</td>
<td>Constantly and strategically communicate the change</td>
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<td>Re-diagnose</td>
<td>*Lippitt, et al Five Phase Change Model (1958)</td>
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<td>Measure progress of the change effort</td>
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<td>New action if necessary</td>
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<td>Integrate Lessons learned</td>
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Lewin’s Model
In Lewin’s Model, there is a stipulation for three distinct steps in change management if it is to be effective. Those are unfreezing the present, moving from the present and freezing. If this model is not followed, then changes will be short-lived. In other words, you can cause needed change to occur. However, in order for change to be permanent, you must dismantle the present (and the capability to move back to the present), move from the present to the future and put in place the people and processes to ensure permanency (Lewin, 1951). This model is still relevant in terms of what to do. However, the speed at which it must be done has increased dramatically. Lewin’s Model is one for planned change, not responses to unplanned change. Yet it is applicable when unplanned change occurs, particularly if we know in advance that there is some probability that the change will occur. Examples are weather-related disasters such as hurricanes, earthquakes, tornadoes, floods and tsunamis. The U.S. agencies in charge of responses to natural disasters have experienced various structural and reporting changes. However, months after the hurricanes occurred, mobile homes intended for victims of Katrina and Rita in Louisiana, Mississippi and Texas were sitting unoccupied in Arkansas. Perhaps the right organizational leaders, processes and structure are not in place. Perhaps we did not completely dismantle the present and move from it to the needed change, OR we did not freeze the changes (make them permanent).

Schein’s (1980) Extension of Lewin’s Change Model
Schein (1992, 1985, 1980) discusses the three steps of Lewin’s Change Model as three stages of change and describes ways to unfreeze an organization, move it from the status quo to a future state and freeze the changes. He indicates that for unfreezing to work and for people in the organization to embrace change, they must experience a need for change, i.e., dissatisfaction with the status quo. Then, once the need for change and the desired change are introduced, people will see the gap between what exists and what will exist. Because of guilt and/or anxiety, people will be motivated to reduce the gap and achieve the desired change. In order to be productive and efficiently and effectively accomplish the required change, people must feel psychologically safe. They must be assured that moving/changing will not cause them humiliation, punishment, or loss of self esteem (Schein, 1992, 1985, 1980).

The terminology for Stage Two, “Moving or Changing”, involves what Schein (1992, 1985, 1980) calls “cognitive restructuring”. The purpose of Stage Two is to help people see and respond to things differently in the future. In order for Stage Two to be effective, people must identify with new role models for the cognitive restructuring. Also, they must acquire new, relevant information that can help them move forward with needed changes (Schein, 1992, 1985, 1980).

Schein (1992, 1985, 1980) has segmented Stage Three (Refreezing) into two parts – self and relations with others. In order to make changes permanent, people must personally make the changed way of doing things a comfortable part of their respective self-concepts. They also must ensure that their respective attitudes and behavior are aligned with the system and relationships with others, both of which must become “frozen,” i.e., permanently changed (Schein, 1992, 1985, 1980).

Lippitt, Watson and Westley’s Expansion of Lewin’s Change Model
The terminology and number of steps of Lewin’s Model are expanded and changed by Lippitt, Watson and Westley (1958). Their Change Model includes five phases instead of three steps since steps imply discrete actions. They insert steps as follows: after Unfreezing, Phase Two is Establish a Change Relationship and after Refreezing, Phase 5 is Achieve a Terminal Relationship (Lippitt, Watson and Westley, 1958).
Kotter’s Model
Kotter (1996, 1998) developed a model which should be used at the strategic level of an organization to change its vision and subsequently transform the organization. Studies using this model have shown that the change process goes through a set of phases. Each phase lasts a certain amount of time and mistakes at any phase can impact the success of the change. Kotter’s eight step approach to change management is as follows: (1) People typically prefer the status-quo. Change means uncertainty about what the future looks like. Uncertainty makes people uncomfortable. Furthermore, people tend to mistrust things about which they are uncertain. That is why people avoid change. To encourage people to assist with the change, you must create a sense of urgency (Kotter, 1996, 1998). (2) This step is similar to interventions in drug treatment. You can try and battle the resistance to change that people have by yourself, or you can make your life much easier by enlisting the help of others. To counteract resistance, one option is to form a powerful coalition of managers to work with the most resistant people (Kotter, 1996, 1998). (3) While it is not impossible to get things done without a definite plan of action, it is much simpler (and you get more cooperation) if there is a clear plan in place. Since the status quo is more comfortable for most people, they are likely to revert to “business as usual” and not flow with changes without a plan in place. Creating a vision and the strategies for achieving the vision will help expedite the change (Kotter, 1996, 1998). (4) If people do not know that change is coming or has occurred, they are more likely to resist the change. Assume that a co-worker makes the following statement: “What’s wrong with you? That’s not the way we’re doing that anymore!” Such a comment makes it clear that some “big” news about changes in the workplace has somehow escaped you. If that is the case, it is probably because management failed to communicate the vision throughout the organization change (Kotter, 1996, 1998). (5) Remembering once again that people tend to prefer the status quo and are apprehensive about new experiences, they must be encouraged or inspired to change. Also, if you want them to do something new, you will probably get more cooperation from them if you teach them how first and then give them the new tools necessary to do things the new way. This step empowers others to act on the vision by removing barriers to change and encouraging risk taking and creative problem solving change (Kotter, 1996, 1998). (6) This step seems to be an extension of Step 5. People need to be rewarded when they break away from old behaviors and do something that is new and desirable. Basically it is positive reinforcement. This is the step where you plan for, create and reward short-term ‘wins’ that move the organization toward the new vision change (Kotter, 1996, 1998). (7) By this step, resistance should be diminishing, but you still need to observe actions. It is that same “status quo thing. So, you nurture the change and make adjustments as necessary change (Kotter, 1996, 1998). (8) When it comes to work, you can never tell someone enough about all the good reasons why the things they do make them – and the company – a success. Otherwise, some people will tend to behave as if they have no reason to do anything differently than they did before. So, to make the changes more permanent, you should reinforce them by demonstrating the relationship between new behaviors and organizational success change (Kotter, 1996, 1998).

Jick’s Model
Jick’s model (2003) is geared more toward a tactical level of change. Therefore, it can be used like a recipe to guide and initiate change or to evaluate change that is already occurring in an organization. This model can be used to show that change is an ongoing process and that questions asked at each step should be ongoing and often overlap (Jick, 2003). See Table 1 for the ten steps in the Jick Model.

Mento, Jones and Dimdorfer’s Model
Mento, Jones and Dimdorfer’s model recommends twelve steps to lead the transformational change. This model is based on research of other change models but has been updated based on experiences from the late 1990’s (Mento, Jones and Dimdorfer, 2002). The twelve steps of this model are described in Table 1.
Shield's Model

Shield's (1999) model builds on the idea that when change fails, it is because of insufficient attention to the human and cultural aspects of business. Shields suggests that there are critical components that are necessary for leaders to change an organization. If a change occurs in one component and one does not align the other components, this will lead to inefficient work processes. This system integrates human resources management with business process innovations. Organizational leaders who are considering change should clearly understand which strategies they want to change and define critical success factors so that they will know the extent to which the desired change is possible. Some of the change models do not address this phase of change. Organizations must communicate the strategic objectives to the work force. If this is not done, the transformation effort will be reduced to a series of unrelated change initiatives. Finally, organizational leaders must review each of the work elements to identify their degree of alignment in support of the business strategy (Shields, 1999).

Shields (1999) suggests five steps to accomplish change: (1) Define the desired business results and change plans; (2) Create capability as well as capability to change; (3) Design innovative solutions; (4) Develop and deploy solutions; and (5) Reinforce and sustain business benefits.

Comparison and Critical Analysis of Change Theories and Models

The change models and theories presented in this paper share similar characteristics which are noted in various steps of the models. All of the models identified a process where the organization has to establish a reason and need for change. This step has to start with the leaders of the organization. A company's challenge is to select the right organizational leaders who can create an atmosphere where people are inspired to go beyond the minimum expectations. People do not want to change unless there is a reason to change.

According to Wischnevsky (2004), organizational leaders are more likely to act if they perceive a gap between the actual level of performance compared to an internal or external benchmark or if there are changes that require their action. Research has shown that certain circumstances tend to increase the likelihood that leaders will engage in major organizational change initiatives. These circumstances include top management changes, environmental shifts and a decline in performance.

All of the models incorporate the development of a vision or desired business result and movement from the status quo to a future state. Visioning is one of the most important steps of a change process. A good vision helps people in the organization know where they are going. Many organizations have written visions that are published, distributed to employees and hung prominently on the walls. Having a published vision is not enough to direct people to a future state or assist them in getting there. The leaders have to communicate the vision to the people within the organization and they have to lead by example to make the vision real. When there is a difference in what leaders say and what leaders do, this leads to a loss of trust and faith among the leaders and their people. If the vision of a company is to have the best workforce in the industry and the leaders disregard employee opinions, hire inappropriate candidates and spend little in the way of employee training and education, it sends a message that the vision is not really worth the paper on which it is written (Simonson, 2005).

Some of the models address the concept of changing processes to empower people in the organization to change. This step includes evaluating the current systems, processes and capabilities to facilitate change. Organizational learning and the ability of a company to create and exploit knowledge and information leads to successful organizational performance (Farrell, Flood, Curtain, Hannigan, Dawson and West 2005). According to Herrick (2005), leaders should be involved in stewardship. This involves the transformational process of involving others in solutions and actions. Leaders need to create a healthy work environment to provide the framework for a positive and professional practice environment.
World class organizations are known for their workplaces which are customer-focused and which empower people to change.

All of the models incorporate the idea of reinforcing and creating small improvements to encourage additional change. Most organizations have a model for improvement. One of the most common is the Shewhart (or Deming) Cycle, also known as the Plan-Do-Check/Study-Act Cycle (Deming, 1986). Employees need to understand that every process can be improved and when leadership focuses on continuous improvement and reinforces the small successes, it encourages people to seek more opportunities for improvement (Pryor, White and Toombs, 1998).

People respond differently to change. Some people find it exciting and enjoy change, while others vehemently resist it. Resistance is a normal reaction to change and should be expected. This is especially true during the development stages of groups undergoing change and working on improvement projects. Leaders need to understand this reaction and support the teams as they go through these phases of change. Transformational organizations recognize normal resistance and plan strategies to enable people to work through their resistance (Kohles, Baker and Donaho, 1995).

There are some significant differences in the models as well. All change models, except Shields (1999), identified a step where the support for the change is completed as well as developing the team which will make the changes. The change plan should not be created in some high level office and then forced upon the staff who will implement the changes. Instead, the planning should involve a vertical and horizontal microcosm of an organization. When a plan is viewed as everyone’s plan, it can be embraced by everyone. It is empowering when people are involved in the planning and change management process (Collins, 2001).

Each model except Shields (1999) addresses the importance of communication in order to gain support for the change and to encourage buy in. Although she does not discuss communication in the steps of her change model, Sheilds does discuss them in the cultural model or levers which lead up to change. Successful organizations have to acquire, integrate and use new knowledge to be successful. They have to be able to combine and exchange information in order to enhance their processes to guard against failure. Understanding where an organization is and where they should be is part of this process. This has to be discussed, explored and communicated (Farrell, Flood, MacCurtain, Hannigan, Dawson and West, 2005).

Mento’s model (2002) is the only one which includes a step for monitoring and measuring change as it is implemented. Successful implementation of change involves discipline. Collins (2001) in his book, Good to Great, indicates that the most successful organizations should have disciplined people, disciplined thought and disciplined actions. People should be held accountable for their actions and this can not occur unless measurements are in place. Newcomb (2005) suggests that leaders have to be accountable to the organization for the results of their plans and the outcomes of the organization. Accountability requires a master plan which can be segmented into smaller projects, assigned to teams and monitored by team leaders. This plan can be tracked with target dates for completion and evaluation (Newcomb, 2005).

Jick’s (2003) and Mento’s (2002) models include a step that addresses leadership behavior and supporting strong leadership characteristics. Kotter (1996) and Shields (1999) focus more on the cultivation of the team members implementing the change. Transformational leadership has four dimensions: (1) charisma, (2) inspiration to gain support for their vision, (3) individual consideration and (4) intellectual stimulation. Although there has been research focusing on transformational change, there have been few studies that focus on the CEO’s impact on the effective functioning of the top management team (Farrell, Flood, Curtain, et.al. 2005).
Newcomb (2005) reports that transformational leaders challenge the status quo and drive change in an organization. He indicates that there are specific requirements for successful leaders: (1) Leaders must have the ability to assess the environment on a continuous basis; (2) Leaders must know what their visions are and be able to gain support for them; and (3) Leaders must have the ability to execute the plan in order to achieve the vision that they have established. Carly Fiorina achieved significant, meaningful change at Hewlett Packard (HP) as she fought board members and acquired Compaq. However, as HP's Board of Directors ousted Fiorina, they stated that she failed to "execute the plans." Clearly, HP's Board members and Fiorina had the same vision when they hired her. However, they differed in terms of speed of execution. (La Monica, 2005)

According to Carless (1998), there are common themes seen in transformational leaders. These leaders can clearly articulate a vision, use nontraditional thinking, encourage individual feedback, promote a trusting environment and promote cooperation among the team. Transformational leadership has become a popular model of leadership in business organization. According to her study, there are few gender differences in transformational leadership behaviors. What is important to transformational leadership is the emphasis on vision, development of individuals and empowerment (Carless, 1998).

Preparation for the Abnormal
Mitroff (2004) says that organizational leaders have no other alternative – they must think about and prepare for the abnormal. He goes on to say that organizational leaders need to learn how to “think like a sociopath” because so many of today’s problems are the result of deliberate evil acts. He states that nations as well as organizations and institutions have become breeding grounds for crises of all kinds. He feels that conventional management is of little use in either coping with or preventing major crises. In fact, he feels that conventional methods are largely responsible for causing major crises. Organizational leaders must think about and prepare for the abnormal because in the last few years, a new and ominous category of crises (abnormal, intentional accidents) has emerged. These intentional accidents are the result of deliberate acts of evil. Abnormal, intentional accidents are bad enough, but the character of normal accidents has also changed dramatically. Therefore, organizational leaders must learn how to think about the unthinkable by forcing themselves to change their frames of reference as they prepare to respond to and/or prevent terrorism, violence and other abnormal situations in the workplace and in society (Pryor, Humphreys, Taneja and Moffitt, 2007).

Reinvention of the Future through the 5P’s Model
The most profitable change is reinvention of the future, not response to the present. Therefore, organizational leaders should adopt a dynamic strategic management model that enables their respective organizations to be in a state of continuous entrepreneurial reinvention. They can only do this if their strategic management model is a systems model and all elements in the system are continuously re-aligned as reinvention occurs. We suggest the 5 P’s Model. The five elements of this model are: Purpose, Principles, Processes, People and Performance. This is a systems model and all five elements of the model must be aligned for the model to be most effective. Figures 3, 4, 5 and 6 show the elements and sub-elements of the 5 P’s Model. If these elements are in place and in a state of continuous re-alignment, an organization can become transformed and transforming. Its organizational leaders can invent its future and it can positively impact its domestic and international environments. The Purpose (strategic thrust), Principles, Processes, People and Performance systems should be in place so that the organization can operate at the highest possible levels of efficiency and effectiveness. This is important in today’s world of continuous, complex change because the competition is not only with other organizations in an industry or a strategic group but the competition also includes terrorist organizations that seek to destroy economies as well as people to achieve their political or other purposes (Pryor, Humphreys, Taneja and Moffitt, 2007). The 5P’s is a strategic model that enables an organization or a nation to be successful against all competitors.
Figure 3: The 5P's Model for Strategic Transformation, Alignment, and Management


Figure 4: The 5P’s Model – Principles and Processes

Figure 5: The 5P’s Model – People


Figure 4: The 5P’s Model – Performance

Conclusion and Recommendations

The change management models that have been discussed in this article are still relevant and can be used as they have been in the past, with one exception – the speed at which the steps, stages, or phases of the models occur. This era is one of rapid change, sophisticated communication and technological systems and variables that make preparation for the future complex and fast-paced. In order to be able to be a winner in this type of environment, processes and relationships must be streamlined, non-value-added activities must be eliminated and people at all levels in organizations must be empowered to rapidly make decisions and held accountable for those decisions.

This article addresses selected change management models and research, their relevance in today’s global economy and the challenges facing organizational leaders and researchers in terms of their application and expected results as well as the speed and complexity of change required.

In today’s world of constant, complex change, organizational leaders who react rapidly and responsibly are successful. The organizational leaders who anticipate and invent the future are even more successful because they are the leaders in their organizations and their industries. The organizations that do not survive are those that are led by people who fail to invent the future or even adapt to change.

This article discussed and compared the components of various change models that have been (and can be) used to react to and/or lead change. We also suggested a relatively new strategic management model (The 5P’s Model) as well as applications of existing change management models and theories. The 5P’s Model can be used to strategically and tactically manage an organization as organizational leaders respond to change and invent the future for the organization and the industry.

Empirical research should be conducted assessing the extent to which organizations have developed an agile system that can continuously reinvent itself. This research should investigate what parts of the system are missing or inadequately aligned in order to predict how capable the organizations are in terms of organizational transformation. The 5 P’s Model is unique in that it can simultaneously enhance organizational stability and the capability for organizational transformation. Organizations need more than a model that simply helps an organization move from the current state to a future state. What is needed is a comprehensive, systems model that is strategic, yet also has elements that are executable at the tactical level. The 5 P’s Model is such a comprehensive, strategic, systems model.

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