

# Organizational Change: Motivation, Communication, and Leadership Effectiveness

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Organizational leadership behaviors have a direct influence on actions in the work environment that enable change (Drucker, 1999; Gilley, 2005; Howkins, 2001). Leaders may function as change agents—those individuals responsible for change strategy and implementation (Kanter, Stein, & Jick, 1992)—by creating a vision, identifying the need for change, and implementing the change itself.

Organizations remain competitive when they support and implement continuous and transformational change (Cohen, 1999). As a result, organizational change has been the subject of much research. Many have sought to explain the fundamentals of change, how to manage change, and why change is so difficult to achieve. In spite of numerous theories, models, and multistep approaches, organizational leaders lack a clear understanding of, or ability to engage, the steps necessary to implement change successfully (Armenakis & Harris, 2002). Research suggests that the problem is limited understanding of change implementation techniques and inability to modify one's management style. Theories, models, and multistep approaches might not include sufficient implementation guidance.

Recent studies reveal that change efforts often suffer a dismal fate. Some research indicates a failure rate of one-third to two-thirds of major change initiatives (Beer & Nohria, 2000; Bibler, 1989); more pessimistic results suggest a higher rate of failure (Burns, 2004) that may reach 80% to 90% (Cope, 2003) or may make the situation worse (Beer, Eisenstat, & Spector, 1990). Furthermore, resistance by change agents themselves may contribute considerably to the inability of organizations to achieve their change objectives (Ford, Ford, & D'Amelio, 2008).

We contribute to the literature and research on leadership and organizational change by exploring the following questions: (1) How effective are leaders in implementing change within their organizations? and (2) What

Research indicates that numerous variables have an impact on a leader's effectiveness. This study explores the behaviors associated with leadership effectiveness in driving change. The findings confirm previous research that identifies change effectiveness skills, while isolating the specific leader behaviors deemed most valuable to implementing change: motivation and communication.

specific leader behaviors are most necessary to execute change initiatives successfully? Throughout this article, our reference to leaders implies all levels of leaders and managers within an organization. The literature we review here explains change and the leadership behaviors positively associated with successful change attempts.

## Change

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Recent decades have seen increasing emphasis on change as a critical driver of organizational success (Drucker, 1999; Ford & Gioia, 2000; Friedman, 2005; Johansson, 2004; Kuhn, 1970). Research, in turn, has explored change as a variable in creating organizational competitive advantage (Florida, 2005; Friedman, 2005; Howkins, 2001).

Understanding organizational change involves examining types of change within firms. No matter its size, any change has a ripple effect on a firm (Miles, 2001). At the corporate or macro level, frequent organizational changes focus on strategy and business models (IBM, 2006), structure, processes, culture, technology, products, and services (Lewis, 1994), often involving multiple leaders or reporting lines, incorporation of new technologies, acquisitions or expansion, or downsizing. Consequently, managing the complexities of change challenges leaders at all levels of an organization (Biech, 2007).

Weick and Quinn (1999) perceived organizational change as either episodic or continuous. Episodic change is infrequent and sometimes radical, while continuous change may be incremental, emergent, and without end. Whether continuous or radical, researchers agree that the pace of change is increasing (Quinn, 2004; Weick & Sutcliffe, 2001).

Change may be further defined when viewed from an evolutionary perspective as transitional, transformational, or developmental. Transitional change, the most common, improves the current state through minor, gradual changes in people, structure, procedures, or technology. These management-driven changes may be department or division specific, or organizationwide, in their attempt to enable the organization to get better at what it does.

Transformational change efforts represent a fundamental, radical shift that rejects current paradigms or questions underlying assumptions and mind-sets (Kuhn, 1970). Transformational change represents leadership-driven modifications of culture, formulation of drastically different strategy, or demands for conformity due to a merger or acquisition by a dominant company. Although transformational change is disruptive in nature, its successful execution has been identified as leading to increased competitiveness, to the extent that an organization can clearly differentiate itself in the market (Denning, 2005). Unfortunately, corporate results, anecdotes, and research highlight the rarity with which organizations achieve transformational change (Beer & Nohria, 2000; Cope, 2003; Senge et al., 1999).

Developmental change stems from an overall philosophy of growth and development that creates a culture of building competitive advantage through continuous dynamic yet manageable change. Developmental change avoids infrequent radical, large-scale change by continually scanning internal and external environments, creating motivational work environments, and rewarding individual innovation, growth, and development (Gilley & Maycunich, 2000). The disconnect between a firm's intentions to implement change and the ability of its leaders to execute transformational or developmental change warrants further investigation.

## Change Models

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Models of change attempt to help leaders and managers understand change and guide their organizations through the process. The literature reveals numerous models designed to clarify phases of change, individual acceptance rates, and steps for implementation. Rogers (2003), for example, describes how individuals accept rates of change in different ways and at varying rates in his research on adoption of innovations. An innovation represents any change, large or small—including an idea, practice, procedure, or object—perceived as new by an individual. The recipient's reaction to change depends on his or her perception of the degree of newness. Communication methods and systems influence how and when the change is adopted.

Acceptance of change occurs in stages, which Rogers (2003) describes as awareness of the change, interest in the change, trial, the decision to continue or quit, and adoption of the change into one's life. Five categories of individuals have been identified on the basis of their general acceptance of change: innovators, early adopters, early majority, late majority, and laggards. Innovators thrive on change; early adopters seek challenges and generally like change; the early majority prefer to observe the impact of change on innovators and early adopters prior to making a deliberate decision to change; the late majority are skeptical, sometimes suspicious, and occasionally change only as a last resort; and laggards are traditional, steadfast resisters who often reject change completely.

Early models of change management followed a relatively simple three-step process that included evaluating and preparing a firm for change, engaging in change, and solidifying the change into the fabric of employees' daily lives. Lewin's (1951) classic model, for example, consists of unfreezing, movement, and refreezing. Unfreezing entails assessment of the current state and readying individuals and organizations for change. Movement occurs when individuals engage in the change process. Refreezing anchors new ways and behaviors into the daily routine and culture of the firm.

More extensive, multistep frameworks have evolved that include leadership, employee involvement, rewards, communication, and more. Models by Kotter

**Corporate results, anecdotes, and research highlight the rarity with which organizations achieve transformational change.**

**TABLE 1**  
**Change Models**

Lewin's Model	Ulrich's Seven-Step Model	Kotter's Eight-Step Model
Unfreeze	Lead change	Establish a sense of urgency
Movement	Create a shared need	Form a guiding coalition
Refreeze	Shape a vision	Create a vision
	Mobilize commitment	Communicate the vision
	Change systems and structures	Empower others to act
	Monitor progress	Plan for and create short-term wins
	Make change last	Consolidate improvements and produce more change
		Institutionalize new approaches

Sources. Kotter (1996); Lewin (1951); Ulrich (1998).

(1996) and Ulrich (1998), for example, suggest the importance of leadership and vision, forming guiding coalitions, communicating, motivating and empowering others, and anchoring new approaches in the firm's culture (see Table 1).

Critics of these models cite failure to recognize the complexity of change, simplistic assumptions of success should one follow the rigid steps in order, failure to recognize the human factor, and lack of preparedness for resistance, to name a few (Gilley, 2005). Nadler (1998, p. 3) stated, "The reality of change in the organizational trenches defies rigid academic models as well as superficial management fads." Hence, the importance of the leader's role in driving change is clear.

## **Leadership Skills and Abilities**

Possessing skills in change management has been linked to bringing about successful organizational change. Lack of understanding of change implementation techniques and the inability to modify one's management style or organizational functions are cited as barriers to success (Bossidy & Charan, 2002; Gilley, 2005). Other barriers revealed by research include the inability to motivate others to change, poor communications skills, and failure of management to reward or recognize individuals who make the effort to change (Burke, 1992; Kotter, 1996; Patterson, 1997; Ulrich, 1998). Leaders' thoughts and skills are manifested in actions, structures, and processes that enhance or impede change, further strengthening the linkage between their behaviors and effectiveness in implementing change.

Theories of leadership encompass frameworks such as trait, behavioral, and contemporary theories. Leadership trait theory represents an effort to identify a set of psychological traits that all successful leaders possess (Ilies,

Scott, & Judge, 2006). More than 300 trait studies have failed to generate a conclusive list of agreed-on traits inherent in effective leaders (Bass, 1990), although certain traits such as supervisory ability, the need for achievement, intelligence, decisiveness, self-assurance, and initiative are deemed significant (Ghiselli, 1971). Behavioral theorists posit distinctive styles used by effective leaders, such as McGregor's (1966) theory X and Y, and behaviors that were autocratic, democratic, or laissez-faire (Lussier & Achua, 2007). Contemporary perspectives of leadership view leaders as being charismatic, transformational, transactional, servant, or developmental (Gilley & Maycunich, 2000).

Our study examined leadership from a behavioral construct, with the understanding that behaviors are based on traits and skills (Lewin, Lippert, & White, 1939). The skill sets discussed next frame the behaviors that have been found to have a positive influence on organizational success rates and have been incorporated into numerous change models (Gilley, 2005; Kotter, 1996; Ulrich, 1998).

### **Coaching**

Coaching has been defined as a process of improving performance by developing synergistic relationships with employees through training, counseling, confronting, and mentoring (Gilley & Boughton, 1996). Coaching is based on feedback and communications (Mintzberg, 2004) designed to maximize employee strengths and minimize weaknesses (Hill, 2004), resulting in improved performance due to greater awareness (Whitmore, 1997).

According to Hudson (1999), the primary role in coaching is that of an agent of change. Hudson suggests that coaching skills enable leaders to question the status quo, approach situations from new perspectives, and allow others to make and learn from mistakes. Moreover, he believes that leaders who coach help employees improve their renewal capacity and resilience, which has a positive influence on organizational success. Coaching inspires others to be their best, remain future oriented and cautiously optimistic, and pursue useful alliances and networks that enhance cooperation and results (Hudson, 1999).

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### **Communicating**

Leading change requires the use of a diverse set of communication techniques to deliver appropriate messages, solicit feedback, create readiness for change along with a sense of urgency, and motivate recipients to act. Leaders are responsible for "communicating to the organization the risks in clinging to the status quo and the potential rewards of embracing a radically different future" (Denning, 2005, p. 12). Leadership ambivalence weakens claims of legitimacy for change and enables recipients to cling to reasons for resistance (Larson & Tompkins, 2005). Consequently, communications should be frequent and enthusiastic (Lewis, Schmisser, Stephens, & Weir,

2006), while leaders simultaneously curb their bias toward unrealistic optimism (Lovallo & Kahneman, 2003).

Disappointing or unfavorable results due to unfulfilled or inaccurate promises and predictions undermine leadership credibility and lead to employee perceptions of injustice, misrepresentation, and violations of trust (Folger & Skarlicki, 1999; Tomlinson, Dineen, & Lewicki, 2004). Organizational justice research reveals that people who experience an injustice or betrayal report feeling resentful and a desire for retribution (Folger & Skarlicki, 1999), while those who perceive that they have been treated fairly display attitudes and behaviors associated with successful change, such as enthusiasm or commitment (Cobb, Wooten, & Folger, 1995). Evidence suggests that informational justice, which is being truthful when things go wrong, a fair process, and treatment with interpersonal dignity, enables recipients to accept an undesirable outcome (Cropanzano, Bowen, and Gililand, 2007; Skarlicki & Folger, 1997). Hence, there is a need for realistic, truthful discussions that include the scope of the change and are clear about the negative aspects of implementation (Saunders, 1999).

Leaders as change agents must provide employees with abundant, relevant information with regard to impending changes, justify the appropriateness and rationale for change, address employees' questions and concerns, and explore ways in which change might affect recipients in order to increase acceptance and participation (Green, 2004; Rousseau & Tijorwala, 1999). Employees' acceptance of and participation in change depend on their perception of personal benefits associated with the change (Gilley, 2005). Employees question, evaluate, and weigh arguments for and against change to determine its strengths and weaknesses; thus, well-developed rationalizations are more likely to be accepted, while weaker arguments are rejected (Knowles & Linn, 2004).

Communication can be an effective tool for motivating employees involved in change (Luecke, 2003). Appropriate communications provide employees with feedback and reinforcement during the change (Peterson & Hicks, 1996), which enables them to make better decisions and prepares them for the advantages and disadvantages of change (Saunders, 1999).

### **Involving Others**

Employee involvement (EI) increases workers' input into decisions that affect their well-being and organizational performance (Glew, O'Leary-Kelly, Griffin, & Van Fleet, 1995). Lawler, Mohrman, and Ledford's (1982) long-term study of Fortune 1000 firms revealed positive trends in use of employee involvement programs within these firms, along with a growing number of employee participation in EI programs.

A growing body of research suggests that employee involvement has a positive impact on change implementation (Sims, 2002) and productivity (Huselid, 1995). Specifically, relinquishing control and allowing employees to make decisions yields constructive results (Risher, 2003). Kotter and Schlesinger (1979) posit that those allowed to participate meaningfully in

change are more committed to its success because their relevant contributions are integrated into the change plan. Lawler and Ledford (1982) attribute EI productivity gains to improved communication, motivation, and employee capabilities, each of which support change efforts.

Birdi's (2005) research indicates that involving employees and soliciting their feedback significantly influences the extent to which action is taken on creative ideas. Other authors provide examples of overcoming barriers to taking action and realizing success. Specifically, successful change execution requires a facilitative management style that ensures that communication (including coaching, information sharing, and appropriate feedback) mechanisms are in place, worker involvement flourishes, and social networks (teams and collaboration) are supported (Denning, 2005; Drucker, 1999; Williams, 2001).

### **Motivating**

Motivation is the influence or drive that causes us to behave in a specific manner and has been described as consisting of energy, direction, and sustainability (Kroth, 2007). In an organizational context, a leader's ability to persuade and influence others to work in a common direction reflects his or her talent to motivate. A leader's ability to influence is based partly on his or her skill and partly on the motivation level of the individual employee. Motivation theories explore the multiple approaches to meeting individuals' needs, including expectancy theory (Vroom, 1964), need theory (Maslow, 1954), reinforcement theory (Skinner, 1971), and the widely used goal theory (Karoly, 1993). It has been shown that predictors of motivation include job satisfaction, perceived equity, and organizational commitment (Schnake, 2007). In other words, motivation is either positively or negatively affected by the experience an employee has within a given work environment and with his or her leaders.

Carlisle and Murphy (1996) contend that motivating others requires skilled managers who can organize and provide a motivating environment: communicate effectively, address employees' questions, generate creative ideas, prioritize ideas, direct personnel practices, plan employees' actions, commit employees to action, and provide follow-up to overcome motivational problems. A recent study involving highly creative technical professionals found that how these employees were managed was a significant motivating factor (Hebda, Vojak, Griffin, & Price, 2007). Specifically, 23% of respondents indicated that having freedom, flexibility, and resources was a significant motivator, while 25% indicated that the most important motivator was the time provided by their management (e.g., long stretches of time to focus on solving complex problems).

Leaders plan, organize, and execute work processes in complex organizations. The complexity reflects continuous changes in technology, shifts in workforce demographics, the need for faster decision making, and developing the capability to continuously adapt and change. It is within this organizational context that leaders must create a work environment that elicits employee motivation.

## **Rewarding**

LeBoeuf (1985) suggested that leaders secure desired results through a compensation and reward philosophy that recognizes employees for the right performance. Rewarding change efforts demonstrates the importance of and need for change, along with leaders' understanding that "the things that get rewarded get done" (p. 9). Conversely, unsatisfactory outcomes are the result of rewarding recipients for doing "what [organizations] don't want them to do" (Buford & Jelinek, 2006, p. 450) or failing to reward the right behaviors.

An effective compensation and reward philosophy takes into account the dynamic nature of the organization's change initiatives (Flannery, Hofrichter, & Platten, 1996) while allowing the firm to establish and navigate its ultimate course (Condrey, McCoy, and Fleury, 2006). Consequently, effective compensation and rewards are fluid, dynamic, and constantly changing.

Compensation research indicates that an integrated reward philosophy supports each step of the organization's change initiative. Recipients of change react positively to rewards for incremental change, celebrations of milestones, and leaders who create win-win situations related to change (Lussier, 2006). Reward programs that help organizations achieve specific change goals such as greater creativity, innovative products, competitiveness, collaboration and teamwork, employee commitment and loyalty, long-term plans, and continual learning and application of new skills are positively related to organizational goal achievement (Ulrich, Zenger, & Smallwood, 1999).

## **Promoting Teamwork**

The synergistic benefits of teamwork enable members working cooperatively with one another to achieve more than by working independently (Trent, 2004). Recent studies have reported an ever-increasing number of firms using teams to accomplish organizational tasks in response to serious challenges posed by a dynamic global economy (Oh, Chung, & Labianca, 2004; Towry, 2003). Effectively managing teams and structuring work groups in ways that support collaboration are two leadership abilities necessary for achieving organizational goals.

Early management research made an empirical case for collaborative approaches to managing (Follett, 1924), while contemporary scholars have found significant influence on change flows from teamwork and collaboration in the form of work group design (Fuqua and Kurpius, 1993; Williams, 2001). Studies suggest that work groups can be designed to enable members with diverse skills and backgrounds to communicate and interact in ways that constructively challenge each other's ideas (Williams, 2001). Furthermore, it has been evidenced that social networks have important effects on team performance and viability (Balkundi & Harrison, 2006). Specifically, teams with a dense configuration of connections within their social network tend to attain their goals more frequently and remain intact as a group for a longer period of time (Balkundi & Harrison, 2006). Not surprisingly, the influence of interpersonal skills combines with group processes and structure to create or impede teamwork and collaboration (Fuqua & Kurpius, 1993; Nadler & Tushman, 1989).

Teamwork and collaboration suffer under conditions of a hostile environment, unrealistic expectations, poor communications, lack of skills training, and coercive rather than coactive control (Follett, 1924; Longenecker & Neubert, 2000; Rayner, 1996; Zhou & George, 2003). Conversely, teams thrive with open communications, shared leadership, clearly defined roles and work assignments, valued diversity of styles, and a sense of informality (Parker, 1990).

It is within this complex of variables that we approached our study of leaders and organizational change. We had two primary questions: How effective are leaders in implementing change within their organizations? What specific leader behaviors are most significantly associated with the ability to execute change initiatives successfully?

## **Methodology**

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A litany of research indicates that effective change implementation is limited, despite abundant models and theories for successful change facilitation (Kotter, 1996; Lewin, 1951, Ulrich, 1998). However, a recent survey of more than 750 top CEOs worldwide indicates that 55% of them believe their recent change efforts were “quite” or “very” successful, with only 13% indicating that such efforts were “unsuccessful” or “a little successful” (IBM, 2006, p. 45). This statistic is surprising given the research we have discussed, which indicates that up to 90% of change efforts fail (Beer & Nohria, 2000; Bibler, 1989; Burns, 2004; Cope, 2003). It is essential to note that the IBM survey used self-reported statistics, which could explain the difference in research outcomes. Our study examines change efforts from the perspective of employees and their beliefs in the effectiveness of their managers in implementing change. Employee assessment of managerial effectiveness has become more commonplace with the use of feedback methods such as multirater or 360-degree feedback, which assesses observable behaviors and skills to develop reliable data for feedback (Campion, Morgan, & Mumford, 2005; Wilson, 1997).

## **Research Questions**

The purpose of this study is twofold. First, we investigated whether managers effectively implement change in their organizations, based on the perceptions of their subordinates. Second, we asked the frequency with which managers exhibit skills and behaviors associated with effective change implementation. This project is a subset of a larger study of managerial practices at the macro- and microlevels.

## **Survey Design**

Based on the literature on managerial effectiveness, the initial survey instrument was created using perceptual-based questions and tested using 59 senior-level undergraduate volunteers in a business capstone course. They provided information regarding question ambiguity, appropriateness, and survey design. Based on their comments, a revised survey was given to 14

business PhD student volunteers, all of whom were working professionals in leadership roles. Due to the nature of this group, they were requested to provide input regarding the face validity of the questions. After subsequent revision, the survey was made available to 407 attendees at an international human resources academic research conference. Fifty-three conference attendees (13% response rate) volunteered to review the survey; 94% self-identified themselves as academics, and the remainder identified themselves as practitioners. This group provided the majority of feedback on survey design. The last review step used subject matter experts, which resulted in highly specific yet descriptive statements that required respondents to rate their agreement. This step demonstrated construct validity. Examples of these statements and questions include, “My manager effectively implements change” and “My manager appropriately communicates with employees.”

The final survey consists of 36 content questions (19 organization specific and 17 manager specific) and 8 demographic questions, which covered respondent gender, age, industry, number of employees in the unit or division and the organization as a whole, current position in the organization, length of service in both the current position and in total with the employer, and the gender and approximate age of the respondent’s manager.

### **Data Collection**

The survey was administered to 552 students in master’s (MBA and organization development) and PhD (organization development) programs at three four-year universities. Two universities were public and one was private, with diverse locations in the Midwest, Mountain West, and South. These students were working professionals who represented a diverse array of industries (e.g., manufacturing, service, education, professional, and government) and organizational positions (e.g., front line, supervisor, manager, midlevel manager, and senior executive). Because the survey was voluntary, all respondents self-selected, with a response rate of 93% and 513 usable surveys.

### **Measures**

The dependent variable in the study was perceptual, whereby respondents were asked to indicate how well “my manager effectively implements change.” Frequency responses were collected using a 5-point scale ranging from “never” (1) to “always” (5).

Independent variables in the study were based on research on specific leadership skills and behaviors related to change (Burke, 1992; Conner, 1992; Gill, 2003; Gilley, 2005; Sims, 2002; Ulrich, 1998). Using the same 5-point scale, respondents were asked the frequency with which their managers:

1. Coached employees
2. Effectively rewarded/recognized employees
3. Communicated appropriately with employees
4. Motivated employees
5. Involved employees in decision making
6. Encouraged teamwork and collaboration

TABLE 2

## Managerial Effectiveness in Implementing Change

	Never	Rarely	Sometimes	Usually	Always
Number	29	163	228	82	9
Percentage	5.7	31.9	44.6	16.0	1.8

Note. Number: 513. Mean: 2.76. Standard deviation: .85.

## Results

The sample size for the survey population equaled 513, with 48% of the respondents male and 51.3% female, with a 0.8% nonresponse rate. Of the respondents, 51.1% were under the age of 35, 43.8% between the ages of 36 and 55, and 5.1% over the age of 55. When asked to classify their rank or position in the organization, 40.4% of respondents classified themselves as frontline employees, 22.1% as supervisors or team leaders, 23.6% as midlevel managers, and 12.3% as senior executives (including owners and CEOs). Regarding organizational tenure, 18.9% of respondents had been employed less than 1 year, 42.3% 1 to 5 years, 20.7% 6 to 10 years, and 18.1% greater than 10 years. Of the respondents, 59.8% indicated that their supervisor was male, and 40.2% were female. Furthermore, 62.6% of males and 72.9% of females indicated that their supervisor was of the same gender.

Organizational information collected included industry and size. Organizational industry statistics include 9.4% manufacturing, 45.5% service, 15% education, 13.9% professional, 7.0% government, 8.4% military, and 0.8% other, which included construction and utilities. Organizational size statistics include 53.4% with fewer than 500 employees, 21.4% 500 to 2,500 employees, 15.1% 2,500 to 10,000 employees, and 11.1% greater than 10,000 employees.

Table 2 reports descriptive statistics for the dependent variable: effectiveness at implementing change. Respondents indicated their managers were “never” or “rarely” effective in implementing change 37.6% of the time, as compared to 17.8% for “usually” or “always” effective.

Table 3 reports descriptive statistics for the six independent variables. Respondents indicated that their managers “usually” or “always” displayed the characteristics of communication, employee involvement, and teamwork encouragement only one-third of the time. However, coaching, rewarding, and motivating employees were more often rated “sometimes” or “rarely.”

Table 4 reflects between-subject correlations for all variables: change effectiveness, coaching, rewarding, communications, motivation, involvement, and teams. All variables showed high positive intercorrelations (greater than .60), with motivation and communications reflecting the greatest positive correlation with change effectiveness at .70 and .68, respectively (Cohen, 1988). The demographic variables of rank/position, organizational tenure, and supervisor gender were all significantly related ( $p < .05$ ) to change effectiveness at .11, .09, and .09, respectively.

Table 5 reflects the result of regression analysis. A multiple regression analysis, using a stepwise method of independent variable inclusion, is

**TABLE 3**  
**Independent Variable Descriptive Statistics**

		Never	Rarely	Sometimes	Usually	Always
1. Coaches	<i>N</i>	70	139	160	109	31
<i>M</i> : 2.79 <i>SD</i> : 1.11	%	13.8	27.3	31.4	21.4	6.1
2. Rewards	<i>N</i>	34	149	178	125	26
<i>M</i> : 2.92 <i>SD</i> : 1.00	%	6.6	29.1	34.8	24.4	5.1
3. Communicates	<i>N</i>	37	118	186	135	37
<i>M</i> : 3.03 <i>SD</i> : 1.04	%	7.2	23	36.3	26.3	7.2
4. Motivates	<i>N</i>	63	134	176	118	21
<i>M</i> : 2.80 <i>SD</i> : 1.06	%	12.3	26.2	34.4	23.0	4.1
5. Involves	<i>N</i>	50	120	157	117	68
<i>M</i> : 3.06 <i>SD</i> : 1.18	%	9.8	23.4	30.7	22.9	13.3
6. Builds Teams	<i>N</i>	32	82	160	160	77
<i>M</i> : 3.33 <i>SD</i> : 1.10	%	6.3	16.0	31.3	31.4	15.0

**TABLE 4**  
**Variable Intercorrelations**

	1	2	3	4	5	6	7
1. Change effectiveness							
2. Coaches	.62						
3. Rewards	.56	.58					
4. Communicates	.68	.65	.58				
5. Motivates	.70	.72	.67	.69			
6. Involves	.60	.65	.59	.64	.67		
7. Builds teams	.62	.64	.59	.63	.67	.71	

Note. All correlations are significant at  $p < .001$ .

appropriate for determining significant influences of multiple dependent variables on a single dependent variable (Nunnally & Bernstein, 1994; Vogt, 2005). The stepwise criteria used on the *F* scores for variable inclusion were  $p \leq .05$  and  $p \geq .10$  for exclusion. The six original independent variables were reduced to four: coaches, communicates, motivates, and builds teams. All four were significant at a minimum of  $p < .01$ . The selected variables explained 57.9% ( $R_{adj}^2 = 57.6\%$ ) of the variance in leadership change effectiveness.

Finally, a second multiple regression analysis was conducted following the same criteria as the first, which also included all demographic variables in addition to the independent variables. This analysis was run to ensure that demographic variables (respondent age, gender, position in the organization, tenure, organization size and industry) did not influence perceptions of

	<b>B</b>	<b>SEB</b>	<b><math>\beta</math></b>
1. Coaches	.10	.04	.15*
2. Rewards	.06	.04	.07
3. Communicates	.31	.05	.31***
4. Motivates	.31	.05	.31***
5. Involves	.06	.04	.07
6. Builds teams	.15	.04	.153***

\* $p < .05$ . \*\*\* $p < .001$ .

change effectiveness. The results of the second analysis were nearly identical to the first, with an explained variance of 56.5% ( $R_{adj}^2 = 57.6\%$ ) with the ability to communicate, motivate, build teams, and coach representing significant predictors of change effectiveness with a minimum  $p < .05$ .

## Discussion

The review of the literature has presented scholarship and perspectives over the past few decades that suggest a lack of results and unrealized potential in terms of successfully managing organizational change. Furthermore, it has been shown that certain managerial skills and behaviors positively influence organizational results in those relatively uncommon situations in which the change initiative was successful.

This study makes three contributions to the research on leadership and organizational change. First, as Table 2 illustrates, approximately 80% of respondents reported that their leaders never, rarely, or only sometimes effectively implement change. In fact, leadership is often cited as a significant barrier to or resister of change (Ford et al., 2008; Schiemann, 1992), despite self-reports to the contrary (IBM, 2006).

Second, previously identified skills and abilities positively associated with success in executing change include coaching, communicating, involving others, motivating, rewarding, and building teams (Burke, 1992; Conner, 1992; Gill, 2003; Gilley, 2005; Sims, 2002; Ulrich, 1998). This study supports past research with respect to linkages between these specific skills and leadership effectiveness. The common thread among these soft skills appeals to the human side of change. The inability to recognize or respond to individual needs during change contributes to leaders' failures (Shook, Priem, & McGee, 2003). This study confirms previous research detailing disappointing organizational experiences with change and points to leadership skill deficiencies as a viable cause.

Third, the significant relationships between specific leader behaviors and success rates of change emerge as perhaps the most important contribution of this study. Prior research provided insight into the positive relationships

between leader behaviors and success with change implementation, yet they neglected to prioritize the importance of each. Our research suggests the importance of particular behaviors and reveals that a considerable percentage of variance in leader change effectiveness is predicted by talent in motivating others, followed closely by the ability to communicate effectively.

### **Implications for Theory and Practice**

Our framework has implications for both research and practice related to organizational change efforts. We present an interaction-based model that suggests enhancing success with change requires leaders as change agents to focus on how they motivate and communicate with change recipients.

Motivating employees and providing effective communications are highly and significantly associated with effective implementation of change. Previously identified predictors of individual motivation include job satisfaction, perceived equity, and organizational commitment (Schnake, 2007). These predictors are primarily realized through the work environment, which organizational leaders strongly influence (Drucker, 1999; Howkins, 2001).

Leadership is deeply tied to individuals' internal motivation systems (Kark & Van Dijk, 2007). Therefore, a leader's ability to cultivate a work environment that augments employee motivation proves critical (Hebda et al., 2007; Carlisle & Murphy, 1996). Concurrently, we recognize that communications are the necessary foundation of individual motivation. Organizations and their leaders devote little attention to communication strategies and skills, however (Argenti, Howell, & Beck, 2005). Change recipients seek certainty in the form of frequent, honest information related to change efforts. Insufficient or improper communications create cynics who doubt the truth of their leaders' messages (Kanter & Mirvis, 1989) and contribute to change deficiencies.

This study demonstrates that effectively executing change requires a multidimensional set of skills. Specific abilities elicit particular reactions among respondents. With nearly two-thirds of change efforts falling short of expectations (Beer & Nohria, 2000), the need is clear for change agents to possess a thorough understanding of the relationship between change abilities and change effectiveness. Knowledge of which skills and abilities significantly influence change success can help leaders design and lead more effective change efforts. Furthermore, leaders at all levels are likely to need development in change implementation techniques and the behaviors associated with successful change.

### **Limitations of the Study**

Several limitations to this research must be noted. The convenience sampling methodology drew on MBA and organization development master's and PhD students at a small number of universities, which may limit the

**Our research suggests the importance of particular behaviors and reveals that a considerable percentage of variance in leader change effectiveness is predicted by talent in motivating others, followed closely by the ability to communicate effectively.**

potential for generalization. These students may be more sensitive to issues such as change due to their own journeys in growth and self-development, and thus they may be particularly critical of their leaders and organizations. Furthermore, the respondents were self-selected, which may yield skewed results (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). This we attempted to mitigate through the use of multiple groups and universities.

This study relied on quantified perceptual, highly subjective data, which must be considered a limitation. Leadership influence lies in subordinates' perceptions of what their leaders have done or how they have behaved (Bandura, 1989), even though such perceptions may be wrong. Although employee perceptions are meaningful in various models of behavior and critical to multirater (360-degree) feedback of subordinates, peers, and supervisors (Campion et al., 2005), they are a soft measure of change success. Observable variables such as production, revenue, profit, and customer satisfaction may have allowed additional bottom-line conclusions.

In addition, a respondent's level within the organization may influence his or her perceptions of change leadership effectiveness. Some evidence exists that executives have more favorable perceptions of change initiatives within their organizations (IBM, 2006). Does one's position influence expectations or perceptions of change and leadership? Furthermore, senior executives are responsible for larger-scale change initiatives than are supervisors or managers. Are participant responses based on the size or scope of the most recent change they faced? Future research might explore respondent level within the organization and the scope of the perceived change.

Another consideration to this study is the capture of respondents' perceptions of change leadership effectiveness at a single point in time. Future research could examine leaders' skill in change implementation over the life of an organizational change. Pre- and postchange collection of data may allow more causal conclusions, while a longitudinal design could measure change effectiveness at key points during the change life cycle. Patterns of change effectiveness could be analyzed to further understanding of leader effectiveness throughout the change initiative.

### **Recommendations for Future Research**

Our findings with regard to overt leader behavior and effectiveness in implementing change have important implications for organizations. Additional study may add to our understanding of factors that reinforce and sustain change within complex, dynamic environments. For example, relevant research would compare and contrast employees' perceptions of leadership and change with documented organizational results (e.g., revenues, productivity, customer service levels). Future study could support or refute the accuracy of employees' perceptions of their leadership and change, examine the influence of one's position on perceptions of leadership change effectiveness, and consider the scope of changes being evaluated.

This study highlights employees' opinions of the linkage between leadership skills and implementing change. Future research would be well served to explore which levels of management are most in need of improvement and in

which skill and ability areas. Furthermore, how can organizations foster these skills and abilities within their management teams?

Additional investigation may be warranted to reveal effective means by which leaders should be held accountable for change. How should their behaviors should be measured, developed, and rewarded? The types of behaviors identified by this study could be readily incorporated into leader performance evaluations, particularly in 360-degree feedback instruments. Assessment of behaviors associated with change effectiveness would help organizations identify managers who rely on traditional command-and-control techniques and those whose behaviors explicitly promote successful change.

Finally, when is the appropriate time to measure response to change? Further study might explore the most effective time to measure perceptions of change. In addition, stages of change (Scott & Jaffe, 1988) affect participants' responses. Therefore, studies might add value by indicating respondents' stages in change at the time of measurement.

## Conclusion

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Given the critical nature of change in the global economy, the value placed on leading change is increasing. This study demonstrates the perceived importance of specific leadership skills and abilities necessary for successful organizational change. Our results indicate the importance of approaching change from a person-centered perspective—that organizational leaders who address issues of motivation and communications are more likely to successfully implement change.

It is clear that the potential to increase market competitiveness and growth is within the control of an organization's leadership. It is through the deliberate and disciplined action of management that organizations effectively implement change initiatives that cultivate success. Effective leaders engage their motivation and communications skills and translate these into explicit behaviors to influence change initiatives positively. Organizations and their leaders who fail to recognize the importance of these skills will become another statistic in the failure rates of change.

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