ORGANIZATIONAL CHANGE AND CHARACTERISTICS OF LEADERSHIP EFFECTIVENESS: A COMPARATIVE STUDY

Ann Gilley
Ferris State University
231.845.5405
gilleya@ferris.edu

Jerry W Gilley
Colorado State University
970.491.2918
jerry.gilley@colostate.edu

Heather S. McMillan
Southeast Missouri State University
423.306.0662
hmcmill1@utk.edu
Abstract: The existing literature suggests that numerous variables impact a leader’s effectiveness. In this study, the authors examine behaviors associated with leadership effectiveness in driving change. Results indicate that specific leader behaviors - the ability to motivate and communicate - are precursors to successful implementation of organizational change.

Key words: leadership, change, skills
INTRODUCTION

One source of sustainable competitive advantage in contemporary, rapidly changing organizations is competent management (Nohria, Joyce, & Robertson, 2003; Waldman, Ramirez, House, & Puranam, 2001). The behaviors of organizational leaders directly influence actions in the work environment that enable change (Drucker, 1999; Gilley, 2005; Howkins, 2001). Leaders and managers are responsible for change strategy, implementation, and monitoring, thus they function as change agents (Kanter, Stein, & Jick, 1992). As a result, the challenge of managing change is one of the most fundamental and enduring roles of leaders (Ahn, Adamson, & Dornbusch, 2004) while the rapidly accelerating pace of organizational change has made effective leadership all the more imperative.

Organizations that support and implement continuous and transformational change remain competitive (Cohen, 1999). Research has attempted to explain the fundamentals of change, explain why change is so difficult to achieve, and develop models to manage the change process. Despite the proliferation of numerous theories, models, and multi-step approaches, leaders continue to lack a clear understanding of change, its antecedents, effective processes, or the ability to successfully engage organizational members in change initiatives (Armenakis & Harris, 2002).

Recent research indicates that change programs rarely achieve desired results. A growing body of evidence reveals that change programs often fail or make the situation worse (Beer, Eisenstat, & Spector, 1990). In a recent study of 40 major change initiatives, 58% failed and 20% realized a third or less of the value expected (LaClair and Rao, 2002). Other studies of change efforts have reported failure rates of one-third to two-thirds (Beer & Nohria, 2000; Bibler, 1989) and as high as 80-90% (Cope, 2003).

We extend previous research on organizational change by investigating the interrelationship, antecedents and consequences of leader behavior and change. The purpose of this study was to explore leaders’ effectiveness in implementing change and the variables (skills/abilities) that influence that effectiveness. Our reference to leaders implies all leaders and managers within an organization. The literature review that follows explores change and the leadership behaviors positively associated with successful change.

CHANGE

A large and cumulative literature explores the roles, responsibilities, and attributes of leaders with respect to change. An increasing emphasis on change as a critical driver of organizational success has fueled organizational and academic investigation of change practices, methodologies, and results (Drucker, 1999; Ford & Gioia, 2000; Friedman, 2005; Johansson, 2004; Kuhn, 1970). Recent studies have also explored change as a variable in creating organizational competitive advantage (Florida, 2005; Friedman, 2005; Howkins, 2001). The research has been primarily descriptive and based on observations of managers, subordinates, or peers with regard to leaders’ knowledge, skills, abilities, and effectiveness.

The complexity of organizational change warrants broad examination. According to Miles (2001), any change, regardless of its size, has a cascading effect on an organization. Organizational change at the corporate or macro level focuses on strategy and business models (IBM, 2006), structure, processes, culture, technology, products, and services (Lewis,
1994), often impacting multiple leadership or reporting lines, incorporation of new technologies, acquisitions or expansion, or downsizing. More than ever, managing the complexities of change confronts leaders at all organizational levels (Biech, 2007), whether the manager is front-line/administrative, middle, or senior/executive (Katz & Kahn, 1966).

Inherent in organizational change is uncertainty with regard to how recipients should act and the outcomes to be expected (Rousseau, 1995). Changes that modify existing authority or role structures generate ambiguity and confusion with regard to appropriate, effective action and in-role behavior (Wheatley, 1992). Structural changes challenge organizational goals and desired outcomes, ultimately impacting quality of work life as employees struggle to align business changes with their own interests (Wrzesniewski & Dutton, 2001). Successful implementation of change ultimately results in modified employee behavior.

An evolutionary perspective views change as transitional, transformational, or developmental. Transitional change modifies the current state via minor, gradual changes in people, structure, procedures, or technology. These common management driven changes may be department or division specific, or organization-wide.

Transformational change represents a fundamental, radical shift that rejects current paradigms or questions underlying assumptions and mind-sets (Kuhn, 1970). Transformational change embodies leadership-driven alterations of strategy, direction, or culture that significantly veer from a previous course. Although extreme and sometimes revolutionary, successful transformational change has been positively linked to increased competitiveness when firms are able to clearly differentiate themselves in the market (Denning, 2005). To the contrary, a host of corporate results and research highlight the rarity with which organizations successfully achieve transformational change (Beer & Nohria, 2000; Cope, 2003; Senge, Kleiner, Roberts, Ross, Ruth, & Smith, 1999).

Developmental change flows from an overall organizational philosophy of growth and development that creates a culture of building competitive advantage through dynamic stability - continuous dynamic yet manageable change (Abrahamson, 2000). Developmental change occurs when firms continually scan their internal and external environments to create work settings that encourage and reward individual innovation, growth, and development, while avoiding radical, infrequent yet disruptive large-scale change (Gilley & Maycunich, 2000).

Weick and Quinn (1999) described organizational change as either episodic or continuous. Episodic change is infrequent, sometimes radical, and more likely to be experienced intensely (Matlin & Stang, 1978). Continuous change, conversely, may be incremental, emergent, and without end. Negative events often indicate maladaptation or a threat to survival, and trigger the need to change, while positive, more common events are less intense, and invoke a more subdued response (Cameron, 2008). Whether continuous or radical, researchers agree that change is a nonlinear process (Coghlan, 2000; Doyle, Claydon, & Buchanan, 2000) and that the pace of change is increasing (Quinn, 2004; Weick & Sutcliffe, 2001).

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 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 as 1) innovators, 2) early adopters, 3) early majority, 4) late majority, and 5) 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, multi-step frameworks have evolved that include leadership, employee involvement, rewards, communication, and more. Models by Kotter (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. Conceptualizations by Burke and Litwin (1992), Nadler and Tushman (1980) and Tichy (1983) include internal and external influences such as culture, structure, individual needs and values, goal setting, and feedback, to name a few.

Critics of these models cite their linear supposition, failure to recognize the complexity of change, simplistic assumptions of success should one follow the rigid steps in order, discounting of the human factor, and lack of preparedness for resistance, among others (Gilley, 2005). Doyle, Claydon, and Buchanan (2002) reported that change agents find the numerous models to be too “prepackaged” while failing to address the linkages and contradictions in change. Nadler (1998, 3) stated, “…the reality of change in the organizational trenches defies rigid academic models as well as superficial management fads.” Consequently, the importance of the leader’s ability to implement change is clear.

LEADERSHIP SKILLS AND ABILITIES

Organizational change does not occur unless member groups and individuals change (Coghlan, 2000; Katz & Kahn, 1978; Sullivan, Sullivan, & Buffton, 2002) by adopting different behaviors, processes, frameworks, routines, values, or goals. As a result, understanding the individual, group, and organizational processes that must occur to drive positive change proves critical for leaders.
Each change model examined suggests a relationship between change process actions and outcomes, hence the need to review associated leader skills that underlie behaviors and actions. A 1990’s study of Fortune 1000 companies revealed that nearly half regarded their leadership capacity as “fair to poor” (Csoka, 1997); a follow-up study indicated leadership capacity was “good” or “excellent” in only about one-third of firms (Barrett & Beeson, 2002).

Thoughts and skills are manifested in actions, structures, and processes that enhance or impede change, further strengthening the linkage between leader behaviors and effectiveness in implementing change. For example, change management skills have been positively linked to successful organizational change. Conversely, lack of understanding of change implementation techniques and the inability to modify ones management style or organizational functions are cited as barriers to success (Bossidy & Charan, 2002; Gilley, 2005). Research has revealed additional barriers that 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).

Leadership theories include frameworks such as trait, behavioral, and contemporary views. Although leadership trait theory suggests a set of psychological traits possessed by all successful leaders (Ilies, Scott, & Judge, 2006), more than 300 studies have failed to produce a conclusive list of agreed-upon traits inherent in all effective leaders (Bass, 1990). Certain traits such as supervisory ability, intelligence, the need for achievement, decisiveness, self-assurance, and initiative have been deemed significant (Ghiselli, 1971). Behavioral theorists offer distinctive leadership styles, such as McGregor’s Theory X and Y, and behaviors that are autocratic, democratic, or laissez-faire (Lussier & Achua, 2007). Contemporary perspectives of leadership posit leaders as being charismatic, transformational, transactional, learning, servant, or developmental (Collins, 2001; Gilley & Maycunich, 2000; Greenleaf & Spears, 2002; Senge, 1990).

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 and resultant behaviors were distilled from the numerous change conceptualizations previously discussed and various models of change. The change models offered by researchers such as Kotter (1996), Lewin (1951) and Nadler (1998) represent contemporary frameworks referenced by practitioners and academics alike. Comparison of the models led to a manageable set of common variables: coaching, communicating, involving others, motivating, rewarding, and building teams. It is within this complex myriad of variables that we approached our study of leaders and organizational change. Our primary questions were 1) How effective are leaders in implementing change within their organizations? and 2) What specific leader behaviors are most significantly associated with one’s ability to successfully execute change initiatives?

**METHODOLOGY**

A litany of research indicates that effective change implementation is limited (Beer et al, 1990; Cope, 2003; LaClair & Rao, 2002), despite abundant models and theories for successful change facilitation (Burke & Litwin, 1992; Kotter, 1996; Lewin, 1951, Ulrich,
For example, a recent survey of CEOs revealed that 55% of them believe their recent change efforts were “quite” or “very” successful, while only 13% indicated that such efforts were “unsuccessful” or “a little successful” (IBM, 2006, 45). Our study examines change efforts from the perspective of employees, and their beliefs in the effectiveness of their managers in implementing change.

**Research Questions**

To determine whether behaviors do predict managerial effectiveness, we designed a study with a twofold purpose. 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 micro-levels. We chose to use subordinate ratings of behavior to predict overall managerial effectiveness; subordinates are thought to provide the most accurate ratings of typical manager performance (Hogan, Curphy, & Hogan, 1994). Separate sources eliminate common method bias.

**Survey Design**

Relying on existing 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. These individuals 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 academic international research conference. Fifty-three conference attendees (13% response rate) volunteered to review the survey, of whom 94% self-identified themselves as academics while the remainder identified themselves as practitioners. This group provided the majority of feedback on survey design. The final survey consists of 36 content questions (19 organization-specific and 17 manager-specific) and eight demographic questions.

**Data Collection**

The survey was administered to students in Masters and Ph.D. Organization Development programs at a public four-year university. Masters and Ph.D. students were chosen to maximize industry and position diversity. The voluntary survey was given to 190 potential participants; 175 of whom responded, for a response rate of 92%.

**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 existing 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.

RESULTS

Sample size for the survey population was 175, with 46.6% of the respondents male, 52.8% female and a 0.6% non-response rate. 44.3% of respondents were under the age 35, 49.4% between the age of 36 and 55, and 5.1% over the age of 55. 31.8% of respondents classified themselves as frontline employees, 17.6% as supervisors or team leaders, 25.6% as mid-level managers, and 13.1% as senior executives. Regarding organizational tenure, 17.2% of respondents had been employed less than one year, 43.1% one to five years, 21.8% six to ten years, and 18.8% greater than ten years. 54.6% of respondents indicated that their supervisor was male, 45.4% female. Additionally, 54.3% of males and 62.0% of females indicated that their supervisor was of the same gender.

Organizational information collected includes industry and size. Organizational industry statistics reflect 7.4% manufacturing, 29.0% service, 13.6% education, 17.6% professional, 7.4% government, 23.3% military, and 1.7% other, which included construction and utilities. Organizational size statistics indicate that 42.5% or organizations had fewer than 500 employees, 20.6% had 500 to 2,500 employees, 23% employed 2500 to 10,000 workers, and 6.9% had more than 10,000 employees.

Table 1 reports managerial effectiveness at implementing change. Respondents indicated their managers were “never” or “rarely” effective in implementing change 34.9% of the time, as compared to 28.0% for “usually” or “always” effective.

<table>
<thead>
<tr>
<th></th>
<th>Never</th>
<th>Rarely</th>
<th>Sometimes</th>
<th>Usually</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>16</td>
<td>45</td>
<td>65</td>
<td>36</td>
<td>13</td>
</tr>
<tr>
<td>%</td>
<td>9.1</td>
<td>25.7</td>
<td>37.1</td>
<td>20.6</td>
<td>7.4</td>
</tr>
<tr>
<td>Cum %</td>
<td>9.1</td>
<td>34.9</td>
<td>72.0</td>
<td>92.6</td>
<td>100</td>
</tr>
</tbody>
</table>

Note. N: 175  M: 2.91  SD: 1.06

Table 2 reflects descriptive statistics and between-subject correlations for all variables (e.g., effectiveness, coaching, rewarding, communications, motivation, involvement and team building). All variables showed high positive intercorrelations (greater than .60) (Cohen, 1998); motivating, communicating, and team building reflected the greatest positive correlations with change effectiveness at .75, .72 and .71 respectively.
Table 2  
Descriptive Statistics and Intercorrelations

<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Change Effectiveness</td>
<td>2.93</td>
<td>1.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Coaching</td>
<td>2.68</td>
<td>1.17</td>
<td>.69</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Rewarding</td>
<td>2.98</td>
<td>1.05</td>
<td>.65</td>
<td>.64</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Communicating</td>
<td>3.06</td>
<td>1.10</td>
<td>.72</td>
<td>.73</td>
<td>.63</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Motivating</td>
<td>2.82</td>
<td>1.12</td>
<td>.75</td>
<td>.77</td>
<td>.69</td>
<td>.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Involving</td>
<td>3.04</td>
<td>1.22</td>
<td>.62</td>
<td>.68</td>
<td>.60</td>
<td>.71</td>
<td>.64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Team Building</td>
<td>3.35</td>
<td>1.15</td>
<td>.71</td>
<td>.71</td>
<td>.58</td>
<td>.73</td>
<td>.70</td>
<td>.74</td>
<td></td>
</tr>
</tbody>
</table>

Note. All correlations significant at p < .001

Table 3 reflects the results of regression analysis. A multiple regression analysis, utilizing a stepwise method of independent variable inclusion, is 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 was p <= .05 for inclusion and p >= .10 for exclusion. The six original independent variables were reduced to four, all significant at a minimum of p < .01. The selected variables explained 66.2% ($R^2_{adj} = 65.4\%$) of the variance in managerial change effectiveness.

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>SE B</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Motivating</td>
<td>.292***</td>
<td>.075</td>
<td>.310***</td>
</tr>
<tr>
<td>2. Encouragement</td>
<td>.221***</td>
<td>.064</td>
<td>.241***</td>
</tr>
<tr>
<td>3. Rewarding</td>
<td>.173**</td>
<td>.064</td>
<td>.171**</td>
</tr>
<tr>
<td>4. Communications</td>
<td>.195**</td>
<td>.075</td>
<td>.203**</td>
</tr>
</tbody>
</table>

Note. **p < .01  ***p < .001

Test-Retest Analysis: Double Cross-Validation of Regression Equations

Gilley, Dixon, and Gilley (2007) originally tested this model of managerial change effectiveness on a sample of 337 with similar demographics to this study (Table 4). The primary differences in the sample occur in the industry in which the organization operates. The current sample has a relatively high level of respondents in the military (23.3%) as compared to the general workforce (1% of total U. S. employment) (Weidenbaum, 2006). The original study’s regression analysis revealed that motivating, communicating, involving others, and coaching significantly ($p \leq .01$) influenced effectiveness in change implementation, and explained 55.0% ($R^2_{adj} = 54.5\%$) of the dependent variable’s variance. Leaders’ skill in motivating exerted the greatest influence on the dependent variable, followed closely by skill in communicating.

On the surface the current study appears to be a better predictor of managerial change effectiveness (based on total percentage of variance explained); therefore, a double cross-validation was conducted to test the generalizability of regression results for each set of data.
Table 4

Sample Demographics Comparison

<table>
<thead>
<tr>
<th></th>
<th>Original Sample n = 337</th>
<th>Current Study Sample n = 175</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>48.4%</td>
<td>46.6%</td>
</tr>
<tr>
<td>Female</td>
<td>50.6%</td>
<td>52.8%</td>
</tr>
<tr>
<td>Industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10.42%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Service</td>
<td>54.46%</td>
<td>29.0%</td>
</tr>
<tr>
<td>Education</td>
<td>15.77%</td>
<td>13.6%</td>
</tr>
<tr>
<td>Professional</td>
<td>11.61%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Government</td>
<td>6.55%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Military</td>
<td>0%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Other</td>
<td>.89%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Position in Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Front-Line</td>
<td>39.58%</td>
<td>31.8%</td>
</tr>
<tr>
<td>Supervisor</td>
<td>23.81%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Mid-Level Manager</td>
<td>22.62%</td>
<td>25.6%</td>
</tr>
<tr>
<td>Senior Executive</td>
<td>11.61%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Other</td>
<td>2.38%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

In double cross-validation, regression equations for each sample are tested on the other sample (e.g., the calculated regression equation for sample 1 is tested on sample 2, and vice versa). Predicted scores (as calculated by the regression equation) are then correlated with the actual scores on the dependent variable to create the cross-validity coefficient. This difference between the original R-squared and the cross-validity coefficient is known as shrinkage, with smaller values indicating a higher level of generalizability, and therefore a more stable predictive model (Osborne, 2000).

Furthermore, Pedhazur (1997) contends that regression equations based on small samples tend to have large fluctuation from the “true” regression equation. He recommends the calculation of a sample to predictor (including intercept and regression coefficients) be calculated, with ratios approaching 100:1 considered stable. Building on Pedhazur, Osborne contends that cross-validity coefficients vary widely until a sample ratio of 40:1 is reached, and therefore shrinkage is not minimized until that threshold is achieved. As shown in Table 5, the current study regression equation applied to the original sample has a higher shrinkage value and a sample-predictor ratio lower than the recommended 40:1. Based on this analysis, the regression equation from the initial sample (n = 337) is the more stable, generalizable, and ultimately, the better predictor of the two. We contend that the increased stability resulting from the first regression equation is due to the heterogeneity of the industries sampled, as compared to the highly-military influenced regression equation calculated by the second sample.
Table 5  
*Cross-Validation Analysis*

<table>
<thead>
<tr>
<th></th>
<th>Original Sample</th>
<th>Current Study Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n = 337</td>
<td>n = 175</td>
</tr>
<tr>
<td><strong>Original R-squared</strong></td>
<td>.550</td>
<td>.662</td>
</tr>
<tr>
<td>n = 175 Regression Model R-Squared (Cross-Validation Coefficient)</td>
<td>.520</td>
<td>---</td>
</tr>
<tr>
<td>n = 337 Regression Model R-Squared (Cross-Validation Coefficient)</td>
<td>---</td>
<td>.629</td>
</tr>
<tr>
<td>Calculated Shrinkage</td>
<td>.030</td>
<td>.033</td>
</tr>
<tr>
<td>Sample - Predictor Ratio</td>
<td>67.6</td>
<td>35.2</td>
</tr>
</tbody>
</table>

**DISCUSSION**

The review of literature has presented scholarship and perspectives over the past few decades that suggest a lack of results and unrealized potential in successfully managing organizational change. Further, it has been shown that certain managerial skills and behaviors positively influence successful execution of change initiatives.

This study makes three contributions to the research on leadership and organizational change. First, as Table 1 illustrates, approximately 72% 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, Ford, & D’Amelio, 2008; Schiemann, 1992), despite their 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 with change. The common thread among these soft skills is their appeal to the human side of change, while 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 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 specifically predicted by ones talent in motivating others, followed closely by the ability to communicate effectively.

Although this study suggests that encouraging teams and rewarding employees represent more significant predictors of leadership effectiveness with change than involving others and coaching (as indicated by the original study, n=337), this difference may be explained by the large (23%) population of military respondents. While service, professional,
and education industries expect, even demand, involvement in decision making and participative evaluation and development (coaching), the military’s command-control orientation and reliance on chain-of-command mitigate the importance of these variables. Further, military strategy and initiatives demand collaboration of teams, sometimes for their very survival; thus the importance placed on teams and leaders’ teambuilding skills is obvious.

Implications for Theory and Practice

Findings from this study have theoretical and practical implications regarding leadership and organizational change. We present an interaction-based model that suggests enhancing success with change requires leaders as change agents to focus on how they motivate, communicate, and interact with change recipients. These predictors are primarily realized through the work environment, which organizational leaders strongly influence (Drucker, 1999; Howkins, 2001).

Motivating employees and providing effective communications are each highly and significantly associated with effective implementation of change. Motivating others requires skilled managers who can develop and sustain a motivating environment (Carlisle & Murphy, 1996). A recent study of highly creative technical professionals revealed that how they were managed was a significant motivating factor (Hebda, Vojak, Griffin, & Price, 2007). Specifically, 23% of respondents indicated that having freedom, flexibility, and resources were viewed as significant motivators; 25% stated that the most important motivator was the time provided by managers to focus on solving complex problems (Hebda, et al., 2007). In other words, motivation is either positively or negatively impacted by the experience an employee has within a given work environment and with his or her leaders.

Until recently, leadership development was not seen as essential to organizational survival – talent was readily available or could be purchased from the outside (Sessa & Campbell, 1997). Further, nearly half of Fortune 1000 companies have reported that their management development and training programs are outdated (Csoka, 1997). Given Kark & Van Dijk’s (2007) findings that leadership is deeply tied to individuals’ internal motivation systems, a leader’s ability to cultivate a work environment that augments employee motivation proves critical (Hebda, Vojak, Griffin, & Price, 2007; Carlisle & Murphy, 1996). Concurrently, we recognize that communications are the necessary foundation of individual motivation and can be an effective tool for motivating employees involved in change (Luecke, 2003). Organizations and their leaders devote little attention to communication strategies and skills, however (Argenti, Howell, & Beck, 2005).

This study suggests that effectively executing change requires a multi-dimensional 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. Further, 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 upon OD master’s and Ph.D. students at one university, which may limit the potential for generalization. Due to the nature of their studies, these participants may be more sensitive to leadership and change issues, and thus may be acutely critical of their leaders. Additionally, as respondents self-selected results may be skewed (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003), which we attempted to mitigate through use of multiple groups.

Use of self-rated measures invites concern about methods variance and attribution bias. This study relied on quantified perceptual, highly subjective data, which must be considered a limitation. Leadership influence lies on subordinates’ perceptions of what their leaders have done or how they have behaved (Bandura, 1989), even though such perceptions may be wrong. Respondents’ degree of involvement in change implementation or the impact of change on them personally may have influenced their ratings, in spite of their attempts to objectively assess matters from a larger organizational perspective. Although employee perceptions are meaningful in various models of behavior, they are a soft measure of change success. Observable variables such as production, revenue, profit, and customer satisfaction may have allowed for additional bottom-line conclusions.

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 post-change collection of data may allow for 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 enhance our understanding of factors that reinforce and sustain change within complex, dynamic environments. Initially, larger, more heterogenous samples should be tested and cross-validated with the results presented in this manuscript. Furthermore, research should be conducted to compare and contrast employees’ perceptions of leadership and change with documented organizational results (e.g., revenues, productivity, customer service levels, and so on). Future study could support or deny the accuracy of employees’ perceptions of their leadership and change.

As 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 most need to improve, and in which skill/ability areas. Further, how can organizations enhance 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; as such, 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/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. Additionally, 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**

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 communications and motivation 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 communications and motivation skills and translate these into explicit behaviors to positively influence change initiatives. Organizations and their leaders who fail to recognize the importance of these skills will become another statistic in the failure rates of change.

**References**


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