

Characteristics of Successful Organizational Change ¹

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Organization changes all the time, that is a fact. Whether the changes are planned or unplanned, that is a different story. The ideal is that organizations go through a process of change the best possible and prepared way; however, that is not always the case, and not all initiatives of change end with a good result. Several aspects are involved in the successful or unsuccessful result for an endeavor of change, no matter if the size, type, age, or industry for the organization, the following studied components are according to experience and studies vital for the success of the organizational change.

Leadership, without a doubt, is a strong component of the success of any organizational change projects. Even when there is not the only characteristic, it is evident that good leadership, a good head of the organization, will lead the boat to a right end. Leaders around the world under a broad of styles and approaches are the ones in charge of making the right changes for the organization. Either where is a great strategy to implement or an innovative process to take into consideration, a new product or service or as simple as focusing on internal people and building “professional and social capital.”² These actions will orient and influence the final result.

Even when leadership becomes a fundamental aspect, in this paper, leadership is focused on human resources, contribution to the community, the use of standards, the importance of being agile, the importance of relying upon external consultant and more critical the trust needed in the leader and project manager to success in organizational change.

Focus on Human Capital and Resources

Experience and evidence show that leaders of outstanding companies take fewer risks in their decisions and when undergoing an organizational change than their competitors. Still, contrary to what one could think, they produce better outcomes by not rushing headlong into a decision. As it is illustrated, the best corporate leaders actively build the collective capacity for organizational growth and change by establishing strong, cohesive cultures where engagement, mutual understanding, and reciprocal accountability drive better organizational outcomes.³

There are several examples of these types of leaders, executives CEOs, managers and project managers; one case can be found in companies that everybody knows. In the case of FedEx, his founder, and leader, Fred Smith was known for his spirit and participative leadership that was sympathetic and familiar at the same time. Taking into consideration its employees over the material value has made of this organization a huge success. In 2018, it was recognized among the most admired companies in the USA. “FedEx inspires its more than 400,000 team members

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² Jones, M., & Harris, A. (2014).

³ Collins, J. & Hansen, M. (2012).

to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities."⁴

With effective strategies in place for the stakeholders, organizations are turning their attention to improve the engagement with employees, using both external social tools and improved social functionality of internal platforms such as company intranets. Organizations recognize nowadays that employees are quite often "their most passionate, credible and impactful brand ambassadors, both internally and externally, and are designing communications strategies that reflect that reality," said Tyler Durham, partner and managing director of Ketchum Pleon Change. They performed a study in 2012 that revealed an important movement among "those analyzed in the area of internal social connections on two fronts: *internal engagement* between the company and its employees, and *empowerment* of employees to represent the brand externally." In both cases, the support that moves toward "true social business and will ultimately foster real business results in terms of *employee retention, engagement, and productivity*."⁵

Leaders that focus their attention on the growing, engagement, care of their employees, the ones that create social capital, are the ones that obtain more support during the organizational change process. Employees that appreciate their organizations tend to support and promote change instead of resisting it.

Contribution of Community and Charity

According to Northouse, "leadership is a process whereby an individual influence a group of individuals to achieve a common goal"⁶ As we have stated, the leader is a crucial aspect of organizational change. While interviewing and reviewing elements for successful organizational change, it turned out something amazing that is the fact of contributing to the community and charity.

Organizations that devote part of their income into their community or specific beneficial programs or charity change themselves and change their employees. The beneficial impact for others also helps the organization to reshape internally to best fit for their profit purposes but also to leave something for others, making a big difference in their mission, vision, and values. Employees that feel that their job is contributing to other's lives are more committed to their jobs and their organizations.

One example of an IT company with this philosophy is Salesforce that from its foundation, "offers integrated philanthropy within both local and global communities where the company has a presence."⁷ Nevertheless, how a vast technological company can commit to benefiting others? how do you establish a culture of philanthropy? "As with any company cultural issue, leadership must come from the top. The CEO must make philanthropy a centerpiece of the company's mission, just like manufacturing a great product or earning profits or giving shareholders a good return."⁸ It has to become a real practice, a walk the talking type of situation where "the CEO

⁴ Durham, T. (2012).

⁵ Durham, T. (2012).

⁶ Northouse, P. (2016).

⁷ Benioff, M., & Southwick, K. (2004).

⁸ Idem

himself or herself must demonstrate a commitment to philanthropy in bad times and good by establishing policies and processes that foster corporate service, such as employee time off for charitable work, recognition of employees who do such work, matching gifts, and other incentives.”⁹

At the ends, a corporate culture that permeates it is employees in a way that are convinced “that senior management is truly dedicated to the notion of philanthropy and will not somehow penalize those who do not spend every waking hour either working or thinking about the company's products and marketing.”¹⁰ In other words, those who understand and support that a primordial aspect of making money is as important as sharing with others as well.

A positive model to do this comes real es the 1-1-1 model. This means that 1 percent each of equity, employee time, and profits will be shared with others. “We are on the threshold of a new world. Are we creating a world where we can all participate in value creation and, at the same time, provide value to those who are serving us?”¹¹ It is not enough only to speak about it, pray about it, or write about it. It is necessary to do the work and convert the rhetoric into practice as corporate leaders seeking to transform the world. “As leaders, we will become integrated, and we will bring that commitment back to our organizations and reflect it throughout.”¹²

As corporate leaders, we can come forward and use our hard-earned leadership skills for a higher purpose—to fully integrate our globalized companies into the systems of which we are already apart.

Incorporating Standards in the Organizational Change

Another relevant aspect of organizational change success is to be able to access and use standards, so the organization does not have to discover new ways. Instead, it can be leveraged from previous experiences and use methods that will assure the path to success. Cordingley notes that “standards, especially inspiring ones, do help to raise the bar, but the fulfillment of their potential depends upon the individuals pushing beyond what standards can encompass, towards the development and mastery of a body of both professional evidence and theory as a guide to action.”¹³

One way to incorporate standards in the organizational change is the use of organizational models in the way of descriptive way of understanding the components of each organization and how changing these components the organization will be affected. The Burke-Litwin Model of Organizational Performance and Change shows a representation of the main aspects of the organization to take into consideration for analysis and understanding. These elements are divided into transformational and transactional factors but together become essential for any organization. The elements are external environment, mission and strategy, leadership, organization culture, structure, management practices, systems (policies and procedures), work unit climate,

⁹ Idem

¹⁰ Idem

¹¹ Idem

¹² Idem

¹³ Cordingley, P. (2012).

motivation, individual needs and values, task requirements and individual skills-abilities, and individual and organizational performance.¹⁴

In the story of successful organizational change, another relevant characteristic is the use of these types of models or standards 1) for an adequate understanding of the current organizational situation or diagnosis and 2) helping to promote change in a way that performance of an organization will be improved. There are cases, depending on the industry of the organization, that external institutions offer other standards for their operations. That is the case of universities, for example, where external institutions can certify the body of knowledge or the level of expertise or the academic level or the outcome of their students. Following this standardization process is an excellent way for an organization to succeed in a change initiative.

The Importance of Being Agile

The agile transformation is not represented only by software development methods and technologies. However, it is also about a new way of thinking and solves the problem as quickly as possible. Agile development methodologies are beneficial in these situations because they can adapt according to the new market trends. Agile transformation is more open, creative, cooperative, and much more efficient than other business models. Implementing agile methodologies is about prioritization and management of defining requirements within a team.¹⁵

Many times, the companies are faced with spontaneous market changes, and they had to shorten the software product delivery and be more responsive to the customers' demands. Agile development methodologies are beneficial in these situations because they can adapt according to the new market trends. Agile transformation is more open, creative, cooperative, and much more efficient than other business models.¹⁶

Being Agile is, in our time, almost mandatory for doing business or developing projects or implementing new systems—a new and fresh way to react accordingly to the needs the organization is facing. Organizational change has to be agile as well, taking into consideration all relevant aspects involved in the change but focusing on the mandatory or most urgent first, taking into consideration the implications in other areas and then coming back to second priority and so on.

Change an organization from traditional to agile will require a complete change of mind or a culturally new mindset. To change a company perspective from traditional to agile means to change people's perspective meaning radical changes in attitudes, mindsets, values, ways of thinking, and interacting with the world. Together means a change in organizational culture.¹⁷

¹⁴ Burke, W. (2018).

¹⁵ Kumar, V., Babu, G., & Muthusamy, S. (2016).

¹⁶ Olteanu, C. G. (2018).

¹⁷ Kumar, V., Babu, G., & Muthusamy, S. (2016).

The Importance of Relying on Experts

It is a common practice nowadays that when an organization embarks on a change initiative, no matter which industry or sector the organization is part, organizations tend to hire consultants to assist them in successfully promoting the change process.¹⁸

In an era of globalization and sudden changes, organizations leverage the use of external consultants and partners to help them go under these processes. “In most cases, these external consultants have both a wider and deeper perspective of the environmental complexity, due to their exposure to numerous organizations. However, partnering with external consultants is not a simple endeavor due to some organizational, political, and interpersonal factors.”¹⁹ As organizations intend to make the progressive changes in a “more turbulent economic, technological, and social environment, they increasingly rely on their employees” to adapt to change and in external consultants help to guide them through the process.²⁰

Critical aspects, such as speed and quality, could lead to a successful organizational change process. Another relevant element is related to social ties; a positive dynamic relationship between clients and external change agents, such as consultants, involved in the change process is necessary. It is not surprising that organizational events, such as the change process, cause affective reactions²¹, between consultants and clients. The nature of this dynamics “relationship between clients and consultants has a personal perspective, which, among others, is built upon trust.”²² The role of trust in collaborative entities (consulting-client), as well as inside organizational relationships, is of fundamental importance.²³

The Importance of Trust in Leadership

Interestingly, the leader’s (or change agent’s) attributes are also important in the process of creating readiness. Trustworthiness, honesty, transparency, sincerity, and commitment are associated with the leader’s reputation, serving as essential ingredients to promote change readiness. Besides, fostering acceptance of the proposed change requires leaders to communicate and provide quality leadership. “Transformational leaders facilitate the creation of necessary culture and shape the behavior of employees.”²⁴ This kind of leadership can create the vision and institutionalize the change efforts. Trust in leaders and knowing that leaders are supportive of the change efforts is also essential to ensure readiness.²⁵

The process of leadership requires a leader and one or more members who are willing to collaborate and cooperate in the achievement of one or more goals, generally known as followers. The fact that followers are prepared to follow the leader is based on the trust the leader generates among them. In an organizational change, employees or followers must trust their bosses or

¹⁸ Appelbaum & Steed. (2005).

¹⁹ Chalutz Ben-Gal, H., & Tzafirir, S. S. (2011).

²⁰ Stanley et al. (2005).

²¹ Weiss & Cropanzano. (1996).

²² Appelbaum & Steed. (2005).

²³ Zaheer et al. (1998).

²⁴ Manz, C. & Sims, H. R. (2001).

²⁵ Walker et al. (2007).

leaders in charge of change. “Without trust, you cannot lead. Without trust, you cannot get people to believe in you or each other. Without trust, you cannot accomplish extraordinary things. Individuals who are unable to trust others fail to become leaders.”²⁶ Trust then becomes an indispensable ingredient in the formula of leadership.

Having one or more follower is not sufficient to perform real leadership²⁷ it is also important that the followers understand how to collaborate cooperatively to pursuit the achievement of goals, but having a good understanding and a good follower could make a big difference.

Trust and confidence are what followers, employees, stakeholders of an organization put into their leaders, executives, and CEO so the entity can work and progress together, "Trust is seen as a fundamental factor in the effort to handle risks and ensure safety. The general trust in other people and institutions that we refer to as social trust is important for a society to function.”²⁸.

Conclusion

When organizational change is under discussion, there is a certain degree of incertitude because of the high percentage of failure with these initiatives. Organizations are not well prepared for a change, whether they require doing it or immediate to survive. The best way of proceeding is to have a level of understanding of the current situation and where they want to go.

Most of the organizations find responsible for all actions to their leaders; the CEO or chief executive has the primary responsibility on his shoulders about the strategy, the right implementation, the right results, and pretty much everything. When talking about an organizational change, leadership and its style have much to do with the right decisions and the final result; however, there is not the only aspect to take into consideration. Trust in leadership becomes a key element or critical element for leaders to implement the change they desire in their organizations and to obtain the certitude that employees will follow and succeed in the changes the organization requires.

In this paper, it is referred to as other critical aspects besides the leadership that, according to experience for referenced and well-known companies, have shown to be equally or even more critical to success. Interviewed with leaders that have to accompany organizations or have led the organizational change endeavor has shown other elements that do not necessarily are part of current literature. Elements such as caring about the employees and social capital, as well as caring about the community, have shown in practice that organizations can change positively.

Incorporate organizational change standards and other standards, becoming agile and rely on external resources are other practical mechanisms for leaders to help their organizations to change.

The idea is to present in this paper a disruptive work that opens our minds to other realities and ways to do things that have turned out into truly transformational organizational realities, and that could be the basis for further organizational research or the base for new theories.

²⁶ Posner, B. Z., & Kouzes, J. M. (2012).

²⁷, Winston, B., and Patterson, K. (2006).

²⁸ Mogensen. (2015).

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