Strategic change leadership

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Abstract
Against a backdrop of increasing globalisation, deregulation, and the rapid pace of technological innovation, the primary task of management today is the leadership of organisational change. Seeks to examine the role of leadership in managing the challenge of deliberate large-scale change and whether it is possible to pinpoint factors that are critical to leading change effectively. Also investigates the view that *effective* change leadership involves instrumental and charismatic roles, integrating operational know-how with strong interpersonal skills. Uses a qualitative, case study approach, involving three multinational companies operating in Australia. Cross-case analysis indicates that effective change leaders recognise the importance of blending the charismatic and instrumental dimensions of change leadership. The ability to conciliate and balance the two roles depends primarily on whether a leader possesses certain qualities and attributes required for effective change leadership. Strong interpersonal skills permeate these key change leadership qualities and attributes and provide the nexus between the charismatic and instrumental roles.

Context of the study

Against a backdrop of increasing globalisation, deregulation, the rapid pace of technological innovation, a growing knowledge workforce, and shifting social and demographic trends, few would dispute that the primary task of management today is the leadership of organisational change (Jackson, 1997; Stace and Dunphy, 1996; Kanter *et al.,* 1992; Limerick and Cunnington, 1993; Naisbitt and Aburdene, 1990; Ulrich and Wiersema, 1989).

Key words in the lexicon of the newly emerging organisational model include novelty, quality, flexibility, adaptability, speed, and experimentation. In view of these requirements, the traditional organisational structure, with its hierarchical, top-down approach, centralised control and historically entrenched values of stability and security, is an anachronism. The impetus now is towards flatter, more "flexible and agile organisational forms" (Bahrami, 1992, p. 33) in which the boundaries are "fluid and permeable" (Useem and Kochan, 1992; Kanter *et al.*, 1992).

These changes have triggered a radical shift in the role of senior managers from the traditional authoritarian, command and control style to a more open, participative management style. With the emphasis now on cooperation, collaboration and communication, managers need to hone a completely different range of leadership skills. Traditionally, managers focused on the *technical* or operational dimension of management. However, to be effective leaders in an environment of change and flux, a second, *interpersonal* dimension becomes critical (Goleman, 1998; Javidan, 1995). This suggests that change leadership involves two roles:

1   instrumental; and
2   charismatic

integrating operational know-how with strong interpersonal skills. While the two roles perform distinctive functions, they complement and strengthen each other. Charismatic leadership is *personalised* leadership and is underpinned by strong interpersonal skills. It is crucial for envisaging, empowering, and energising followers. The key elements of instrumental leadership are organisational design, control and reward which "involves managing environments to create conditions that motivate desired behaviour" (Nadler and Tushman, 1990, p. 85), putting in place the enabling mechanisms that reinforce the required new values way of working. Key dimensions of the charismatic and instrumental roles include:
- Challenging the status quo and creating a "readiness for change" (Kouzes and Posner, 1995; Stata, 1992; Kotter, 1995; Tichy and Devanna, 1990).
- Inspiring a shared vision and personally communicating the future direction with clear and honest answers to the what, why, and how questions. Not only must all employees in the organisation "find the goal emotionally compelling", they must also clearly understand how they will contribute to achieving that goal (Jackson, 1997; Hamel and Prahalad, 1994).
- Creating additional sponsors at different levels of the organisation, involving as many people as possible to build commitment.
- Enabling others to act: by energising, empowering, building teams, providing tangible support with appropriate resources, and putting in place the appropriate systems and structures.
- Symbolic and substantive actions: using rewards and recognition to gain support; recognising short-term gains or success stories to emphasise recognition of the new behaviours; and taking decisive

action in identifying and addressing resistance (Jackson, 1997; Useem and Kochan, 1992; Kotter, 1995; Bertsch and Williams, 1994; Kanter *et al.*, 1992; Johnson, 1992, 1990).

- Modelling the way: enacting the new behaviours in deeds as well as in words; personally demonstrating senior management involvement and commitment. The involvement of senior management is seen as fundamental to the success of the transformation process (Kotter, 1995; Stata, 1992; Stace and Dunphy, 1996; Kanter *et al.*, 1992; Nadler *et al.*, 1995; Bertsch and Williams, 1994; Blumenthal and Haspeslagh, 1994).

- With the help of key stakeholders, *communicating* the message repeatedly up, down and across the organisation to ensure the momentum and enthusiasm for change is not diminished over time. *Communication* by top management is seen as a powerful lever in gaining commitment and building consensus to required change. Successful implementation occurs in companies where executives "walk the talk", teaching new behaviours by example (Kouzes and Posner, 1995; Kotter, 1995; Kanter *et al.*, 1992; Hambrick and Cannella, 1989).

A qualitative, case study approach was used to examine the change leadership style at three organisations – Pilkington Australasia, Ford Plastics, and Ericsson Australia – against the "critical" roles outlined above and consider how they contributed to the outcome of the change process. A series of semi-structured interviews using open-ended questions was conducted on-site and ran from one to two hours. Interview transcripts were forwarded to all participants for comment. Follow-up calls and second interviews were conducted with some participants. Further data were obtained from documents made available to the researcher; published literature; and in-house publications.

Pilkington Australasia

Pilkington Australasia's core business was the manufacture, secondary processing and distribution of flat and safety glass, coated glass mirror and ceramically decorated glass. The bulk of its products were sold to the domestic market, its main customers being the automotive, building and construction industries.

From the beginning of the 1990s, Pilkington found itself operating in an increasingly uncertain, hostile environment. The new priorities were increased flexibility and responsiveness to customer demands which Pilkington's autocratically controlled divisional structure could not provide. With the collapse of its client industries as a result of the recession in the early 1990s, Pilkington moved to consolidate its position and focus on its core business of manufacturing, secondary processing and wholesale distribution. The company's immediate response to the dramatic changes in its external environment, therefore, was to embark on large-scale restructuring and downsizing in a bid to increase operational efficiencies and reduce costs.

Between 1992 and 1994, the company's programme of change evolved from improving operations to redefining business strategy and culture. The external appointment of a new general manager, human resources (HR), and the development of a new vision for "world class glass", symbolised the true beginning of corporate transformation at Pilkington. Management sought to fulfil the new commitment to "excellence in customer service to be achieved through product quality, speed of delivery and flexibility in meeting customer demands" through *operational* improvements. It began by dismantling the old hierarchical structure, along with its top-down management style, redefining skills and responsibilities, and redesigning work processes. With the support and commitment of the management executive, the company moved to establish team-based work groups and aimed to develop a participative management style within an open, learning environment.

Creating a capacity for change

Pilkington Australasia's senior management had no need to manufacture any sense of urgency when its business nose-dived with the collapse of its three major client industries as a result of the recession in 1990. Initially, however, while the traditional command-and-control bureaucracy was still firmly in place, the potency of this crisis as a major vehicle for communicating the need for change was unrealised. As a result, while the workforce was well aware that the company was experiencing difficulties, it was unprepared for the initial merging of businesses and rationalising of the workforce which followed.

All this changed with the appointment in 1992 of a new general manager, HR. His appointment confirmed that organisational change was a top priority on the management agenda and was a public admission by senior

management of the difficulties confronting Pilkington. The symbolic "new blood" also helped rekindle a sense of urgency by immediately moving to dismantle the old order with its hierarchically focused divisional structure and autocratic mentality.

Creating a vision and setting the direction

The new general manager, HR, aware of the importance of communicating a clearly articulated, meaningful message, met with the management executive to develop a new vision for "world class glass", as well as a mission and statement of values and commitment. Pilkington attempted to give substance to this message by conducting face-to-face workshops, producing written material for display as well as distribution and providing each employee with a statement of the revised corporate philosophy and statement of values (see Appendix I and Appendix II). However, if an organisation wants to influence people's behaviour directly, it must encourage "hot" media, where key personnel model the new behaviours (Bertsch and Williams, 1994). In this regard, Pilkington encouraged leaders at different levels of the organisation to show their commitment to the new organisational paradigm by repeating its message and pursuing strategies which would help institutionalise the new behaviours and values in their areas. Initially, it was clear that not all leaders were pursuing this task with the appropriate amount of "*enthusiasm and vigour*"[1]. If successful implementation only occurs in companies where executives "walk the talk" (Bertsch and Williams, 1994; Hambrick and Cannella, 1989; Ulrich and Wiersema, 1989), apathy among some business leaders becomes a critical issue. Recognising that this was a serious problem, Pilkington's training and development unit provided on-the-job advice, and a three-part management development programme was implemented.

Leadership commitment

Pilkington adopted a team approach to the task of leading change. The managing director was not directly involved in selling the need for change through the organisation. This was the principal task of the general manager, HR, with the backing of the managing director. However, although there was no single figurehead, the key team players were committed members of the senior executive, not small bit actors. This aligns with the view that only top management has the power to bring about major cultural change (Kotter, 1995; Bertsch

and Williams, 1994; Useem and Kochan, 1992). However, it remained to be seen whether the less direct involvement of key senior executives, in particular the managing director, would be detrimental to the long-term success of corporate transformation at Pilkington. In addition, Pilkington encountered some resistance among its business unit leaders who were less than enthusiastic about altering old habits and supporting new behaviours that would undermine their status and power base. Unless the management development programme succeeded in unlocking old behaviours, attitudes and values among its middle and senior management, the message from its "guiding coalition" would be seen as inconsistent and thus discredited.

Communicating the message

Under the guidance of the new general manager, HR, the company recognised the importance of communicating the need for change, not only at a senior level, but also, more critically, from the grassroots up. However, the concentration of efforts in this regard, seemed to be towards "cold" media, with face-to-face workshops used at the beginning to introduce staff to the new mission statement and statement of values. The company also needed to work hard at winning over key personnel at the middle management level and using them as messengers for change. However, the lack of personal involvement of top management in walking the talk and modelling the new behaviours appeared to create a vacuum at the middle management level that was likely to remain until this key group saw the commitment of senior managers.

Reinforcing and institutionalising the new behaviours

The rewards at Pilkington clearly came to those who were committed to moving to a team-based, participative work model. Employees, through working party representatives, were involved for the first time in deciding the roles and responsibilities of team members and the rewards and incentives available to each team member. These were then built into the enterprise agreements and became the main drivers of workplace reform. Examples of rewards and incentives were bonuses tied to productivity improvements, and employee training and accreditation to ensure a long-term career path.

In addition, those businesses that had developed the team model very effectively were held up as "*models of success*" to those "*dragging their feet*". Using models of success

to symbolise the opportunities of the new order is a potent means of producing dissatisfaction with the status quo (Beer and Walton, 1990; Spector, 1989).

Ford Plastics

Ford Plastics was, until 1 July 1995, part of Ford Australia. The Plastics Plant, located in Broadmeadows, Victoria, comprised four product areas:

1 bumper bars;
2 instrument panel;
3 moulding; and
4 climate control.

Until the mid-1980s, the local car industry operated in a highly-protected environment. However, the Federal Government's Motor Vehicle Plan (the Button Plan), announced in 1984, dramatically altered the rules of competition which led to radical restructuring of the local automotive industry.

In addition to the requirements of the Button Plan, a change in the charter of the Ford Plastics Plant in 1990 from "a maker of high-tech engineering plastic bits and assemblies ... to an engineering plastics business which was to develop other markets" provided a heightened sense of urgency to the need to improve the plant's competitiveness.

Tom Pettigrew, appointed manager at Ford Plastics in early 1990, played a key role in driving change at Ford Plastics. Pettigrew, who was trusted and respected by staff on the shopfloor, implemented a quality-driven business strategy which focused on striving for quality and productivity improvements through the establishment of work area teams, multi-skilling, skills and knowledge education, the encouragement of learning, and a participative, open management style. Under his guidance, the "*Golden Rule*" became a core tenet of the fabric of change at Ford Plastics. The "*Golden Rule*" stated that all people who would contribute to realising a decision or plan, and those others who would be affected by the decision or plan, must participate in the making of the decision or plan. To reinforce the message, Pettigrew himself spent a lot of time "showing by doing" and encouraging other senior personnel to do the same. The aim was to break down the "us and them" mentality, to encourage the sharing of ideas, and to build a climate of cooperation and trust. Pettigrew found a key ally and messenger for change in the internally appointed manufacturing

manager, whose skills as a negotiator and facilitator were recognised early on by the senior executive. More importantly, he was respected and trusted by union representatives and shopfloor employees.

Creating a capacity for change

The Button Plan served as a catalyst for change for the automotive industry as a whole. However, it took several years of antagonism and confrontation between management and the shopfloor at Ford before it became embarrassingly clear that, unless both sides adopted a more consultative, collaborative and conciliatory approach, it was very likely there would be little left to fight over. The tripartite mission of 1988 (Ford Australia, along with the other four local car manufacturers, the vehicle industry unions and the Federal Government formed a tripartite mission visiting car plants in the USA, Germany, Japan and Sweden) served to highlight the seriousness of the situation to the workforce and also indicated the first public representation of cooperation between management, union and government. As a result of its observations, the mission recommended the automotive industry implement a number of wide-ranging changes for its employees. Further impetus to drive through these changes came from the award restructuring process that commenced in 1988. The emphasis was to be on consultation, cooperation and collaboration.

In addition, the change to the plant's charter in early 1990 fuelled the need for workplace reform. It provided the galvanising event to which an organisation must respond (Kanter *et al.*, 1992, p. 499). Senior management at Ford successfully exploited this to create a sense of urgency and provide a focus for redefining business strategy and work processes. Pettigrew, in particular, recognised the need to instil a sense of urgency in the majority of the workforce if they were to succeed in achieving the goals set out under Ford's four imperatives (see Appendix III). These provided a statement of vision, articulating what the company must strive to achieve through its "quality-driven" business strategy if it was to meet the objectives of the Button Plan and fulfil the recommendations of the tripartite mission.

Creating a vision and setting the direction

Until early 1990, staff morale at Ford Plastics was at a low ebb: industrial unrest and absenteeism were rife; senior managers, who were rarely seen on the shopfloor, were distrusted; and there was little overall

guidance and direction. Ford's four imperatives represented the company's blueprint for the future, but were of little value if the workforce did not know what they meant or how to achieve them. With the implementation of Ford Plastics' Quality Driven Business Strategy (see Appendix IV), the newly appointed plant manager set out to give meaning and structure to the four imperatives. By translating the four imperatives into a message which made good sense, he was instrumental in giving the workforce a vision and purpose for change (Kotter, 1995; Stata, 1992; Beer and Walton, 1990).

Leadership commitment
Pettigrew underlined the pivotal role top management play in ensuring the long-term effectiveness of corporate transformation. He became the "magic leader" at Ford Plastics who gave purpose and meaning to the change agenda and set the direction. Pettigrew modelled the leadership behaviour envisaged for the collaborative, empowered "learning organisation" necessary for sustainable competitive success (Limerick and Cunnington, 1993); Senge, 1990). He took on the role of coach, counsellor and teacher and actively created a climate for change (Whipp and Pettigrew, 1993; Beer and Walton, 1990) by setting clear goals and encouraging staff at all levels to share ideas and be involved in decision making. He also recognised the importance of harnessing the support and commitment of key leaders through the organisation who would help him cascade the message across and down through the organisation (Beatty and Ulrich, 1991; Kotter 1990; Nadler and Tushman, 1990).

Communicating the message
Pettigrew also epitomised the transformational leader who clearly and forcefully communicates and dramatises the vision for change (Stace and Dunphy, 1996, p. 151). He understood the importance of harnessing a motivated and skilled workforce and recognised that this could not be done from some remote corner of head office. With his key managers on-side, Pettigrew set out to show by doing. They became the models of the new behaviours: they moved around the organisation, talking and listening to employees at all levels, building up trust, demonstrating belief in people's abilities and enthusing and enabling them to play an active part in the plant's new quality-driven business strategy.

Reinforcing the message and institutionalising the new behaviours
Rewards at Ford Plastics were closely tied to an employee's involvement and participation in natural work groups (NWGs). These were formed around specific work areas in the plant, for example, the instrument panel line. The size of NWGs varied from five to seven people to 15. By the mid-1990s, about 35 teams were up and running, of which nine or ten could be described as "standalone". These "self-managed" work groups (generally the smaller NWGs) had responsibility for their daily work. They monitored their own quality and group attendance; suggested improvements and requested design help; allocated tasks among team members at the beginning of each shift, and ordered in supplies from the factory store.

Natural work groups became the *modus operandi* on the shopfloor at Ford Plastics. The establishment of NWGs, with the emphasis on multiskilling and the devolution of authority and decision-making control, forced a radical redefinition of the roles and responsibilities of senior management, supervisors, group leaders and group members. The membership, structure and responsibilities of natural work groups were negotiated between management, union and employee representatives and ultimately reinforced through enterprise agreements.

The implementation of NWGs went hand in hand with the Vehicle Industry Certificate (VIC) programme. The nationally accredited certificate consisted of three levels of training, which included "skill" units and "knowledge" units. At formal graduation dinners held twice a year for employees who completed all three levels, each graduate was presented with a framed certificate. The formality and ceremony attached to these proceedings were deliberate. It helped to highlight to employees that Ford management regarded staff training and development as an integral part of the new organisational paradigm; and it also publicly recognised and rewarded the achievements of staff who successfully participated in these programmes.

Ericsson Australia

Until the late 1980s, competition within the telecommunications industry was non-existent. Telecom Australia (now Telstra) was the monopoly carrier and represented the bulk of Ericsson Australia's business (some 60 per cent). However, as Telecom increasingly sought to expand its technology source, and with the deregulation

of the telecommunications industry in 1992, Ericsson found itself operating in a radically altered environment.

The appointment of a new managing director in 1991 symbolised a new beginning for Ericsson. Recognising the need to create a more responsive, customer-oriented, competitive organisation, the new managing director effected significant changes to the organisation structure. "Improvement projects" were established throughout the organisation as Ericsson attempted to increase its competitiveness and responsiveness through restructuring. However, while restructuring of the business occurred, people's attitudes, beliefs and values had not changed. The majority of Ericsson staff doggedly adhered to the conservative, engineering mentality of the past.

In the second wave of change at Ericsson, senior management implemented two major change initiatives:
1 a mission statement was drawn up which articulated in clear terms what Ericsson must commit to; and
2 the leading change programme was developed to equip leaders through the organisation with the skills and knowledge to work differently and gave them the tools to cascade these new behaviours into their own business areas.

It was only with this second phase that Ericsson clearly prepared its people for change and focused the change agenda.

Ericsson's managing director, who deliberately took on the change messenger mantle articulated the "future vision" to key business leaders. The commitment of middle management to the leading change program was largely credited to his role in "*dimensioning the change*" (see Appendix V). The leading change programme set out to challenge the traditional company values and behaviours, and demonstrate through the use of mental models (see Appendix VI) how these were no longer appropriate in the new organisation. The reported use of these mental tools suggested that a number of these had a considerable impact on the behaviours and attitudes of many participants and their use in the workplace grew more widespread.

Creating a capacity for change
Ericsson Australia demonstrated the enormous difficulties an organisation faces in trying to break down a singularly entrenched corporate culture. Despite the growing realisation within the company that it had to become more customer focused and more sensitive to customer needs, there was

considerable resistance and little understanding about how to respond to its increasingly competitive, "customer-first" environment. If Ericsson was to succeed in challenging the traditional, conservative, "black box" mentality, the critical first step, creating the "felt need for change", had to be translated through the organisation clearly and visibly.

Ericsson neglected this crucial first step in the first euphoric wave of improvement projects, in which a plethora of change activities were initiated piecemeal with no direction given on what needed to change or how to change. By contrast, phase two of Ericsson's change programme clearly recognised the importance of the shared diagnostic process (Beer and Walton, 1990). The company attempted to create, and appeared to succeed in creating, a "natural tension" (Senge, 1990, p. 9) by identifying, through its mission statement, the company's position at the time and what changes and improvements needed to be realised to take it to where it wanted to be. Videotaped interviews with customers who commented frankly on Ericsson's shortcomings further impressed on business leaders the gap between "current reality" and "potential future states" (Stata, 1992; Senge, 1990). The leading change programme also sought to "pump up" key leaders through the organisation by highlighting the eight dimensions of change that Ericsson had to commit to if it wanted to continue in business.

Creating a vision and setting the direction
From the failure of the first round of improvement projects in effecting any meaningful organisation-wide change, management recognised that telling people to change was not enough. They needed to know what to change towards and to be given the skills and resources, which would allow them to behave and act differently. Ericsson's mission statement and the eight dimensions of change set out to define clearly the future direction of the business and how this would affect the roles and responsibilities of organisational members and each business area.

Leadership commitment
Ericsson's managing director deliberately took on the role of "magic leader". His personal involvement in the leading change programme and adoption of the new behaviours were seen as critical in winning the support of key leaders through the organisation. The leading change programme also recognised that one individual could not

"change a large and complex organisation single handed" (Dunphy and Stace, 1993, p. 166), but would need the commitment and support of capable leaders stationed at different levels of the organisation.

Communicating the message: "walk the talk"

The managing director was directly involved in communicating the change message to all levels of the organisation. The support of the "guiding coalition" he amassed was largely attributed to his motivation and drive to see the fulfilment of the cultural transformation process. In addition, the prime aim of the mental models, to challenge current organisational attitudes and assumptions, forced a direct and frank interchange between managers and their line staff, which did not previously exist. This unique facet of the company's change programme gave all employees graphic examples of what sorts of behaviours were expected of them and also the reasons why these behaviours would help them and the business.

Reinforcing the message and institutionalising the new behaviours

The new organisational structure with the emphasis on the customer divisions as the "drivers of the business" provided a powerful symbol of the new management model and way of doing business at Ericsson Australia. Reinforcing the new paradigm, Ericsson's graduate recruitment programme no longer focused solely on its traditional engineering base. The detailed mission statement, the video documenting customer expectations and their assessment of Ericsson, and the managing director's public commitment to the eight dimensions of change also sent strong signals to employees about what was accepted behaviour. However, an in-house review of outcomes indicated that some business leaders were frustrated at the lack of support and cooperation from more senior levels in overcoming resistance to change at the operational level. To ensure ongoing success, Ericsson needed to ensure that appropriate support and control mechanisms were in place to remove pockets of resistance, which might undermine the success of its change strategies.

Conclusion

The cross-case analysis reveals the pivotal role change leadership plays in promoting and sustaining the change agenda. The role of senior management is to "set clear corporate challenges" that matter to everyone on a personal level (Hamel and Prahalad, 1994). The personal involvement of senior management signals the level of commitment to change and heightens the sense of urgency for change. The need for strong, personal leadership from the top that provides a clear overarching vision and focus seems particularly critical as organisations discard their traditional, hierarchical organisational structures in favour of leaner, flatter boundaryless forms comprising smaller, autonomous, networking units (Jackson, 1997; Bartlett and Ghoshal, 1995; Eccles, 1993; Limerick and Cunnington, 1993). Because of the autonomy and elasticity implicit in the design and working relationships of these organisations without walls, the line between "loosely coupled" and "decoupled" is easily overstepped (Bahrami, 1992; Hirschhorn and Gilmore, 1992). Organisations most successful in managing the dynamics of loose-tight working relationships meld strong "personalised" leadership at the top with "distributed" leadership, a group of experienced and trusted individuals operating at different levels of the organisation (Butler *et al.*, 1998; Handy, 1997; Jackson, 1997; Whipp and Pettigrew, 1993). To lead change effectively means acknowledging that senior managers do not have all the answers and encouraging "*integrated* thinking and acting at all levels" (Senge, 1990, p. 7). All three cases illustrate how, if key stakeholders are not onside, particularly at the middle and lower levels of management (e.g. Pilkington), they act as roadblocks to change, impeding the passage of the change process to those within their span of control (Kotter, 1995; Whipp and Pettigrew, 1993).

The literature is unequivocal that successful transformation occurs in companies where executives "walk the talk". The success in particular of Pettigrew and his guiding coalition at Ford Plastics vindicates this view. Pettigrew was convinced that the only way he could win the support and commitment of the workforce was "showing by doing". The establishment of the "Golden Rule" ensured that the new behaviours were enacted in deeds as well as in words. At Ericsson, the importance of the personal involvement of Ericsson's managing director in communicating the new behaviours was also highlighted. The commitment of middle management to the leading change programme was largely credited to his role in "dimensioning the change". Pilkington, on the other hand,

encountered some resistance to change at the middle and lower management levels that appeared to hamper the change process. The general manager, HR, assumed the mantle of change messenger with the managing director giving his support from the sidelines. Addressing this lack of direct involvement of the senior executive might be the key to unlocking resistance at the middle and lower management levels.

To ensure the success of organisational change over the long term, cross-case analysis highlights that change leaders need to put in place mechanisms that will reinforce and institutionalise change. Integral to this are the establishment of new organisational systems and structures that represent the new work arrangements and reporting requirements (Kanter *et al.*, 1992; Kets de Vries, 1994). In this respect, management has considerable discretionary power to drive organisational change through the strategic use of symbolic and substantive actions. Ironically, the power of such mechanisms is often undervalued (Jackson, 1997; Useem and Kochan, 1992; Kotter, 1995; Bertsch and Williams, 1994; Kanter *et al.*, 1992; Johnson, 1992, 1990). At Ford, for example, recognition and rewards came to those who clearly demonstrated their commitment to natural work groups and participated in the various training courses. Staff who successfully completed the formal VIC courses were publicly applauded and rewarded at formal graduation ceremonies presided over by Ford's president. In addition, the establishment of work area teams, multi-skilling, and the provision of skills and knowledge education symbolised a radical departure from the structures and control systems of the past. The delegation of power and authority to each work area team symbolised a new organisational paradigm at Ford Plastics. Pilkington, however, apparently underestimated the importance of using its top managers to

model the new behaviours and met resistance at the middle and lower management levels. In contrast, Ericsson's leading change programme set out to challenge the traditional company values and behaviours and demonstrate through the use of mental models how these were no longer appropriate in the new organisation. All three organisations attempted to reinforce the new paradigm not only through organisational restructuring, but also by changing the roles and responsibilities of personnel; and establishing rewards and remunerations appropriate to the new systems and structures (Kotter, 1995; Useem and Kochan, 1992; Nadler and Tushman, 1990).

Case observations indicate that successfully implementing and sustaining the momentum for organisation-wide change demands a long-term, strategic approach, incorporating both "hard" (strategy, structure, systems and technology) and "soft" (vision, values, behaviours and attitudes) issues (Stace and Dunphy, 1996: Kouzes and Posner, 1995; Whipp and Pettigrew, 1993). While each company initiated the corporate transformation process at the operational level, it became abundantly clear that, if change was to "stick", they must learn to blend operational improvements with strategic transformation and corporate self-renewal (Blumenthal and Haspeslagh, 1994). The need for a two-pronged approach also highlights the importance of blending the charismatic and instrumental dimensions of change leadership.

Table I attempts to encapsulate the different aspects of the charismatic and instrumental roles. The cross-case analysis suggests that charisma alone, or the power of an individual personality, is not enough to ensure lasting systemic change. However, effective change leaders use the envisaging dimension of the charismatic role to energise and enable (Nadler and

Table I
Summary of change leadership roles

Charismatic role	Qualities and attributes	Instrumental role
Change leadership mindset Strategic focus Systemic/big picture focus Envisaging, energising Concern for shared values, attitudes, motivating staff	Honesty/integrity/trustworthy Inspiring Competent High degree of emotional intelligence: self-confidence/awareness, strong drive/energy to achieve openness to new ideas/change[a] Strong interpersonal skills	Management mindset Operational/technical focus Business unit focus Planning and control Concern for systems, structures and resource (human and physical) improvement

Source: [a]Goleman, 1998, p. 95

Tushman, 1990 p. 82) others operating at different levels of the organisation to become involved in, and contribute meaningfully to, the change process. In addition, they must also create a nexus between the traditional technical or operational dimension of management and the strategic, interpersonal dimension. The ability to conciliate and balance the two roles depends primarily on whether a leader possesses certain qualities and attributes (see Table I) required for effective change leadership (Jackson, 1997; Kouzes and Posner, 1995). These qualities and attributes, that demarcate strong interpersonal skills as a key binding ingredient, provide the nexus between the charismatic and instrumental roles. By melding charisma and widespread involvement with instrumental factors, that focus on developing roles, responsibilities, structures, systems and rewards, the critical building-blocks for driving organisation-wide change are set firmly in place.

Note
1 Italicised text in double quotes in all the case studies represents quotes from interview sources.

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Appendix I: Pilkington Australasia Limited, values and commitment

We value and are committed to:

- the vision of becoming world class;
- integrity in our daily business;
- dedication to meeting customer needs;
- active pursuit of continuous innovation and improvement;
- world standard excellence in business;
- efficient use of resources to achieve our goals;
- team approach as well as individual effort;
- acquisition and retention of skills which result in superior performance.

Source: in-house publication, 1995

Appendix II: World class glass

Table AI

W O R L D	☐ *The customer* – we put the customer first – always! We aim to focus on what they want – product type, delivery and follow-up service. No customers – no business! ☐ *Continuous improvement* – always looking for the better way to do it.
C L A S S	☐ *Commitment* – be passionate, be committed. A real desire to be the best, to be professional, to be dynamic. ☐ *Quality* – there's no substitute for total business quality in everything we do.
G L A S S	☐ *The team effort* – we're a team-based company, flexible, working together using our collective skills and talents for the best results. ☐ *Be safe, not sorry!* – everyone is responsible for workplace safety. Be aware, be careful, and make workplace safety a habit.

☐ *Participation* – the new Pilkington involves all its employees more and more in making decisions. Consultation, listening and acting on input is an essential part of how we do business from now on.

☐ *Going international* – meeting international benchmarks, constantly on the alert for export opportunities.

☐ *Problem solving* – issues and problems are merely challenges to be met and solved. Turn problems into opportunities.

☐ *Goals and vision* – knowing our plans, future directions and ambitions, and being able to measure performance honestly and accurately

**Source**: Adapted from Pilkington company poster, 1995

Appendix III: Ford Plastics Australia, Ford's four imperatives

Table AII

**Ford's four imperatives
The blueprint for the future**

1. Customer satisfaction
We need to better understand and satisfy our customers' needs by being more responsive to those in providing products which have continuous improvement in design, quality and value for money.

2. Working together
We must improve job satisfaction and employee performance by working together better.
Our management style must encourage openness, be two-way in communication and reflect integrity.
We must increase the opportunities for our employees to participate fully in the business through team building, training, improved award systems, recognition of their abilities and improvement of the safety and conditions of the work environment.

3. Productivity and sales improvement
We must increase productivity markedly and improve the overall efficiency of our business such that our sales are always strong enough to protect our profitability.
We must establish our corporate reputation as the best of the local manufacturers in terms of quality, value, technology, performance and design.

4. Helping our dealers and suppliers
We must work closely with our dealers and suppliers to continuously improve our relationships and help our suppliers to achieve their quality objectives and our dealers to improve all aspects of their business.

Appendix IV: Ford Plastics' quality driven business strategy

Figure A1.
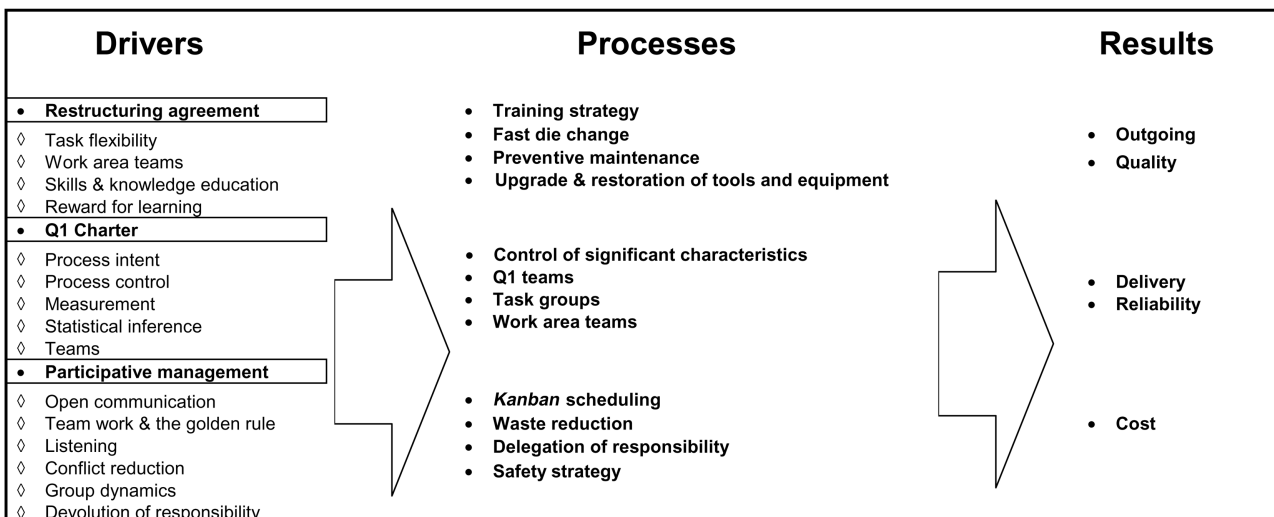
Source: Pettigrew (1991)

Appendix V: Ericsson Australia, the eight dimensions of change

Figure A2.

Dimensions of change

Dimension	1993	1996 ++
1. Relationships	Traditional customer supplier relationship	Partnership → World industry benchmark partnership
2. Main focus	Focus on products	Focus on customer → Focus on customer's customer
3. Accountabilities	Accountability for activities and internal responsibilities	Accountability for value adding to customer success
4. Type of business	Designer and producer of technology	Value adding total solutions
5. Network	Operationally complex	Operationally simplified
6. Quality	Quality assurance ISO 9001	Continuous improvement Australian quality award → Customer focused breakthrough quality 1000-fold improvement (six sigma)
7. Organisation	Functional	Business driven teams → Customer value driven
8. People	Potential under-used	Active encouragement to take initiatives → People trusted and empowered

Source: in-house publication, 1995

Appendix VI: Examples of mental models

Figure A3.

Think Like a Customer

┌─────────────────────────────────────┐
│   │
│   **T.L.C.**   │
│   │
│   Think Like A Customer   │
│   │
└─────────────────────────────────────┘

Close the gap!

**What I say
(espoused)**

GAP

**What I do
(in use)**

Close the gap!

Circle of concerns

Within
my
control

Within my sphere of
influence

Out of my control
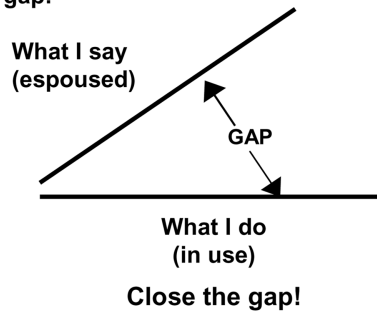
Circle of concerns
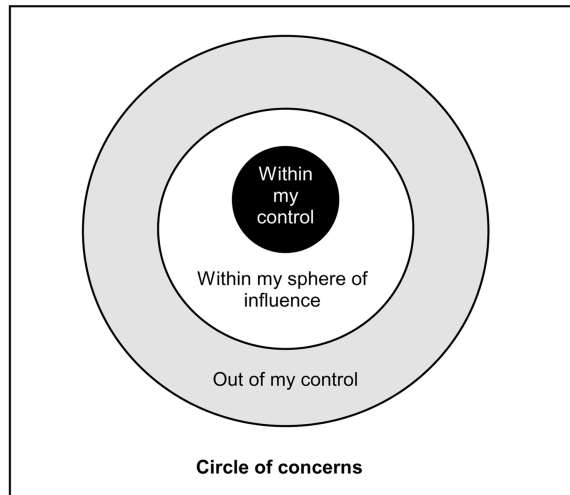
Source: Ericsson Australia, 1995

Application questions

1 Is downsizing the most efficient
   strategy? How should this change be
   managed?

2 How do organizations instigate a
   programme of change when external
   pressures are not immediately obvious?