

PROFILING LARGE-SCALE CHANGE EFFORTS

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This paper presents the results of a study designed to determine why organizations are initiating major planned change efforts, what they are changing, and how changes are being made. Individuals with large-scale change program experience provided descriptions of over 300 such efforts. The descriptions provide an overview of some current practices in the management of large-scale change.

Research in the area of large-scale change has received an increasing amount of attention over the past several years. The increased research activity seems to reflect both a dramatic increase in the number of firms attempting some type of major organizational change and a realization that much of the planned change literature is focused on change at the individual or small-group level.

Case studies and consultant reports seem to be the primary source of information concerning the management of large-scale change efforts. While such reports provide a wealth of information, there are several noteworthy limitations to these sources. For example, conclusions drawn from case studies are often situation-specific and may not be generalizable to the larger population of organizations that have undergone change efforts. In addition, case studies and consultant reports tend to focus on specific sets of issues or techniques and a limited number of change efforts at the expense of

the broader picture. Indeed, important issues and trends may become apparent only when many cases or reports are compared.

The research described in this paper is an attempt to provide an empirical perspective on the context and characteristics of a cross-section of large-scale planned change programs. Specifically, the following questions were addressed in this study:

1. Why do organizations initiate large-scale change programs and what are the goals and timeframes for these programs?
2. What types of Organization Development interventions are utilized and which of these are considered to have a positive impact on the program?
3. To what extent are employees throughout the organization involved in the effort and to

what extent are external consultancy resources utilized?

4. What are some characteristics of successful large-scale change programs?

Research Method and Sample

Because there is no widely accepted definition of large-scale change, for the purposes of this research a large-scale change effort was defined as any planned effort designed to improve the long-term performance of an entire organization. These efforts are distinguished from other types of planned change programs in that they are long term in nature and are organization-wide.

Questionnaires were mailed to 1005 individuals who had attended seminars or had requested information on the topic of large-scale change from a university training program. In addition, recent journal articles and books were examined to identify recognized experts in the field and to identify organizations that have been involved in large-scale change efforts. Of the 1005 questionnaires mailed, 67 were undeliverable and 398 were completed and returned, for a response rate of 42.3%.

A total of 336 persons provided descriptions of specific large-scale change programs. Respondents were managers, internal consultants, external consultants, or researchers who had direct knowledge of or direct involvement in a large-scale change program. Of the 336 descriptions, 310 were included in this analysis. Cases were not included in the final analysis if: (a) less than 100 individuals were employed by the organization or less than 100 individuals were affected by the change program; (b) the changes described could not be considered large-scale changes; or (c) a description of the same organizational change effort had already been received.

Respondents were asked to respond to structured and open-ended questions regarding characteristics of the large-scale improvement program with which they were most familiar. Questions concerning organizational size, age, competitive environment, reasons for beginning the effort, program goals, methods utilized, program time horizon, and the extent of external consultant involvement and

employee participation were included in the questionnaire. In addition, respondents were asked to rate the success of these programs on a 5-point Likert-type scale ranging from 1 (this program was not at all successful) to 5 (this program was extremely successful). The success ratings were used to examine the relationship between several organizational variables and program success.

The organizations represented in the sample were broadly classified into several categories. Thirty-eight (38) percent of the sample are manufacturing firms, 12 percent are education or government organizations, 10 percent are health care firms, and 9 percent are financial service firms. The remainder of the sample is composed of a variety of nonprofit and service organizations (9 percent), utility companies (7 percent), high-tech or engineering firms (4 percent), insurance or real estate firms (3 percent), wholesale or retail firms (3 percent), telecommunications firms (3 percent), and transportation companies (2 percent). The reported mean size of the organizations in the sample is 24,197 employees (with a mode of 2,000) and the average age of firms is 65.9 years.

Results

The Impetus for Large-Scale Change Programs

Respondents were asked to select from a list of eight items the major reason for beginning the large-scale change program. These items were derived from a review of the literature that addresses the issue of why organizations initiate planned change programs (e.g., Beckhard & Harris, 1977; Carnall, 1986; Nadler, 1982). Many respondents (33 percent) indicated multiple reasons for beginning the effort. The most cited reason for beginning a program was anticipated changes in the business environment (cited by 20 percent of respondents). Other reasons for beginning a change effort included increased competition (15 percent), poor financial performance (9 percent), customer, client, or shareholder dissatisfaction (7 percent), low morale (5 percent), fear of a takeover attempt (3 percent), a change in technology (3 percent), and a change in government regulations (3 percent). This information is summarized in Table 1.

The level of competition experienced by companies may have also contributed to concerns about organizational effectiveness. Sixty-eight (68) percent of the respondents indicated that the organizations described were experiencing a high or very high level of competition. Only 15 percent of the respondents profiled organizations with no or low competition. Related to the issue of external pressure for change, 15 percent of respondents also indicated that the organization profiled would cease to exist within the next few years without some type of planned change program. Eighty-two (82) percent of respondents indicated that without a program, the organization would gradually suffer a decline in performance or would not be as successful as it otherwise might be. Only 3 percent indicated that the organization would continue to be successful without some type of program.

The data suggest that companies are responding primarily to external cues or "change triggers" in determining whether or not some type of planned change effort is necessary. Very few of the respondents, however, indicated that organizational survival was threatened.

Goals of Planned Change Programs

Participants in the study were asked to list the primary goals of the programs described. These goals were then categorized by the researchers. The overwhelming majority of the respondents indicated that the programs had multiple goals. The specific goals listed most often by respondents were increased productivity (mentioned by 20 percent of the respondents), increased responsiveness to customers or clients (19 percent), improved product quality (19 percent) increased employee participation (19 percent), and decreased costs (19 percent). The goals listed by at least 10 percent of the respondents are shown in Table 2.

Program Time Horizon

Of the large-scale improvement programs described, only 11 percent lasted for less than one year. One hundred and thirty (42 percent) of the programs were described as lasting more than one year but less than five years, and 15 respondents (5 percent) described the program as lasting more than five years. Many respondents (42 percent) indicated

that the program had no specific time horizon but, rather, was viewed as an ongoing organizational process. This view is consistent with writings concerning the importance of viewing change as a long-term process as opposed to a short-term program or "quick fix" (e.g., Beer, 1988; Kilmann, 1989).

Outside Consultant Involvement

Outside consultants were involved in most (81 percent) of the efforts described, but the extent to which they were involved varied. Seventy-five (31 percent) of the respondents indicated that external consultants were involved in only one or a few program activities, while 80 (34 percent) of the respondents indicated that outside consultants were involved in several program activities. Eighty-four (35%) of the respondents indicated that consultants were involved in most or all program activities. These data support the traditional organization development position that planned change programs often call for the expertise of an external change agent.

Participation and Employee Involvement

Respondents indicated that all levels of the organization were actively involved in program activities in 77 percent of the cases. Eleven (11) percent of the programs described were focused only or primarily on upper-level managers and 15 percent of the programs were focused on other managerial employees. Only 2 percent of the programs were focused on non-managerial employees. The responses suggest that widespread participation by many levels of employees seems to be an accepted means of implementing and institutionalizing organizational change.

Techniques and Methods for Change

Participants in the study were asked to identify the types of methods and techniques used in the program from a list of several organization development techniques. This list was adapted from French and Bell's (1984) topology of interventions. Team building was the most frequently employed change technique, with 220 (71 percent) of the respondents indicating that this technique was used in the programs with which they were most familiar.

Survey feedback (199 cases, 64 percent of the sample), strategic planning (198 cases, 64 percent of the sample), off-site problem-solving sessions (189 cases, 61 percent), skill-building activities (177 cases, 57 percent), and some type of restructuring (171 cases, 55 percent) were also used extensively. Culture awareness or culture change workshops were used in 153 cases (49 percent), process consultation in 138 cases (37 percent), quality circles in 89 cases (29 percent), T-groups in 24 cases (8 percent), and Grid O.D. in 17 cases (6 percent). The data suggest that traditional O.D. techniques are widely used in many different settings and that the large majority of change programs profiled used multiple methods to achieve program goals.

In order to determine the degree to which these methods were considered to be effective, respondents were also asked to indicate the degree to which the various techniques used contributed to program success. The most "successful" technique, according to respondents, seems to be team building. Of the respondents listing team building as being included in the program, 30 percent indicated that this intervention made a major contribution to the success of the program. Twenty-six percent noted that a strategic planning intervention contributed most to the process. Culture change and awareness workshops (identified by 23 percent of respondents) and some type of restructuring (identified by 20 percent of respondents) were also mentioned as contributing to program success. Information concerning the use and perceived contribution of various O.D. techniques is shown in Table 3.

Characteristics of "Successful" Programs

As was noted earlier, program success ratings were used to explore the relationship between several program variables and program success. These results are summarized in Table 4.

A majority of study participants indicated that the programs described for this research were at least moderately successful. Only 52 of the respondents (18 percent) indicated that the programs described were not at all successful or only slightly successful. One hundred and nineteen of the respondents (39 percent) indicated that the programs were moderately successful, and 131 of the respondents (43 percent)

indicated the programs were very or extremely successful.

There were no significant differences in the success ratings of different types of organizations represented in the sample (e.g., change programs in manufacturing organizations were as likely to be successful as change programs in health care organizations) nor was there a significant relationship between organizational size or age and program success. The data from this sample also suggest that there is no significant relationship between the degree of external consultant involvement and program success.

However, several variables do appear to be related to program success for this sample. Specifically:

1. There was a significant, positive correlation ($r=.144$, $p < .01$) between perceived program success and the degree of competition in the organization's primary environment. The success ratings of organizations in no or low competition environments were also significantly ($p < .05$) lower than programs taking place in highly competitive environments. This finding offers some support for writings that suggest that some type of external trigger often creates increased motivation for a successful change (e.g., Beckhard & Harris, 1977; Tichy & Ulrich, 1983).
2. There is also some evidence to suggest that longer-term programs tend to be more successful. A *t* test comparing programs lasting less than two years with those lasting more than two years revealed that the shorter time frame programs were perceived to be significantly less successful than the longer time frame programs ($p < .05$). The highest mean success score was associated with programs described as being an "ongoing effort" as opposed to those efforts limited to a specific time frame.
3. Greater employee participation in the change process was associated with program success for this sample. There was a significant

positive correlation ($r = .148$, $p < .01$) between the percentage of employees involved in the effort and ratings of program success. In addition, a t test revealed that programs that involved all levels of the organization in program activities were significantly more likely to be successful ($p < .05$) than programs that focused primarily on upper-level management. This finding is consistent with substantial evidence in the organizational change literature that suggests that more participation results in greater commitment to change (e.g., Lawler, 1986).

Conclusions

This research provides a broad overview of some current practices in the management of large-scale change. Based on this data, a "typical" large-scale change effort is initiated in response to or in anticipation of external environmental changes. Most organizations in the sample were experiencing a high level of competition, but organizational survival was not at stake when the program was initiated. The data from this study suggest that a highly competitive environment is associated with higher ratings of program success.

The majority of programs were initiated to achieve multiple goals and were expected to be implemented over a number of years. External consultancy resources were utilized to some degree by 81 percent of the sample, but were not generally associated with higher levels of program success. Traditional O.D. techniques, most notably team building, were used in a variety of settings to achieve a variety of goals. It also appears that organizations clearly recognize the importance of widespread participation. This research offers further support that participation seems to contribute to the success of large-scale change efforts.

There are, of course, several limitations to this study. The study was cross-sectional as opposed to longitudinal, and therefore no causal linkages can be demonstrated. Nor can it be claimed that the organizations in this sample are representative of all organizations involved in large-scale change efforts. Rather, the data from this study provide a snapshot of what many organizations are experiencing. As such, the findings presented in the article may serve as a useful benchmark for those organizations anticipating the implementation of some type of large-scale change program.

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TABLE 1

Reasons for beginning large-scale change efforts

Reason:	Percentage of Sample Indicating This Reason
Multiple Reasons	33 %
Anticipated Changes in Business Environment	20 %
Increased Competition	15 %
Poor Financial Performance	9 %
Customer, Client or Shareholder Dissatisfaction	7 %
Low Morale	5 %
Fear of a Takeover Attempt	3 %
Change in Technology	3 %
Change in Government Regulation	3 %

TABLE 2

Goals of Large-Scale Change Efforts

Program Goal:	Percentage of Sample Listing as a Major Goal
Increase Productivity	20 %
Increase Responsiveness to Customers/Clients	19 %
Improve Product Quality	19 %
Increase Participation	19 %
Decrease Costs	19 %
Increase Morale	18 %
Skill Development	14 %
Developing/Implementing New Strategic Plan	13 %
Change in Human Resource Policies	12 %
Change Corporate Culture	10 %
Improve Communication	10 %
Become More Adaptive	10 %
Increase Competitiveness	10 %

TABLE 3

Techniques and Methods for Change

Activity:	<u>Utilized Activity in the Change Effort</u>		<u>Contributed Most to Achievement of Goals</u>	
	Response Frequency	Percent of Sample	Response Frequency	Percent of Sample
Team Building	220	71 %	66	30 %
Survey Feedback	199	64 %	25	12 %
Strategic Planning	198	64 %	51	26 %
Off-site problem solving sessions	189	61 %	29	15 %
Skill-building Activities	177	57 %	28	16 %
Restructuring	171	55 %	35	20 %
Culture Awareness/ Change Workshops	153	49 %	35	23 %
Process Consultation	138	44 %	18	13 %
Job Redesign/ Enrichment	124	40 %	15	12 %
M.B.O.	107	35 %	17	16 %
Quality Circles	89	29 %	17	19 %
Sensitivity/ Laboratory Training	24	8 %	7	29 %
Grid O.D.	17	6 %	2	12 %

TABLE 4

Relationship Between Large-Scale Change
Variables and Ratings of Program Success

Variable	Relationship
1. Type of Organization	No significant relationship between type of organization and program success.
2. Firm Size & Age	No significant relationship between organization size or age and program success.
3. Level of Industry Competition	Significant positive correlation ($r = .144$, $p < .01$) between the level of competition and program success.
4. Timespan of Program	Programs lasting for less than 2 years were significantly less successful ($p < .05$) than those lasting 2 years or more.
5. Employee Participation	Significant positive correlation ($r = .148$, $p < .01$) between the percent of employees involved in the effort and ratings of program success.
6. Consultant Involvement	No significant relationship between degree of external consultant involvement and program success.