

Organisational Change Agents and (Un)wanted and (Un)intended Outcomes

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Abstract

This paper shows how the behaviour of a single change agent affected outcomes. The mechanisms were demonstrated through which actions contributed to the non-achievement of planned outcomes and to the appearance of unintended, unwanted and unpredicted outcomes. The investigating was carried to establish if there were differences between “good” and “bad” change agents and also to investigate a change in an organisation with offices in several locations and analyse what happens when an organisational level change is implemented at each of the sites. By doing so we will be able to make comparisons between several change agents in a similar situation. Comparison change processes in several companies to determine the role played by structure in change management compares to the role played by agency.

Keywords: Organisational change; Unintended and unwanted outcomes; Organisational development

Introduction

Despite the huge amount of literature that has been produced about it, the process of organisational change is not fully understood. Even with all the project plans, communication plans, stakeholder analyses and Organisational Development tools that are typically produced and used by highly trained and experienced change agents during an organisational change initiative, many planned organisational changes—even in apparently well-managed companies such as the one discussed in this case study—are at best only partially successful in terms of meeting their objectives [1-4].

We were interested in how the behaviours of change agents affect change processes and change outcomes, so we followed for over two years a major organisational change, known as the *Bauplan* change and which we describe in more detail below, in the organisational structure at PCo, the Montreal-based subsidiary of a large multinational pharmaceutical company. Among the goals of the change were an increase in efficiency and bringing the company closer to the customers. The company undertook great efforts to make the change process a success, yet the stated objectives were not achieved and there were in fact many unintended and unwanted consequences for the organisation and for the groups and individuals in it.

In this paper we present some of the results of an empirical, longitudinal, in-depth, processual case study to discuss how the roles and behaviours of change agents in the organisation contributed to the processes that led to the “very disappointing” (Interview with senior marketing manager) results of the *Bauplan* change. First, we provide a brief review of change agency and of approaches to studying change, and present our methodology. Next we briefly present the *Bauplan* change, after which we look in this short paper in more detail at how the behaviours of one particular change agent influenced change outcomes. Future versions of the paper will investigate the various types of change agents that we observed, their behaviours and the roles they played and how they played them, and how they understood themselves (i.e. how being a change agent became a part of identity work) We will also discuss the role of agency vs. structure in organisational change and consider the question: does it even make sense to ask if there such a thing as a good change agent or a bad change agent? And if the

answer is Yes: what is the difference between them? The aim of the research is to try to establish what these differences might be, should they exist. A fundamental issue that we also wish to address is the relationship between planned and unplanned change in organisations. Our research takes as a hypothesis that planned change always brings with it unintended consequences, some of which are positive and some are negative at the level of the organisation, group and individual. This implies then, that a multi-level approach to the study of organisational change is essential.

Change Agency

Agency involves human action, a concept that plays a central role in the prescriptive literature on planned change, which assumes that human agency is enough to achieve successful change – if the steps in the *n*-step guides of managerialist literature are followed [2]. Here, change is generally portrayed as a linear phenomenon with predictable outcomes, where change agents can anticipate the outcome of their actions [5].

Caldwell [3] describes this as a rationalist discourse on change agency, which favours intentional agency and concepts of planned change. Ottaway [6], for example, presents a taxonomy of ten categories of change agents building on Lewin’s approach to change, who fit into three groups – change generators, change implementors and change adopters. Caldwell [7] identifies four models of change agency within the rationalist discourse:

- Leadership models, where top managers are change agents who initiate strategic, far reaching change,

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- Management models, which focus on the role of middle managers in implementing change,
- Consultancy models, which views internal and external consultants as change agents who may be involved at various levels in change processes, and
- Team models, which conceive of teams as change agents, who may operate at various levels and stages of the change process.

A second set of discourses on change agency identified by Caldwell [3] are contextualist discourses, which focus on 'emergent' change and bounded rationality. A key figure here is Andrew Pettigrew and his processual-contextual approach to studying change. Pettigrew [8,9] argues that there is scope for individuals to act as change agents, but that the scope is limited by broader social contexts, inner contextual factors and the organization's history, its present situation and the direction in which it wants to move.

A great strength of the processual-contextual approach is that it recognises that change arises from a combination of intentions, happenstance and institutional norms [10]. In other words, agency is part of the framework of scholars like Pettigrew. Our own research follows in Pettigrew's footsteps [11]; research based on the processual-contextual approach involves:

- Describing the processes under study, which means investigating them over time,
- Describing the contexts and levels of analysis,
- Linking the processes with the contexts and levels of analysis, and
- Linking the process of a change to the change outcome.

Our data selection and theory building were guided by grounded theory [12], which gives priority to the data over theoretical assumptions. We gathered a large amount of quantitative and qualitative data – over forty interviews – not least because the change we were studying was a particularly complex one. In order to permit the analysis of change processes over time, first-hand accounts of change in the company were gathered from individual interviews (and company documents) over two years. The selection of interviewees took into account hierarchical and functional groupings within the organisation. The interviews were transcribed, coded and analysed with the help of the qualitative research software program ATLAS.ti.

The Change

There are over seven hundred employees at PCo; the main commercial activities are marketing new and existing pharmaceutical products, conducting clinical trials for new drugs, and getting and maintaining approval for drugs from Health Canada. The company's global headquarters decided on the *Bauplan* change, whose goal was to align the structures of the company's main subsidiaries. Pre-*Bauplan*, PCo was organized by functional areas rather than by product lines. Phase I of *Bauplan* created a matrix structure with four business units (PCo called them Business Franchises) for the Primary Care drug portfolio. The heads of the Business Franchises were VPs who reported to the President. The main point of Phase II of *Bauplan* was the creation of the position of Head of General Medicines (HGM), who was supposed to take over some of the work of the President, and also to improve co-ordination and communication between the business units. The VPs now reported to the HGM. Phase II took place approximately one year after the first.

Methodology

The research approach used is a case study of a planned organizational change. This method provides the opportunity for a holistic view of a process, and allows individual aspects of the process to be connected to the larger context [13,14]. Eisenhardt [15] emphasises the ability of the case study to cover multiple levels of analysis (a topic that is covered in more detail below). The case study technique is useful where there is interest in discovering informal or unusual behaviour within the organization, because a level of trust can develop over time between researcher and members of the organization [16].

This study pays particular attention to the multilevel nature of organizations. The axiom that organizations are multilevel systems is implicit in organization theory, and provides a foundation for historical and contemporary theories of organizational behaviour [17]. This axiom is typically unacknowledged, however, and little research deals explicitly with levels, even though no construct is level-free and organizational phenomena inevitably involve levels [18]. As Rousseau [19] contends, "conceptually, if not always operationally, organizational research is inherently cross-level". Organization theory has generally dealt with each level in isolation, because the intellectual forebears of organizational research – psychology (micro-level) and sociology (macro-level) – still exert a profound influence on scholars [17,19]. That this is not ideal can be seen in the arguments of Rousseau [19], Cappelli and Sherer [20], Klein et al. [18] and House et al. that single level perspectives cannot adequately account for organizational behaviour.

The methodology used to guide data selection and theory building is grounded theory. Originally espoused by Glaser and Strauss [12], grounded theory gives priority to the data over theoretical assumptions. Glaser and Strauss (ibid.) contrast it to the then prevalent approach in sociology research of rigorously verifying theories that were developed only through logic. They argue (ibid.: vii) that this approach has maintained an "embarrassing gap between theory and empirical research". Their concern is to bring the development of theory into a much closer relationship to the data. By doing so, it will be possible to meet the requirements of theory: that it should fit the data, be relevant, must work and be readily modifiable [21].

There were two aspects to the data collection strategy. First, in order to permit the analysis of change processes over time, first-hand accounts of change in the company were gathered from individual interviews (and company documents) over a period. Second, in order to be able to analyse categories that emerged (involving individual, group and organization levels), the selection of interviewees took into account hierarchical, functional and informal groupings within the organization. In total, 42 interviews were carried out; 15 of them were with lower level employees, 20 with middle managers and the rest with top managers. The interviews were transcribed and coded and analyses using Atlas.ti software.

One Change Agent and (Un)Wanted Change Outcomes

Change outcomes can be categorized in several ways. When a change outcome is classified as 'intended', its intended results may be achieved fully, or not achieved at all. The unpredictable nature of change processes also means that there will be outcomes which were not expected or intended – they are the side-effects of the change and are often (but not always) unwelcome.

Intended outcomes

The intended outcomes of the *Bauplan* change were communicated

to PCo employees by means of change management activities by senior management and are summarised in the following Table 1.

The goal of “putting more focus on the business” was presented in internal documents as being particularly important for success. During the interviews, two aspects to achieving the goal of emerged: increasing external focus by getting closer to customers and understanding their needs better, and decreasing internal focus by reducing the amount of time, effort and energy spent on activities that were not directly related to the business. In interviews carried out a year after *Bauplan* had been introduced two-thirds of respondents stated that there had been neither an increase in external focus, nor less time and effort being spent on internal, non-business related topics. A typical comment:

“More external focus? Not really – we talk about it, but nothing seems to be happening.” – Associate, Business Franchise.

Unintended and unwanted outcomes

Several unintended outcomes of the *Bauplan* change were identified: an increase in stress levels, an increase in workload, an increase in cynicism, a feeling of less empowerment, lower morale and worse work-life balance. Here we concentrate on the outcomes that were felt by interviewees to be the most significant: stress and a feeling of less empowerment.

Stress: Just over fifty percent of the interviewees felt that their stress level had increased with the introduction of *Bauplan*. First, the introduction of a new structure and the resultant uncertainty was a contributing factor, being mentioned by forty percent of the interviewees. Second, there was the nature of the new structure itself, which was being perceived as top heavy. Interviewees drew attention mainly to the workload, e.g.

“So we are becoming very heavy at the top and leaner at the bottom, so the pyramid is turning upside down. Which increases stress and pressure – you know, too many bosses, too many chiefs, not enough Indians.” – Middle manager, Support Function.

Empowerment: Nearly half the interviewees believed that there was less empowerment than previously because of *Bauplan*. Among the reasons advanced were that managers who were higher in the hierarchy were taking decisions that the interviewee used to take, that there was a tendency towards micromanagement by top managers, that they were left out of the decision-making process, and that the structure was too top heavy. Typical comments were:

“My boss is deciding things that I used to decide.” – Middle manager, Business Franchise.

“Let’s be honest. There are too many chiefs, so they keep hold of any decisions as much as they can so they can play their games.” – Middle manager, Business Franchise.

	Intended Outcome
Organization level outcomes	More alignment with PCo Pharma globally
	Greater financial success
	More focus on the business
	Improved decision making
Group level outcomes	Increased alignment and synergies
	More efficiency between Primary Care and Support Functions
Individual level outcomes	More job accountability and responsibility
	Career progression

Table 1: Expected outcomes of *Bauplan* classified by level.

The head of general medicines as a change agent and change outcomes-what happened

The position of Head of General Medicines was created to help PCo achieve the following planned outcomes in particular: more alignment with PCo globally, increased alignment and synergies between the Business Franchises, and improved decision making. He himself said,

“I guess one of the key things here is that I’m a change agent, you know – I’ve got to get us to do things in a different way.”

The first of these outcomes was achieved simply through the fact that PCo Canada now had an identical organisational structure to PCo in other countries. The HGM was expected (and expected himself) to act as a change agent to achieve the other two outcomes. In interviews he mentioned that he was working with the VPs of the Business Franchises who now reported to him to make sure that “wheel don’t need to be invented twice”, and that he was also working with them to ensure that responsibilities were clearly defined. The feedback that we got from interviewees suggested however that little progress had been made in these areas: 58% of respondents felt that the alignment and synergies in Primary Care was essentially the same as before the *Bauplan* change, despite the introduction of the position of Head of General Medicines. A typical comment came from a middle manager with over fifteen years of experience:

“That’s the theory – that the Head of General Medicine’s job is to get the BFs working more closely together; the practice is, it’s not working.”

Twelve of the interviewees felt that brand management, as it existed in the four Business Franchises, was less aligned than the single brand management and marketing group of pre-*Bauplan* times. One experienced manager said,

“Right now, we are four companies running in four different directions. Different processes, even different cultures. What I see in fact is that the Business Franchises are becoming silos.”

The HGM was alone in believing that there had been improvement, saying

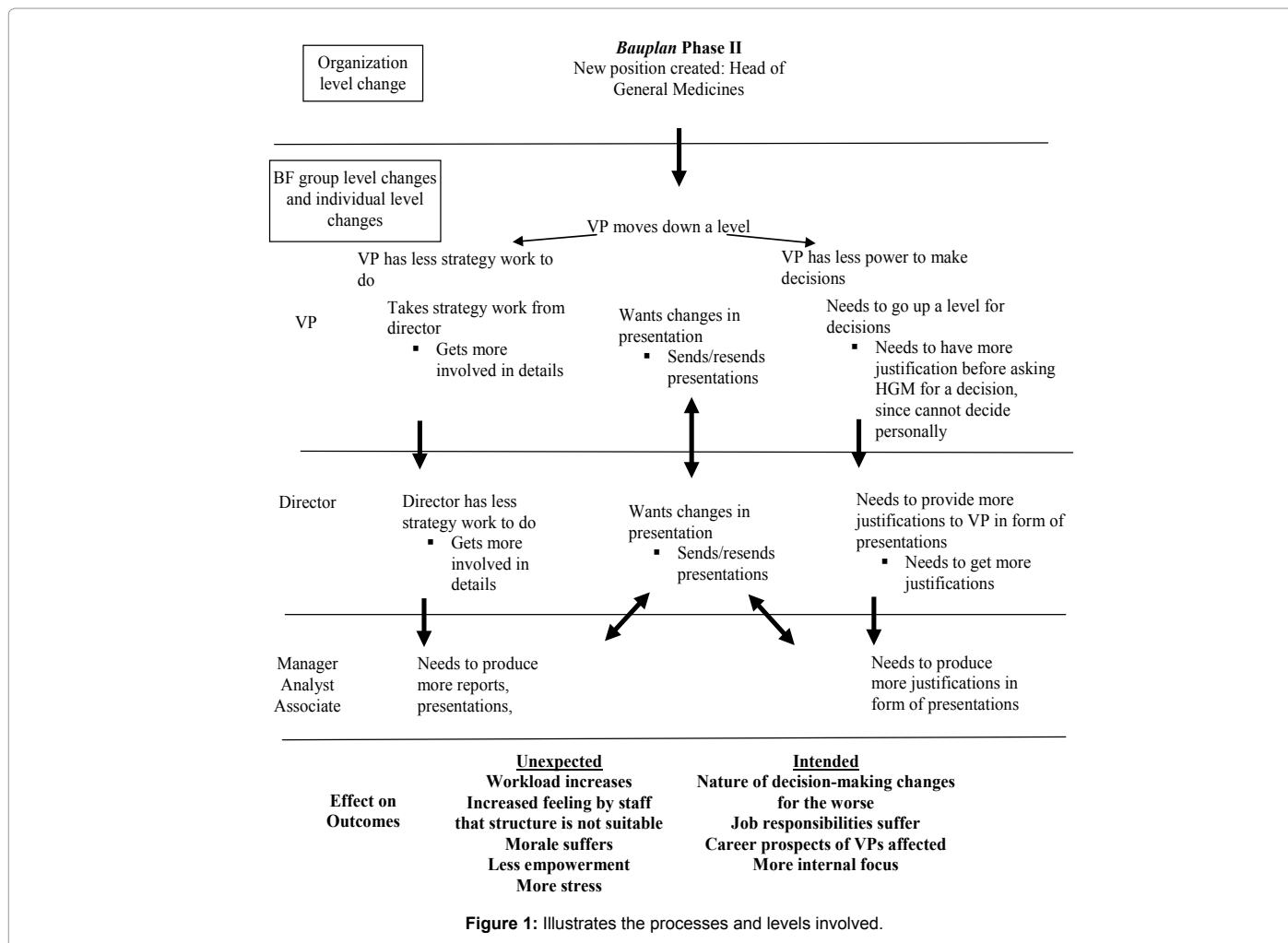
“We get together and talk about resources and stuff, so I think it’s better now than before.”

Other intended and unintended / unwanted outcomes were also affected by how the Head of General Medicines acted as a change agent:

- The workload of the marketing staff increased which had a negative effect on their level of stress (unintended outcome)
- The level of empowerment was reduced because decisions were being made at a higher level in the hierarchy than before (unintended outcome)
- There was more focus on internal decision-making processes rather than focus on the business (intended outcome, goal not met)

The head of general medicines as a change agent and change outcomes-how it happened

The processes that led to these outcomes can be summarised as follows: the creation at the organisational level in Phase 2 of *Bauplan* of the new position Head of General Medicines (HGM) meant that there was a significant change in the roles and responsibilities of the Heads of the Business Franchises (who were VPs). The way in which the HGM as change agent implemented this change meant that the VPs



had fewer strategic decisions to make and less work to do, because the HGM started to take these decisions himself and do some of the work that was previously done by the VPs. As a result, the VPs themselves started to get more involved in the work of the directors who reported to them, taking over the more interesting tasks and making some of the decisions that the directors had been making. The same process then applied to the directors, who in turn got more involved in the work of their staff, took over some of their more interesting activities and made decisions for them.

In short: the way in which the change “addition of an extra decision-making level” was implemented by the responsible change agent meant that the VPs needed to provide justification to the Head of General Medicines in the form of reports and presentations whenever they needed him to make a decision for them. These documents had to be prepared by the marketing staff in the Business Franchises and increased their workload. This meant they had less time to spend on marketing to their customers. Figure 1 illustrates the processes and levels involved.

Taking a multilevel view, this figure also shows how the way in which a change agent implements a change has an effect on several levels: an organisation level change (introduction of the position of HGM) changed decision making processes in the Business Franchises (group level). This then contributed to effects at the individual level-a loss of empowerment and increase in stress.

Conclusion

This short paper shows how the behaviour of a single change agent affected outcomes. We have demonstrated the mechanisms through which his actions contributed to the non-achievement of planned outcomes and to the appearance of unintended, unwanted and unpredicted outcomes. We are investigating whether we can establish if there are differences between “good” and “bad” change agents. On the basis of our research so far, we cannot provide an answer to this question, as we were only able to look at the role of a single person. In the future we plan to investigate a change in an organisation with offices in several locations and analyse what happens when an organisational level change is implemented at each of the sites. By doing so we will be able to make comparisons between several change agents in a similar situation. Following that, we plan to compare change processes in several companies to determine the role played by structure in change management compares to the role played by agency.

The HGM was not the only change agent; change agency was distributed throughout the organisation – all four of the models of change agency described by Caldwell [7] were observed at PCo: in addition to top managers who initiated the *Bauplan* change and were held responsible for its success (like the HGM), there were the middle managers who had to implement it, both internal and external consultants, and teams.

Our next step will be to untangle the roles played by the different types of change agents in the change outcomes we observed and then to address the underlying theme of the role of agency in organisational change as we seek to identify the limits and possibilities of change agents in the complex process of organisational change.

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