

THEORY AND PRACTICE
THIRD EDITION

W. WARNER BURKE



# Organization CHANGE THEORY AND PRACTICE THIRD EDITION





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SAGE Publications, Inc. 2455 Teller Road Thousand Oaks, California 91320 E-mail: order@sagepub.com

B 1/I 1 Mohan Cooperative Industrial Area Mathura Road, New Delhi 110 044 India

SAGE Publications India Pvt. Ltd.

SAGE Publications Ltd. 1 Oliver's Yard 55 City Road London EC1Y 1SP United Kingdom SAGE Publications Asia-Pacific Pte. Ltd. 33 Pekin Street #02-01 Far East Square Singapore 048763

Printed in the United States of America

Library of Congress Cataloging-in-Publication Data

Burke, W. Warner (Wyatt Warner), 1935-

Organization change: theory and practice / W. Warner Burke. — 3rd ed.

p. cm.

Includes bibliographical references and index. ISBN 978-1-4129-7886-6 (pbk.: acid-free paper)

1. Organizational change. 2. Leadership. I. Title.

HD58.8.B876 2011

658.4'06-dc22

2010031277

This book is printed on acid-free paper.

#### 10 11 12 13 14 10 9 8 7 6 5 4 3 2 1

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# Organization CHANGE THIRD EDITION

To Bobbi

And to the next generation . . .

Brian & Emily, Courtney & Darrin, and Donovan & Reni

And to the next generation after that . . .

William, Thomas, Julien, Adrian, and Madeleine

## **Preface**

he bulk of what was written for the first and second editions of this book remains the same in this third edition. Fundamentals of organization change are still fundamental. This third edition nevertheless has been revised with a new chapter on organizational culture change and other revisions here and there. These revisions are more about additions that I believed needed to be included especially in the final piece, Chapter 14. The two additions there are positive organization change based primarily on the work of Kim Cameron and loosely coupled systems based primarily on the work of Karl Weick.

The purpose of this book, then, is to report on and interpret current knowledge of organization change. The knowledge comes from a variety of sources, as noted in Chapter 1. The interpretation comes from my understanding as an academic of what the literature seems to be telling us and from my experience of well over 40 years as an organization change consultant. Will Rogers is reported to have said, "All I know is what I read in the newspapers." All I know is what I have read in the organization literature and what I believe I have learned as a consultant to organizations. Both are limited. You the reader should therefore be forewarned. While I have made a concerted effort to present material from the literature as objectively as I could, in the end what I have written is biased, at least in two ways: my selections from the literature are just that, selective, and are not comprehensive, and my interpretations come from experience. It should be noted, however, that in the meantime I have coedited a book of readings that contains much of the literature that undergird this text. With this book (Burke, Lake, & Paine, 2009) of some 52 entries, you the reader can go to the originals and make your own interpretations. In any case, this reader serves as a useful supplement to this third edition. Experiences as an organization consultant continue to

influence my thinking and writing. For example, in the past few years I seem to have been drawn more and more to focus on leadership. There are now two chapters instead of one on leadership, Chapters 12 and 13. Maybe I am coming full circle. My doctoral dissertation many years ago was on leadership. Allow me to describe briefly a few examples.

First, I continue to codirect our MA program in organizational psychology here at Teachers College, Columbia University, for a cohort of 24 U.S. Army officers at the U.S. Military Academy at West Point. On completion of this graduate degree in one year, most of these officers (captains and majors) will be assigned to cadet companies (about 130 students) as the regular army's officer-in-charge. They evaluate twice a year the cadets' military performance and also serve as mentor, coach, and leader for these cadets. They have considerable influence on future officers of the U.S. Army. Our faculty therefore have indirect influence through our classroom teaching. This experience has been significant and rewarding. No doubt I have been influenced as well.

Second, I have been involved for a few years now with a midwestern state university as a visiting professor but also as a consultant to the provost and the dean of the one of the university schools. In this work we have focused on the leader's (provost and dean) role in initiating and managing change. Being one of the state-supported universities in this particular state means that regulations and budgets are somewhat imposed which in turn creates a "tightness" in how the institution operates. Yes, it is a university after all, which means that it is more of a loosely coupled system overall than a tight one. We therefore emphasize mission, change direction, shared values, and cooperative actions across units to ensure that even though looseness is recognized and informally rewarded, a system consisting of interdependent parts is the focus. In working with this organization, I was reminded of ideas from the 1930s expounded by Mary Parker Follett (as cited in Follett, 1996), an individual way ahead of her time. Her notion of the invisible leader is an excellent case in point. She stated that for organizational effectiveness, both the leader and the followers need to follow the invisible leader—the purpose of the organization. That way, leadership is organizationally focused and not so dependent on the person of the leader. I am using this idea in discussing the leadership of this university.

Third, I have been involved in leadership transitions, trying to help organizations deal as effectively as possible with the change from an old to a new president and chief executive officer. This kind of transition

provides a wonderful opportunity for organization change. We need to know more about matters of leadership transitions. Incidentally, quite a number of years ago, Michael Mitchell wrote a brief and useful article for the *Harvard Business Review* on how to facilitate a transition in leaders.

In sum, recent experiences with leader coaching and consulting have no doubt influenced choices and perspectives in this third edition. And, as before, my attempt has been to combine and to some degree integrate theory and research with application. After setting the stage in Chapters 1 and 2, then providing some background and history in Chapter 3, Chapters 4 to 8 are more about theory and research, and the remaining chapters deal more with application and practice.

## Acknowledgments

have many people to thank, and I am very pleased to have this opportunity to do so. First and foremost is Ben Schneider, who insisted that I write this book. Throughout, he was incredibly supportive, patient, and persistent about my staying the course. Then there were my three official reviewers for Sage, beyond Ben, two of whom had reviewed my previous work (Burke, 1982). Len Goodstein was his true self and a true friend in holding my feet to the fire, that is, calling my attention to the need for (a) more examples, (b) better linkage between theory and practice, and (c) better logic as I went from A to C and assumed too much by skipping B. Craig Lundberg gave me feedback in two categories: the "big stuff" and the "little stuff," as he called it. I paid attention to all, but particularly to the big stuff. All the "stuff" was on target and very helpful. The third Sage reviewer was David Whetten. As with the others, it was clear that he had given the manuscript a careful reading. First, he pointed out a major inconsistency in my coverage of theory, which I quickly corrected to alleviate my embarrassment. David and I share a strong interest in and reliance on models. His suggestions along these lines were most helpful. Also, his urging me, as Ben did, to talk about future research needs in the final chapter caused me to take action.

And then there were my friends and colleagues at Teachers College, all of whom amazed me by actually reading the entire first draft. I am immensely grateful. First, Roger Myers, now emeritus, the consummate psychologist who knows how to write and is a stickler about the bad habit of making nouns into verbs, helped to considerably improve my writing of this book. Caryn Block reminded me time and again to remind the reader about points made earlier and how they related to what I was stating. She also urged me to use examples. I did. Arthur Levine, former president of Teachers College and a change leader in the world of education, brought his experience and knowledge to my manuscript. His critique and questions were invaluable. Debra Noumair was

my idea person. For example, she suggested that I declare myself in the second chapter. My "points of view" section was the result of that suggestion. She also helped me to think through the ordering of things. Her creativity was much appreciated. Victoria Marsick shares with me the excitement of ideas from chaos theory and the life sciences. I followed many of her suggestions for applying these ideas. Lee Knefelkamp, a scholar of the first order, is superb at helping one to see how seemingly disparate concepts actually intertwine. Her support in my attempt to "bring things together" was most beneficial.

Tony Petrella, a friend and colleague of many years who also read the manuscript, is a true organization change practitioner. What is unique about Tony is that as a consultant and practitioner, he understands and deeply appreciates theory. His comment about my ability to "push practice through the lens of theory" was very meaningful to me.

Finally, and most important for this third edition, was my right arm, Lynda Hallmark. She helped me to get this manuscript onto the computer and into readable form. I was fortunate to have her help and skills with the computer and her constantly positive attitude. Also helpful in all of these matters was our academic program secretary, Lebab Fallin.

It is appropriate for me to end these acknowledgments with the requisite caveat. Even with all the help that I received, I do in the end acknowledge that the final product is solely my responsibility.

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### CHAPTER 1

# Sources for Understanding Organization Change

rganizations change all the time, each and every day. The change that occurs in organizations is, for the most part, unplanned and gradual. Planned organization change, especially on a large scale, affecting the entire system, is unusual: not exactly an everyday occurrence. Revolutionary change—a major overhaul of the organization resulting in a modified or entirely new mission, a change in strategy, leadership, and culture—is rare indeed. Most organization change is evolutionary. These two distinctions, planned versus unplanned and revolutionary versus evolutionary, represent core themes of this book. To be unequivocal here at the outset, the emphasis is more on planned and revolutionary change.

The reason for this emphasis is the clear and present need for a greater depth of understanding of organization change. Current and future trends in the external environment in which organizations function necessitate such an understanding. Unlike the situation a few decades ago, the external environment now changes much more rapidly than organizations do. Organizations today are playing catch-up, and certainly they will do so even more in the future. Capital markets, for example (see Chapter 2), are definitely changing more rapidly than the business organizations that depend on them. Moreover, business organizations in particular do not last as long as they have in the past. Thus, we need to know much more than ever before about how to understand, lead, manage, and in particular, change organizations. And this gives rise to the purpose of this book.