Claudia Peus, Dieter Frey, Marit Gerkhardt, Peter Fischer,
Eva Traut-Mattausch*

Leading and Managing Organizational Change Initiatives**

Although indispensable for long-term economic growth, organizational changes are usually met with resistance. This article draws on psychological theories and empirical evidence to highlight why and under what conditions changes lead to resistance and what likely consequences of resistance are. Furthermore, the article discusses the variables that have been identified as success factors for organizational change initiatives. These include individual difference variables and objective characteristics of the changes, but in particular aspects of the implementation, such as fairness and trust, adequate communication strategies, leadership, and participation. Finally, conclusions summarizing the most important aspects that are beneficial to consider in managing organizational change initiatives are presented.

Key words: **change management, resistance, success factors**

* Claudia Peus, LMU Center for Leadership and People Management, Ludwig-Maximilians-University Munich, Geschwister-Scholl-Platz 1, D – 80539 Munich, Germany.
E-mail: Peus@psy.lmu.de.

Dieter Frey, Department of Psychology, Ludwig-Maximilians-University Munich, Leopoldstr. 13, D – 80802 Munich, Germany. E-mail: Dieter.Frey@psy.lmu.de.

Marit Gerkhardt, Stormstr. 28, D – 30177 Hannover, Germany.
E-mail: info@savia-consulting.de.

Peter Fischer, University of Graz, Department of Psychology, Universitaetsplatz 2/III, A – 8010 Graz, Austria. E-mail: peter.fischer@uni-graz.at.

Eva Traut-Mattausch, Department of Psychology, Ludwig-Maximilians-University Munich, Leopoldstr. 13, D – 80802 Munich, Germany.
E-mail: traut-mattausch@psy.lmu.de.

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1. Introduction

Today's organizations face a number of challenges resulting from the development of new technologies, changing employee demographics, global economic competition and economic shocks related to the instability of both domestic and global financial markets. The ability to quickly and adequately adapt to these environmental challenges has become a crucial factor for the success of an organization. As a result, an organization's competitive advantage no longer primarily depends on its production facilities or financial strength but rather on its capacity to embrace change and innovate (Burnes 2004; Dess/Picken 2000; Tushman/O'Reilly 1997). In concordance with this view, Tushman and Anderson (1986) provided evidence that companies that initiate technological change tend to grow more rapidly. Moreover, experts suggest that organizations with successful change management strategies are more likely to survive and thus more likely to provide sustainable employment for their workers (Picot et al. 1999).

Although people are increasingly more aware of the need for change, many significant organizational change initiatives fail to meet expectations (Burke 2002; Probst/Raisch 2005). In fact it is estimated that somewhere between 40% and 70% of change initiatives fail (Burnes 2000). Activities pertaining to the implementation of changes in organizations should focus on changing the behaviors of organizational members since these are crucial for the improvement of organizational outcomes (Robertson et al. 1993). As their meta-analysis of 52 evaluations of planned change interventions shows there is a positive relationship between individual behavior change and changes in organizational outcomes. In order to aid to the development of a better understanding of the antecedents and facilitators of individual behavior change, this article presents psychological theories as well as empirical evidence highlighting barriers to and success factors for organizational change initiatives.

Change management can be defined as the introduction and management of initiatives designed at "renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers" (Moran/Brightman 2001: 111). Due to the fact that employees are ultimately responsible for executing change initiatives, and change succeeds or fails depending on employee behavior (Armenakis/Bedeian 1999), leading employees to support the changes is critically important for the success of any organizational change initiative. However, since the introduction of organizational changes is usually met with employee resistance (Scheck/Kinicki 2000), this article first explores why and under which conditions employees are likely to react with resistance before discusssing the antecedents of support for organizational changes. Both theoretical explanations, mostly from social psychology, and empirical evidence specific to organizational change management are provided.

2. Employee resistance to organizational change

Previous research points to the fact that negative employee reactions are most common in the context of organizational change (Scheck/Kinicki 2000). Negative employee reactions can be detrimental for organizations since they are commonly associ-

ated with harmful outcomes, such as employee withdrawal (e.g., Armstrong-Stassen 1994) and reduced performance (Weeks et al. 2004). However, as Ford et al. (2008) point out it is important to expand the discussion of resistance to change to include its sources and its potential contribution to effective change management. Concordantly, the next section describes not only the negative outcomes of employee resistance, but also the conditions under which resistance does (and does not) occur, as well as its potential benefits.

2.1 Explanations for employee resistance

In examining the negative relationship generally found between organizational change and employee attitudes, research has used concepts such as uncertainty (Ashford 1988) and the related loss of control (Ashford et al. 1989) as well as fear of failure (Nadler 1982) and disruptions in sense making (McKinley/Scherer 2000) as explanations for employee resistance (Herold et al. 2007).

Uncertainty is likely experienced by employees in relation to a number of organizational issues such as the process of change implementation and the expected outcomes of the change (Jackson et al. 1987; Buono/Bowditch 1989). Potentially even more importantly, employees may experience uncertainty regarding the security of their position as well as their future roles and responsibilities (Bordia et al. 2004). Studies based on control theory (Frey/Jonas 2002) show that it is not only the extent to which a person can in fact influence an event that strongly influences his/her emotions and well-being, but also the degree to which imminent events are predictable and explainable for that person (cf. Fischer et al. 2007; Greitemeyer et al. 2006). Consequently, employees seek to gain some prediction and understanding over events in order to minimize their uncertainty and feelings of loss of control (Sutton/Kahn 1986). An important tool for minimizing employees' uncertainty and thereby facilitating positive employee attitudes towards the changes is communication by managers (see pp. 8 ff). As the empirical investigation by Allen et al. (2007) showed, employees who reported receiving timely, accurate and useful communication (termed "quality change communication") revealed lower levels of uncertainty and a higher level of openness to change than employees who did not. The correlation between quality change communication and uncertainty was $r = -.37$ for job-related as well as strategic uncertainty and $r = -.50$ for implementation-related uncertainty on the one hand, while it was $r = .33$ for openness to change. (All correlations are statistically significant).

Fear of failure is another reaction employees are likely to show in the face of organizational change (Nadler 1982). For example, they may be scared of not being able to deal with new technologies or not understanding new work processes. Fear of failure can be particularly disadvantageous because it likely impedes a rational analysis of the imminent changes and the potential opportunities they may bring about and can lead to stress. But do changes automatically have to cause fear and stress? According to research conducted by Lazarus that is not necessarily the case. He has shown that human beings only react with fear and stress whenever they suspect an imminent event they can not cope with (Lazarus/Folkman 1987). In line with this prediction investigations of the antecedents of openness to change (Wanberg/Banas 2000) and change commitment (Herold et al. 2007) identified change-related efficacy (individuals' confi-

dence in their ability to handle the changes) as an important predictor. Thus, empirical evidence points to the fact that employees are less likely to react to organizational changes with resistance if they believe they can handle the changes. This belief, in turn, can likely be influenced by communication (Eden/Aviram 1993) and organizational interventions aimed at building employees' change self-efficacy (Herold et al. 2007). These interventions should facilitate and support smaller changes in a way that they yield successful outcomes and provide positive feedback and potentially rewards in order to strengthen employees' beliefs in their ability to handle changes (cf. Frey et al. 2002).

The third concept drawn upon in the explanation of employee resistance to organizational change is *disruptions in sense making* (McKinley/Scherer 2000). As research shows (e.g. Weick 1995) it is crucial for employees to be able to make sense of organizational structures and procedures and particularly the changes they are faced with in order to develop commitment. Again, communication plays a crucial role in facilitating this outcome and preventing employee resistance. As Frahm and Brown (2005) posit, change processes require individual sense making – which can be facilitated especially by monologic change communication (e.g. by top management who describe why the changes are necessary). In addition, collective sense making is important. This can be supported by dialogic communication (e.g. with direct supervisors, who explain the impact on the particular department, answer questions, and stimulate discussions among colleagues).

2.2 Contextual variables influencing employee resistance

In his comprehensive investigation of resistance to organizational change Oreg (2006) conceptualized employee resistance as a multifaceted construct. Specifically, he distinguished between three types of resistance: affective (positive and negative feelings towards the specific change), cognitive (evaluation of the worth and potential benefit of the change), and behavioral (intentions to act against change). In the prediction of these three types of resistance he drew on four contextual variables: 1. expected outcomes (job security, intrinsic rewards, power and prestige), 2. trust in management, 3. information, and 4. influence of colleagues. Expected outcomes (job security, intrinsic rewards, power and prestige) were significantly related to affective and cognitive resistance, but not to behavioral resistance. That is, expectations of losing power and prestige and potentially one's job led to strong negative feelings towards the changes and negative evaluations of their benefits while the expectation of positive outcomes – such as gaining power – were related to positive feelings towards and evaluations of the changes. Trust in management was significantly related to all three types of resistance, i.e. the lack of faith in leadership was strongly related to increased reports of anger, frustration, and anxiety with respect to the change (affective resistance; r = -.33), to increased actions against it (behavioral resistance; r = -.30), and in particular to negative evaluations of the need for, and value of the organizational change (cognitive resistance r = -.52). The examination of information showed that more information was associated with worse evaluation of and higher willingness to act against change. This finding highlights that the mere provision of information is not sufficient in promoting employee support for changes, but rather it is the perceived quality of the

information (Allen et al. 2007). With regard to the fourth contextual variable examined, influence of colleagues, a significant positive association with behavioral resistance was revealed (r = .26). That is employees who were surrounded by colleagues who opposed the change tended to express more negative emotions and behavioral intentions.

2.3 Organizational consequences of employee resistance

Empirical evidence points to the fact that employee resistance is an important predictor of a number of work-related variables that impair effective organizational functioning (Wanberg/Banas 2000). Among the outcomes most frequently cited are lower levels of job satisfaction and commitment, as well as stronger withdrawal intentions and increases in sick time. In his investigation of affective, cognitive, and behavioral resistance Oreg (2006) examined to what degree the different types of resistance predicted job satisfaction, organizational commitment, and intention to leave the organization. He found the predicted relations in a sense that affective resistance was particularly related to job satisfaction (r = -.15), cognitive resistance was particularly related to organizational commitment (r = -.12), and behavioral resistance was particularly related to intentions to quit (r = .15). In short, this study shows that some contextual variables are particularly related to a decrease in job satisfaction (e.g. expected outcomes) or organizational commitment (e.g. information), while other variables are particularly closely related to intentions to leave the organization (e.g. influence of colleagues). Overall, the study also highlights the importance of trust in management for job satisfaction, organizational commitment, and intentions to leave the organization during change processes.

While the investigation by Oreg (2006) focused on the impact of resistance on employee affect and behavioral intentions, the study by Fugate et al. (2008) centred on objective measures of employee behavior, i.e. sick time used and voluntary turnover. Fugate et al. (2008) measured employees' appraisals of organizational changes (specifically threat and harm caused by the changes), employees' positive and negative emotions related to the changes, employee coping (proactive, i.e. control coping vs. avoidance, i.e. escape coping), and intentions to quit one month after the initial management changes. Twelve months later, the authors gathered data on sick time used and voluntary turnover from company records. Their results showed that negative emotions predicted sick time used and intentions to quit, which then predicted voluntary turnover. The findings of this study highlight that managing employee appraisals and subsequent coping strategies and emotions is paramount to reduce employee withdrawal during organizational change.

Negative employee reactions to organizational change can have serious implications for change effectiveness and organizational competitiveness (Spreitzer/Mishra 2002). Notably, a lack of employee commitment and engagement is likely to erode the competitive advantages that presumably motivated the changes, especially in knowledge-based industries. Furthermore, voluntary turnover of key personnel not only costs an employer organizational knowledge, skills, and abilities, but their competitive position is further threatened if such employees then join competitors (Fugate et al. 2008).

Despite the numerous negative outcomes associated with employee resistance, Ford et al. (2008) point out that the discussion of resistance in the context of change management has been one-sided. They stress that it has been ignored that resistance to change can be a potential contributor to or resource for effective change, although authentic dissent has been shown to be functional in other areas of management (Nemeth et al. 2001a; Nemeth et al. 2001b; Schulz-Hardt et al. 2002). In particular, Ford et al. (2008) stress that resistance may actually contribute to the successful implementation of change, if it is viewed as contributing to the build-up of momentum (e.g. the changes are talked about) and source of information about unnecessary, impractical, or counterproductive elements in the design or conduct of the change process.

Overall, this section has discussed a number of psychological mechanisms that underlie employee resistance to organizational change and has highlighted that procedural aspects are paramount for influencing employees' behavioral responses (Crino 1994; Robbins et al. 2000; Skarlicki/Folger, 1997). Consequently, the next section only briefly presents individual difference variables and objective characteristics of the changes found to influence employee reactions. More emphasis is placed on the procedural aspects that influence the success of organizational change initiatives, wherefore they are discussed at greater length.

3. Success factors for organizational changes

3.1 Individual difference variables

A number of concepts have been examined as positive reactions to organizational changes in the context of individual difference variables, including a positive view of change (e.g. Miller et al. 1994), openness to change (e.g. Wanberg/Banas 2000), change commitment (e.g. Herold et al. 2007), and – somewhat indirectly – a lack of resistance (Oreg 2006). Overall, there is evidence for the fact that individual differences have an impact on these reactions to change. For example, Miller et al. (1994) found that persons with high levels of *need for achievement* had a more favorable view of organizational changes than people with low levels of this trait. This is likely explained by the fact that people with high levels of need for achievement may see the changes as opportunities to prove their competencies and potentially advance in the organization. Similarly, openness to change was positively associated with *personal resilience*, a composite of self-esteem, optimism, and perceived control (Wanberg/Banas 2000). In this study openness to change was also related to *change-related self-efficacy*, i.e. confidence in the ability to be able to handle change. Further evidence for the importance of change-related self-efficacy is provided by Herold et al. (2007) who report it to be an important predictor of individuals' change commitment ($r = .37$), especially in settings where changes are frequent. Finally, the study conducted by Oreg (2006) revealed an association between *dispositional resistance to change* (a personality construct) and the affective as well as behavioral dimensions of resistance. In summary, these studies point to the fact that some employees are more likely to embrace change than others, regardless of the particular nature of the change. In order to facilitate the implementation of organizational changes it may thus be advisable to consider individual

differences by placing individuals with high levels of need for achievement, personal resilience, and change self-efficacy in core positions (cf. Herold et al. 2007).

3.2 Objective characteristics of the changes

One characteristic of organizational changes that is likely to influence employee reactions is the changes' *magnitude*. In line with this assumption Greenberg (2005) proposes the differentiation between two kinds of change: first-order change and second-order change. First-order change (or incremental change) includes change that is continuous in nature and that involves no major shifts (e.g., Toyota: continuously improving the efficiency of the production process). Second-order change (or quantum change) includes radical changes that involve major shifts at different levels of the organization and with different aspects of the business (e.g., change of culture, new technology, new structure). Despite their necessity for organizational success, second-order changes are usually met with resistance since employees are forced to abandon familiar assumptions, approaches, and environments. They have to quit routines which have facilitated their actions and abandon what has been proven to be comfortable, useful or efficient in the past. Concordantly, recent research (Fedor et al. 2006) has found the magnitude of change to be an important correlate of change commitment. That is, individuals' commitment to a change is partly dependent on the degree to which the change impacts or disrupts their work routines. The more the change disrupts their routines, the more likely employees are to react with resistance. This is true even for changes that one may be positively predisposed toward or for which the outcomes are ultimately expected to be positive (Herold et al. 2008). It may thus be wise for organizations to implement a series of small changes rather than one quantum change in order to minimize employee resistance and facilitate success of the change initiative.

In addition to the changes' magnitude, the *frequency* with which they occur within one organization has been found to impact employees' change commitment. Specifically, the investigation by Herold et al. (2007) revealed that an environment of frequent changes has a negative impact on employees' change commitment – especially if people have low self-efficacy – even when controlling for impact on the individual and his/her work group and perceived fairness of the implementation.

This section highlighted the fact that individual difference variables and objective characteristics of the changes impact employee reactions to them. However, various authors (e.g. Crino 1994; Robbins et al. 2000; Skarlicki/Folger 1997) point out that most important for influencing employees' behavioral responses are procedural aspects, i.e. the way changes are managed. We will turn to this area next.

3.3 Implementation of organizational changes

As Oreg (2006) points out based on his comprehensive investigation of the antecedents of resistance to change, of all the variables examined *trust in management* was the most important one. In fact it was significantly associated with affective, cognitive, and behavioral resistance to change which, in turn, were significantly associated with decreases in job satisfaction and commitment as well as intentions to quit the organization. Concordantly, evidence points to the fact that failing to repair damaged rela-

tionships and restore trust which may have been damaged in the process of introducing changes leads to different types of resistance such as cynicism, a tendency to engage in disparaging and critical behaviors toward both change and change agents, and lower work motivation and commitment (Andersson 1996; Dean et al. 1998; Reichers et al. 1997). A loss of trust in management as well as lower levels of obligation toward and satisfaction with the employer are likely to be caused by experience of injustice or betrayal (Robinson 1996; Robinson/Morrison 1995; Robinson/Rousseau 1994).

The experience of having been treated unfairly can lead to resentment and a desire for retribution (Folger/Skarlicki 1999), which can result in such negative outcomes as lower productivity, lower work quality, and less cooperation (Shapiro/Kirkman 1999). In extreme cases, people may seek revenge or retaliation and engage in sabotage, theft, or other aggressive or violent behaviors (Benisom 1994; Robinson/Bennett 1997; Tripp/Bies 1997). According to recent theory-building and research (Colquitt et al. 2001) *organizational justice* consists of four components: distributive, procedural, interpersonal and informational justice. Distributive justice refers to the distribution of outcomes, i.e. people expect the output to be distributed in accordance with their input. However, this expectation can often not be met when changes are introduced. It is therefore even more important to observe procedural justice in managing organizational changes. Procedural justice is concerned with the way in which results were achieved and the criteria that were applied. Meta-analyses of numerous studies show close connections between procedural justice and job satisfaction, performance, organizational commitment and trust (Colquitt et al. 2001; Cohen-Charash/Spector 2001). Accordingly, procedural justice has a major influence on the acceptance of change processes. For the other two types of justice (interpersonal and informational) communication is central. While interpersonal justice is concerned with the degree to which behaviors shown towards employees are appropriate and respectful, informational justice refers to the way decisions, procedures, and outcomes are communicated and adequate explanations are provided. Informational justice in the context of organizational change also means that actual or potential bad news connected to the changes are provided and discussed openly with the affected employees. This helps to minimize the impact of those negative aspects, as predicted by inoculation theory (McGuire 1961). Overall, research on organizational justice in the context of changes has shown that when people see themselves as being or having been treated fairly, they develop attitudes and behaviors associated with successful change (Cobb et al. 1995). As illustrated above, a crucial aspect for the perception of having been treated fairly is communication.

Despite the general acceptance that *communication* is important during organizational changes strategies implemented by management often fail to fulfill their purpose (Smeltzer 1991; Armenakis/Harris 2002). This may at least partly be due to the fact that communication strategies are designed based on common-sense assumptions, which are not always in concordance with empirical evidence. For example, the scholarly literature has focused more on the quality of information than did the discussion in the popular press (Allen et al. 2007; Bordia et al. 2004). As the investigation of a government department undergoing major changes by Allen et al. (2007) revealed, employees who indicated having received quality change communication (character-

ized by perceived timeliness, accuracy, and usefulness) demonstrated a more positive attitude towards the change. Specifically, quality change communication was positively associated with employees' openness to change to the extent that the communication addressed employees' uncertainty regarding strategic and job-related issues. Furthermore, employees rated the quality of information they received from their supervisors as higher than the information disseminated by senior management. They explained that this was true since communication with supervisors was usually two-way and thus allowed them to ask questions and make suggestions. Concordantly, several managers described their role as a filter of information making sure that their employees received information regarding imminent changes in such a way that it was relevant and understandable. On the side of the employees this led to the fact that employees indicated preferring their direct supervisors as a source of change-related information, in particular because they were able to address job-specific aspects which were most important to them. Thus, it may be advisable for organizations to focus on communicating job-specific information through supervisors in advanced stages of the change process, after strategic information has been provided by senior management initially.

Based on their findings Allen et al. (2007) recommend using a cascading approach when developing change communication strategies. This would entail senior management to provide information on strategic issues, while direct supervisors convey more practical information to their employees. The communication of practical, job-related information should be done in a manner that allows for specific questions. Along those lines Frahm and Brown (2005) have highlighted the fact that three communication models exist in the area of change communication. They comprise monologic and dialogic change communication, and the background talk of change. While monologic communication is ideally used to convey strategic information (particularly by top management), dialogic communication can serve to provide more specific job-related information (which is best done by direct supervisors). Finally, background talk refers to mainly informal conversations between peers. This is the context in which conversations about cynicism or resistance are most likely to take place (Ford et al. 2002). However, background talk can also be a promoter of organizational change, since the social environment of a person has an important impact on his/her attitudes towards the change (Brown/Quarter 1994). Hence, it may be advisable for supervisors to identify employees who have a positive view of the changes and who may serve as multipliers by communicating their positive views to their peers. It is crucial that these persons do not only possess influence, but are also highly regarded and trusted by their colleagues and by other employees in the organization.

Another aspect of communication that may have been misrepresented in the popular press is the role of negative information in change communication. As empirical evidence shows negative information should not be withheld, to the contrary, negative information, about change can help alleviate anxiety and reduce some negative reactions to change (Miller/Monge 1985). Concordantly, the empirical investigation by Schweiger and DeNisi (1991) revealed that a realistic merger preview – a complete and authentic explanation of both the positive and negative outcomes of a merger – reduced the uncertainty change recipients had about the imminent change and increased their ability to cope with it. In line with this finding inoculation theory

(McGuire 1961) predicts that the focused communication of negative information can be used to immunize receivers to the negative information. It has been used successfully in a number of areas, e.g. preventing the erosion of public attitudes toward an organization following a crisis (Wan/Pfau 2004) or increasing the resistance of supporters of political candidates to attack messages from opposing candidates (Pfau/ Burgoon 1988).

The communication of negative information may also be important when it comes to explaining the rationale behind the changes. As Gebert (2004, 2007) points out the perception of deficits is an inevitable condition for people's willingness to accept innovation and change. For example, the EURO was accepted more readily once people had realized that it would be introduced inevitably (Jonas et al. 2002). However, it is recommended to address necessary changes proactively by pointing out the need to change in the present in order to secure standards for the future (e.g., social security, the environment, and natural resources). Nevertheless, since people are still likely to experience uncertainty and anxiety even though they are aware of the need for change, dialogic communication with the direct supervisor and the observance of principles of organizational justice are crucial in winning employees' support for the change initiative.

One variable that has been discussed as an important success factor for organizational change initiatives is the communication of a *vision* (e.g. Kotter 1996). Fairhurst (1993) reviewed the scientific literature concerning important functions of vision creation and communication during change. She argued that vision serves as a means to create and manage shared reality, inspire action, focus attention, and create new social structures in organizations. She further contended that a vision that is clearly understood and perceived by employees is more likely to engender a favorable reaction. Empirical support for these postulates is provided by findings from the area of transformational leadership,[1] which has been found to be a crucial predictor of employees' support for organizational changes (see below). One of the core components of transformational leadership is the development and communication of an attractive vision. Furthermore, transformational leaders communicate high performance expectations but at the same time provide employees with support in order to reach these challenging goals. In order to inspire employees to commit themselves to the change process and make extra efforts the goals to be achieved have to be connected to the overarching vision, they have to be presented as a challenge, but at the same time must be regarded as attainable and specific (Locke/Latham 1990). In short, it is important to present an inspiring, positive vision as part of strategic change communication, but point out that in order to reach this vision in the future sacrifices in the present are necessary and some negative aspects will have to be faced at the practical level.

As Herold et al. (2008) point out, although change processes have been conceptualized in a variety of ways the *leadership* change agents show has received the greatest amount of attention and has been shown to be a powerful determinant of individuals'

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1 Transformational leadership is characterized by leader behaviors that are exemplary, inspire their followers to reach challenging goals and provide high levels of individualized consideration and support (see Bass 1985; 1998).

reactions to organizational changes (Beer 1980; Brockner et al. 1994; Lind/Tyler 1988). Most of the recommendations on how to lead change processes in organizations, e.g. communicating the plan for the change, building a guiding coalition, developing a compelling rationale for the change, and providing support (Kotter 1996) can be linked to one or more dimensions of transformational leadership (Herold et al. 2008). Accordingly, transformational leadership – the concept that dominates recent theory-building and research (Judge/Piccolo 2004) – has been examined with regard to a number of outcomes in the context of organizational change. These include commitment to the change (Herold et al. 2008), cynicism about organizational change (Bommer et al. 2005), and effectiveness of change management teams (Pearce/Sims 2002). Overall, these studies have provided consistent evidence for the utility and appropriateness of transformational leadership in implementing organizational changes. Specifically, Herold et al. (2008) found transformational leadership to be more strongly related to employees' change commitment (r = .35) than change-specific leadership practices (r = .19). This was especially true when the change had significant personal impact for the employee. Overall, 17 percent of the variance in affective change commitment were explained by the leaders' transformational behaviors alone. The findings provided by Herold et al. (2008) thus highlight two facts: First, more transformational leaders seem to get their followers to embrace the changes, regardless of their specific behaviors in planning or implementing the changes. Second, particularly under conditions of high insecurity for employees their overall perception of their managers is crucial for their reactions to the change and a trusting relationship cannot be substituted by mere professional management of the changes. Further support for the importance of transformational leadership in organizational change initiatives comes from the longitudinal investigation by Bommer et al. (2005). As they had hypothesized, transformational leader behaviors were associated with lower levels of employees' cynicism about organizational change. Furthermore, the direction of causality was consistent in suggesting that transformational leader behaviors reduced employees' cynicism about organizational change. Finally, evidence for the utility of transformational leadership in the context of organizational change is provided by Pearce and Sims (2002) who investigated the effectiveness of change management teams in an automotive manufacturing firm. In their study the researchers compared the impact of transformational and directive leadership on team effectiveness and in doing so differentiated between these two leadership styles enacted as shared leadership (i.e. among team members as a whole) and as vertical leadership (i.e. by the team leader). Results indicate that vertical transformational leadership was positively related to manager (β = .45) and team self-ratings (β = .63) of team effectiveness, and shared transformational leadership was found to be positively related to team effectiveness as rated by its manager (β = .42), the team (β = .38), and its internal customers (β = .32). Furthermore, shared leadership emerged as a more useful predictor of team effectiveness overall than vertical leadership. However, since vertical transformational leadership was also a significant predictor of team effectiveness, a combination of both shared and vertical transformational leadership seems most promising in the context of organizational change.

In addition to the particular leadership style enacted, having *consensus within the leadership* team is important for the success of organizational change initiatives. Having a leadership team that is united in its support for and approach to the change process is indispensable. As research highlights, it is not only the adequate execution of the change process that matters, but more importantly how the leadership team embodies vision, values, strategy, motivation, and inspiration (Roger 2003). A competent and strong group of executives is the ideal driving force behind the implementation of change. Since management serves as a role model for all stakeholders, disagreements between its members are likely to lead to insecurity and resistance on lower levels of the organizational hierarchy. If employees perceive an attitude of avoidance or doubt among their executives, they are most likely discouraged from supporting the changes themselves.

In line with findings from the area of transformational leadership research has supported employee *participation* to be associated with successful outcomes from the perspectives of employees as well as organizational decision makers (Bordia et al. 2004; Coyle-Shapiro 1999; Edmondson et al. 2001; Nutt 1987; Sagie et al. 2001; Sagie/ Koslowsky 1994). Specific to change management research has shown participation to be an important predictor of openness to change (Wanberg/Banas 2000) as well as of post change trust in management (Lines et al. 2005). Underlying the impact of participation on positive employee reactions to organizational changes is likely to be the basic human need for control or at least perceived control. Control describes the degree to which an event is explainable, predictable, and subject to influence (Frey/Jonas 2002). Applied to change processes, control theory implies that it is very important to include organizational members in the process from an early stage on, in order to raise identification and the willingness to participate. Action or project plans are suitable to help employees create their own script for content and timing and, further, to enable understanding of what is happening now and in the future. That way expectations are clearly defined which gives employees some sort of planning reliability and a feeling of control over the situation. Concordantly, research based on the Theory of Planned Behavior (Fishbein/Ajzen 1975) also showed that employees' attitude, subjective norm, and perceived behavioral control predicted their intentions to support organizational change (Jimmieson et al. 2008). According to the model by Fishbein and Ajzen the following factors are relevant for behavior change: Persons must have a positive attitude towards the behavior. The expected new behavior must be evaluated positively (i.e. as having some utility or advantages compared to previous behaviors). In addition, there must be a subjective or social norm that it is good to change. If either the environment (social norm) or the person himself/herself is opposed to the change (personal norm), a change in behavior is unlikely to occur. Finally, it is important that the person possess self-efficacy with regard to the desired new behaviors. If all of the conditions above apply, an intention to change will be formed, and subsequently there is an increased probability that people will indeed show behavioral change (Herold et al. 2007; Oreg 2006).

4. Conclusion

Overall, this article has presented empirical evidence highlighting the fact that the way the organizational change initiatives are managed and led is hugely important for their success. First, a number of studies point of fact that the degree to which employees embrace organizational changes is largely dependent on their trust in management. This variable, in turn, is closely associated with organizational justice. Especially since distributive justice can often not be achieved in organizational change initiatives, adherence to procedural, informational, and interpersonal justice is crucial for employees' reactions. Specifically, employees have to perceive the processes underlying the changes as fair and feel that they have been treated appropriately and been given adequate information about the changes and the reasons for them. Concordantly, research has pointed to the enormous importance of communication in change processes. In particular, empirical evidence has revealed the quality of information (i.e. timeliness, accuracy, perceived usefulness) to be an important determinant of employee reactions. Furthermore, based on empirical evidence a cascading approach to communicating changes is recommended in which strategic information is conveyed by monologic communication (e.g. by top management), whereas dialogic communication (e.g. with direct supervisors) is used to clarify the impact of the changes on individual employees' work and allow them to ask questions. Furthermore, it is advisable to include negative information in the communication of changes in order to immunize employees to it. Nonetheless, an inspiring vision (which justifies sacrifices on the way to achieving it) is regarded as an important factor in facilitating positive employee reactions to organizational changes. Consistent with this finding, a transformational leadership style which includes the communication of an overarching vision and challenging goals as well as the provision of individualized consideration and support has been found to be most effective in leading organizational changes. In sum, a combination of transformational vertical leadership with shared (i.e. team-based) leadership and employee participation can be regarded as a particularly promising approach to the implementation of organizational changes. Since individual differences such as personality traits and change-related self-efficacy have been found to influence employee reactions to changes, employees for core positions should be chosen carefully and under consideration of these variables. In addition, organizational initiatives to support employees' change-related efficacy (e.g. by means of implementing a series of small changes and celebrating the victories) seem useful. These would also pay consideration to the fact that changes of high magnitude are more likely to be met with employee resistance. In considering the factors mentioned above organizations as well as individual change agents can increase the success rate of organizational change initiatives.

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