

**Next concepts for successful organizational change**

According to a [Capgemini Consulting \(2010\)](#) study, 25 per cent of all the change management initiatives fail, productivity decreases about 25 per cent in times of change and employee turnover increases by approximately 10 per cent. Other studies show similar findings ([Shin \*et al.\*, 2012](#); [Zhang and Rajagopalan, 2010](#)). These numbers indicate that, typically, change management not only has a major impact on company's performance – but in many cases, it makes the situation even worse. This is an unacceptable outcome because, obviously, companies apply change management to achieve a turnaround in performance and productivity.

The high number of change management disasters has fostered an academic debate in the recent years focusing on the reasons for failure. This debate is quite self-critical because many scholars see this issue as more than a problem of practitioners who fail to properly implement good theoretical concepts. [Burnes and Cooke \(2012, pp. 1416-1417\)](#), for example, argue that several change management projects fail because most theoretical concepts are evidently based on problematic normative assumptions. According to these authors, most approaches perceive change as something positive which is, therefore, legitimized. Thus, several scholars and managers approach changes with the attitude that they have to neutralize any employee resistance – that is seen as irrational and illegitimate behavior. The argument that theories based on such assumptions might be inappropriate has become more and more popular within the field of change management in the recent years ([Ford \*et al.\*, 2008](#); [Oswick \*et al.\*, 2005](#); [Sturdy and Grey, 2003](#); [Wetzel and Van Gorp, 2013](#); [Will, 2014](#); [Will, 2015](#); [Will and Pies, 2018](#)). These critical voices are a strong indicator that we need to develop powerful theories that will give a better understanding of change.

Our field might give poor advice not only to practitioners, but, even more importantly, our change management lectures may give our students inaccurate ideas about how to manage changes in their careers. I am quite sure that most of us still teach [Kotter's \(1995, 1997\)](#) eight steps or even [Lewin's \(1947, 1948\)](#) three-phase model of change management. Teaching these approaches may not be incorrect from an ontological perspective because they can *describe* both successful and failed changes *ex post*. However, such ontological perspectives also have their risks because it is quite difficult to *derive appropriate implications ex ante*. The limitation of such ontological approaches is that they disregard the functional logic of organizational systems. An appreciation of this logic is necessary for understanding cause and effect, which is relevant for developing appropriate applications of change management. This is something completely different compared to describing organizations and successful organizational change initiatives.

Addressing these issues, however, does not imply that the primary issue of theorizing is to solve managers' problems. In a highly specialized society, we as scholars cannot also be good company managers. But what we can do is develop better theories that help practitioners perceive relevant patterns that might be important for finding adequate solutions. We can help build well-defined concepts that reduce complexity, help focus on less obvious but relevant factors and generate ideas to help managers find solutions. Therefore,

---

We are really grateful for the support of our colleague Steffen Roth (ESC La Rochelle, [roths@esc-laroche.fr](mailto:roths@esc-laroche.fr)), who supported us and provided insight and expertise that greatly assisted this special issue.



---

we need theories because they can generate creativity among individuals to develop counter-intuitive solutions in highly complex settings. Theories can direct our limited capacities to the most relevant factors that may help negotiate successful change.

A good theory, thus, should not just confirm the obvious but help uncover apparently hidden interdependencies. Powerful theories emerge, therefore, through scholars' creativity and handcraft, which brings together novel ideas of theory design and applies logic to understand the theory's implications. In this early stage, theories can be far from being "applicable" because we are on our theoretical playground that requires, first and foremost, creativity – for formulating the central ideas – and logic – for developing the theory. The problems of practitioners may appear quite distant at this stage and may even be at odds with this process because the aim of achieving a practical solution for a problem may limit creativity and cause a break in logic for enforcing a solution.

Following [Kuhn's \(1970\)](#) ideas of the structures of scientific revolutions, we might be part of a process wherein we can shift old paradigms inappropriate for addressing modern challenges of our stakeholders. In such a phase, theorizing is broad, may seem to contradict other concepts and conflicts between different sub-disciplines may emerge. However, the prize is approaches with a much higher explanatory power, exactly what our key stakeholders are seeking. This process is not easy, of course, because we have to stray from the well-trodden path of conservative or mainstream science: we have to challenge our assumptions and key concepts, focus more on empirical examples that reject our existing concepts and start and maintain a process of creativity for designing new concepts. This might be an exhausting process and may even cause personal conflicts. Nevertheless, ignoring the deficits of our field might result in a situation wherein research on change management loses visibility and stakeholders' support. Furthermore, our discipline might even end up like alchemy or astrology if other fields develop better concepts for our problems.

Because of the theoretical deficits in our field, some describe change management as an art. We believe that such an ascription is part of the problem. We would be well advised to focus on a scientific understanding of change management and leave the art of change for charlatans and blatherers. Now, you could argue that this special issue is also not scientific because the submissions do a conceptual research without any empirical hypothesis testing. There are at least three reasons for rejecting such an argument:

First, before we can run empirical tests, preliminary considerations have to be made that are conceptual by nature even though empirical approaches can work with implicit assumptions. Because our field, like so many others, is getting more and more specialized, it may make sense to specialize in either theory design or hypothesis testing as the average journal paper is, in most cases, much too short for doing both. In addition, having specialists in both aspects would be of benefit to all.

Second, an emphasis on empirical research does not necessarily produce new insights even if we obtain many statistically significant results. In the field of econometrics, this recurring problem is termed the phenomenon of spurious correlations ([Granger and Newbold, 1974](#); [Simon, 1954](#)) . [Granger and Newbold \(1974\)](#), for example, use simulations and find that usual  $t$  tests in 75 per cent of cases incorrectly suggest that two random time series are correlated at the 5 per cent level. Even better methods or bigger data sets cannot solve this problem. Big data sets, in fact, exacerbate this problem: recent papers ([Calude and Longo, 2017](#); [Fan et al., 2014](#)) show that the number of spurious correlations depends on the size and not on the nature of the data set. The size of the data set increases the probability of finding spurious correlations. Thus, empiricism alone is no solution. We have to bring together theoretical and empirical work to ask the right questions in empirical studies.

Third, all the theories in this special issue can be falsified if empirical findings suggest this. We do not see these contributions as the end of the story but as a means to promote constructive debate to better understand and manage change. Therefore, we encourage other scholars to contribute to this debate through empirical findings and conceptual thoughts. There is an important point to be noted regarding the empirical falsifiability. Most of the contributions to this special issue are conceptual pieces, and, consequently, the assumptions of these theories might be easily falsified. However, this is not an argument against these approaches, as, conceptually, theories are used for reducing complexity so that we can develop appropriate implications for practitioners (Friedman, 1953/1974). Thus, implications and not assumptions have to be falsified. Of course, in an optimal world, we would make theories with “realistic” assumptions because the resulting complexity would not be an issue. If realistic assumptions were criteria for good theory, a good theory would be an exact copy of our world – but this would help no one in the real world with complex problems.

Before we give a summary of the contributions in this special issue and explain why they might be relevant for scholars and practitioners, we want to point out something that all the contributions have in common: they conclude with deliberative strategy suggestions for practitioners. This does not negate emergence as an important field of research. Moreover, some of the contributions are based on theories of emergence. Because we assume that change has an emergent nature, it is much more relevant for practitioners that they receive appropriate suggestions about how to deal with emergence. It is easy to argue from an academic standpoint that emergence might be the driver of all changes, and in a market economy this is not just empirically true, but is inherent in the economic system that promotes competition. Because of this, we – as a society – give death sentences to organizations that do not adapt themselves: bankruptcy. From a societal perspective, the system controls itself in a dynamic way independent of deliberative change management initiatives. Nevertheless, successful deliberative strategies might complement this process and prevent inefficiencies on the organizational level and negative personal and emotional consequences on the individual level. Finally, another implication of these contributions might be that some organizations are unalterable even when all stakeholders want a turnaround. Change, therefore, is not just what people and organizations want, it is also about what people and organizations can do in a given context.

Now, let us have a closer look on the papers of this special issue:

#### *Perceived uncertainty as a (poor) guide for changes*

All of us know the argument that we would live in a more and more dynamic world and, therefore, companies are more exposed to manage change. But what happens if we just misperceive the dynamic of our environment because we can perceive the past from the present but for comparing the present we only have the past as a reference point? This may cause a biased perspective because looking at the past from the present makes the past static; we already know the developments that have taken place. But looking at the present from the past tremendously increases our uncertainty just because the outcome of current developments is uncertain a priori – even with perfect knowledge of the past. However, this is not just a problem of our time, this problem is as old as manhood. Against this backdrop, Martin Weiss and Christina Schmidberger develop in their paper “Objective Environmental Conditions and Perceived Environmental Uncertainty: Cognitive Models as Explanation for a Perceptual Gap”, a model that offers explanations for the perceptual gap between objective environmental factors and perceived uncertainty. They give several reasons how dispositional and situational factors may cause a misperception. This approach gives a critical perspective on the whole field of organizational change: Perhaps,, this bias may initiate many change initiatives that have a

---

wrong focus or are even unnecessary because of this gap. The contribution of Weiss and Schmidberger is not only to highlight this issue; they also present a model whose implications may help reduce this gap. This paper is a good example that criticizing some widely believed assumptions of our field may result in constructive thoughts for further developing our research. Maybe, we have to consider that the only thing that is constant is the perceptual gap between objective environmental conditions and perceived environment.

*Routines and dynamic capabilities: the essential role of internal entrepreneurs*

The paper “Entrepreneurial Initiatives as a Microfoundation of Dynamic Capabilities” from Christian Mahringer and Birgit Renzl presents a new perspective on routines and organizational change. The paper starts with the observations that gaps may emerge between the existing and necessary routines because of environmental changes. The logical consequence of this observation is to adapt routines for closing the gap. Compared to most approaches from the field of dynamic capabilities, Mahringer and Renzl argue that intra-organizational entrepreneurs may launch changes. This perspective adds to the current debate that dynamic capabilities for facilitating change do not necessarily have to be granted through well-designed routines. Instead, routines may be part of the problem. Regarding entrepreneurship, this argument retrogresses from the old to the young Schumpeter (Schumpeter, 1912/2006; Schumpeter, 1942/2003). While the old Schumpeter argues that steady innovations are possible in mature organizations through appropriate routines, Mahringer and Renzl refer to prior routine research to emphasize that such routines might be misspecified and add that internal entrepreneurs have to disrupt these routines first. Considering organizational change from such a perspective bases on an understanding that the individual is crucial for organizational success: employees and managers need to be well-intended and well-informed and they have to handle conflicts that may emerge when these entrepreneurs try to change the routines. In addition, they need the knowledge to adapt routines in a way that routines become more efficient and effective without causing contradictions because changed routines might counteract with routines, for example, in other departments.

*The ambivalence of power for learning in times of change*

In their paper “Power Relations in Organizational Change: An Activity-Theoretic Perspective”, Frank Schirmer and Silke Geithner present an approach that brings together different streams of literature which have been seen unrelated to date. The authors argue that organizational change requires a respective learning. Their understanding of learning goes far beyond a simple single loop learning (Heracleous, 2003) because merely understanding the need for change and the intended measures is insufficient for implementation. As Schirmer and Geithner argue, expansive learning is necessary and this form of learning bases on a discursive practice that aims on sense making processes for adapting the organization’s environment (Engeström, 2010). The authors perceive expansive learning as a central success factor because the process of expansive learning defines the possibilities to change the organization. However, the power of the system and the involved actors influence this learning process. This perspective is interesting, because Frank Schirmer and Silke Geithner highlight how the organizational macro and micro levels can influence each other through a combination of collective learning and power. In this approach, power is a critical and highly ambivalent factor: power can spark or prevent learning processes, it can promote learning processes that support necessary changes, or it can discourage employees from implementing changes. By applying this perspective on a case study in the biotechnology industry, the authors reveal that the traditional understanding of many change management concepts – active change agents and passive

change recipients – may be quite inappropriate for understanding change. From a power perspective, even passive recipients might be quite powerful and a highly motivated staff might fail because of the system's power. Changing organizations successfully depends on the capability of making sense through expansive learning in situations with conflicting power relations on different organizational levels.

*A new research agenda from a process-based perspective*

Matthias Wenzel and Jochen Koch propose to examine organizational change from a process-oriented perspective in their paper "From Entity to Process: Toward a More Process-Based Theorizing in the Field of Organizational Change". This paper argues that several entity-based approaches do not fully reflect on their ontological understanding of theorizing and the limits that it entails. Consequently, analyzing relevant entities and understanding causality becomes difficult. To explore such a "messiness" in more depth, Wenzel and Koch emphasize a process-based perspective on organizational change because such a perspective might have distinct units of analysis – the process – for reducing the complexity of change management in an appropriate way. In addition, this paper offers a fresh perspective on routines because the authors highlight how individuals can influence processes. The process perspective may also benefit because this theory may address complex forms of causality that are beyond simple cause-and-effect models. Wenzel and Koch, to complete the picture, also perceive the process-theoretical perspective as an analytical procedure, which may give constructive stimuli to qualitative research to better understand the "hows" and "whys" of both failed and successful change projects.

*System theoretical insights why public policy might be overchallenged with calling for change*

In her paper "Financing Organizational Changes from Without: A Valid Instrument or a Costly Illusion of Strategic Public Policy?", Marta Lenartowicz presents a critical perspective on corporate change planned by politicians. She applies a system-theoretical framework and this paper highlights how difficult it might be to impose changes through central political planning. This paper presents a system-theoretical foundation of a core argument of many Austrian economists that central planning might be highly inefficient because of different system-inherent logics (Chaloupek, 1990; Rosen, 1997). Lenartowicz argues that, by means of their system-theoretical approach, financial incentives like subsidies cause perturbations within the organization just because financial incentives do not necessarily change the inner logic of the organization. As a consequence, the financial incentives only sustain such perturbations as the organization is externally compensated for bearing such dysfunctional stimuli. Lenartowicz concludes that promoting inner-organizational discourses might be more effective because such discourse can change the logic of the organization.

We hope that these contributions might be a stimuli for new theories, empirical validation and ideas for practical challenges. There are many challenges in our field but we believe that well-developed theories would be highly productive for its advancement. Bearing this in mind, we also encourage our readers to challenge theoretically and/or empirically this special issue's papers. This is exactly how we as scholars can generate social progress and prevent research on change management ending up like alchemy or astrology.

Matthias Georg Will

*Martin-Luther-University Halle-Wittenberg, Halle, Germany, and*

**Ralf Wetzel**

*Vlerick Business School, Leuven, Belgium*

---

**References**

- Burnes, B. and Cooke, B. (2012), "The past, present and future of organization development: taking the long view", *Human Relations*, Vol. 65 No. 11, pp. 1395-1429.
- Calude, C.S. and Longo, G. (2017), "The deluge of spurious correlations in big data", *Foundations of Science*, Vol. 22, No. 3, pp. 595-612.
- Capgemini Consulting (2010), *Change Management Studies 2010 – Business Transformation – Veränderungen Erfolgreich Gestalten*, Capgemini Consulting, München.
- Chaloupek, G.K. (1990), "The Austrian debate on economic calculation in a socialist economy", *History of Political Economy*, Vol. 22 No. 4, pp. 659-675.
- Granger, C.W.J. and Newbold, P. (1974), "Spurious regressions in econometrics", *Journal of Econometrics*, Vol. 2 No. 2, pp. 111-120.
- Engeström, Y. (2010), "Activity theory and learning at work", in Malloch, M., Cairns, L., Evans, K. and O'Connor, B.N. (Eds), *The SAGE Handbook of Workplace Learning*, Sage, Los Angeles, pp. 86-104.
- Fan, J., Han, F. and Liu, H. (2014), "Challenges of big data analysis", *National Science Review*, Vol. 1 No. 2, pp. 293-314.
- Ford, J.D., Ford, L.W. and D'Amelio, A. (2008), "Resistance to change: the rest of the story", *Academy of Management Review*, Vol. 33 No. 2, pp. 362-377.
- Friedman, M. (1953/1974), *Essays in Positive Economics*, The University of Chicago Press, Chicago.
- Heracleous, L. (2003), *Strategy and Organization – Realizing Strategic Management*, Cambridge University Bridge, Cambridge.
- Kotter, J.P. (1995), "Leading change: why transformation efforts fail", *Harvard Business Review*, March-April 1995.
- Kotter, J.P. (1997), *Leading Change*, Harvard Business Review Press, Boston.
- Kuhn, T.S. (1970), *The Structure of Scientific Revolutions*, 2nd ed., University of Chicago Press, Chicago.
- Lewin, K. (1947), "Frontiers in group dynamics. concept, method and reality in social science. social equilibria and social change", *Human Relations*, Vol. 1 No. 1, pp. 5-41.
- Lewin, K. (1948), *Resolving Social Conflicts. Selected Papers on Group Dynamics*, Lewin, G.W. (Ed.), Harper & Row, New York NY.
- Oswick, C., Grant, D., Michelsonaund, G. and Wailes, N. (2005), "Looking forwards: discursive directions in organizational change", *Journal of Organizational Change Management*, Vol. 18 No. 4, pp. 383-390.
- Rosen, S. (1997), "Austrian and neoclassical economics: any gains from trade?", *The Journal of Economic Perspectives*, Vol. 11 No. 4, pp. 139-152.
- Schumpeter, J.A. (1912/2006), *Theorie Der Wirtschaftlichen Entwicklung*, reprint of the first print from 1912, Duncker & Humblot, Berlin.
- Schumpeter, J.A. (1942/2003), *Capitalism, Socialism and Democracy*, Routledge, London.
- Shin, J., Taylor, M.S. and Seo, M.-G. (2012), "Resources for change: the relationship of organizational inducements and psychological resilience to employees' attitudes and behaviors toward organizational change", *Academy of Management Journal*, Vol. 55 No. 3, pp. 727-748.
- Simon, H.A. (1954), "Spurious correlation: a causal interpretation", *Journal of the American Statistical Association*, Vol. 49 No. 267, pp. 467-479.
- Sturdy, A. and Grey, C. (2003), "Beneath and beyond organizational change management: exploring alternatives", *Organization*, Vol. 10 No. 4, pp. 651-662.
- Wetzel, R. and Van Gorp, L. (2013), "Eighteen shades of Grey? An explorative literature review into the theoretical flavours of organizational change research", *Journal of Organizational Change Management*, Vol. 27 No. 1, pp. 115-146.

- Will, M.G., (2014), "Successful organizational change through overcoming risks", Dievernich, F.E.P., Tokarski, K.O. and Gong, J. (Eds), *Change Management and the Human Factor: Advances, Challenges and Contradictions in Organizational Development*, Springer, Berlin, pp. 129-151.
- Will, M.G. (2015), "Successful organizational change through win-win: how change managers can organize mutual benefits", *Journal of Accounting & Organizational Change*, Vol. 11 No. 2, pp. 193-214.
- Will, M.G. and Pies, I. (2018), "Sensemaking and sensegiving: a concept for successful change management that brings together moral foundations theory and the ordonomic approach", *Journal of Accounting and Organizational Change*, Vol. 14 No. 3.
- Zhang, Y. and Rajagopalan, N. (2010), "Once an outsider, always an outsider? CEO origin, strategic chance, and firm performance", *Strategic Management Journal*, Vol. 31 No. 3, pp. 334-346.

### Further reading

- Herbert, A. (1954), "Simon: spurious correlation: a causal interpretation", *Journal of the American Statistical Association*, Vol. 49 No. 267, pp. 467-479.
- Lenartowicz, M. (2018), "Financing organizational changes from without: a valid instrument or a costly illusion of strategic public policy?", *Journal of Accounting and Organizational Change*.
- Mahringer, C. and Birgit, R. (2018), "Entrepreneurial microfoundations of dynamic capabilities – a routines perspective", *Journal of Accounting and Organizational Change*, Vol. 14 No. 1.
- Schirmer, F. and Silke, G. (2018), "Power relations in organizational change: an activity-theoretic perspective", *Journal of Accounting and Organizational Change*, Vol. 14, No. 1.
- Weiss, M. and Christina, S. (2018), "Objective environmental conditions and perceived environmental uncertainty: cognitive models as explanation for a perceptual gap", *Journal of Accounting and Organizational Change*, Vol. 14, No. 1.
- Wenzel, M. and Koch, J. (2018), "From entity to process: toward a more process-based theorizing in the field of organizational change", *Journal of Accounting and Organizational Change*, Vol. 14, No. 1.