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Management & leadership in a global world:
Navigating through diversity

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MANAGEMENT & LEADERSHIP IN A GLOBAL WORLD:
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Resumen
La presión competitiva está ocasionando que la concepción de liderazgo deba considerar elementos como la globalización de los mercados, la internacionalización de la gestión, los procesos de ajuste cultural y ante todo, su importancia como soporte a la consecución de resultados efectivos. Hoy en día no es posible definir un estilo de liderazgo que pueda aplicarse a todos los entornos y por ello se presenta una reflexión sobre el mismo dentro del marco de la diversidad, como un elemento de singular importancia para la administración de las organizaciones.

Palabras clave: Liderazgo, gestión, administración, cultura organizacional, internacionalización, gestión internacional.

Abstract
Because of the competitive pressure, the leadership concept should include elements like market globalization, internationalization of management, cultural adjustment processes and most important, the leadership relevance as support for achieving effective results. Nowadays it is not possible to define a leadership style that can be applied to all the environments, and for that reason the author offers some reflections about it within the frame of the diversity. This is an element with a singular importance for the organizational management.

Keywords: Leadership, management, international management, organizational culture, internationalization.

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MANAGEMENT & LEADERSHIP IN A GLOBAL WORLD:
Navigating through diversity

1. Introduction

Using a metaphor by Gareth Morgan (1991) to understand the problems of modern administration, it could be agreed that the modern management position is not similar to a quiet lake or a river that peacefully finds its way to the sea. Rather, it is a turbulent and violent river filled with dangers and surprises that demands a great deal of courage, decision and strength of its executives, to successfully achieve its final destination.

Management today is variable because it is not a monolithic and original system (Theodore, 1991). The modern management must always take into account the changing situations that surrounds it, influences it and in turn influences the environment, finding itself with a hard reality of changing scenarios that old rules do not succeed as they once did.

The dynamic pressures of external factors, especially in a more and more global and international environment, have not received appropriate attention by either researchers or organizational theories (Theodore, 1991). This is surprising and opens a very interesting field that is worth exploring it in depth at organizational level. If organizations do not understand the impact of external factors, they may not survive.

The globalization of markets demands a global management development. Management does not use an indiscriminate application of concepts whenever managers want, but it takes into account specific circumstances of its environment. Like somebody affirmed, a good management

"thinks globally and acts locally". Therefore, Hoftede (1993) clearly raised that it is impossible to talk about a "management culture" because it cannot find managerial practices with universal application.

In this context, a leader turns up like a vital actor of development. Some writers affirm that leaders are different from managers (Donelly, Gibson, & Ivancevich 1994; Zaleznik, 1991), but both are dedicated to competitive development of companies. Both, leaders and managers or better leader-managers, have in front of them the challenge to manage diversity. The global village that Mcluhan (1992) announced is made up of an incredible variety of components: races, languages, religions, beliefs, customs, etc. This is the panorama from which managerial decisions must be made. If managers have the ability to navigate through diversity, they will succeed from their efforts.

The big question is: should leadership styles change or must they change when they act in different cultures?

Seemingly the answer is yes, but some researches have demonstrated that this is an insufficiently explored field (Gibson & Marcoulides, 1995).

To understand the problem, we need to explore the development of leadership concepts and some issues about culture and its influence over leadership styles.

2. Different approaches to leadership

The leadership concept has been studied profusely during many years, but nonetheless, researchers feel that there is still a lot to learn about it (Hampton, 1989).

Definitions about this theme are varied and include diverse approaches. Some authors define leadership from the point of view of individual characteristics, like the ability to inspire and to influence people's means, attitudes and behaviors (Gibson & Marcoulides, 1995). In the same way,

Etzioni (1965) denotes that leadership involves "the capacity, based on leader's personal qualities, to induce the voluntary acceptance of followers to a wide range of aspects," in which it involves the concept of power as inherent to leadership.

Other authors define leadership from the perspective of its action on the firm, as "the interpersonal process by virtue of which managers influence employees to carry out established goals of tasks" (Hampton, 1989), and therefore, leaders are who are able to "influence others and who have administrative authority" (Robbins & DeCenzo, 1996).

Equally, some authors link the leadership concept to power and authority (Etzioni, 1965; Katzenback & Smith, 1992) as having fundamental basis that leadership has importance when followers alter or change their own preferences or inclinations to align them with leader's preferences (Hall, 1983). This can be obtained with direct exercise of power defined as "the capacity to influence people or groups in order to accept our ideas or plans" (Greiner & Schein, 1990), or leader's voluntarily as result of the ability to "convince others in order that they enthusiastically find the achievement of defined goals" (Davis, 1967) because leader stimulates others to follow him (Gouldner, 1950). The leadership idea is linked to power, but it is much more than the assignment the organization gives to an individual due to his position in it.

In general, Barker (1997) is correct when he affirms that no definition of leadership is universally accepted even though it is understood that a leader's action is indispensable for succesfully achieving the company's goals.

Different approaches have been developed to understand leadership and a clasification of them are not easy. However, the differences suggested by Gibson & Marcoulides (1996) offers a clearer picture, dividing leadership into theories about leader features, leadership behavior, situational contingency, transformational leadership, and, recently, cultural contingency.

2.1 The Trait approach

The first conception of leadership was first of all mentioned by Sir Francis Galton (1860). He believed that leader had genetic characteristics to differentiate himself from others,such as sex, height, weight, appearance, determination and wisdom. This search of physical and personality characteristics was not valid very often, because of the dramatic differences between leaders. However, it has continued, and recent researches have found that some traits are consistently associated with leadership action, for example: impulse, desire to manage, honesty and integrity, self-confidence, intelligence and knowledge about the position (Kirpatrich & Locke, 1991; Bennis, 1984).

But, one of the most obvious faults of the trait approach is that it repeteadly ignores factors inherent to situation, an individual can have some features that favour his capacity for leadership, but only when he acts in this way, he can be recognized as leader. What is correct and works in one specific moment, may not function in another.

2.2 The Behavioral approach

Due to insufficient clearness offered by the trait approach, much researche was done in order to identify leaders' behaviors in action. The premise was very interesting: if leadership does not depend exclusively of leader's traits but behaviors, it could be possible to develope programs to train people as leaders (Robbins, 1996).

Different studies were realized between the 40s and 60s, and the most significant were the researches of Ohio State University, the University of Michigan and the conceptualization of managerial grid of Blake, Mouton & McCanse (1991).

The researchers of Ohio State University clasified the leader's behavior in two dimensions: initiation of structure and consideration. The first is when a leader defines his role and that of their followers, to achieve goals: directive, structuring and goal-oriented behavior. The second is the way that a leader interacts with his collaborators: concern for followers, participation, and interpersonal warmth (Gibson & Marcoulides, 1995; Robbins, 1996).

The University of Michigan's research, led by Rensis Likert, also used two dimensions of leader behavior: people oriented and work oriented behavior. The first emphasized the interaction with followers, the work-teams develop and a concern for human aspects of employees. The second focused aspects of activity, establishing specific controls to supervise the attainment of goals.

In the same way of the University of Michigan's studies, Blacke and Mouton proposed another approach, using a two-dimension graph based on people concern and production concern: The Managerial Grid (Blake, Mouton & McCanse, 1991).

The Grid has nine possible positions along each axis and represents the dominant factors on leader's behavior in search of results. Despite existing 81 feasible positions, for Blacke, Mouton and McCanse there are 5 key styles depending on his interests on people or production: 1.1 or impoverished management, 1.9 or "Country Club" management, 9.1 or authocratic management, 5.5 or businessman management and 9.9 or team management.

In spite of offering new perspectives in leadership conceptualization, the behavioral approach has had a lot of controversy because it does not establish consistent relationships between leadership behavior and organizational results. Some authors say that it does not consider the effect of situations on leadership.

2.3 Structural Leadership

In the 1960s, researchers searched for an approximation to leadership that included new elements, and the most significant was the Situational Contingency approach.

One of the most famous studies was the one developed by Fred Fiedler (1967). This study defined the effectiveness of leadership depended on three factors: leader-subordinate relationship (degree of confidence, honesty and respect that employees have for their leader and loyalty that he demonstrates), task structures (structure degree of work assignment), and power position (degree of leader's influence over elements asocciated with position like the authority and support that leader receives from the organization). Relationship between these factors may be positive or negative, which offer different situations or categories in which the leader carries them out.

Despite general criticism toward Fiedler's studies, his publications opened new ways for reasearchers on the scape of leadership.

Three other approaches have been considered of great importance on the structural approach: "path-goal", "decision-making", and the Tridimensional Theory.

The "path-goal" theory was developed by Robert House (1971), who linked the results obtained by the researchers of the University of Ohio and the theory of motivation expectations. The theory proposes that the leader's work is to make the follower's goals compatible with organizational goals. The leader is accepted by followers as a source of actual or future satisfacions on their own goals. The expected result is high performance (organization) and high satisfaction (employee). The "path-goal" theory implies that the same leader may have one or more styles: management, support, participation, and orientation to achieve goals (House & Mitchell, 1994).

The theory of "decision-making" was developed by Victor Vroom and Philip Yetton (1972) and it was supported by Arthur Jago of the Houston University (Jago, 1977). This theory tallies in the conceptualization of "leadership styles". It suggests that five forms of leadership behavior exist ranging, from authocratic to group oriented, and seven contingencies or problems situational attributes (Donnelly, Gibson & Ivancevich, 1994; Robbins & DeCenzo, 1996).

A more recent work of Vroom and Jago (1988) extends contingencies to twelve. This is a great-value theory that recognizes that the leadership research must focus on situations and not on people.

The Tridimensional theory and the Situational model were developed by Paul Hershey and Kenneth Blanchard (1988) who based their studies on leasdership behaviors similar to those which were used by the Ohio State University's resarchers: task orientation and relationship orientation. These theories are based on the premise that leader behavior is closely bound to the subordinate's maturity degree, and adding dimensions of efficiency in the search of goals. This is a far-reaching theory that has received great popularity because its practical application in many companies. However, its conclusions have generated a big academic controversy.

2.4 Trasformational Leadership

All these approaches are now referred to transactional leaders, who guide or motivate their followers to achieve results by making clearly specified activities.

However, the transformational leadership concept also exist, which typifies a leader who achieves that his followers transform their interests for the benefit of themselves and of the organization (Robbins & DeCenzo, 1996).

One of the most important promoters of this focus was Burns (1978), who, in defining leadership, included the beliefs, needs, and values of followers. Burns talked about a leader-hero, transformational leader who obtains results

in quickly changing situations. Other authors that have deepened this concept are Schein (1985), Bass (1985) and Khunert and Lewis (1987), who researched the relationship between leaders and their followers as an empirical approximation to organizational effectiveness.

2.5 Cultural Contingency

Founded in the Situational Contingency approach, researchers are considering that leadership is related with contingencies and situations as much as values and behaviors of the follower group. This typifies the cultural concept (Gibson & Marcoulides, 1995).

There are many studies about behavior and organizational culture, and this concept has explored the directive action to achieve effective results. Some examples of this are explained in the works of Peters and Watterman (1984), Morgan (1991) and Ouchi (1981) and others.

Due to the growth of globalization in business, today there is a great interest in the interaction management and the leadership action from countries and people.

Some studies in this area have been made, like Haire, Ghiselli and Porter (1966), Smith and Peterson (1988), and Hofstede (1980). However, the theme is considered insufficiently explored, and in agreement with Gibson and Marcoulides (1995), researchers are not sure if existing leadership styles should be used universally or if cultural elements of each country affect the leadership style that must be used.

3. What is Culture?

Generally speaking and in agreement with Kluckhohn (1951), culture can be defined as "patterned ways of thinking, feeling, and reacting acquired within human groups, including their embodiment in artifacts". Another author that contributes significant elements is Harold Leavitt (1988) who defined culture as "the complete whole of beliefs, traditions, values, rules, expectations and habits, frequently unconscious and broadly shared, that characterize a specific group of people".

However, when culture is analyzed in its organizational context, it is possible to take the James Champy's definition "culture consists of believes and values deeply shared with its people (organization), that they become evident in the way of behaving in the company and its employees" (1995), or the Salvador Sanchez's definition: "culture is the whole of beliefs and values implicitly shared for an organization members, which influence their behavior" (1993). So, culture determines the way how an organization acts.

Included in this definition from the context of the countries, their national culture also includes specific aspects inherent to social elements like beliefs, attitudes, behaviors and norms. Therefore, it is logical to suppose that cultural differences affect the management and leadership style required in each country.

To achieve consistent success, the leadership exercise must understand three key principles of culture and specifically of organizational culture: culture is learned, culture changes, and culture influences people's behaviors (Donelly, Gibson & Ivancevich, 1994).

It is logical to understand the first element, because by definition, culture is the sum of all that people learn and all behaviors with other people in society. This is important to leaders because it permits them to understand that culture may be modified introducing new knowledge elements.

Secondly, culture is not static. Not only does it have permanent adjustments in the same society due to constant change the environment, but also when changing from one society to another it finds important variations in people's

values, attitudes and behaviors of people. The leader must have an open mind to understand the differences and to act in the right way to making decisions.

Culture is the result of individual behaviors and, in turn, it influences this behavior. Organizational culture maintains a close cause-effect relationship with people behaviors. These are aspects of great relevance to leadership exercise.

An interesting approximation to the organizational culture dynamic was carried out by William Ouchi in 1990 in a conference in Bogota, Colombia, in which he specified that two levels of manifestation of organizational culture exist: visible and non-visible.

At the visible level there are the organizational members' behaviors, or rather, artifacts, rules, processes, procedures, work tools, interactions systems, and all of those that can be perceived explicitly. The visible elements are easily recognizable and facilitate to make an evaluation of the results obtained with the intervention of organizational leaders.

However, restricting leader actions only to visible aspects, does not assure a sustained behavior and a real cultural change.

The non-visible levels are divided fundamentally in two parts: mental models or intrinsic beliefs of organizational people that in turn generate behaviors, and individual and collective values that cause these mental models.

So, leaders action-intervention must be focused on values, in order to achieve coherent and consistent results.

This importance of cultural values is ratified by a lot of studies of organizational culture and they are the main elements to stabilizing the social system (Parsons, 1964).

4. Leadership and Culture

Indubitably, the leadership exercise is affected and many times conditioned by organizational cultures, and, by the values shared for their members. The possibilities of success on management are linked to the capacity to understand and to intervene in those values and that culture.

An the international level, the problem is much more complex and the leader responsibility is increased in proportion that he must develop cross-cultural abilities to manage situationally the decision making.

4.1 International leadership vs. international management

Frequent discussions have been developed around the difference between leaders and managers. Some findings reject the possibility to find identity between leaders and managers because both have different attitudes, methods and motivations (Zaleznik, 1991).

Others maintain that managers develop their job as leaders without forgetting their own structure of values and behaviors (Hampton, 1982)

There are many papers about leader´s characteristics and about managers´ characteristics and roles, but in this time of competitive turbulence it is difficult to conceive the success in managers activities without assuming they have an active role of leadership.

Therefore, the leader-manager concept includes all of the elements of discussion around the problem of international management in the framework in that it can be denominated by international leadership-management.

4.2 Actual context

The turbulent modern world is generating big challenges to organizational management.

The changing markets and the huge volume of information, the clients´ mobility and agressive competetition in all fields, are demanding more and more complex decisions in less time.

Old styles of management are being pressed by new realities. Administrative theories proliferate trying to offer answers that sometimes are only partial and appropriate to specific environment and circumstances: Total Quality Management (TQM), reengineering, rightsizing, downsizing, empowerment, outsourcing, outplacement, learning organizations, chaos theory, etc. In general, the management tendency points at organizations focused on people, with high capacity for self-learning, able to work on a team and with a global mind.

Managers are obliged to acquire new abilities, as Beamish and others (1994) suggest:
- Ability to develop and use global strategic skills
- Ability to manage change and transition
- Ability to manage cultural diversity
- Ability to design a function in flexible organization structures
- Ability to work with other and in teams
- Ability to communicate
- Ability to learn and transfer knowledge in an organization

Which is the most important ability? It is not easy to determine with precision because it depends on many circumstantial factors of time and environment, but one can be viewed as general imperative, the need of acquiring a flexible and global mind.

The prevailing reality is that to manage organizations succesfully, in this turbulent world, it is not enough to be a good manager in the traditional concept. Reviewing the existing literature and some interviews made to leaders of world-size companies, five basic characteristics for leader-managers of twenty-first century are necessary:

a. Vision: Definitively the visionary capacity is vital to achieve consistent organization development. Collins and Porras (1995) found that this quality is the motor that assures a consistent permenence over time.
b. Strategy: The ability to design ways to reach the vision is also essential for a modern leader-manager. This characteristic must be linked to a great creative force and have a high capacity to confront risks.
c. Orientation to people: Modern management recognizes the need to have personel development as one of the most important goals, moreover for survival and profitability goals. Nowadays, it is talked more about collaborators and less about subordinates. It is a radical change that leader-manager must make in order to exploit the most of people´s potential.
d. Communication: Included as one of the vital abilities pointed out by Beamish and others (1994), the ability to communicate clearly and with sense, is perhaps one of the major challenges to leaders-manager. Some research has found that this ability is the catalyst that allows the real action of effective leadership (Flores, 1995; Chapel, 1996).
e. Global Mind: A characteristic repeated by many authors as an actual imperative, includes understanding of culture and its impact on behavior, especially on organizational behaviors.

4.3 Leadership-management and cultural diversity

"If we seek to understand people, we have to try to put ourselves, as far as we can, in their particular historical and cultural background... It is not easy... because one fact that seems obvious to us is not immediately accepted by the other party or does not seem obvious to him at all... If we wish to convince them, we have to use their language as far as we

can, not language in the narrow sense of the word, but the language of the mind"

Jawaharlal Nehru

The growing complexity of organizations has generated new scenarios of action for leader-managers, with new elements of intellectual demands. Organizations through countries have differences framed by their cultural environment, which must be understood and adapted by management action.

It is important to differentiate two elements inherent to understanding the cultural diversity (Beamish and others, 1994): a) Cultural awareness or how other people´s culture influences and determines their behavior in different cirsumstances, and b) Self-awareness or how our culture affects our own behavior. The clarity of this differentiation is vital to develop an effective transcultural management.

Therefore, it is emphasized that success in leader-manager activities depends on their cultural sensitivity.

This point is particularly complex, overall when it has been found that the basic concepts of management change substantially between cultures, in spite of a long time, it has been considered that certain "universal values" in business administration exist.

Several detailed studies have demonstrated the differences between management concepts in different countries, in the works of Hofstede (1993) and Theodore (1991). These authors demonstrated with absolutely clarity that administrative practices cannot be generalized, and that leader-managers have a great personal challenge in this point.

In general, there are four attitude groups used to clarify the leader-managers´ practices (Beamis and others, 1994):

a. Ethnocentrism (home-country orientation): Under this concept, companies prefer to assign personnel of their home-country to develop key-positions around the world, with better compensation than local executives. Normally, this is the first step for multinational companies.

b. Polycentrism (host-country orientation): This attitude recognizes that it is hard to understand foreign people, but it is necessary to do so. These companies hire local people to manage some important positions.

c. Regiocentrism (regional orientation): In this phase, companies recognize the need to hire, develop and design managers with regional basis. It is a much more broad concept and allow it take advantage of strengths of national cultures.

d. Geocentrism (world orientation): This is really the global mind concept. Just as John Theodore said in 1998 to a class at the University of Sarasota, this is simply a dream, because it demands a complete managerial open mind, and recognition of local capacity to participate actively in decisions and global strategic definitions.

The management of diversity and an effective leadership-management exercised in a globalized world, requires some basic elements (Laurent, 1986):

· An explicit recognition by managers that its own way of managing reflects the home culture, values, and assumptions.

· An explicit recognition by managers that foreign subsidiaries may have different ways of managing people, which may be more effective.

· A willingness to acknowledge cultural differences, and to take steps to make them discussible and, thus, usable.

· A commitment to the belief that more creative and effective ways of managing people can be developed as a result of cross-cultural learning.

5. Leadership styles toward cultures. Some reflections.

Definitively, the leadership and management themes through cultural diversity are exciting, and open an interesting field for research in organizational administration.

In agreement with existing literature and with accepted concepts of organizational culture, the seemingly logical answer is that leadership-management must adapt itself to the cultural environment, to assure its efficiency and effectivennes.

However, some studies like the very interesting one made by Gibson and Marcoulides (1995), offer different conclusions when they find that leadership styles are not different between the studied countries, outlining that they can be denominated "universal action styles" independent of cultures. The results are surprising and offer new questions for future researches.

And, what about organizations in developing countries especially in Latin America?

The global market tendency is carrying the conclusion of the block economic configuration is an inescapable reality of the future. European Union, Asian block, the quick development of the Chinese economy, the first results of NAFTA, and other agreements made at regional levels like Mercosur, Caricom, Pacto Andino, etc., in spite of all their problems, are making a world-wide statement. Using a popular proverb "United we stand," seems more correct than ever, today in the economic field.

In their meetings, the presidents of Latin American countries discuss more and more frecuently the need to develop longe-range agreements toward the future which can shape a great powered economic block linked with the USA and Canada.

Many political, economical and social difficulties are still to be solved, but they seem to be achievable goals in the future.

But, are the Latin American managers prepared to manage organizations in those complex scenarios? The answer can be discouraging and offers a huge field of development. This is a big challenge for business schools and for researchers.

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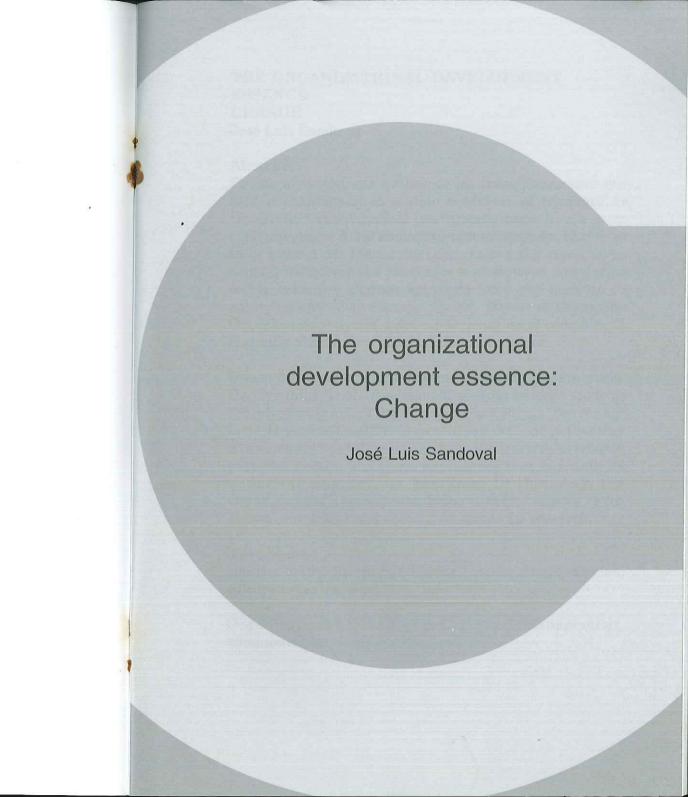Sanchez, Salvador. (1993). Entrevista realizada en 1993 por Elvira Anzola en México, D.F.

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The organizational development essence: Change

José Luis Sandoval

THE ORGANIZATIONAL DEVELOPMENT ESSENCE:
CHANGE

José Luis Sandoval

Abstract:

Debido al vertiginoso avance de las transformaciones que está presenciando el mundo moderno, el concepto de Desarrollo Organizacional nuevamente toma fuerza como el eje integrador de los sistemas de administración. El cambio es la esencia del Desarrollo Organizacional y como tal es necesario explorar sus elementos constitutivos, su relación con la cultura y algunas aproximaciones que faciliten su entendimiento y su manejo. De esa forma, el Desarrollo Organizacional ayuda a definir acciones en el campo de la gestión y abre nuevos espacios de investigación.

Due to the vertiginous transformations in the modern world, the Organizational Development concept emerge anew as the integrating axis of the management systems. The change is the Organizational Development essence, and in that way it is necessary to explore its constituent elements, its relation with the culture and some approaches that facilitate its understanding and its handling. In that way, the Organizational Development helps to define actions in the management field and opens new spaces for research.

The organizational development essence: Change

Introduction

Change and Organizational Development (OD) are the same. More accurately, OD is one way to achieve consistent organizational changes.

The OD practice, the exercise of planned change, is very complex and it embraces many elements: leadership, motivation, organizational culture, structure, power, relationships, processes and others. All of these elements interact with one another to achieve changes, and OD offers a systemic approach to articulate them consistently.

OD is really interesting as techniques about how to manage organizations, but it is more interesting as a holistic concept to face the new trends of competition, effectiveness and overall, survival in the businesses. OD is the key to prepare organizations for the future.

"The only constant is change" is a very common expression used by executives and organizations through the world, but many attempts to change fail because they do not generate the expected results (Senge, 2000, p. 5). OD has its essence in planned change and this concept should be understood enough in order to generate real transformations. The problem may be that many people think that they understand the nature of change and they act in consequence; but very often this is a big mistake.

Success in change needs a different way of thinking, and it starts by understanding more the magic word: change.

What is change?

It is possible to define change in many ways such as "the alteration of the status quo" (Hodge, Anthony and Gales, 1996, p. 338) or "making things different" (Robbins, 1993, p. 668) or simply the movement from one point or action system to another. The essence is that after change, things will be different.

Commonly change is not instantaneous, but a continuous process. It implies that organizations must maintain permanent support in order to achieve better results.

How to understand change today? It is necessary to change?

Charles Handy (1993, p. 74) wrote that

"As a minimum one thing is clear in organizations – publics and privates -; they are facing a world much more aggressive, where they will be judged harder than before on the basis of their effectiveness and where there are less protective barriers behind that they can protect themselves."

This is true. Today organizations are facing the most incredible turbulence in their environment and forces that they never imagined before pressure them. The future is really different from the past and organizations will face multiple challenges. It is possible that companies had done everything in business in the past, but it is not enough for the future.

The world and its organizations are at the end of the "first curve" and in the beginning of the "second curve" (Morrison, 1996, p. 14).

The new panorama is really different as Morrison (1996, p. 14) wrote:

First curve	To	Second Curve
	Market	
Capital	To	Knowledge
Producer	To	Consumer
Atlantic	To	Pacific
Japan	To	China
International Trade	To	Electronic Commerce
Computers	To	Internet
Money	To	People
	Organization	
Mechanistic	To	Organic
Engineering	To	Ecology
Corporations	To	Individuals and networks
Horizontal and Vertical Integration	To	Virtual Integration
Business Processes	To	Culture
	The individual	
Hard work	To	Hypereffectiveness
Security	To	Uncertainty
Current Career	To	Future Career
Faith	To	Hope
Loyalty	To	Courage

Imagination? Not.... Its is a reality. In fact, managers must develop new abilities and learn new things in order to survive by themselves and to help their organizations in the same way (C.K.Prahalad, 1997).

Reasons for change

Of course there are many reasons for change, but it is possible to define two different kinds of mobiles: external causes and internal causes.

As external causes for change exist: new markets trends, new consumers with new needs, technology innovations, new

competition, the evolutions of society with new life-styles and new ways of thinking, and many new elements that demand a new driven style for companies.

Internal causes can be the development of the organizations by itself, new managers' visions, a new strategy or new circumstances like fusions or alliances.

It is necessary to understand why one company wants to change, because it is the first step to achieve better results (Grouard and Meston, 1996, p. 15)

At the end, new circumstances demand new ways to manage companies. Organizations are forced to change, and it will be better if they transform themselves on their own. The panorama it is not familiar, because organizations find these continua of transformation (Hodge, Anthony and Gales, 1996, p. 359)

Stability ....*is changing to* 　*Rapid change*
Predictability ....*is changing to* 　*Unpredictability*
Staleness ....*is changing to* 　*Innovation*
Familiarity ....*is changing to* 　*Unfamiliarity*
Boredom ....*is changing to* 　*Enervation*
Certainty ....*is changing to* 　*Uncertainty*
Atrophy ....*is changing to* 　*New strength*

But,..... all executives listen to the sounds of change? Unfortunately, not. As Barker (1995, p. 229) says, soon many people will say new things and they will create new realities, but many managers will be incapable of listening and to seeing that. Only the managers who understand and act in consequence will achieve success.

Levels and velocity of change

There are two levels of change: superficial and "in depth" (Grouard and Meston, 1996, p. 15-17).

The term "superficial" may sound trivial. But it is not right because it signifies little continuous changes that embrace strategies, structure, processes, some physical transformations and others, and they have as characteristic that generally they are easy to decide, quick to develop and at limited costs. An example of these characteristics is Kaizen.

Many "superficial" changes may exist and it is possible that they cause "in depth" changes because they affect crucial areas in the organization. This is a common effect. In fact, one of the most important elements to take into account is that, in the way of change, it is necessary to generate little victories for maintaining the enthusiasm while the organization achieves bigger results. (Kotter, 1997, p. 129-143).

On the other hand, deep changes have a great impact on the organizations, affect their culture, possibly their practices, their vision, their strategies, their structure or other elements with great impact. Their characteristic is that generally they are very expensive, they demand a lot of time and they generate effects in many areas within organizations, and their consequences last through times.

"In depth" changes are risky and they should be done very carefully because of their effects.

Commonly "in depth" changes are associated with radical changes and superficial changes are associated with little and continuous changes.

And, what about the velocity of change?

It is difficult to define the speed of change because it depends on many circumstances: desired change levels, organizational culture, managers' commitment, number of people included and others. Nevertheless, some changes need to be slow because they demand of organizational adjustments and other must be fast because of environmental demands and pressures, for example.

One of the most difficult task for managers is to learn how and when to accelerate or delay the change.

How to generate changes: consensus vs. imposition

In general, it is recognized that there are two basic ways to generate changes: by consensus and by imposition.

The first, consensus, is the ideal way because it takes each person's opinions into account, discusses every idea and when people adopt the processed change, it will be easier to accept.

Consensus demands a clear management commitment, a continuous work and great will power to maintain purpose. Consensus is the better way to achieve better results when organizations make changes, but it is no easy.

Another way is by imposition. Imposition reflects the image of hierarchy, the change process pushed by a few people but with power, and/or the obligation of making changes in spite of others opinion or people's wishes.

Imposition is not the best way to achieve results, but many times is the only way.

In order to define what kind of strategy is possible to use to generate changes, it is a good idea to review different attitudes that organizations find when attempting to generate changes:
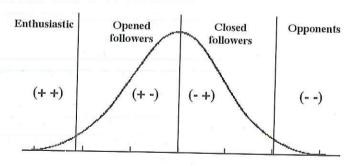

Fig.1 Attitudes in face of changes

In the first area, are the "enthusiastic" people with an excellent attitude (+ +) for change. These people not only believe in the idea of change but, in addition, they help to convince other people in the same way.

In the second area are the "opened followers". These people have a semi-opened attitude (+ -) because they understand and accept the proposed changes, but they have many excuses to delay the process. This is the most common group of people and they may generate disillusion and the loss of the initial impulse for change.

The next area is the place of "closed followers". These people have a semi-closed attitude (- +) and they do not understand neither believe nor accept the proposed changes, but if the organization demands it, they do it. They prefer to continue with their present process or practices but if it is an obligation they say, "if it is up, it is up".

The final area is the kingdom of the "opponents". They have a closed attitude (- -) and they neither believe nor understand nor accept the proposed changes, and they will make an effort to stop it. These people are negative and they can destroy the attempt to change.

When reviewing the previous elements it is easy to understand the hard work needed to achieve changes, but the following figure gives managers some idea about how to manage them by taking into account different attitudes:
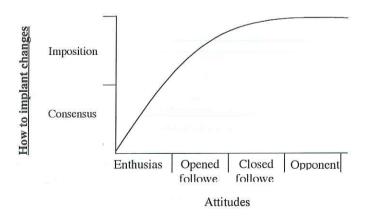

Fig.2 Management styles to implant changes

With "+ +" people is possible to achieve changes by consensus and may be with a little pressure with the "+ -" people. On the opposite, with "- +" people the managers will need more imposition than before, and with "- -" people may be the only way is by hard imposition.

At the end, managers need to understand what kind of attitude their people have in order to define their strategy to achieve changes.

The basic change principles

It is difficult to determine what kinds of characteristics are common for all changes due to their complexity.

Nevertheless, by reviewing some authors (Quinn, 1997; Grouard and Meston, 1996; Handy, 1993; Brill, 1997; Deming, 1989) five principles come up always, in one way or another in many successful change processes:
· Holistic principle
· Breaking principle
· Constancy principle
· Non-preference principle
· Indetermination principle

Holistic principle means that change demands to act over all components that the organization has and which can influence the change process.

These components may include those that define its action (strategies, structure, facilities, services, products, and others) and those that represent its philosophy (values, organizational culture, motivation). The change process must embrace all of them because from this synergy depends the success.

Breaking principle is clear and means that change demands to throw off balance present paradigms and to maintain this unbalance through the process.

This principle is founded on the definition of change as a movement from one point to another, one action way to

another or one system to another. Some authors define their idea of change with this principle (Lewin, 1951; Kotter, 1997) and develop strategies from this point.

The constancy principle is fundamental. Many processes fail because the organization is not constant with its efforts to maintain the impulse (Senge, 2000, p. 5-9). The only way to achieve results is by supporting the idea of change, by providing resources for it, and over all, by maintaining the spirit, the energy, and the disposition for change.

In addition, if an organization starts the change process without constancy, the process may fail and its people may acquire a skeptic attitude that will affect future attempts.

Furthermore, some authors encourage consistent changes (Deming, 1989; Lucas, 1997; Kotter, 1997; Dione, 1994) and they denote that it is one of the most difficult task for managers: maintaining the constancy.

The non-preference principle is linked with the concept of universality of the change process (Grouard and Meston, 1996) because success depends on what an organization implies within their implementation all people will be affected by the process. If a company intends to begin changes without taking into account all the people that will be affected by it, the process may fail.

The indetermination principle says that change can be directed but never totally dominated (Grouard and Meston, 1996). Many times change is a complex process and it has many unpredictable elements. The organization and their leaders of change should manage the different variables, but it is really impossible to dominate all of them. Instead of that, organizations must define its goals and leaders must control the direction and the power of the process.

May exist more basic change principles, but the five before are enough to understand the change process.

Fields and levers of change

In general, organizations should understand how and where to try changes, because the strategy to follow and the expected effects depend on that.

This point is really important because depending on where changes are applied, they need different manage and they cause different effects.

It is possible to find many fields for change, and it depends on organizational decisions. There are several possible classifications. For example, Peters and Waterman (1984) described their seven "s": structure, strategy, systems, skills, staff, style and shared values. Leavitt (1978), in turn, wrote about six elements: task, structure, staff, information, control and environment. Grourard and Meston (1996) denotes that there are five basic elements: strategy, structure, systems, organizational culture, and the management way.

The last approach is interesting because all authors denote the importance of managing change effectively, but it is not common that the managerial style will be considered like a field for change.
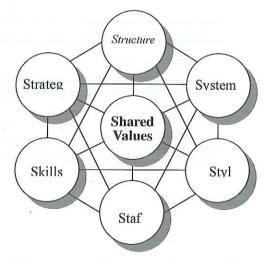
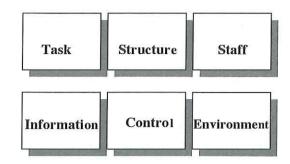Fig.3 Peters and Waterman's seven S's model

Fig.4 Leavitt's organizational areas for change

Fig. 5 Grourad and Meston's fields to develop changes

Independently of what kind of classification the organization uses for planning changes, four powerful levers for achieving organizational changes emerge (Brill and Worth, 1997): human nature, power, social processes, and the essence, leadership.

Organizations should use each lever for planned structured changes and, if they utilize them with all their specific capability, it will be more feasible to cause transformation.

It is not easy to define what is the most important lever, but leadership emerges as a vital essence to mobilize the organizational spirit. Because before, the development and practice of leadership is a crucial managers' task.

The change process

The knowledge about how change occurs is the cornerstone of a lot of research in the business field, organizational behavior, psychology, religion, philosophy and other disciplines. The mystery of the change process has been studied a lot, but today some of its elements remaining unknown.

Of course, not all changes start at the same time or the same way, and there are two possibilities: planned changes or unplanned changes.

Planned changes try to define what kind of transformation the organization wants by using a structured way, step by step. This is the OD field. In fact, some authors say that "OD represents, then a process and a technique that allow organizations shape its culture, determine where and when changes are useful, do them and evaluate their results" (Marguiles, 1972).

Unplanned change is change developed unexpectedly and at the same time that things occur. It is really dangerous because of its potential effects, but unfortunately this kind of change is common.

The perfect idea in this field would be that all changes were planned. OD offers tools to do it well and encourages managers to use them. But, its is necessary to understand that, due to the complexity inherent with the change concept, it is really difficult to have 100% of the information before trying changes, and 100% of certainty of success. In brief, change always has some unpredictability but managers should try them.

Starting from this point, it is possible to explore the change process.

There are many approaches to explain the change process, but one of the most popular is the definition offered by Kurt Lewin (1951) with his model: unfreezing, movement, refreezing.
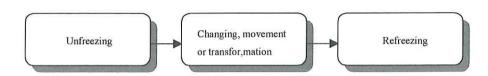

Fig. 6 Process of Change - Kurt Lewin's model

This model is very clear and it allows the definition of strategies and plans for achieving the desired results.

Unfreezing

Unfreezing occurs when people and/or the organization convince themselves of the need for change and then, they decide to start a process of transformation. This stage is the hardest of all because it implies that the initial resistance to change is dominated.

By following the scheme posed by Grourad and Meston (1996, p. 72) it is possible to divide unfreezing into three sub-stages:1) breaking, 2) anxiety and 3) security.

Breaking appears when people are aware that present circumstances are changing and that new sceneries demand new actions. It is necessary not only to understand that sufficiently but in depth.

Anxiety is a felling that appears when people understand that their old and present way of action or attitudes need to be changed in order to achieve new results.

Anxiety is a felling of instability about old practices and the urgency to find other new practices. It is a very emotional stage.

Security appears when people perceive answers to their anxiety, ways for facing the pressures or possible solutions for their worries.

How to initiate the unfreezing stage with success?

John Kotter (1997, p. 37-53) says that the first action is by generating the sense of urgency, based on the organizational vision. Kotter is right and managers should develop this task by using communications, persuasion, formal and informal meetings, and if necessary, manipulation or implicit and explicit menace. Obviously the last are the less recommended because they do not assure the maintenance of commitment for a long time, but it would be the only way in many cases.

Changing or movement

The goal of transformation or movement is to guide the organization toward the desired state.

This stage demands a lot of work from managers because people demand new information, new behavioral models, a strong vision, new beliefs to adopt, and over all, a clear managers' example about new ways of thinking.

This is a learning stage (Kreitner and Kinicki, 1995, p. 566) and it defines the possibility of a successful transformation. The concept of reengineering managed thinking about people not only in the process is useful at this point (Guizar, 1998, p. 30).

Refreezing

Refreezing is the institutionalizing of changes in so that all people understand and follow them.

This stage is really important because the changes need to be stabilized and people need to adopt new behaviors as their own. In this stage people integrate the new way of thinking and action into their own personality, values and attitudes.

Sometimes managers forget the importance of this final stage and they assume that when people know and understand new things they will adopt them automatically. This is a big mistake and the transformation may fail because of that. Changes need to be anchored in order to achieve consistent new behaviors.

There are many other interesting models for change that attempt the same: a consistent organizational transformation. Three examples are the Lippitt, Watson and Westley's model (1958), the Kilmann's total system change (1989) and the Kreitner and Kinicki's system model of change (1995).

The first includes an specific mention about the role of external change agents or consultants into the process, and determines seven stages:

1) The development of a need for change. This is the same first stage of the Lewin's model.
2) The establishment of a relationship for change between the change agent and the organization.
3) The diagnostic of problems and specific goals of transformation.
4) Planning. The definition of the route to try the transformation.
5) Action. Implementing the new processes. The 3, 4 and 5 stages are the same as the second stage (changing) of the Lewin's model.
6) The stabilization and evaluation. Is the same "refreezing" stage of the Lewin's model.
7) Ending. The end of the process of transformation.

It is not easy to implement this model exactly in the same sequence, but it provides a direction to achieve good results in search of transformation.

A broader model of change is Ralph Kilmann's model (1989) because it specifies the key points to manage for achieving consistent changes. This model presents five stages: 1) starts the program, 2) diagnostic the problems, 3)

planning "trajectories", 4) implant "trajectories", and 5) evaluate results.

In this model the focus are the "trajectories" defined by Kilmann (1989) as critical advantages key points: 1) culture, 2) managerial skills, 3) teams building, 4) strategy-structure, and 5) reward systems. The careful intervention into these five "trajectories" will assure better results in the way of transformation.

Another interesting approach is the Systems Model of Change by Kreitner and Kinicki (1995) that takes a general perspective of organizational change by defining the process in a systemic way where all elements can influence the one other. This model looks complex but is really easy to understand and embrace many elements present implicit or explicitly in other models.
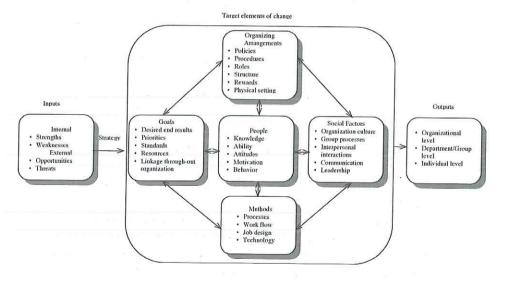

Target elements of change

Organizing Arrangements
- Policies
- Procedures
- Roles
- Structure
- Rewards
- Physical setting

Inputs

Internal
- Strengths
- Weaknesses

External
- Opportunities
- Threats

Strategy

Goals
- Desired end results
- Priorities
- Standards
- Resources
- Linkage through-out organization

People
- Knowledge
- Ability
- Attitudes
- Motivation
- Behavior

Social Factors
- Organization culture
- Group processes
- Interpersonal interactions
- Communication
- Leadership

Outputs
- Organizational level
- Department/Group level
- Individual level

Methods
- Processes
- Work flow
- Job design
- Technology

Fig.7 Systems Model of Change (Kreitner and Kinicki, 1995)

Following its systemic structure, the three main components are: inputs, target elements of change, and outputs.

Kreitner and Kinicki (1995) based their model in other authors' works (Fuqua and Kurpuis, 1993; Nadler and Tushman, 1989) and it is possible to conclude that this is the framework to implement other change models.

In this model there are many interesting elements but it is important to point out that change should be consistent with strategic planning that takes into account internal and external factors, it considers many elements that can be changed, and generates inputs at three levels: organization, groups and individuals.

By reviewing this model it is possible to understand that change efforts demand strong commitment and clear goals from managers in order to achieve results that generate competitiveness.

Independently of what model the organization decides to use to produce changes, it is important to understand that changes do not occur as spontaneous generation or due to good wills or good intentions, only. Changes demand intentional actions and they depend on what idea the organization has about the best way to generate transformation

There are two different approaches to generate changes: (Beer, Russell and Spector, 1990):

- From attitude to task
- From task to attitudes

According to the first approach, transformation starts with an evolution of competences, skills, attitudes and behaviors of the people within the organization (Grrourad and Meston, 1996):
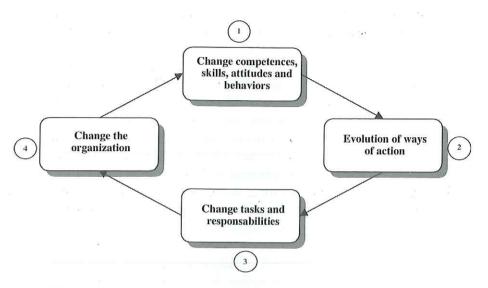
Fig.8 First approach to generate changes: behavioral focus

This approach is slower than the second because it depends on people's will and this is the field of resistance of change.

In any case, the intention to change attitudes and behaviors is the essence for incremental and consistent changes. But, of course that is not an easy task.

The main question is, how can organizations generate a consistent evolution of attitudes and behaviors?

Many consultants think that it is enough with seminars, courses, meetings and direct contact with the people, but unfortunately it is not sufficient.

The first step to change attitudes is to define or redefine the mission, vision and value statements, the roles of managers, the individual and organizational goals and policies about the importance of human factors for the organizations.

Once previous actions have been done, the organization can continue with the processes with traditional actions like seminars, courses and others.

The second approach determines that attitudes and behaviors are strongly influenced by functions, responsibilities and tasks that are assigned to people.
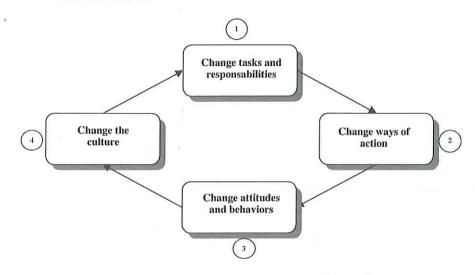
The model is:

Fig.9 Second to generate changes: tasks focus

This is a behaviorist idea and it supposes that when people execute repeatedly specific tasks, they will adopt them as a custom and these deeds generate new attitudes.

This approach has a good basis because it basis its ideas on the power of rules, procedures, control and defined structure, but it forgets the basis of any development: the people.

Some theories are founded on this concept and they generate deep impacts on modern organizations.

The recent success (and failure) of reengineering demonstrates that this theory is followed by many managers around the world.

The confusion is that if an organization develops its transformation only based on new tasks and responsibilities, control them by a strict supervision, it is possible that they achieve good results in a short time.

But, if it forgets the people, its development could be ephemeral and non-sustainable on long term.

By analyzing both the first and the second models, another approach emerges more focused on achieving results by taking into account both people and tasks in parallel:
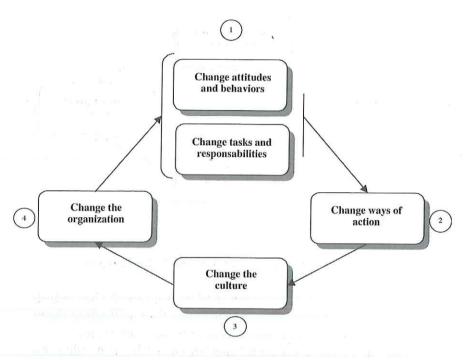

Fig.10 Third approach to generate changes: Behavioral and tasks focus

This approximation recognizes that it is important to search new action ways as consequence of changes in attitudes and behaviors but at the same time as consequence of new tasks and responsibilities or, in other words, redesign processes. This model is logical and it demands that managers should work simultaneously with either individual and groups sensitizing, and the analysis and redefinition of processes.

By reviewing the concept offered by Kenichi Omahe (1989) about organizational culture, the model of change with attitudes and tasks in parallel fits clearly with the two levels of culture: visible and non visible.
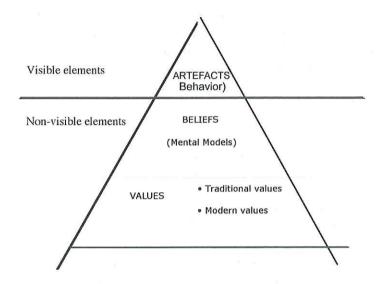

Fig.11 Organizational Culture - elements

By following Omahe, organizational culture has two different elements: 1) visible or those that identify external behaviors or actions (named by Omahe as artefacts), and 2) non-visible or those mental models and values that cause specific actions and behaviors.

Visible elements are equivalent to tasks and responsibilities and non-visible elements are similar to attitudes in the third approach for generate changes explained before.

In brief, the approach that sustains the idea of using simultaneously the definition of new assignments and sensitizing people in order to develop new attitudes and behaviors are consistent and it provides a good way for achieving better results in search of consistent changes.

Conclusions

How McShane (1992, p. 565) says, change, no matter how interesting, well thought, or well intentioned will be resisted by organizations and most of their members.

The resistance may be overt, subtle, immediate, deferred, implicit or explicit, passive or aggressive. No matter what way uses resistance, the managers' task is to find how to manage it effectively.

The resistance to change is not and expression of evil acts or the desire to damage the organization; it is a common answer from people in face of new changes, and many authors have designed interesting taxonomies in order to understand it (Robbins, 1993, p. 672).

This theme and others in the same direction are the challenges in the OD field and managers have here their main assignment for the future.

In spite of some authors who say that OD had the thrived in 70's and 80's decades (Hernandez, 1996, p. 255) and that it has some controversial ideas (Chiavenato, 1995, p. 651), others think on the opposite and they are of the opinion that OD is the best way for achieving competitiveness (Koontz and Weirich, 1994, p. 439; Guízar, 1998, p. 4-12; French, 1996, p. 2-24).

Nobody discusses that the tendency is to consider people as the main goal for organizations, and change is the framework. OD is a way of thinking and action that helps companies for managing that.

Of course that OD should revitalize itself permanently and should incorporate new advances and tendencies in the human behavior sciences. For example, new fields to develop that are new questions for OD practitioners are knowledge management, knowledge capital, learning organizations, OD and different transcultural processes, the influence of a new cybernetic word in the speed of change, the changing role of leadership, situational and transformational leadership, the new relationships into virtual organizations, and much more. Future is uncertain but organizations that use consistently OD concepts will have advantages through analytical and practical tools for facing it.

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