

Change leadership: case study of a global energy company

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- *Organizations operating on a global basis have wrestled with the dilemma of achieving a balance between global standardization and local differentiation. Similar dilemmas arise from a review of the literature around the challenges of implementing change successfully. There is, however, agreement that leaders play a significant role in resolving these dilemmas in the process of implementing strategic change within global organizations.*
- *This paper explores the literature on global organizations and change leadership. Building from this review, the paper presents the findings from a case study which explores the implementation of a global strategy within a large energy corporation.*
- *Based on a review of nine interviews, internal communication documents, and employee attitude survey data we found that change approaches which recognize the complexity of change combined with an involving and engaging leadership style tend to result in successful change implementation. In addition, the balancing of the global/local dilemma by leaders contributed notably to change success.*
- *We conclude with suggestions for further research and a brief discussion of the implications of the findings for the development of leaders capable of working effectively in a global organization.*

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Introduction

For many years organizations operating on a global basis have struggled with achieving an effective balance between global standardization and local differentiation in terms of implementing strategies and related policies and processes (e.g. Malnight, 1995; Ghoshal and Bartlett, 1999). In broad terms there appear to be both assertions and evidence to support the view that achieving effective globalization

requires the implementation of a range of 'loose/tight' couplings which allow for centralization around core values/principles/products/routes to market whilst simultaneously allowing for extensive decentralization to promote local innovation (e.g. Pettigrew, 1979; Schein, 1985; Colville *et al.*, 1999; Ghoshal and Bartlett, 1999).

Within a global context there is an apparent general view that local innovation provides a key to the development of competitive advantage (e.g. Malnight, 1995; Dickmann and Müller-Camen, 2006). However, realizing this advantage requires facing dilemmas around the balance between innovation and bureaucratic control (Ghoshal and Bartlett, 1999;

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Manlight, 1995) and being able to balance domestic and international tensions (Perlmutter, 1969; Dickmann and Müller-Camen, 2006). In an international study, Dickmann and Müller-Camen (2006) identified that the core values of an organization tend to determine the nature of global/local balance. For example, organizations which place a high value on innovation tend to place greater emphasis on the achievement of local autonomy within a global framework. On the other hand, in a strategic implementation, Geppert and Williams (2006) pointed out that the power of local managers to make strategic choices is as much a function of the strategic position and performance of the local unit as of the overall approach of the organization. These tensions appear to create dilemmas to be faced by local leaders and conditions of ambiguity (Waldrop, 1992; Grobman, 2005). Furthermore, in such a context there is an increasing demand on leaders to make judgments relating to actions which will lead to effective change implementation (Stace, 1996; Eisenbach *et al.*, 1999; Goodman and Rousseau, 2004). In order to explore this further, we examine the literature on change implementation and its leadership, particularly in a global context.

Change implementation

Operating and competing in a global context frequently gives rise to the challenges of implementing change successfully in differing business areas and cultures. However, as Stace (1996) points out, the ability to adopt change strategies which are successful in one area and apply them across a global organization is a

flawed approach. This line of argument is reinforced by the work of Pettigrew (2000) and Ruigrok *et al.* (1999). Pettigrew critiques much of the change literature in terms of general absence of consideration of contextual issues and the consequent adoption of a universalistic view of change approaches. He argues for the adoption of a contingent approach to corporate change. Research conducted by Dunphy and Stace (1993) presented case study evidence to support the value of a contingent change paradigm. Indeed, these findings and arguments tend to reinforce the broader issues in relation to globalization outlined above. It is evident that implementing global strategies represents a complex change (Pettigrew, 2000; Stacey and Griffin, 2005; Dickmann and Müller-Camen, 2006). However, much of the earlier change literature posits a paradigm anchored in a linear mind-set which sees change as a largely sequential process

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(e.g. Kotter, 1995; Beer, 2000; Pettigrew *et al.*, 2001; Stace and Bhalla, 2008). Building from this, Higgs and Rowland (2005) conducted an extensive review of the change literature and identified two core axes around which change approaches could be organized. These were:

- (i) *Linear versus complex.* At the linear end, underlying assumptions of predictability and scope for sequential implementation underpin the approaches to change. At the complex end, change is viewed as a complex phenomenon and approaches took account of complexity theory and encompassed systemic thinking.

Change approach	Linear vs. complex	Standardized vs. differentiated
Directive	Linear	Standardized
Self-assembly	Linear	Differentiated
Master	Complex	Standardized
Emergent	Complex	Differentiated

Source: Adapted from Higgs and Rowland (2005).

Figure 1. Typology of change approaches.

- (ii) *Standardization versus differentiation.* The standardization pole represented a viewpoint that change is implemented in a global/‘one-look’ frame, whereas differentiation set the change goals but envisaged local differentiation in implementation.

From this review they developed a typology of change approaches. This is summarized in **Figure 1**.

In a field study, Higgs and Rowland (2005) adopted a collaborative research design (Huff, 2000) and conducted an analysis of 80 change stories obtained from interviews with change leaders to assess the efficacy of differing change approaches across a range of contexts. From the analysis they found that approaches rooted in a linear paradigm were unsuccessful in any of the contexts examined. The ‘Master’ approach (Complex: Standardized) was very successful in a context of long-term change (i.e. changes over a period of 18 months or more) and in a context of ‘continuous’ change. The ‘Emergent’ approach was particularly successful in contexts of both high magnitude and short-term change. These findings provided a degree of support for the assertions of other authors in the field (e.g. Wheatley, 1993; Whittington *et al.*, 1999; Griffin, 2002; Goodman and Rousseau, 2004; Stacey and Griffin, 2005).

The contingent view of change implies that leaders have to make judgments, in respect of change approaches to be adopted, within the different contexts which they face (e.g. Stacey, 1996; Whittington *et al.*, 1999; Pettigrew,

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2000; Goodman and Rousseau, 2004). In the context of globalization it does appear that the major judgments relate to considerations of standardization versus differentiation. This would suggest that in considering and researching change it may be appropriate to focus on the standardization versus differentiation axis as proposed in the Higgs and Rowland (2005) model (on the basis that the evidence indicates the inefficacy of the linear mind-set). In a sense, this axis captures the broader global versus local debate.

Leadership, globalization and change

Kramer (2005), in commenting on a survey of 81 executives, contends that a significant challenge for organizations operating in a global context is to develop leaders capable of achieving the global/local balance discussed above. Yeo (2006) supports this view and asserts that even the best global strategies can fail if an organization does not have a cadre of leaders with the required capabilities at the appropriate levels in the organization. A key challenge for leaders in this global context is seen to be to ‘marry the corporate culture with the foreign business environment creating the flexibility in that culture to account for the expression of local values and operation methods’ (Kramer, 2005, p. 8).

Within a global context it is asserted that the leader’s role is more to act as an enabler articulating strategy and organization (Weick *et al.*, 2005; Colville and Murphy, 2006). In a specific case study, Colville and Murphy (2006) also identified that strategy and organization

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emerged from local cumulative actions at multiple levels within the organization. In the context of the global/local tension they suggest a frame for the dilemma: '... strategy becomes a broad-based compass for setting direction, to which local strategies are organised through the power of individual leadership' (Colville and Murphy, 2006, p. 673). This iterative view of strategy and the significance of leadership in a global context is endorsed by many authors (e.g. Child, 2005; Kramer, 2005; Yeo, 2006). At the same time, the significance of leadership behaviors is asserted to increase in the implementation of strategic change initiatives (e.g. Child, 2005; Higgs and Rowland, 2005; Sparrow, 2006; Yeo, 2006). However, in examining the leader's role and behavior in the change process, few studies have moved beyond generic descriptions (e.g. Darcy and Kleiner, 1991; Denis *et al.*, 1996; Eisenbach *et al.*, 1999; Gill, 2001; Weick *et al.*, 2005). An exception to this is provided by the studies of Higgs and Rowland (2000, 2001), which specifically linked leadership behaviors to activities involved in implementing change. However, the work of change in those studies was rooted in a view of the change process which required high levels of involvement and organization-wide conformity. Some have questioned the efficacy of such a view within a complex and wide-ranging change context (e.g. Wheatley, 1993; Wheatley and Kellner Rogers, 1996; Senge, 1997; Giglio *et al.*, 1998). In particular it is argued that a different perspective arises in the context of a complex and distributed view of change (Senge, 1997; Jaworski, 2000; Wheatley, 2000). In such a context it is argued that the leader's role becomes more important in terms of making

judgments relating to the change approach to be adopted (e.g. Denis *et al.*, 1996; Stace, 1996; Eisenbach *et al.*, 1999; Whittington *et al.*, 1999; Goodman and Rousseau, 2004). If change is perceived as complex and emergent, then Wheatley (2000) argues that leaders must be brought to a transformational edge so that they can work differently. However, beyond such theoretical conjecture, limited empirical research has been conducted which explores a broader relationship between leadership and differing approaches to change. One study that did explore this relationship was reported by Higgs and Rowland (2005); in this they identified three distinct groupings of change leadership behaviors. These were:

1. *Shaping behavior.* The communication and actions of leaders related directly to the change; 'making others accountable'; 'thinking about change'; and 'using an individual focus'.
2. *Framing change.* Establishing starting points for change; 'designing and managing the journey'; and 'communicating guiding principles in the organization'.
3. *Creating capacity.* 'Creating individual and organizational capabilities' and 'communication and making connections'.

Furthermore, they identified that the leader-centric 'Shaping behavior' impeded change initiatives and failed to be identified as a causal factor of change success. On the other hand, they found that both 'Framing change' and 'Creating capacity' clearly and positively impacted on change success. These successful behaviors evidence a broadly involving and enabling leadership approach. This provides further support for the view that such leadership behaviors are increasingly significant in complex contexts (e.g. Jaworski, 2000; Gill, 2001; Higgs, 2003; Kramer, 2005; Weick *et al.*, 2005; Colville and Murphy, 2006). Higgs and Rowland (2005) also found that these two categories of leadership behavior were predominantly encountered within change approaches which recognized the complexity of the

phenomenon (i.e. the 'Master' and 'Emergent' approaches shown in Figure 1).

Summary

From the foregoing review it is evident that, for a global organization, a key dilemma relates to the achievement of a 'loose/tight' or 'global/local' balance appropriate to underpin the achievement of the overall business strategy.

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In addition, it is evident that competing in a global context entails being able to implement change effectively. The more recent change literature and the empirical work reported above (Higgs and Rowland, 2005) suggests that this may be best achieved by adopting an approach to change which recognizes the complexity of the phenomenon. Hence:

Proposition 1. In a global context organizations which balance core principles with local needs and input will be more successful in implementing change than those in which the central organizational approaches dominate (e.g. Ghoshal and Bartlett, 1999; Pettigrew, 2000; Dickmann and Müller-Camen, 2006; Geppert and Williams, 2006).

Proposition 2. In a global context organizations which adopt an approach to change which recognizes its complexity will be more successful in implementing the change than those which adopt a linear and sequential approach (e.g. Grobman, 2005; Higgs and Rowland, 2005; Kramer, 2005; Yeo, 2006).

The role of leaders (throughout the organization) is critical to the implementation of change and to achieving the global/local balance and trade-offs (Kramer, 2005; Colville and Murphy, 2006). Leadership styles which work within a complex world-view of change are more likely to achieve a balanced global strategy and related change implementation. Hence:

Proposition 3. In a global context leaders whose behaviors fall within the 'Framing' and 'Creating' categories are more likely to be successful in implementing change strategies than leaders who adopt a more leader-centric approach (e.g. Jaworski, 2000; Gill, 2001; Higgs and Rowland, 2005; Kramer, 2005; Weick et al., 2005; Colville and Murphy, 2006).

Study design

The above propositions were explored using a single-organization case study. This was selected as an approach as the focus of the study was a contemporary phenomenon within a real-world context (Yin, 1989). As Yin points out, such a strategy (including a single-case study) can be used to pursue both an explanatory as well as an exploratory purpose. Within this context the unit of analysis is an

'event' which, in this study, relates to a global organization's movement from an international to a global way of operating.

The case-study organization is a major energy company which operates globally. While operating clearly within one brand, this organization had for decades been run as a decentralized and locally autonomous organization, operating in over 100 countries around the world. In the past decade the company initially moved from a country-based to a regional organization and then from a regionally based to a globally organized business. Prior to this change each country had its own separate governance structure and ran multiple business units with Profit and Loss (P&L) integration at the country level. The company has faced the change of moving towards being organized along global lines of business with centralized decision making, global reporting structures, standardized business processes and systems (SAP), and global P&Ls.

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The drivers behind the change have been: (i) shareholder pressure — costs (overheads) were too high to be able to meet expectations of shareholder return; (ii) financial performance overall had been stagnant and successful best practices were not being shared and optimized across the business; and (iii) duplication of effort and inefficiency with poor economies of scale (e.g. duplicated back-office structures and systems in every country). The company needed to standardize and simplify

its offers to customers around the world, build global talent pools of professional talent and expertise, and each global line of business required a single strategy — a single set of activities and one way of doing business. The need was for a culture of simplicity, reduced complexity, and increased speed and agility. Unsurprisingly, and particularly in a culture of 'not invented here', this change in the early years led to significant skepticism and doubt. The change challenge for leaders has been how to implement globalization and standardization while taking into account significant cultural diversity and providing space for innovation and responsibility at local levels.

The design of this case study was informed by the embedded (multiple unit) approach (Miles and Huberman, 1984; Yin, 1989) and the sources of data were: (i) interviews with a sample of leaders drawn from different parts of the business and different geographic locations; (ii) documentary evidence (e.g. copies of communications/presentations made by each leader); (iii) secondary data (primarily results of the organization's employee satisfaction/attitude surveys); and (iv) a panel assessment of the success of the implementation of the required changes in each of the interviewed leaders' part of the organization. This panel comprised global leaders from within the company, local directors, and 'experts' (including consultants and academics).

In identifying a sample for this study a 'convenience' approach was adopted (Hair *et al.*, 1995). In pursuing this sampling strategy the limitations relating to bias and potential generalizability were acknowledged (Moser and Kalton, 1972; Hair *et al.*, 1995).

Each interview with the sample leaders lasted between one and one-and-a-half hours. The interviewees were asked to talk about the changes which they had implemented in the context of the overall organizational change. In order to address issues of recall (Moser and Kalton, 1972), a critical incident approach was adopted (Flanagan, 1954). All interviews were recorded and transcribed. The transcripts were subsequently analyzed using coding frames developed from the relevant literature

(Miles and Huberman, 1984). Specifically, these related to:

- (i) Change approach (e.g. Griffin, 2002; Higgs and Rowland, 2005; Stacey and Griffin, 2005).
- (ii) Leadership style (e.g. Gill, 2001; Higgs and Rowland, 2005; Kramer, 2005).
- (iii) Global/local balance (e.g. Ghoshal and Bartlett, 1999; Colville and Murphy, 2006; Geppert and Williams, 2006).

The categorization of change approaches and leader behaviors was based on the model proposed by Higgs and Rowland (2005). Success was rated on a five-point scale (1 being low) and global/local focus was rated on a five-point scale with 1 representing a predominantly local approach and 5 a predominantly global approach. Engagement levels were categorized as high, medium, or low based on the organization's categorization of business unit employee engagement scores.

The overall analysis of the data was structured to seek generalizability of the data by reference to the extant literature (Yin, 1989).

Findings

The original sample of interviewees comprised 13 change leaders within the organization. Having conducted the interviews it was found that four of the interviews yielded data which related to local changes that were unconnected to the global strategy. These were discounted from the analysis (leaving a balance of nine global change stories).

Table 1 summarizes the analysis of the sample interviews, providing a picture of the nature of the business, success of strategy implementation, dominant change approach, dominant leadership behaviors, and employee reaction/engagement (using employee survey data).

From Table 1 it is evident that there is some support for the findings of Higgs and Rowland (2005) in terms of both change approach and leadership behaviors. However, it is interesting to note that whilst Leaders E and F both

adopted a change approach recognizing complexity (Master) and a leadership style focusing on building capacity (Creating), their results were less successful than others adopting this style. However, in both cases the global/local balance appeared to be directed more towards the global requirements (i.e. a strong focus on standardization). In general, the more successful implementation approaches tended to either overtly or implicitly address the global/local dilemma. One approach to addressing this entailed open sharing of the dilemma involved in implementing the global strategy. For example:

I couldn't run 144 countries continuously so I found a way for people to interact with me as the program manager . . . and there were certain things where I was totally open about how we did it . . . on other things I was pretty clear, it's got to be like this, we've made the decision . . . further out I was trying to canvass, I wanted them to hear each other so they shared in my dilemma of the fact that different countries wanted different things.

— Leader A

I had to create one culture and one integrated organization . . . nearly every day I was meeting with parts of the organization, explaining what we wanted to achieve, giving feedback, listening to their concerns and doubts.

— Leader D

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Table 1. Summary of findings

Respondent	Area of Business	Global versus local ¹	Assessed Change Success ²	Dominant leader behavior	Dominant change approach	Employee engagement levels	Commentary
Leader A	Operations	2	4	Creating Capacity	Master	High	Very successful global capability building project that had clear global outcomes, yet whose process was totally driven and informed by local input.
Leader B	Finance	3	3.7	Creating Capacity	Master	Medium	Integrated financial accounting services into shared services centre across 8 countries. Lots of dialogue and engagement. No attrition despite initial resistance to change.
Leader C	IT	5	3.0	Shaping	Directive	Low	One IT and reporting system implemented across 18 countries. Not enough effort given to post-implementation support.
Leader D	Local Country Manager	2	4.0	Creating Capacity	Emergent	High	Local integration of a company into a global organization. The leader listened to and represented the acquired local organization in the global entity, while staying firm on the 'absorption' agenda.
Leader E	Regional Manager	3	3.3	Creating Capacity	Master	Medium	5 countries put together, produced new customer value proposition - very self directed vision from the leader, told people to 'be champions'.
Leader F	Marketing	4	3.3	Creating Capacity	Master	Medium	Globalization of marketing function, very tight central control, felt very vertically driven.
Leader G	Supply Chain	2	4.0	Creating Capacity	Master	High	Local to regional restructuring of the supply organization. Key was the leader establishing belief in the business outcome/value add of working across countries.
Leader H	Client Relationship Management	2	5.0	Creating Capacity	Master	High	Globalization of a business, created one agenda and one spirit through combination of a tight frame and big investment in creating trust and collaboration through building of local/lateral networks and connections.
Leader I	Retail Business	4	2.0	Shaping	Directive	Low	Globalization of a retail business strong standardization although with lots of local country engagement. However, the engagement was more by way of communication and persuasion around the central globalization case.

Notes: ¹ 1 = Predominantly local 5 = predominantly global : ² 1 = Low 5 = High

achieve, giving feedback, listening to their concerns and doubts.

— Leader D

This appears to provide some evidence to support the assertion within the literature of the value of such an approach (e.g. Malnight, 1995; Dickman and Müller-Camen, 2006).

On the other hand, an alternative approach entailed bringing local issues into account in achieving the overall goals. For example:

I and my team signalled genuine and authentic interest in listening and understanding what was really going on in the operating units, taking that into account for global direction and then encouraging the whole organization to be supportive to each other.

— Leader G

This provides endorsement of the potential value of adoption of a more involving and enabling leadership approach (e.g. Gill, 2001; Higgs, 2003; Kramer, 2005).

A third approach encountered mirrored the global values and local implementation identified in the literature (e.g. Pettigrew, 1979; Schein, 1985; Ghoshal and Bartlett, 1999). For example:

We had given ourselves certain values and principles and I wanted to make sure that everyone in the room and everyone in the organization understands that we stick to that and we live by that.

— Leader H

In terms of leadership behaviors it did appear that those which explicitly emphasized involvement and engagement tended to lead to higher levels of both engagement and change success (e.g. Gill, 2001; Higgs, 2003; Higgs and Rowland, 2005; Stacey and Griffin, 2005). For example:

I found it very important to create something everyone felt was theirs, they had a say, it was something that 120 people shared.

— Leader D

Discussion and conclusions

The findings from this study tend to provide broad support for the findings from Higgs and Rowland (2005) in relation to the efficacy of change approaches which recognize the complexity of change, and so provide a degree of support for Proposition 2. However, the exceptions to this pattern of findings appear to be explained by the broad approach to the global/local dilemma adopted by the leader (e.g. Kramer, 2005; Stacey and Griffin, 2005; Colville and Murphy, 2006; Dickmann and Müller-Camen, 2006). This tends to endorse the significance of a more 'glocal' approach entailing centralization around core values/principles and allowing decentralization to provide for local innovation and competitive performance (e.g. Pettigrew, 1979; Schein, 1985; Colville *et al.*, 1999). Thus, overall this study has provided some support for Proposition 1.

Taking these findings together in a change context suggests that, within a global organization, the Higgs and Rowland (2005) standardized/differentiated approach categorization is somewhat simplistic. In reality the data from this study does provide support for Harzing (2000), who proposes that the globalization/localization issue is best represented in terms of a continuum rather than a dichotomy.

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Turning to leadership behavior, the data from this study tends to endorse the assertion in Higgs and Rowland (2005) that leader-centric behaviors (Shaping) tend to impede successful change implementation. It is, however, interesting to note that none of the leader interviews yielded a dominant 'Framing' approach to change leadership. However, the leaders adopting a dominant 'Creating'

Table 2. Potential framework for the leadership of change in a global organization

Leadership behavior	Change approach		
<ul style="list-style-type: none"> • Sets direction and non-negotiable framework. • Builds and communicates a solid, convincing, and consistent case for going global. • Listens and senses yet doesn't pull back from global/standardization agenda. • Eliminates roles/work that could create proliferation. • Builds trust, relationships, and a common vision. • Appoints people to global team who have local backgrounds. • 'As above, so below' — invests in building aligned global leadership teams. • Establishes conditions for interdependency <i>early</i> in the process. • Invests in forming and developing global teams around areas of mutually accountable work. • Convenes diverse groups of people and requests that they 'think for the whole'. • Encourages people to work together across countries, encourages lateral networks to solve common problems. • Supports local relationships around areas of mutually accountable work. • Stays open and flexible. • Speaks for the local (global newsletter with local real stories). • Travels out to the periphery — customers are in the marketplace, not on a spreadsheet. • Delegates authority for what can be done locally. 	<p>Global</p> <p>↓</p> <p>'Glocal'</p> <p>↓</p> <p>Local</p>	<ul style="list-style-type: none"> • Keep things 'simple' and consistent in order to embrace complexity. • Implements one-look processes — in order to compare, learn, and adjust across local. What's value adding or not? It makes you think differently and increases transparency between local units (frames). • Use consistent and standardized communications message and engagement vehicles. • Create global leadership teams — replace hierarchy with lateral connections — keep building in more interactions. • By mixing different groups of people together they can discuss their region. • Building community through co-creation of the organization's story and work on common business levers. • Create the conditions for the natural pull of ideas. • Use local best practices to create your global standardized process (not designed in a head office). • Conduct local experiments as prototypes for standardizing the whole. • Create a story that clearly displays global standardization and local realities. • Have local people in charge of global projects. • Create large change networks — build feedback loops between local hot spots and global direction. • Put raw local data into the room and have mixed groups identifying recurring, global, systemic themes. • Reward and recognition schemes run locally, self-nominations (against global vision and standards — achievement and behavior). 	
			Standardized
			Differentiated

approach to change did tend to be more successful in implementing the organization's global change initiative. The significance of leader behaviors in implementing the global initiative does provide support for the assertions within the literature reviewed above (e.g. Kramer, 2005; Colville and Murphy, 2006; Yeo, 2006). Overall, the findings do provide a degree of support for Proposition 3.

An overall review of the data suggests that there are relationships between change

approaches, leader behaviors, and an overall 'world view' of the global/local debate. **Table 2** summarizes how these three variables may be brought together to establish a framework for thinking about the leadership of change in a global organization, based on the detailed analyses of the behaviors presented in the nine interview transcripts.

In reflecting on these findings, the following tentative conclusions may be drawn:

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- (i) Only globalize when you know you have a solid business case to justify the disruption to processes and people (Ghoshal and Bartlett, 1999; Colville and Murphy, 2006; Geppert and Williams, 2006).
- (ii) Establish global hard rules early on and stay firm on them (Griffin, 2002; Higgs and Rowland, 2005; Stacey and Griffin, 2005).
- (iii) Listen and engage at local level not just in order for a global center to hear what's happening locally, but to enable multiple localities to hear themselves and see how complex and duplicative the situation actually is (Eisenbach *et al.*, 1999; Higgs and Rowland, 2005; Kramer, 2005; Colville and Murphy, 2006).
- (iv) Lateral connections are as important as vertical connections (Stace, 1996; Higgs and Rowland, 2005; Stacey and Griffin, 2005).
- (v) Make your choices and dilemmas visible and transparent to build trust and collaboration (Beer, 2000; Higgs, 2003; Dickmann and Müller-Camen, 2006; Geppert and Williams, 2006). Furthermore, it is evident that leadership can play a significant role in the effective implementation of change in a global organization (Denis *et al.*, 1991; Gill, 2001; Higgs and Rowland, 2005; Kramer, 2005; Stacey and Griffin, 2005).

Kramer (2005) highlights the importance of developing leaders capable of operating in a global context. Yeo (2006), whilst supporting this, highlights the increasing importance of developing relevant leadership behaviors when global organizations are facing significant change. The findings from this study

suggest that leaders need to develop an ability to build the capability of teams and individuals they are working with in the implementation of strategic change (Gill, 2001; Higgs and Rowland, 2005; Stacey and Griffin, 2005). In addition, they need an ability to establish networks within the organization which facilitate opportunities for dialogue and learning between local units and the corporate center (Higgs and Rowland, 2005; Colville and Murphy, 2006; Geppert and Williams, 2006). Thirdly, leaders require an ability to frame changes and to articulate clearly the core principles and values underpinning the changes and to distinguish these 'hard rules' from areas in which local input and differentiation is feasible within the process of implementing strategy (Wheatley, 1993; Stace, 1996; Higgs and Rowland, 2005).

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Finally, leaders need to be able to recognize the reality of the dilemmas they face within a global organization and to develop the ability to make judgments around the choices available to them in relation to these dilemmas (Stace, 1996; Eisenbach *et al.*, 1999; Goodman and Rousseau, 2004).

Limitations and further research

This study is subject to a range of limitations. Firstly, it presents a single case study which limits the generalizability of the findings. However, this limitation is somewhat ameliorated by the convergence of the findings with the extant literature. Secondly, the use of a 'convenience' sample (Hair *et al.*, 1995) introduces the possibility of respondent bias.

Finally, due to the nature of the organization and overall change it is difficult to ensure the success measure for each change story is sufficiently robust and reliable. However, the results of the study do indicate that further research, along similar lines, in different organizations, could prove to be valuable. It may also be useful to develop a framework, based on these findings, to conduct a quantitative study across a broad range of organizations and employing an independent criterion variable for the assessment of change success. Overall the findings do suggest that further research to explore the gradation of standardization within the Higgs and Rowland (2005) change approach framework could prove to be valuable.

Biographical notes

Malcolm Higgs is Professor of Organisation Behaviour at Southampton University School of Management, having moved to this role from Henley Management College where he was Academic Dean for four years before moving to the roles of Director of the School of Leadership, Change and HR and Director of Research. He has extensive consulting experience with the Hay Group, Arthur Young, and as Principal Partner in Towers Perrin's Human Resource Management practice. He has published extensively on leadership, team development, executive assessment, change management, and emotional intelligence — he has jointly developed a psychometric test to measure this. A member of the British Psychological Society and a Chartered Occupational Psychologist, Higgs is also actively involved in consulting on leadership, change, and assessment with international companies, both as an individual consultant and Chairman of Transcend Consultancy.

Deborah Rowland, CEO of Transcend Consultancy has had over a 20-year career in organizational change, performance improvement, and leadership development, both as a consultant at Towers Perrin and Omega Management Consultants, a business practitioner at Shell

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