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The Ability to Manage Change in Health Care Organizations

by

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Contents

Highlights	iv
Executive Summary	vi
Acknowledgements	x
Introduction	1
Organizations and Change	2
Implementing Reform in Canada’s Health Organizations	5
Decision Failures	6
Implementation Failures	6
Intervention Theory Failures	6
Successful Changes	7
Organizational Determinants of Change	8
Determinants of Implementation Failures	8
The Hierarchical, Rational Model	10
The Organizational Development Approach	11
The Psychological Model	12
The Structural Model	13
The Political Model	14
The Strategic Management Approach	15
Environmental Perspectives: Ecological and Institutional	16
Guru Approaches	17
Organizational Learning	17
The Theories of Complexity	18
The Determinants of Decision Failures	19
The Determinants of Intervention Theory Failures	20
The Issues Linked to Facilitating the Implementation of Change in Canada’s Health Organizations	21
Notes	24
References	25

Highlights

- Recommendations to reform Canada's health systems made over the last fifteen years have rarely been given effect, although often commanding a broad consensus.
- One of the main problems affecting health systems in Canada, as in most other countries, is an inability to make the changes deemed necessary.
- This inability to introduce change is not specific to health organizations. Implementing change in organizations is generally a time-consuming and complex endeavour.
- Failure to change can be the outcome of a failure to decide (not deciding to make a change known to be productive), an implementation failure (not succeeding in implementing a change that had been decided on) or a failure of intervention theory (not producing the desired outcomes despite an appropriate implementation).
- The literature abounds in explanations of failures to implement change in organizations. The general impression that emerges from the scholarly literature is that change is a complex and unpredictable phenomenon that necessarily encompasses a broad range of agents or pilots of change whose roles and involvements can vary over time. In complex organizations, functioning as a complex adaptive system and collective learning through action and experimentation seem to sharply increase the organizational inclination to go through with change. Also, it may well be that implementation is affected by a string of factors connected with the preparation and programming of change, the weighing of its social, cognitive and emotional dimensions and the organizational structure, and political dynamics.
- To enhance the ability to manage change in Canada's health systems and organizations, the immediate need is to:
 - Encourage decision makers and managers in health organizations to develop a culture centred on experimentation, change, risk and accountability;
 - Encourage independent thinking and initiative among the system's managers;
 - Pay special attention to incentive mechanisms in our public health care organizations. These incentives should allow decision makers and managers to concentrate on medium- and long-term system and organizational performance;
 - Encourage and prioritize the establishment of a climate of trust in our health organizations with a healthy involvement of their workers and professionals;
 - Encourage collective and individual learning;
 - Promote the adoption of flexible, highly integrated and complex structures;

- Encourage a rethinking of the managerial role in change management: from comptroller to facilitator, and from central actor to participant in a collective process;
- Promote the use of scientific knowledge in decision making at all levels of management in the health system and organizations.

Executive Summary

One of the major issues now facing health systems is the implementation of reforms. Countless commissions of inquiry and reports have come and gone over the past 15 years, their recommendations having fallen on deaf ears. This inability to give effect to change can be explained on several levels. Our study will focus on organizational dynamics.

Change management is one of the most, if not the most, important themes in writings on management in both the popular and scientific literature. Although they contain numerous and varied calls to actions, these writings all agree on the difficulty of giving effect to change in organizations. Apparently, at least half of our attempted changes are not properly implemented, and of those that are, most fail to reap the expected benefits. Changing organizations seems to be intrinsically and inexorably time-consuming and complicated. Things never seem to happen as expected. The reality of change in organizations seems to belie both the academic models and the passing facts and fashions that sweep through management.

We might intuitively expect health organizations to have even more difficulty with change, but the literature is somewhat equivocal in this regard. As public bodies, health organizations have decision-making processes that are more laborious, convoluted, turbulent and conflictual. Their nature as professional organizations further hardens these aspects of the decision-making process. Although logically this might point to more failure, it is apparently not so if the decision-making processes used are customized and suited to their settings.

Change is successful when the expected outcomes are produced without significant side-effects; decisions fail when the perceived need for change does not give rise to a decision to make it happen; implementation fails when the decision to act does not lead to a satisfactory enactment of change; intervention theory fails when effective implementation does not produce the expected outcomes. Obviously, the experience of Canada's health systems and organizations varies widely when it comes to enacting change. Primary care reform and vertical integration of care centered around primary care are clearly major decision failures in the Canadian health system. Regionalization in most provinces and the establishment of CLSCs in Quebec may be seen as implementation failures. The wave of hospital mergers in recent years and the 1996 introduction of co-payments for drug insurance claimants in Quebec are telling examples of failures in intervention theory.

The various writings and studies on change can be boiled down to about ten perspectives. All of them are currently present though they originated and predominated in the scientific literature at different times. They are not necessarily as popular with scholars as they are with the media and practitioners.

In the hierarchical model, change will be effective if it was well planned and the planned process was followed.

In the organizational development approach, change will succeed if managers can promote the values of participation and consensus, for example by enhancing organizational quality of life.

The psychological approach stresses individual reactions to change. Change will be implemented if people's natural resistance can be overcome.

From the structural standpoint, organizations that are successful in introducing change stand out for their structures and their ability to adjust these structures to the requirements of change.

The political approach views the adoption and implementation of change as organizational power games that result in adjustment to internal and external pressures. The problems with implementing change arise from the pursuit of special interests by influential stakeholders.

According to the strategic management approach, the implementation of change will be a success if top strategists can work a radical transformation in organizational culture, strategy and structure after periods of crisis and tumult.

From the environmental perspective, the main sources of change and the crucial factors for successful implementation lie in the environment surrounding the organization. We combine here two quite distinct models: ecological and institutional. In both cases executives are limited in their ability to implement their strategy. According to the ecology theory, the limitation is organizational inertia. Because of this inertia, the main mechanism of change will not be organizational transformation, but its replacement. According to institutional theory, these executives are limited by their institutional environment. Change is dictated its institutional standards.

According to the organizational learning model, change will be successful if it is accompanied by a collective learning process based on experimentation, trial and error.

Complexity theory holds that change will be facilitated by encouraging complexity in the internal organization and by promoting communication and participation to stimulate self-organization, learning and adjustment to environmental diversity.

According to management gurus, change is natural, inevitable and urgent and can be brought about by competent, effective leadership. Their formulas for competent change management are actually various blends of a number of change models. Overall, leaders have to be entrepreneurial, visionary, strategists, daring and ever prepared for crisis and opportunity (strategic management model). They have to be forward-looking, and they must program and plan change with care and attention (rational model). They have to be charismatic, astute psychologists who can overcome the resistance of their troops (psychological model). They have to be human, participatory and empowering (organizational development model). They have to prefer flexible structures that can easily accommodate contingencies (structural contingency approach). Lastly, they have to be skilled negotiators who can build winning coalitions (political model).

Perspectives on the determinants of failure of change are thus many and varied. Yet we have very little scientific evidence of their relative effectiveness. The rational and strategic management models have high face validity, but we do not really know how effective they actually are. The organizational development and individual learning (psychological) models have been more extensively researched and seem to rest on solid foundations. Yet evaluations report highly variable success rates, suggesting that the explanatory and prescriptive power of these models is limited. The structural, political, ecological and institutional models seem to

provide some strong explanations for failed implementation, but the lessons to be drawn in terms of action and change management are not so strong. Lastly, the organizational learning and complexity models seem promising and well theoretically grounded, but only in the rarest cases have they been used to guide the implementation of organizational change.

The general impression that emerges from the scientific literature is that change is a complex and unpredictable phenomenon that has to encompass a broad range of agents and pilots of change whose roles and involvements can vary over time. In complex organizations, functioning as a complex adaptive system and collective learning through action and experimentation seem to sharply increase the organizational inclination to go through with the change. Also, it may well be that implementation is affected by a string of factors linked to the preparation and programming of change, the weighing of its social, cognitive and emotional dimensions and the organizational structure and political dynamics.

In this report, we propose a comprehensive model of the factors that, based on our synthesis of the various literature streams, seem to be important determinants of the implementation of change in organizations. This modelling enables us to suggest that, in order to enhance the ability to manage change in Canada's health systems and organizations, the following goals should be pursued over the short term:

- a) In order to reduce the incidence of decision failures:
 1. Encourage decision makers and managers of the health system and organizations to develop a culture based on experimentation, change, risk and accountability. This involves a major change in the definition of accountability: an accountable decision maker is one who views mistakes as learning opportunities and not punishable offences).
 2. Encourage independent thinking and initiative in the system's managers (this requires managers to acquire new cognitive abilities that enable them to appreciate complexity and approach their decisions with introspection).
 3. Pay special attention to incentive mechanisms; incentives should allow decision makers and managers to concentrate on medium- and long-term system and organizational performance.

- b) In order to reduce the incidence of implementation failure:
 4. Encourage and prioritize the establishment of a climate of trust in our health organizations with a healthy involvement of their workers and professionals (so that there can be places where experimentation is permissible and legitimate).
 5. Encourage collective and individual learning.
 6. Promote the adoption of flexible, highly integrated and complex structures.
 7. Encourage a rethinking of the managerial role in change management: from comptroller to facilitator, and from central actor to participant in a collective process.

c) In order to reduce the incidence of intervention theory failures:

8. Promote the use of scientific knowledge in decision making at all levels of management in the health system and organizations (paying special attention to interdisciplinary knowledge).

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Introduction

Clearly, one of the major issues now facing health systems is to implement reforms that are almost unanimously seen as needed. In Canada, countless commissions of inquiry and reports have come and gone over the past 15 years, their recommendations having fallen on deaf ears. This inability to give effect to change can be explained on several levels: on the socio-political level in health system, and on the organizational and individual levels. Socio-politically, the health system is subject to difficult choices that must be made to reconcile its need for attention and available resources with that of the other major social and public systems, i.e. the economy and employment, education, the environment, social affairs and justice. Pressures and the resulting compromises are often destructive of reforms. The health system itself seems like a rudderless ship, and the picture drawn in 1988 by Quebec's Rochon Commission still rings true:

It is as if the system had become the prisoner of the countless interest groups moving through it: producer groups, institutional groups, community and union pressure groups, etc.; as if only the law of the strongest were functioning and the democratic arbitration systems were no longer enough; as if the person needing help, the public needing service, the needs to be met and problems to be solved, in short, the common good, had been forgotten in favour of the interests of these various groups (p. 407, Report of the Commission d'enquête sur la santé et les services sociaux, 1988). [Translation]

This destructive struggle is certainly not conducive to the collective mobilization required for implementing major reforms. In terms of individuals, the conditions of practice and employment have deteriorated considerably in recent years, so much so that the discouragement and loss of commitment of managers, professionals and other employees is now, paradoxically, one more obstacle in the way of reform. Finally, successful implementation of change also depends on all sorts of things linked to the characteristics, operation and management of the organizations making up the health system. Although the socio-political, systemic, organizational and individual factors are intrinsically interconnected and work together to facilitate or hinder change, this study will focus on organizational dynamics. We will begin by discussing the difficulty of change in organizations generally. We will also briefly touch on some recent attempts to implement reforms in Canada's health organizations. We will go on to a summary review of knowledge about the organizational determinants of change, innovation and implementation. We will then conclude by discussing what we see as the major issues in terms of facilitating, in years to come, the implementation of change to enhance the quality, effectiveness and efficiency, and ensure the survival of the public system of health care.

Organizations and Change

Change management is one of the most, if not the most, important themes in writings on management in both the popular and scientific literature. This concern to bring about change does not seem to be waning – quite the reverse. Nearly 2,000 books on management are published annually (the number goes up each year), many of them dealing with change. As for learned journals, a search of the *Current Contents* database revealed nearly 1,300 articles on implementing change in organizations published in indexed journals since 1994, including over 600 since 1999.

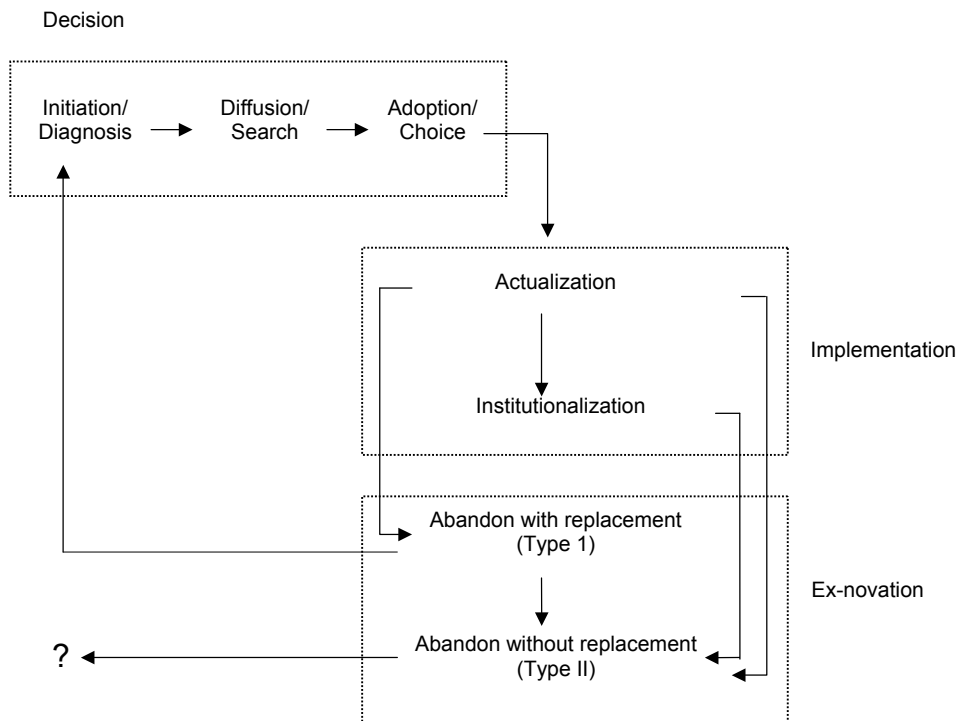
Although it contains many and various calls to action, this literature is unanimous about the difficulty of introducing change to organizations. The idea of change is obviously very inclusive and covers a whole range of more or less complex activities of unquestionable diversity in terms of ease of implementation, soundness and potential effectiveness that prevent us from making a formal synthetic judgment. Yet the general impression that emerges from the literature is that at least half of attempted changes are not properly implemented and, of those that are, most fail to reap the expected benefits. To quote just two of the most recognized experts on organizational change, John P. Kotter of the Harvard Business School writes that “a few... corporate change efforts have been very successful. A few have been utter failures. Most fall somewhere in between, with a distinct tilt toward the lower end of the scale” (1995: 59). According to Paul Strebler, “Change management isn’t working as it should. In a telling statistic, leading practitioners of radical corporate reengineering report that success rates in Fortune’s 1000 companies are well below 50%, some say they are as low as 20%” (1996: 86). A number of writers cite failure rates of over 50% (Cascio 1995) and even 75% and more (Bashein, Markus and Riley 1994; Wellins and Murphy 1995; Jacob and Ducharme 1995).

Changing organizations seems to be intrinsically and inexorably time-consuming and complicated. Things never seem to happen as expected. The reality of change in organizations seems to belie both the academic models and the passing fads and fashions that sweep through management (Nadler and Nadler 1998).

The process of effecting change in organizations can be broken down into several stages. The number of stages and the terminology used by different writers may vary, but the model shown in Figure 1 seems to combine the various models proposed in the literature. There are three major phases: the process of decision to change, which includes the stages of initiation or analysis, dissemination or search for solutions and the adoption or choice of a solution; the implementation of the decision in the short (actualization) and long terms (institutionalization); and, potentially, abandonment with or without replacement. A planned change can fail at any time in the first two major phases. It may therefore be useful to make the distinction between decision failures and implementation failures.

Decisions fail when diagnosis does not result in a decision to make a change or adopt a practice that would arise from the change. We know what we have to do, but do not make the decision to do it (we do not take the decision-making process as far as making a choice). For example, in a recent study on the implementation of quality management programs, Zbaracki (1998) looked at five organizations where senior officials were ardent proponents of total quality

Figure 1
Change Process in Organizations



and believed that using these methods would enhance the quality of products and services. Despite these fine words, four of these organizations were not using any quality management process and the fifth made very little use of that approach. Pfeffer and Sutton (1999) offer further examples of decision failures. According to them, U.S. firms spend US\$43 billion a year on consulting fees and rarely put their consultants' recommendations into practice. These writers cite the example of a bank that hired four different consulting firms over a six-year period and received the same recommendations each time without ever implementing them; and the example of a consultant who found, after working for several months on a contract, that the company already had a highly detailed, first-rate report on the same problem: "The problem was not analysis, it was implementation... the core [of our report] was almost a copy of the old document. The client already had the basic information we were giving them" (Pfeffer and Sutton 1999: 84). These writers call this failure of decision the "knowing-doing gap" and identify it as an extremely common problem in organizations with a significant impact on their performance. Similarly, Cohen (1998: 30) refers to the "performance paradox": "Managers know what to do to improve performance, but actually ignore or act in contradiction to either their strongest instincts or to the data available to them."

The failure of change can also occur during the implementation stage. In this event, the decision is made but the change is either unimplemented or botched. Nutt (1999), based on research conducted over the past 15 years on a huge sample of organizations, concludes that half of decisions fail in the sense that they are not given effect.

It thus seems that change is a major management issue and the difficulty of implementing change is a widespread problem. There is an abundance of literature, both general and scholarly, on this problem; the solutions, however, as we will see in the next section, are still hazy.

How do we compare health organizations in terms of their ability to implement change? We might intuitively expect these organizations to have even more difficulty with change, but the literature is somewhat equivocal in this regard. As public bodies, health organizations have decision-making processes that are more laborious and convoluted (Rodrigues and Hickson 1995), turbulent and conflictual (Schwenk 1990). Their nature as professional organizations further hardens these aspects of the decision-making process. Although, logically, this might point to more decision failure, it is apparently not so if the decision-making processes used are customized and suited to their settings (Nutt 2000; Rodrigues and Hickson 1995). Similarly, although the 1970s literature seems to suggest that failure to implement change is more widespread in public organizations (Appleby 1978; Eddy and Saunders 1972; Giblin 1976), the more recent literature seems to indicate much more similarity in terms of successful implementation (Golembiewski, Proehl and Sink 1981; Park 1991; Robertson and Seneviratne 1995).

However, the fact remains that health organizations tend more frequently to exhibit characteristics that are non-conducive to change than their private-sector counterparts. We will tackle below the issue of structural change determinants.

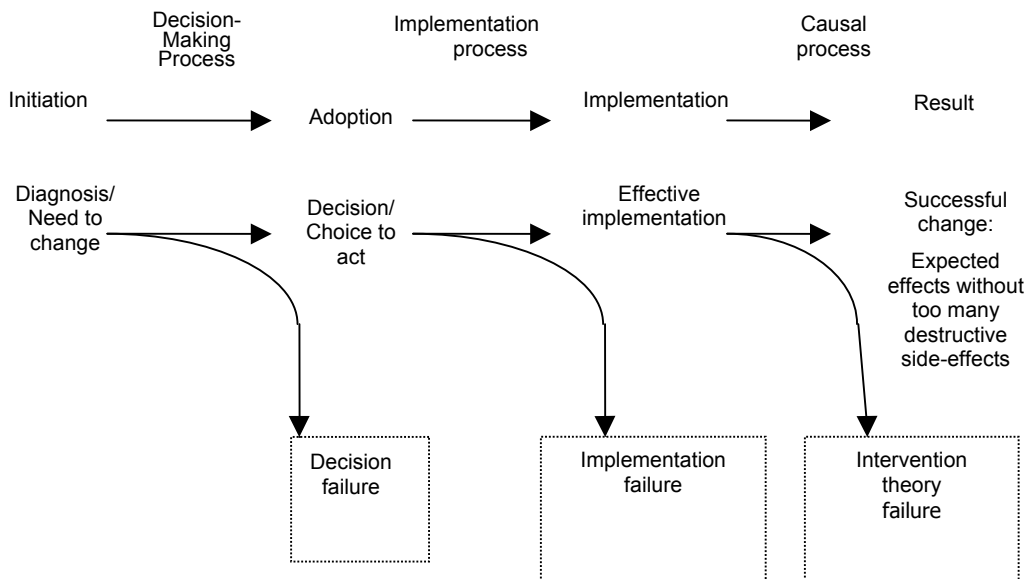
Implementing Reform in Canada's Health Organizations

The experience of Canada's health systems and organizations with change implementation is obviously very diverse. The past 15 years have seen some miserable failures as well as some significant successes.

In Figure 2, using the work of Carol Weiss (1972), we have rounded out the above description of the change process by adding to failed decisions and failed implementations a third possible kind of failure, the failure of intervention theory or planning. Here, change can succeed when the expected effects occur without significant destructive side-effects; decisions fail when the perceived need for change does not give rise to a determination to make it happen; implementation fails when the decision to act does not lead to a satisfactory enactment of change; theory fails when effective implementation does not produce the expected outcomes.

It would be interesting indeed to review efforts to reform Canada's health systems over the past 15 years with a view to identifying the successes and various types of failures. But this exhaustive survey greatly exceeds the purview of our study. We will limit ourselves to a preliminary and incomplete presentation of a few examples.

Figure 2
Possible Paths of Change



Decision Failures

Primary care reform and the vertical integration of care around primary care are clearly among the major failed decisions in the Canadian health system. We have realized for at least 30 years how important it is to build the system around primary care. In Quebec, the Castonguay Report (1971) made this the cornerstone of the system's organization. The Hastings Report (1972) was persuasive in the same vein. This idea has been picked up by every commission of inquiry since. In Quebec, the 2001 Clair Report again made this idea its first recommendation. Although there was a consensus (of course), nothing has been decided yet save for a small-scale experiment that was to start in the summer of 2001; more than a year has passed, but the experiment is not even close to beginning.

The need to abandon fee-for-service payments for doctors is also a matter of consensus among scholars. All of the studies have shown the harmful effects of this method of payment and the advantages of other methods such as capitation, case payment or adjusted salary. Although experiments with alternative payment systems have been tried in very specific settings, no government has yet dared to address this major source of inefficiency in the system.

Implementation Failures

The implementation of regionalization varies from province to province, but it has generally failed to meet expectations. This is clearly the case in Ontario, but also in Quebec where it has assumed the distorted form of a deconcentration of the provincial technocratic machine that is far from the original democratic ideal. In a similar and interrelated way, user participation in the system's management and direction has never really been given effect either.

Despite the official rhetoric, Quebec CLSCs have never been provided with the resources they need to perform the roles and functions theoretically allotted to them. Nor have midwives and nurse clinicians been given the support and resources they need to provide their services on a wider scale.

Intervention Theory Failures

The wave of hospital mergers in recent years provides some telling examples of failures in intervention theory. Although in some specific cases mergers can have advantages (Brousselle, Denis and Langley 1999), many were probably unjustified and have meant major and predictable dysfunctions without appreciable reductions in costs or increases in efficiency (McKee and Healy 2002). This situation is by no means unique to the health community. The same trend has dominated the business world with similar, often disastrous, results (*The Economist* 1997b).

The 1996 introduction of a co-payment for Quebec drug insurance claimants also ran counter to the scientific evidence. As could have been foreseen, this change has produced a significant increase in emergency visits and an array of adverse health outcomes (hospitalization in acute care, admissions for extended care, deaths) (Tamblyn et al. 2001).

Successful Changes

The federal government's introduction of hospitalization insurance following the Hall Report (1964) can certainly be viewed as a success.

Over the past ten years, the major downsizing initiative in terms of human and physical resources in Canadian provincial health systems has certainly succeeded in the sense that we can see an impressive reduction in the number of hospitals and especially in the number of beds. Overall, one third of all beds (32.2%), all categories taken together, were closed between 1987-2001 in Canada. Without commenting on the impact of these changes on the production and use of services and the health of the public, we can say that this major transformation of the system has been successful.

Organizational Determinants of Change

What do we know about the determinants of successful change in organizations? In terms of the possible change processes discussed above (Figure 2), what were the contributing factors to successful/failed decisions and implementations and failed theory? Management research and literature have mainly focused on the implementation process. Our discussion will therefore begin with the determinants of success or failure at that stage. The determinants of the other two types of failure will be dealt with later on.

Determinants of Implementation Failures

Change is a big, vague notion that evolves over time to reflect various current approaches, models and theories. The concept of change may also be viewed as a generic concept associated with more specific ideas like innovation, transformation and reform that we may or may not want to identify separately in various circumstances. When it comes to implementation, we feel these are actually variations on a theme to be considered without separating them out.

Generally speaking, the notion of change conjures up the idea of a modification, limited in time and space, of one or more organizational parameters. We are thus talking about a transformation process that punctuates the natural evolution of organizations (Guilhon 1998). The conceptualization of the parameters that an organization can change also varies with the author. Guilhon (1998) speaks of transforming structures and competencies. Miller, Greenwood and Hinings (1999) view change as a redirection of strategy, structure or culture. Similarly, Mintzberg, Ahlstrand and Lampel (1999) suggest that change may focus on strategy, i.e. vision, position, programs and products, and the organization itself, i.e. its culture, structure, systems and staff. In the literature on innovation, we can also see change as the introduction of an idea or behaviour that is new to an organization (Hage 1980, 1999; Hage and Aiken 1970; Zaltman, Duncan and Holbek 1973; Zammato and O'Connor 1992; Damanpour 1988, 1991). This can be a product, service, technology, program, policy or process.

Most authors will recognize a major distinction between changes that produce significant, basic transformations and more minor, fringe changes. Hage (1999), Damanpour (1991) and a number of others differentiate between radical and incremental change; Grossman (1970) speaks of ultimate *vs* instrumental; Normann (1971) of reorientation *vs* variation; and Nord and Tucker (1987) of radical *vs* routine. Yet other writers (Miller and Friesen 1984; Tushman and Romanelli 1985; Greenwood and Hinings 1996) look instead at two dimensions, distinguishing change by significance and pace. They differentiate radical changes, involving major transformations from big reorientations, and convergent changes, that are actually adjustments, sticking close to the status quo with no genuine transformation. They also distinguish evolutionary (gradual, bit by bit or incremental) change from revolutionary, abrupt, sudden change. According to Mintzberg, Ahlstrand and Lampel (1998, 1999), we could also differentiate between various types of change in terms of the presence of intent, thus between deliberate changes and emergent, unplanned changes, and in terms of the formalization of the change process (formal *vs* informal). All of these distinctions can be seen in Figure 3. The distinction by pace is undoubtedly the most controversial, with some authors holding that only revolutionary approaches can produce

Figure 3 Types of Change			
Differentiation Criteria	Types of change		
Significance	Radical (ultimate, reorientation, transformation)	vs	Convergent (instrumental, variation, routine)
Pace	Evolutionary (incremental)	vs	Revolutionary
Intentionality	Deliberate	vs	Emergent
Formalization of process	Formal	vs	Informal

genuine change (Miller and Friesen 1984; Gersick 1991), others insisting on the need to proceed step by step or incrementally (Hafsi 1995), and still others advocating, by analogy with human evolution, a process of interrupted harmony (Eldredge and Gould 1972) that reflects a need to combine periods of abrupt, radical change with long periods of gradual change (Abrahamson 2000; Hamel 2001).

We think that these distinctions, though very useful conceptually to reflect on the processes and choices of implementation processes, actually have limited implications when it comes to the determinants of successful/failed implementation and their effects. Indeed, organizations are complex active systems which, according to the general theory of systems, have properties of equi- and multi-finality (Katz and Kahn 1966; Maruyama 1968). Therefore, changes in these complex systems are themselves equi- and multi-final (Ramaprasad 1982; Nord and Tucker 1987). Equifinality means that a number of paths can lead to a desired outcome. In other words, we can obtain the same result through various changes. Multifinality means that a single process or change can lead to different outcomes. Seeing change processes as equifinal and multifinal involves accepting that major outcomes (in terms of transformation, reorientation and reform) can result from relatively minor changes, whereas radical, revolutionary changes can occur without significant outcomes.

The issue of change seems to be a divergent problem in so far as, despite the abundance of relevant literature, we are still far from a consensus on the factors of success or failure, and the more we delve into the matter, the more complex it appears. In recent years, a number of reputable journals have devoted complete issues to change (*Revue Française de Gestion*, Sept.-Oct. 1998; *Gestion*, Fall 1999; *Academy of Management Review* 2000) and several syntheses of this literature have been published (Denis and Champagne 1990; Wolfe 1994; Damanpour 1989, 1991; Hage 1999; Demers 1999). All of these syntheses agree on the fact that the research results are varied and often inconsistent. In our view, the various writings and studies on change can be sorted into about ten perspectives (Figure 4),¹ all of which currently co-exist. As Demers has shown (1999), however, they originated and predominated in the scientific literature at different times. As we shall see, they are not necessarily as popular with the media as they are with practitioners or scholars (Miller, Greenwood and Hinings 1999).

Figure 4
Perspectives on Organizational Change

1. The hierarchical, rational model
2. The organizational development approach
3. The psychological model
4. The structural model
5. The political model
6. The strategic management approach
7. Environmental perspectives; ecological and institutional approaches
8. Guru approaches
9. The learning model
10. Theories of complexity

The Hierarchical, Rational Model

*In the hierarchical model, change will be effective if it was well planned and the planned process was followed.*² This model is based on a mechanistic view of the organization as popularized by classic management theories (Morgan 1986). The emphasis in this concept of the organization is placed on controlling individuals in work situations. The organizational hierarchy and associated controls are used to make individual behaviour highly predictable.

This hierarchical (Majone and Wildavsky 1978) or rational planning perspective (Scheirer 1981) represents the traditional concept of planned change in organizations. Its supporters place the emphasis on rational and technocratic change planning (Kunkel 1975). According to this model, the implementation of change depends mainly on the earlier stages of the planning process, i.e. the identification of the problem and options, and the choice of the best solution. The chain of command model also cannot work without controlling the individuals who actually implement the change (Harrison 1985; Kirkpatrick 1986). The edict strategy identified by Nutt (1986), the authoritarian model proposed by Herman-Taylor (1985) and Harrison's unitary model (1985) are representative of this approach.

On the whole, the hierarchical model identifies a series of stages which, if followed properly, should ensure the success of a change. This approach assigns a key role to managers in positions of authority, who must decide on changes and then exercise hierarchical control and play a supervisory role throughout the process. The hierarchical, rational model also assumes that changes are unifinal rather than multifinal, as mentioned above (i.e., they always lead to the same outcome if similarly applied) and that the environment is predictable (Collins 1998). Introducing change through "project management" is a popular form of this rational approach.

The rational, hierarchical model corresponds to a normative approach to change in organizations. Indeed, it is presented as an ideal to aim for (Harrison 1985) without, to our knowledge, any major empirical work conducted to verify its ability to account for success or failure in introducing change into an organization.

Despite the lack of research on its effectiveness and its reliance on assumptions that seem almost naïve and simplistic, the hierarchical and rational model seems to have fairly strong pragmatic validity (based on common sense) and remains popular with practitioners and consultants. In a recent series of articles on mergers, *The Economist* linked the success of these moves largely to the breadth and systematization of the procedures used for planning and programming them.³ Similarly, a recent article in the *Academy of Management Executive* (Marks and Mirvis 2001) underscores the importance of “psychological and strategic preparation” for successful mergers.

The Organizational Development Approach

In this approach, change will succeed if managers can promote the values of participation and consensus, for example by enhancing organizational quality of life (Demers 1999).

The terms “organizational development” refer to an applied management approach favoured by consultants in the field of administration (Beckhard 1969; French, Bell and Zawacki 1978; Lippitt 1982). Generally speaking, organizational development suggests that a participatory management style, decentralized decision making, job enrichment programs and communications systems will guarantee the successful implementation of change in organizations (Berman 1980; Fullan 1972; Geis 1985; Goodman and Kurke 1982; Herman-Taylor 1985). In short, this approach proposes mechanisms to offset the control practiced in organizations. “Organizational development is a normative ‘bottom up’ counter to the rationalist ‘top down’ strategy” (Scheirer 1981: 27).

The organizational development perspective is broadly based on an organizational concept consistent with the one proposed by the Human Relations School (Séguin and Chanlat 1983). It was devised in the 1960s and ’70s but remains very popular with practitioners, consultants and gurus in the organizational community (see below) although, as with the preceding approach, there is very little research on its implementation or effectiveness. It puts emphasis on various aspects of individual behaviour in the workplace. It looks at the informal organization of groups and the phenomena of workplace motivation and solidarity as linked to productivity levels in the organization. Overall, organizational development relies on meeting the needs of individuals and groups at work to promote optimal organizational functioning. In action, however, this approach focuses on the group. Essentially, it attempts to use analysis of intra- and inter-group dynamics for managing informal organizations to heighten acceptance of change.

In this approach, the manager plays three roles in the change process. He must (1) effectively convey and explain the change to the members of the organization; (2) act on the dynamics of reactions to the change plan by encouraging people to express their perceptions and identifying the responsibilities of individuals or groups concerned and the co-operative systems to be created; (3) adjust tasking, reward and performance appraisal systems and structures. The objective here is to minimize negative reactions to change and any ambiguities and confusion that may typify the process. The manager must therefore organize activities that lead to a review and transformation of the dynamics that appear unbidden with the arrival of change. This process should culminate in an adjustment of group operating standards to welcome change.

In this model, obstacles to change can come from a number of sources: poor or inadequate messages, a persistent negative perception of change, confusion about the roles and responsibilities of individuals and groups in the process, the absence of co-operative systems and an imbalance between the work, with its systems of appraisals and rewards, and the characteristics of the change.

The manager's effective promotion of change largely depends on his ability to grasp the reactions of people in the organization and move quickly to avoid a consolidation of operating standards opposing the change.

Finally, let's recall that the success of this approach depends on the organization's ability to forge a consensus around the objectives of change (Elmore 1978). The development of systems that promote positive and harmonious relations among the members of an organization should make it possible to overcome tensions that may threaten intra-organizational unity. A number of scholars have tried to synthesize the results of studies on the effectiveness of organizational development projects. Their estimates of the success rates of these activities vary from 38% (Porras and Robertson 1992) to 50% (Porras and Berg 1978) and to over 80% (Golembiewski, Proehl and Sink 1982; Katzell and Guzzo 1983).

The Psychological Model

This approach stresses individual reactions to change. *Change will be implemented if people's natural resistance can be overcome.*

Since the famous article by Coch and French (1947), numerous studies and articles have featured negative or defensive individual reactions to change. This psychological perspective on change in organizations is consistent with the literature on changing attitudes and the relationships of attitudes to behaviours (Fishbein and Ajzen, 1975). This model assumes a sequential relation among beliefs, attitudes, intentions and behaviours. Accordingly, it is assumed that beliefs and attitudes will affect people's inclination to accept planned change.

But what are the factors conditioning individual beliefs, attitudes and therefore resistance? The theories are many and varied (Bareil and Savoie 1999): some emphasize psychoanalytic considerations involving defence mechanisms (Kets de Vries and Miller 1985), others fear of losing something that works (Kotter and Schlesinger 1979; Scott and Jaffe 1992), and still others, personality (Collerette, Delisle and Perron 1997).

The studies of factors explaining individual resistance have not produced models for predicting the conditions in which resistance will appear or what implementation processes would help us to overcome it. Another set of studies looked instead at the development of process or transitional models (Bridges 1991) in an attempt to understand and possibly modify the paths taken by individuals to accept and thus implement change.⁴ The best-known model here is unquestionably that of Lewin (1952), adopted and developed by Schein (1969, 1980). This model assumes a three-phase cognitive process: unfreezing, displacement and refreezing. Other models suggest social and emotional processes with varying numbers of stages that include denial, sadness, guilt, anger, confusion, commitment, etc. (Scott and Jaffe 1992; Perlman

and Takacs 1990). Bareil and Savoie (1999) propose a model that attempts to combine the cognitive and social/emotional approaches in four phases: shock, resistance, exploration and involvement. Finally, the model developed by Hall, George and Rutterford (1986) is based on the phases of concern theory and sees the change process as a series or chronology of concerns (or questions) through which individuals move: managers can attempt to provide answers by supporting individuals in their progress through these phases of concern.

Argyris (1982, 1984, 1985a, 1985b, 1987) and Argyris, Putnam and McLain-Smith (1985) made a significant contribution to expanding the underlying theoretical basis of the psychological approach. The action theory developed by Argyris proposes a framework for identifying the assumptions governing individual or group behaviour in the organization and producing strategies to modify these behaviours.

In Argyris' model, the process of generating change in an organization is analogous to a learning process. The managerial role is reduced to that of a learning facilitator. More specifically, the psychological model places the motivation for change in complex organizational situations typified by ambiguity. This initial situation is interpreted by individuals to reflect their current theories, i.e. a set of responses learned and applied automatically in novel situations without questioning their validity. The managerial role then consists in facilitating the development of a learning framework. To this end, mistakes by individuals in the organization must be used to identify learning opportunities instead of being punished. The organization must also allow the individual enough autonomy to enter into a learning process.

Developing a learning context requires the use of strategies to increase individual responsibility, initiative and inclination to discuss the difficulties raised by the new situation with other members of the organization. Essentially, this involves disclosing the dilemma that the individual is facing. This stage makes it possible afterwards to act as a group and define paths of experimentation and research to solve the problem situation.

As we shall see later, the learning-based models have, for ten years, been extended at the organizational instead of the individual (or psychological) level and today are among the dominant models of change in the research community.

The Structural Model

The structural approach has been featured in a number of studies on change over the past thirty years. *From the structural standpoint, organizations that are successful at introducing change stand out for their structures and their ability to adjust these structures to the requirements of change.*

More specifically, the successful implementation of change seems to be influenced by a series of characteristics involving (1) organizational attributes like size, centralization, formalization, level of expertise, etc. (Bennis 1966; Burns and Stalker 1961; Hage 1985; Hage and Aiken 1970; Harvey and Mills 1970; Moos 1983; Pierce and Delbecq 1977; Thompson 1965; Zaltman, Duncan and Holbeck 1973); (2) the organizational context, i.e. environmental uncertainty, competitiveness, organizational affluence, degree of urbanization, etc. (Harvey and

Mills 1970; Pierce and Delbecq 1977; Shortell 1983); (3) managerial attributes like “locus of control,” attention to innovation, and cosmopolitan or local focus (Shortell 1983; Miller 1983; Pierce and Delbecq 1977; Thompson 1965).

This structural perspective on change originated in the seminal research of Burns and Stalker (1961), who popularized the idea that organic organizations (informal, decentralized, flexible, participatory) found it easier to adjust and appropriate innovations and change. This idea has flourished since then and been taken up and applied in all sorts of ways, for example in the now classic *In Search of Excellence* by Peters and Waterman (1982). More generally, the importance of the structural determinants of change has been repeatedly underscored (Damanpour 1987, 1991; Kim 1980; Kimberley and Evanisko 1981; Scheirer 1981; Hage 1999).

Moreover, according to the contingency theory (Lawrence and Lorsch 1967), the structural approach also sees an organization’s capacity to change in the adaptability of its design, i.e. in a mix of decisions affecting specialization, formalization, the sizes of units and sub-systems, the consolidation principle (functional and market), centralization, inter-unit liaison systems and the intensity of planning and control (Mintzberg 1979; Jelinek 1986). These decisions are made in relation to a set of environmental and technological factors (Jelinek 1986; Jelinek, Litterer and Miles, 1986). In general, the design should reflect a fit with the various limiting factors weighing on the organization. The major issue raised by this perspective is the identification of an appropriate and effective structure that retains enough flexibility to react to changes as they occur in the environment.

The transformation of the organizational design means, in short, that change is incorporated structurally. In this model, the organization that reacts positively to change itself changes to eliminate outside pressures. In a sense, the change is made routine (Yin 1981), i.e. it will have major repercussions on the organization’s operations and the way it performs its tasks and duties.

From the structural perspective, the manager’s role becomes that of a reorganizer. He conducts reorganizations in response to new constraints and opportunities arising from major changes in some situational factors. Therefore, he has to pay special attention to the transformations occurring in these factors. Although it is quite clear that the structural variables are associated with the ability to implement change, the successful manipulation of the organizational structure specifically to facilitate this change, for example as proposed by reengineering, seems to have success rates varying from 30% (Hall, Rosenthal and Wade 1993) to 70% (Jarrar and Aspinwall 1999).

The Political Model

The political model generally emerged from a dialectical critical perspective (Benson 1983), of a natural and open nature (Scott 1981), on organizational analysis. *This approach views the adoption and implementation of change as organizational power games that result in adjustment to internal and external pressures* (Harrison 1985). The emphasis is placed on reviewing the strategies and interactions of various players (Barley 1986; Crozier 1963; Crozier and Friedberg 1967; Allison 1971; Braybrooke and Lindblom 1963; March 1962, 1981; Pfeffer 1981; Scheirer 1981; Hage 1999; Friedberg 1993; Champagne et al. 1991; Courpasson 1998; Carnall 1986;

Deber and Leatt 1986; Dyer and Page 1988; Elmore 1978; Gray and Aris 1985; Hasenfeld 1980; Majone and Wildavsky 1978; Moos 1983; Pettigrew 1975, 1977, 1985; Robey 1984; Wilson 1966). The change process is marked by continual negotiations among the interests of the various stakeholders (Harrison 1985). According to the political approach, the problems involved in implementing change therefore do not arise from an ineffective planning or control process, but from the pursuit of personal interests by influential actors.

In the political model, stakeholders inside and outside the organization have strategies that may be more or less consistent with the features of the proposed change. The degree of consistency between the purposes of the change and the strategic plans of a group or individual will determine the support they give to the change. However, these stakeholders control the main power bases within the organization that will exert the most influence on the change process. The interactive dynamics of stakeholders' strategies and their respective power bases in this process will determine the extent to which the change is implemented. In the political approach, successful change largely depends on the support afforded by individuals or groups with major control in the organization, including control over resources, according to the resources dependency theory (Pfeffer and Salancik 1974, 1978).

The manager's role in a political change process is mainly one of developer and negotiator. After reviewing the stakeholders' strategies and identifying the most influential groups, he will try to win the support of members inside or outside the organization who will have the greatest influence on the change process. These groups have to be mobilized in support of the change. To this end, and depending upon their resistance, he has to negotiate, i.e. demonstrate the advantages these influential stakeholders will derive from the introduction of the change.

Certain factors may help to secure support for the proposed change. The manager can show his support for change specifically by choosing to invest major resources into it and having the groups supporting the project benefit from this influx of resources. He can also, despite the change, stress elements of stability within the organization, thus minimizing the risk of a build-up of strong resistance to innovation.

From a political perspective, the manager must take initiatives to guide the political forces towards supporting change. This dynamic process can also involve substantial alterations to a change project.

The Strategic Management Approach

All of the approaches described so far share a concept of change as a chiefly incremental and evolutionary process. In the early 1980s, the scholars challenged this vision of change as a gradual adjustment and began to see change as a discontinuous, revolutionary process (Demers 1999; Allaire and Firsiro 1985; Miller and Friesen 1984; Greenwood and Hinings 1988).

According to this approach, the implementation of change will be a success if top strategists can work a radical transformation in organizational culture, strategy and structure after periods of crisis and tumult.

Organizations are seen as highly integrated, hard to change, very resistant and resilient. Sudden and unforeseen changes in the environment force the executives, visionaries in spite of themselves, to embark on wholesale organizational change that prompts them to adopt a new cultural-strategic-structural configuration. These changes are risky and expensive (Demers 1999). They have to be radical and revolutionary to break through the inertia and reduce transitional costs (Miller and Friesen 1984).

Environmental Perspectives: Ecological and Institutional Approaches

Here we are combining two quite distinct models, the ecological theory and the institutional theory. *From both perspectives, the main sources of change and the crucial factors for successful implementation lie in the environment surrounding the organization.* In both cases, the strategy is chiefly emergent (rather than planned) but radical and all-encompassing. Executives are limited in their ability to implement their strategy (Demers, 1999).

According to the ecological theory, they are limited by organizational inertia (Hannan and Freeman 1984; Singh et al. 1986). Because of this inertia, the main mechanism of change will not be the transformation of the organization but its replacement, i.e. the creation of a new organizational form (Baum 1996). The adjustment to change therefore comes through an environmental selection process. In a recent incisive and persuasive article, Christensen, Bohmer and Kenagy (2000) hold that a major cause of dysfunction in the health systems of industrialized countries is the adoption of changes they brand as disruptive. These changes involve replacing complex and expensive ways of doing things by new approaches that are drastically simpler, less sophisticated and less complicated but meet the needs effectively and appropriately. These changes are so radical that they almost inevitably come from new players. Instead of trying to transform hospitals and doctors, then, the system should be left to reinvent itself and transform itself through the introduction of new kinds of organizations and new types of professionals.

According to the institutional theory (DiMaggio and Powell 1983; Powell and DiMaggio 1991; Scott 1987), executives are limited by the institutional environment. Organizations have to meet the standards and expectations of their institutional environments to be legitimized and command the support needed for their operation and survival. Changes are thus dictated by institutional standards. Organizations sharing the same environment will adopt the same practices (Meyer and Rowan 1977). Health organizations are subject to especially powerful institutional environments (professional associations, foundations and legal, technocratic and governmental systems) (Ruef and Scott 1998; Scott et al. 2000; Alexander and D'Aunno 1990).

Recently, a number of writers have suggested a neo-institutional vision of change combining the institutional and political perspectives: institutions influence organizational arrangements but the key stakeholders organize and implement change (Greenwood and Hinings 1996; Fligstein 1991; Brint and Karabel 1991).

Guru Approaches

The phenomenon of the gurus or intellectual leaders has seen considerable growth in the field of management over the past ten years. It is hardly surprising to find change among their preferred topics. Potential markets for consultations or sales of popular books are immense for anyone who manages to develop the magic recipe for implementing change!

By definition, gurus are normative. They show the way. Their normative writings are sometimes fairly well grounded in empirical research: some gurus have dual identities as academics, while others defend their prescriptions on the basis of their own experience as consultants or (unpublished) “scholars.” Beyond their normative character, what do they have in common?

According to the gurus, change is natural, inevitable and urgent and can be brought about by competent, effective leadership. Their formulas for competent change management are actually various blends of a number of change models described earlier. To sum up the guru perspective, leaders have to be entrepreneurial, visionary, strategists, daring and ever prepared for crisis and opportunity (strategic management model). They have to be forward-looking and program and plan change with care and attention (rational model). They have to be charismatic, astute psychologists who can overcome the resistance of their troops (psychological model). They have to be human, participatory and empowering (organizational development model). They have to prefer flexible structures that can easily accommodate contingencies (structural contingency model). Lastly, they have to be skilled negotiators who can build winning coalitions (political model).⁵

In a very interesting article that compares the normative and empirical approaches to change, Miller, Greenwood and Hinings (1999) suggest that these two bodies of work differ fundamentally on four points. First, the normative school takes a compartmentalized view of organizations, implying that changes can be carried out on certain procedures or practices independently of others. This view of organizations as flexible systems is in contrast to the configurational view of organizations held by the scholars, according to which organizational objectives, policies and operations are closely connected and changing one component affects all the others. Secondly, the normative writings are based on a rational view of decision making according to which decision makers have the information, ability and resources to make level-headed, rational decisions. The scholars abandoned this illusion a long time ago. Thirdly, although some normative writings introduce political negotiation into the change process, they do so in a functionalist perspective that minimizes the effects of differing interests and the presence of conflicts. Lastly, the institutional perspective is absent from normative writings, and the roles of the environment and the social, political, institutional and economic settings are generally ignored or downplayed.

Organizational Learning

For some years, the formerly dominant view of change as an unexpected, occasional, dramatic event has been giving way to a more fatalistic view: the only predictable thing is change (Demers 1999). Change is an inevitable, routine occurrence.

According to this model, change will be successful if preceded by a collective learning process based on experimentation, trial and error.

We have already seen that, according to a variant of the psychological model proposed by Argyris and Schön (1978), individuals learn by altering their cognitive structures. The emphasis is on training individuals to learn. Here, it is the organizations that learn through collective action and by tapping the sum of knowledge available in the community (Cohen and Levinthal 1990; Fiol 1994, 1996; Huber 1991; Nonaka 1994). Change is everyone's business and the leader is one agent of change among others (Demers 1999). His role is to facilitate change by stimulating initiative in all players concerned. Leadership is collective and all of the stakeholders share differentiated but complementary roles. Here, therefore, change depends on a process that is complex and hard to control, involving a cast of players who can take on different roles at different times.

The Theories of Complexity

The most recent approaches to the study of organizational change draw on the theories of chaos and complexity (Gleick 1987; Waldrop 1992). Organizations are seen as complex, dynamic and adaptive systems that fluctuate between order and disorder.

According to the theories of complexity (Simon 1996; Anderson 1999), complex systems can behave very sensitively and be influenced by small initial differences. Complex systems tend to be self-organizing, i.e. from a random state they will normally evolve towards order rather than disorder. Complex processes can result or emerge from the actions of agents who follow some relatively simple rules.

A number of authors have suggested designing hospitals "complex systems of adjustment" (Stacey 1996; McDaniel 1997; Ashmos, Huonker and McDaniel 1998; Peirce 2000; Ashmos, Duchon and McDaniel 2000; Anderson and McDaniel 2000). In this model, an organization facing a turbulent environment should, instead of looking for order and simplicity, seek complexity in its internal arrangements, since the probability of adjustment increases when internal diversity can match the external diversity the organization has to deal with. The complexification of internal arrangements involves increased participation in decision making by the members of the organization and better linkages among organizational sub-units.

In a hospital, this means that the professionals producing services, and not merely the doctor managers, should be involved in a wide variety of decisions (McDaniel and Ashmos 1986; Anderson and Ashmos 1992; Shortell, Morrison and Friedman 1990; Blair and Fottler 1990; Ashmos, Huonker and McDaniel 1998; Anderson and McDaniel 2000). This increased participation not only increases the information available and the ability to process it but also, according to the theory of complexity, helps to enhance the organization's capacity to give it meaning (McDaniel 1997; Ashmos, Huonker and McDaniel 1998).

The complex adjustment system model also means that the inertia of complex professional organizations can be reduced by the quality of the linkages between the organization's component parts. According to the theory of complexity, the greater the increase in the number

of randomly distributed linkages, the more the organization is capable of variety in its behaviour, and thus of adjustment (Stacey 1996; Granovetter 1973; Ashmos, Huonker and McDaniel 1998).

In short, according to the theories of complexity, *change will be facilitated by encouraging complexity in the internal organization, communications and participation to stimulate self-organization, learning and adjustment to environmental diversity* (Lichtenstein 2000).

The two latest perspectives on organizational change, the learning and complexity theories, are in fact interrelated and very consistent with one another. Both see change in a global, integrated way as forming part of the routine life of organizations (Demers 1999). The change process is a collective one. Managers are agents of change among others. The process is never really under control. Change is both deliberate and emergent. Organizations learn by doing. Complexity encourages learning.

The Determinants of Decision Failures

What accounts for the very common situation when we know what should be done but fail to do it? Very few scholars have focused on this issue.

First, we have long known that decision making in complex situations cannot be completely rational (Simon 1945). Rationality is bound by the limits of human cognitive processes and the presence and interplay of multiple stakeholders, values and issues. Indeed, most decision-making in complex organizations involve numerous players with varied perspectives and interests.

Failed decisions may therefore stem partly from the use of imperfectly rational decision-making processes, like the political models in which decisions result from negotiations among stakeholders of varying influence. The use of a discontinuous incremental approach (Lindblom 1959) that attempts to achieve the least possible change to the status quo without ever actually dealing with the problems may also be a known source of failed decisions.

In addition to multiple influences on decision making, other factors, linked to managerial attitudes and behaviours and the organizational setting, may help to explain failed decisions as well. Cohen (1998) has suggested that failed decisions (which he terms “performance paradoxes”) arise from three managerial attitudes and behaviours: tolerance of poor performance, hesitation to go after the real causes of problems, and the abdication of responsibility and accountability in favour of the use of “packaged” programs and solutions.

Pfeffer and Sutton (1999) mention lack of confidence in individual learning ability (and thus change), fear of failure and an emphasis on planning/programming to the detriment of action.

We might add that the emphasis on short-term performance and the lack of a long-term vision also certainly add to the minimization of risk and hesitation to accept changes that may require fairly long implementation processes and may not produce short-term dividends, even though calling for major investments and upheavals. Finally, a shortage of human, physical and cognitive resources may also contribute to failed decisions in a major way.

The Determinants of Intervention Theory Failures

The last type of failure to change is the situation where change is appropriately and properly implemented without producing the desired effects.

This situation will be inevitable from time to time. If we value experimentation and learning we are necessarily taking risks, i.e. implementing changes whose potential effectiveness is unknown.⁶ These risks will sometimes result in failure.

Lack of knowledge of the potential effectiveness of activities is a frequent managerial problem. Knowledge is rarely solid due to the essentially contextual nature of management. Management cannot be separated from its context. Management is the management of that context. In this sense, the prescriptive value of management expertise will always be limited. As Richard Whitley wrote (1988):

The production of scientific knowledge which could form the foundation for managerial skills standardized across different hierarchical arrangements and circumstances seems, then, fraught with difficulties. The variety of managerial practices, their organizationally embedded nature and their susceptibility to change and control by enterprise top managers, render attempts at standardizing managerial problems for solution by standardized skills across firms and industries of limited value.... In this view, attempts to establish a general "science of managing" which would generate knowledge of highly general relations between limited and standard properties of separate, standard objects are doomed to failure since "managing" is not a standardized activity.

In general, however, the failure of the theory of intervention stems from the fact that managers make decisions that are inconsistent with what they know. As discussed above, the limits to the rationality of decision-making processes can lead, not only to failed decisions, but also to failures of the theory of intervention (i.e. to interventions known to be of limited effectiveness). Moreover, managers often place more value on intuitive (Mintzberg 1989), experiential and anecdotal knowledge than on scientific knowledge. A large percentage of management decisions is made by colleagues whom managers hold in esteem.

This phenomenon of contagion (March 1981) largely explains the prominence of management fads. Unlike scientific knowledge, these provide managers with relatively simple solutions, specific action levers for eminently complex problems (*The Economist* 1997a; Hilmer and Donaldson 1996; Carson et al. 2000; Mazza and Alvarez 2000). Managers preference for intuition, experience, imitation and fads certainly accounts for a number of failed interventions.

The Issues Linked to Facilitating the Implementation of Change in Canada's Health Organizations

We have discussed the ubiquity and, at the same time, difficulty of change in organizations generally and health organizations in particular. We have also seen that the perspectives on the determinants of failed change were many and varied. However, we have very little scientific evidence of their relative effectiveness. The rational and strategic management models are highly valid on the surface, but we do not really know how effective they are. The organizational development and individual learning (psychological) models have been more extensively researched and seem to be solidly based. Yet, evaluations report highly variable success rates, suggesting that the explanatory and prescriptive power of these models is limited. The structural, political, ecological and institutional models seem to provide some strong explanations for failed implementation, but the lessons to be drawn in terms of action and change management are not so strong. Lastly, the organizational learning and complexity models seem promising and well thought out, but they have had very little application thus far to provide guidance on the implementation of organizational change.

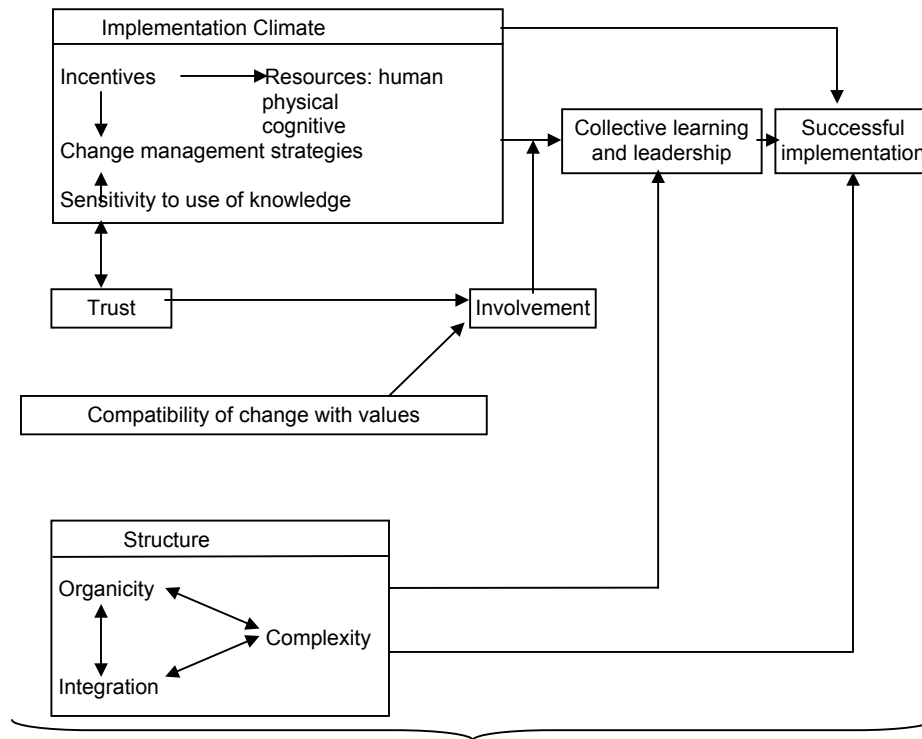
The general impression that emerges from the scientific literature is that change is a complex and unpredictable phenomenon that has to encompass a broad range of agents and pilots of change whose roles and involvements can vary over time. In complex organizations, the presence of a complex system of action and adjustment and collective learning through action and experimentation seem to sharply increase the organizational inclination to go through with the change. It may also well be that implementation is affected by a string of factors linked to the preparation and programming of change, the weighing of its social, cognitive and emotional dimensions, and the political energy and structures involved.

In Figure 5, we have illustrated a set of factors that strike us as important to consider in generating organizational change.

Successful implementation of change will directly depend on the nature of learning and collective leadership processes. The implementation climate and the technical and institutional structure and environment will affect the learning and collective leadership processes and will also directly affect the success of implementation. Involvement of the stakeholders concerned is seen as a condition (factor of synergistic interaction) of the influence of this climate on learning.

By “climate of implementation,” we mean all the political and practical organizational conditions mobilized to implement the change (Klein and Sorra 1996). This climate thus includes the physical, human and cognitive resources perceived as necessary conditions for change (Van de Ven et al. 1999; Hage 1999). The incentive system certainly affects the availability of resources and should also be seen as an important factor in the dynamics of change (Kerr 1995). Change management strategies and especially adopting an attitude that values change and risk (Hage 1999), listening (Nord and Tucker 1987) and facilitation of learning also affect the availability of resources and collective learning. Building decision makers' awareness of the use of scientific knowledge should be associated with change management strategies and influence learning.

Figure 5
Factors to Be Considered when Producing Change in Organizations



Sources: Klein and Sorra (1996), Hage (1999) and Van de Ven (1999).

Three basic structural characteristics strike us as working together to affect learning and, directly, the success of implementation: organicity (Burns and Stalker 1961), complexity and integration (Shortell, Gillies and Devers 1995), especially its normative integration (Contandriopoulos et al. 2001; Mintzberg 1996).

Finally, involvement of the various stakeholders concerned, a prerequisite for the effect of the climate on learning (Klein and Sorra 1996), is influenced by the level of confidence within the organization (Mechanic 1996; Korczynski 2000; Sabel 1991; Perrow 1992) and the compatibility of the change with the prevailing organizational values (Klein and Sorra 1996).

This modelling of the factors to be weighed when initiating change in organizations reflects our synthesis of the vast literature reported in this study. We see it as useful for stimulating thought about the main issues to consider to overcome the ubiquitous risks of failure in the inevitable reform of Canada's health system and organizations. More specifically, this modelling enables us to suggest that, in order to enhance the ability to manage change in Canada's health system and organizations, it is essential, over the short term, to pursue the following objectives:

- a) In order to reduce the incidence of decision failures:
 - 1. Encourage decision makers and managers of the health system and organizations to develop a culture based on experimentation, change, risk and accountability. This involves a major change in the definition of accountability: an accountable decision maker is one who views mistakes as learning opportunities and not punishable offences).
 - 2. Encourage independent thinking and initiative in the system's managers (this requires managers to acquire new cognitive abilities that enable them to appreciate complexity and approach their decisions with introspection).
 - 3. Pay special attention to incentive mechanisms; incentives should allow decision makers and managers to concentrate on medium- and long-term system and organizational performance.

- b) In order to reduce the incidence of implementation failure:
 - 4. Encourage and prioritize the establishment of a climate of trust in our health organizations with a healthy involvement of their workers and professionals (so that there can be places where experimentation is permissible and legitimate).
 - 5. Encourage collective and individual learning.
 - 8. Promote the adoption of flexible, highly integrated and complex structures.
 - 9. Encourage a rethinking of the managerial role in change management: from comptroller to facilitator, and from central actor to participant in a collective process.

- c) In order to reduce the incidence of intervention theory failures:
 - 8. Promote the use of scientific knowledge in decision making at all levels of management in the health system and organizations (paying special attention to interdisciplinary knowledge).

Notes

1. This taxonomy is similar to that of Demers (1999). Hage (1999) sees four of them, March (1981) six and Scheirer (1981) a different six.
2. March (1981) refers to two models (“rule following” and “problem solving”), differentiating the planning and procedural aspects. Most other authors combine both, which in practice are highly interrelated.
3. January 4, 1997, p. 575; June 22, 2000, p. 19; March 9, 2001, p. 65.
4. See Bareil and Savoie (1999) for a detailed description of these models.
5. The most interesting “guru” model may be that of John P. Kotter (1995, 1996), who suggests a change implementation process in eight stages that encompasses a lot of these ideas.
6. This may involve situations where there is no choice: no other intervention exists whose known potential effectiveness would be greater.

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