

Do 70 Per Cent of All Organizational Change Initiatives Really Fail?

MARK HUGHES

University of Brighton, UK

ABSTRACT A 70 per cent failure rate is frequently attributed to organizational-change initiatives, raising questions about the origins and supporting evidence for this very specific statistic. This article critically reviews five separate published instances identifying a 70 per cent organizational-change failure rate. In each instance, the review highlights the absence of valid and reliable empirical evidence in support of the espoused 70 per cent failure rate. Organizational-change research and scholarship now exists which enables us to question the belief in inherent organizational-change failure rates. Inherent failure rates are critically questioned in terms of the ambiguities of change, the context-dependent nature of change, competing perceptions, temporal aspects and measurability. In conclusion, whilst the existence of a popular narrative of 70 per cent organizational-change failure is acknowledged, there is no valid and reliable empirical evidence to support such a narrative.

KEY WORDS: Organizational change, failure, success, evaluation

Introduction

In the nineties, the influential practitioner magazine *Harvard Business Review* (HBR) published two articles: *Why change programs don't produce change* (Beer *et al.*, 1990) and *Leading change: why transformation efforts fail* (Kotter, 1995). In setting the tone of ongoing debates about organizational-change failure, they offered an important antidote to the aspirational recipes for successfully managing change that Peters and Waterman (1982) and others had enthusiastically promoted in the eighties. They suggested to academics that change management was a flawed concept and, for practitioners, they established the self-fulfilling prophecy that their change efforts would invariably fail. The

Correspondence Address: Mark Hughes, Brighton Business School, University of Brighton, Mithras House, Lewes Road, Brighton, BN2 4AT, UK. Email: m.a.hughes@brighton.ac.uk

1469-7017 Print/1479-1811 Online/11/040451–14 © 2011 Taylor & Francis
<http://dx.doi.org/10.1080/14697017.2011.630506>

failure rate was often referenced back to Beer and Nohria's assertion that 'the brutal fact is that about 70 percent of all change initiatives fail' (2000a, p. 133). The use of a specific statistic implied that 'the brutal fact' had been informed by research into change initiatives. In this article, two related questions are explored:

1. What are the origins and supporting evidence for the 70 per cent organizational-change failure rate?
2. What academic arguments challenge the concept of inherent organizational-change failure rates?

The first question is explored through critically revisiting five high-profile instances where a 70 per cent change failure rate was identified. The second question seeks to challenge the utility, both practical and academic, of using inherent organizational-change failure rates. This question is explored through reviewing organizational-change research and scholarship, with specific reference to the role of ambiguity, context, perception, time, and measurability.

What are the Origins and Supporting Evidence for the 70 Per Cent Organizational-Change Failure Rate?

The following review focuses upon five instances (Hammer and Champy, 1993; Beer and Nohria, 2000a; Kotter, 2008, Senturia *et al.*, 2008 and Keller and Aiken, 2009) which appeared to identify a 70 per cent organizational-change failure rate. In each instance, the original reference is quoted verbatim, contextualised, and the supporting evidence offered by the respective authors is reviewed.

The first instance of a 70 per cent failure rate referred very specifically to re-engineering failing, rather than all forms of organizational change. Re-engineering had been introduced in a provocative article: *Reengineering work: don't automate, obliterate* (Hammer, 1990). Hammer and Champy (1993, p. 200), in their subsequent book, were surprisingly candid, given the rhetorical tone of their book, about the success rate of re-engineering:

Sadly, we must report that despite the success stories described in previous chapters, many companies that begin reengineering don't succeed at it. . . Our unscientific estimate is that as many as 50 percent to 70 percent of the organizations that undertake a reengineering effort do not achieve the dramatic results they intended.

This quotation resulted in a headline 70 per cent re-engineering failure rate, although without Hammer and Champy's own caveats '...unscientific estimate', '...50 percent to 70 percent', and '...do not achieve the dramatic results they intended.' What is rarely cited is Hammer's own subsequent commentary upon this quotation:

In *Reengineering the Corporation*, we estimated that between 50 and 70 percent of reengineering efforts were not successful in achieving the desired breakthrough performance. Unfortunately, this simple descriptive observation has been widely

misrepresented and transmogrified and distorted into a normative statement. . . There is no inherent success or failure rate for reengineering. (Hammer and Stanton, 1995, p. 14).

The second instance in which a 70 per cent change failure rate was identified appeared in another *HBR* article which asserted that ‘the brutal fact is that about 70% of all change initiatives fail’ (Beer and Nohria, 2000a, p. 133). The authors argued that based upon their 40 years of experience studying the nature of corporate change, two archetypes, or theories, of change exist: Theory E related change to economic value, and Theory O related change to organizational capability. According to Beer and Nohria, most companies reflected a mix of Theory O and Theory E. They discussed Scott Paper and Champion International as case studies of almost pure forms of these theories and ASDA (UK) as an illustration of how the two theories could be effectively combined, in terms of six main dimensions of change. These case studies were informative, although no empirical evidence was cited in support of their assertion that ‘. . . about 70% of all change initiatives fail.’

Harvard Business School Press published *Breaking the Code of Change* in 2000, based upon a conference of a similar name held in 1998. Beer and Nohria (2000b) drew together many respected change scholars and organized the book around their Theory E and Theory O. However, despite the impressive guest list, the book failed to provide empirical evidence to support the assertion that ‘. . . about 70% of all change initiatives fail’. It is informative to review the book for anything close to supporting evidence. In chapter 12, Pettigrew (2000, p. 249) cites Bashien *et al.* (1994), estimating ‘. . . that around 70 percent of BPR interventions do not meet expectations’. Bashien *et al.*’s (1994) finding is based upon Hammer and Champy’s (1993) earlier ‘unscientific estimate’, rather than empirical evidence. In chapter 21, Beer (2000) asserts that ‘approximately 70 percent of all total quality management programs are perceived by top management to have fallen short of their aspirations for these programs when they were launched. Approximately the same percentage of reengineering programs fail to achieve their objectives.’ (p. 430). Again, the supporting references prove disappointing. Beer’s reference to Total Quality Management (TQM) was supported by his own earlier speculation about 75 per cent TQM failure (Spector and Beer, 1994). The reference to re-engineering is supported by a citation to Hall *et al.* (1993), although Hall *et al.*’s optimistic article does not suggest that 70 per cent of re-engineering programmes fail.

Beer and Nohria (2000b), at their 1998 conference, set themselves and their colleagues the ambitious goal of breaking the code of change and, by association, reducing the 70 per cent change failure rate that they had identified. In reflecting back on their ambitions, Zammuto’s (2001, p. 798) review of the book in *Administrative Science Quarterly* is informative:

Taken as a whole, the volume illustrates the ideological nature of organizational change. Can the code of change be broken? I don’t think it is likely that there ever will be clear agreement about what constitutes effective change management for the simple reason that the answer will always depend on who you ask and what they value.

This salutary warning raises themes about the highly variable and contested terrain of organizational-change evaluation, which are developed further in the second half of this article.

The third instance which identified a 70 per cent organizational-change failure rate appeared in *A Sense of Urgency* (Kotter, 2008). Once again, the spectre that Kotter had identified a 70 per cent organizational-change failure rate was raised; however, Kotter's (2008, pp. 12–13) exact terminology was far more circumspect:

From years of study, I estimate today more than 70 per cent of needed change either fails to be launched, even though some people clearly see the need, fails to be completed even though some people exhaust themselves trying, or finishes over budget, late and with initial aspirations unmet.

Although Kotter refers to 70 per cent and failure, he is not claiming that 70 per cent of all organizational-change initiatives fail, instead, he is suggesting something far more ambiguous. The 70 per cent organizational-change failure rhetoric may help to sell a book by highlighting change failure and then offering a potential recipe for change in terms of increasing the sense of urgency.

The fourth instance also appeared in 2008 – in a Bain and Company publication – which appeared to identify a 70 per cent organizational-change failure rate. Once again, the verbatim reporting of this very specific statistic is informative:

People have been writing about change management for decades and still the statistics haven't improved. With each survey, 70 per cent of change initiatives still fail – and the world is getting more complicated (Senturia *et al.*, 2008, p. 1).

The authors do not cite in their article any research evidence to confirm the 70 per cent failure rate. The authors juxtapose this failure rate with their prescription for effectively implementing change, suggesting that 'some of the best managers PLOT their own story for successful change' (Senturia *et al.*, 2008, p. 1). Their mnemonic – PLOT – stands for plan, lead, operate, and track. They did include a set of links to 'related publications' on their website, although these links are no longer included. In tracking backwards from 2008 through these related publications, the closest evidence for their assertion was, ironically, an article from Pace and Mulvin (2002, p. 1), which opens with the sentence 'Seventy percent of change programs fail, according to the April 2001 (sic) Harvard Business Review article "Cracking the code of change."'

The final instance of the 70 per cent failure rate is an article published by McKinsey and Company in 2009. In *The Inconvenient Truth about Change Management*, Keller and Aiken (2009), a partner and associate principal at McKinsey's, offer references which appear to support the 70 per cent change failure rate. The first two references that they cite merit further discussion. Keller and Aiken (2009, p. 1) refer to Kotter's (1995) article as follows: 'Kotter's "call to action" cited research that suggested that only 30 percent of change programs are successful'. However, Kotter's (1995) article, rather than being based upon research, was informed by watching more than 100 companies over a decade, and whilst he did

highlight the failure of transformation efforts in the article, he did not claim that only '30 percent of change programs are successful.' Their second reference is more perplexing: 'McKinsey & Company recently surveyed 1,546 business executives from around the world, asking them if they consider their change programs "completely/mostly" successful: only 30 percent agreed' (Keller and Aiken, 2009, p.1). The relevant section of the report, from which they cite, has the unequivocal sub-heading 'Success is the norm' (McKinsey and Company, 2006, p. 4). In the short narrative, executives' responses about success are discussed in terms of the company's subsequent performance and sustaining corporate health:

Respondents are a little more positive about the first yardstick, with 38 percent saying that the transformation was "completely" or "mostly" successful at improving performance, compared with 30 percent similarly satisfied that it improved their organization's health. Around a third declare that their organizations were "some-what" successful on both counts. About one in ten admit to having been involved in a transformation that was "completely" or "mostly" unsuccessful (McKinsey and Company, 2006, p. 4).

In certain instances reviewed here, opportunistic business consultants may have deliberately promoted a 70 per cent organizational-change failure rate, which could be rectified through their consultancy services. However, the inherent 70 per cent organizational-change failure rate, through citations in academic textbooks and journal articles, has become an established norm amongst academics. It is not feasible to review all the secondary citations. However, the two following citations illustrate the status of the 70 per cent inherent organizational-change failure rate. Balogun and Hope Hailey (2008, p. 1) in the introduction to their respected strategic-change textbook, cite Beer and Nohria (2000a) when they suggest that 'figures quoted vary, but many commentators put the failure rate at around 70 per cent'. Vakola and Nikolaou (2005), in the refereed journal *Employee Relations*, wrote that 'the brutal fact, as Beer and Nohria (2000a) described it, is that 70 percent of all change initiatives fail.' (p. 162).

This review has highlighted the lack of empirical evidence supporting the 70 per cent organizational-change failure rate. The concept of historiography suggests that there will be many histories of organizational change (Cooke, 1999), with certain accounts of failure and success privileged over others. The change-failure literature cited earlier used terminology very loosely, which impedes critical evaluation, for example, 'change programs' (Beer *et al.*, 1990), 'transformation efforts', (Kotter, 1995) and 'change initiatives' (Beer and Nohria, 2000a). Schwarz (2003), in his review of *Breaking the Code of Change*, observed that, unfortunately, it was not until page 452 that any of the authors, including Beer and Nohria, asked, what is change? '...Beer and Nohria's thesis, while clearly having agency, was compromised from the outset.' (p. 87). The next section presents the academic arguments which challenge the concept of inherent organizational-change failure (success) rates.

What academic arguments challenge the concept of inherent organizational change failure rates?

In the following discussion, the concept of an inherent organizational-change failure rate is critically questioned in terms of the ambiguities of change, the context-dependent nature of change, competing perceptions, temporal aspects, and the measurability of organizational change.

The Ambiguities of Organizational Change

Whilst describing organizational change as ambiguous is a truism, ambiguities in terms of espoused- and latent-change rationales, unanticipated outcomes, and the ongoing nature of change and improvisation inform the challenging of inherent change failure rates. Poor performance often acts as a catalyst for organizational change (Amburgey *et al.*, 1993; Boeker, 1997). A common starting point for judging the outcome of an organizational-change initiative is against the publicised rationale for the change. There is merit in evaluating change in terms of espoused rationales, although the downside is that the exercise of power and politics within organizational change is downplayed (Hardy, 1996; Buchanan and Badham, 2008). The politically expedient espoused rationale for an organizational-change initiative may well differ from the less expedient latent rationale for an organizational change. Inherent organizational-change failure rates privilege espoused-change rationales over latent-change rationales.

Organizational change may result in unanticipated outcomes, as well as anticipated outcomes. Unanticipated outcomes may be beneficial or detrimental in terms of the performance of an organization, yet neither were latent rationales nor espoused rationales (see Binney and Williams, 1995). Balogun (2006) highlighted the prevalence of intended and unintended outcomes in strategic change and encouraged a sense-making framework, informing the different ways managers at different levels make sense of organizational-change outcomes. Inherent organizational-change failure rates ignore the unanticipated outcomes of organizational change.

Van de Ven and Poole (1995) and Tsoukas and Chia (2002) have drawn attention to the prevalence of synoptic accounts of organizational change. The change-failure literature cited earlier may be described as offering a synoptic account of change, particularly when emphasizing an end state of organizational change in terms of failure or success. Tsoukas and Chia (2002, p. 570) acknowledge that such snapshots can be useful at different points in time. However, their concern with synoptic accounts of change is that they do not quite capture ‘...the distinguishing features of change – its fluidity, pervasiveness, open-endedness, and indivisibility.’ They argue, persuasively, that ongoing change and improvisation are fundamental features of all change programmes. In understanding organizational change as ‘becoming’, they acknowledge changing as a norm, rather than an exception. Also, they acknowledge the human agency informing processes of change: ‘...organizations do not simply work; they are made to work’ (Tsoukas and Chia, 2002, p. 577). Inherent organizational-change failure rates fail to acknowledge ongoing change and improvisation.

Organizational Change as Highly Context Dependent

There is a rigorous and robust literature relating to the context dependent nature of organizational change (see, for example, Pettigrew, 1985, 1990; Hope Hailey and Balogun, 2002; Dawson, 2003). Pettigrew (1985), through his large-scale longitudinal study of change processes at ICI, demonstrated the need to combine the content of change, processes of change, and the context of strategic change. Instead of regarding change as a single event, change was to be understood as an ongoing process happening over time with major strategic changes typically taking place over many years. Pettigrew (1990) emphasised four key points when analysing change in a contextualist mode: embeddedness, temporal interconnections, exploring context and action, and acknowledging that the causation of change was neither linear nor singular. The previous section highlighted the ambiguous nature of organizational change and rationales for changing. The acknowledgement of organizational change as highly context dependent compounds such ambiguities. The five instances of 70 per cent change failure rates cited in this article appeared to lean heavily upon speculations about failures of programmatic changes such as TQM and BPR (Business Process Reengineering). However, even these dubious programmatic change initiatives need to be evaluated within their own unique contexts. An evaluation of TQM in two companies would reveal many contextual differences. However, the aggregation of such findings, in order to generate an average inherent failure or success rate, whilst neglecting the context-dependent nature of organizational change, is of very limited value. Inherent organizational-change failure rates disregard the unique organizational contexts of different change initiatives.

Competing Perceptions of Organizational Change Outcomes

Evaluations of organizational-change outcomes are informed by the competing perceptions of evaluators, both within organizations and external to organizations, which may range from satisfaction, joy, and a sense of a job well done, to disadvantage, pain, sadness, and, even, humiliation (Carnall, 1986). Individuals maintain their own personal interpretation of change and what it means to them (Doyle, 2001), complicating evaluation. In a study of perceptions of organizational change within American hospitals, 208 individuals at 11 hospitals were interviewed and relevant documents were reviewed.

...employees are often not aware of positive effects of their restructuring efforts and, contrary to reality, may believe that both cost and quality to have deteriorated when it has improved. Health care leaders need to be aware of these differences in perceptions (and perhaps reality) and those factors that affect how employees' perceptions change over time (Walston and Chadwick, 2003, p. 1600).

This finding illustrates how competing and erroneous perceptions of organizational-change outcomes may simultaneously exist within organizations. In a similar manner, it is necessary to question monological perceptions of change outcomes which pervade publications such as *HBR*. Collins and Rainwater (2005)

reviewed a celebrated account of transformation at Sears, Roebuck and Company which was published in *HBR* (Rucci *et al.*, 1998). Their review allowed them to challenge the sequential and single-voiced stories which *HBR* produce (Boje, 2001) and to question both celebratory accounts favoured in *HBR* and critical accounts of change management. Instead, they favoured polysemic narratives about change management, which recognised the existence of multiple accounts of change. Inherent organizational-change failure rates fail to acknowledge the multiple accounts of change outcomes which exist.

Evaluations of organizational-change outcomes reflect different academic perspectives and, more specifically, the philosophical positions underpinning these academic disciplines, leading to the evaluation of organizational change being described as a 'thorny issue' (Butler *et al.*, 2003). In evaluating change, there are difficulties collecting accurate data, and the nature of the evaluative conclusions derived from the data are problematic, 'specifically, ontological and epistemological paradigms broadly determine the context for the conclusions of the evaluative inference, even though they are rarely made explicit' (Butler *et al.*, 2003, p. 55). Butler *et al.* (2003) focused upon evaluating a professional development programme (the action-thinking programme) designed to develop a new learning culture out of the existing fire-fighting culture within a manufacturing organization. They concluded that evaluation is a form of knowing informed by the evaluator's epistemology and ontology. Epistemology, in their article, referred to what evaluators knew about the action-thinking programme they were evaluating, and ontology referred to their understanding of the reality of the action-thinking programme that they were evaluating. In terms of organizational change, unacknowledged epistemological and ontological positions inform evaluations and, by association, the outcomes of such evaluations. Inherent organizational-change failure rates neglect ontological and epistemological influences upon evaluation.

Time and Organizational Change Outcomes

Temporality is an essential aspect of organizational behaviour – there is little sense in ignoring it, treating it implicitly, or in an inadequate manner (George and Jones, 2000). In early writings about organizational change, Lewin (1947) emphasised the need for what he referred to as a time perspective, with regards to the past, present, and future of a psychological field. More recently, Weick and Quinn (1999) and Van de Ven and Poole (2005) have further encouraged interest in relationships between time and organizational change:

Time is the "ether" of change. We judge that change has occurred against a background of time. We use metrics on this background to assess when changes occur, the rate of change, and the extent of change, as well as to establish the opposite of change stability. (Van de Ven and Poole, 2005, p. 1394)

Evaluating organizational change consequently requires engagement with temporality. Collins' (2007) evaluation of the writings of Tom Peters is atypical of evaluations which tend to either excessively celebrate Tom Peters or excessively deride

Tom Peters. In terms of temporality, Collins revisits the most common major criticism of *In Search of Excellence* – the featured exemplars of excellence subsequently failed. A good example of such a critique was the *Business Week* (1984) cover story ‘Who’s excellent now?’ The article highlighted that two years after publication of *In Search of Excellence*, one-third of the excellent companies were suffering financial distress. However, Collins (2007) cites a subsequent article by Ackman (2002, p. 1), writing in *Forbes* two decades after the publication of *In Search of Excellence*, which concluded that ‘the companies Peters and Waterman called excellent [in 1982] have easily outperformed the market averages any way you slice it.’ Inherent organizational-change failure rates fail to acknowledge the temporal nature of evaluating change outcomes.

Engaging with temporality also raises more pragmatic concerns about the sustainability of perceived positive outcomes of change initiatives (see Buchanan *et al.*, 2005; Palmer *et al.*, 2009 for further discussions of sustainability). The emergent and processual nature of organizational change (discussed in the ambiguities section) raises questions about sustaining change long after high-profile launch events have been forgotten. Inherent organizational-change failure rates downplay important debates about the sustainability of the outcomes of change initiatives.

The Measurability of Organizational Change Outcomes

The concept of the 70 per cent change failure rate gains legitimacy from the implication that this statistic is empirically informed. Managers often focus attention upon, and become preoccupied with, the technical side of change, in dealing with quantifiable and predictable issues (Bovey and Hede, 2001). The danger with this line of reasoning has been referred to as the McNamara Fallacy:

The first step is to measure whatever can be easily measured. This is OK as far as it goes. The second step is to disregard that which can’t be easily measured or to give it an arbitrary quantitative value. This is artificial and misleading. The third step is to presume that what can’t be measured easily really isn’t important. This is blindness. The fourth step is to say that what can’t be easily measured really doesn’t exist. This is suicide. (Handy, 1994, p. 219)

The McNamara Fallacy helps to explain the promotion of the concept of the 70 per cent organizational-change failure rate. In the absence of empirical evidence supporting the espoused organizational-change failure rate, ‘an arbitrary quantitative value’ of 70 per cent has been assigned to change failure, based upon an assumption that ‘what can’t be measured easily really isn’t important’, in this instance, any form of qualitative evaluation of organizational change. Unfortunately, this approach avoids advances in researching organizational change qualitatively (for example, Pettigrew, 1990; Schwarz and Huber, 2008). Inherent organizational-change failure rates downplay any form of qualitative evaluation of organizational change.

It is very difficult and even unrealistic to evaluate an organizational-change initiative in isolation from other initiatives to which an organization has been exposed. For example, Kelemen *et al.* (2000, p. 154) questioned the belief,

promoted by Hammer and Champy (1993), that BPR and TQM were fundamentally different philosophies of organization: 'In reality, BPR and TQM practices can draw on similar resources and, in certain settings, be interrelated to the extent that their complex, programmatic effects are difficult, if not impossible, to separate.' Doyle *et al.* (2000, S63), in their survey of managers, reported that 67 per cent agreed (17 per cent strongly) that 'the change process cannot be evaluated effectively because there are too many overlapping initiatives running at one time.' These findings complicate analysis of the evaluative claims made for and against TQM and BPR. Inherent organizational-change failure rates assume that the influence of a single change initiative can be isolated and separately measured.

Conclusion

The five instances featured in this article, in specifically highlighting a 70 per cent organizational-change failure rate, implied that research had been undertaken. In writing this article, the expectation was that an evaluation could be undertaken in terms of the methodology, epistemology, and ontology of the respective authors and the subsequent reliability and validity of their reported findings. However, the 70 per cent organizational-change failure rhetoric was largely informed by magazine articles and practitioner books lacking discussion of methodologies, epistemologies, and reference to organizational-change research and scholarship.

It is impossible to state with certainty the origins of the espoused 70 per cent change failure rate. Hammer and Champy's (1993) 'unscientific estimate', with reference to re-engineering, may have been responsible for the arbitrary choice of, specifically, a 70 per cent failure rate. Whilst Beer and Nohria's (2000a, 2000b) thesis was compromised from the outset, in trying to find evidence to support their belief that 70 per cent of all change initiatives fail, their speculations about programmatic change such as TQM and BPR may have informed their thinking. By 2008, the likes of Kotter (2008) and Senturia *et al.* (2008) felt comfortable quoting the 70 per cent change failure rate as an accepted fact, without the burden of evidence or supporting references.

It is equally difficult to establish why the concept of the 70 per cent failure rate, despite the absence of empirical evidence, has endured for so long. Beer (2000, p. 435) does make passing reference to an 'unconscious collusion' between academics, consultants, and managers as an explanation for the paucity of knowledge about '...the processes, values, skills, and context that underlie success and failure.' Promoting the existence of a 70 per cent change failure rate provides a rationale for further academic theorising and research, a rationale for consultancy services through emphasising the problematic nature of change, and legitimizes the work of those managers managing change. Beer and Nohria (2000a) will be remembered for revealing their brutal fact that '...about 70% of all change initiatives fail'. However, towards the end of Beer and Nohria (2000b), Beer (2000, p. 441) did concede their inability to break the code of change and, looking to the future, believed that 'deep longitudinal inquiry will reveal crucial details about the process of change and its success.'

The second half of this article has drawn upon organizational-change research and scholarship in order to present the academic arguments which challenge the

enduring belief in inherent organizational-change failure rates. In Table 1, the major arguments, developed in this article, against using inherent change failure (or success) rates are summarised:

The arguments summarised in Table 1 challenge ongoing narratives about inherent organizational-change failure rates. The implications are greater than questioning the espoused 70 per cent failure rate; the implication is that any inherent change failure rate is inappropriate. The belief that organizational change is a code which once cracked/broken will result in lower change failure rates misrepresents the ambiguous and dynamic practice of managing change and what is now known about processes of changing. The arguments summarised in Table 1 also suggest that even the evaluation of specific organizational changes, such as re-engineering, may not be amenable to being aggregated into inherent success and failure rates.

In conclusion, Peters and Waterman (1982) implied that following their eight-step recipe offered the best way to achieve successful change. In searching for excellence, by association, they also gave impetus to the search for change-initiative failures. *In Search of Excellence* has been repeatedly critiqued (*Business Week*, 1984; Aupperle *et al.*, 1986; Guest, 1992), however, Collins (2007, p. 42), in revisiting the writings of Tom Peters, acknowledged that *In Search of Excellence* conveyed an inescapable and important truth, 'namely that organizational life is complex, ambiguous and so difficult to navigate.' Collins (2007, p. 145) also believed that 'Tom Peters has been at the leading edge of a movement which has acted to (re) shape our appreciation of the very nature of managerial work.' In parallel to these developments, over the past 30 years, organizational-change research and scholarship has deepened our understanding of the complexities and ambiguities of organizational change, and there has been a greater appreciation of the role of language, in general, and stories and narratives within managerial work, in particular (Gabriel, 2000; Boje, 2001). This progress has informed both the theory and practice of change management. However, there

Table 1. Arguments against the concept of an inherent organizational change failure (success) rate

The ambiguities of organizational change

Privileges espoused change rationales over latent change rationales

Ignores the unanticipated outcomes of organizational change

Fails to acknowledge ongoing change and improvisation

Organizational change as highly context dependent

Disregards the unique contexts of different change initiatives

Perceptions of organizational change outcomes

Fails to acknowledge the multiple accounts of change outcomes which exist

Neglects ontological and epistemological influences upon evaluation

Time and organizational change outcomes

Fails to acknowledge the temporal nature of evaluating change outcomes

Downplays important debates about the sustainability of the outcomes of change initiatives

The measurability of organizational change outcomes

Downplays any form of qualitative evaluation of organizational change

Assumes that the influence of a single change initiative can be isolated and measured

is no empirical support for polarised preoccupations with, either, the best way to manage change (success) or the worst way to manage change (failure). Evidence-based change practice requires valid and reliable empirical evidence, which does not exist in support of the popular belief in the inherent 70 per cent change failure rate.

Acknowledgements

I thank Professor Lew Perren for his internal review of an earlier version of this article. I thank Professor Bernard Burnes for initiating and editing this special issue and the two reviewers for their reviews of this article. Responsibility for all opinions expressed within this article resides with the author.

References

- Ackman, D. (2002) Excellence sought – and found, *Forbes*, April 10 2002, pp. 1–2 Available at <http://www.forbes.com/2002/10/04/1004excellent.html> (accessed 27 June 2011).
- Amburgey, T.L., Kelly, D. and Barnett, W.P. (1993) Resetting the clock: the dynamics of organizational change and failure, *Administrative Science Quarterly*, 38(1), pp. 51–73.
- Aupperle, K.E., Acar, W. and Booth, D.E. (1986) An empirical critique of in search of excellence: how excellent are the excellent companies? *Journal of Management*, 12(4), pp. 499–512.
- Balogun, J. (2006) Managing change: steering a course between intended strategies and unanticipated outcomes, *Long Range Planning*, 39(1), pp. 29–49.
- Balogun, J. and Hope Hailey, V. (2008) *Exploring Strategic Change*, 3rd edn (Harlow: FT Prentice Hall).
- Bashien, B., Markus, M.L. and Riley, P. (1994) Business process re-engineering: preconditions for success and failure, *Information Systems Management*, 11(Spring), pp. 7–13.
- Beer, M. (2000) Research that will break the code of change: the role of useful normal science and usable action science, a commentary on Van de Ven and Argyris, in: M. Beer, and N. Nohria (eds), *Breaking the Code of Change*, pp. 429–446 (Boston, MA: Harvard Business School Press), (2000b).
- Beer, M. and Nohria, N. (2000a) Cracking the code of change, *Harvard Business Review*, 78(3), pp. 133–141.
- Beer, M. and Nohria, N. (eds) (2000b) *Breaking the Code of Change* (Boston, MA: Harvard Business School Press).
- Beer, M., Eisenstat, R.A. and Spencer, B. (1990) Why change programs don't produce change, *Harvard Business Review*, 68(6), pp. 158–166.
- Binney, G. and Williams, C. (1995) *Leaning into the Future: Changing the way People Change Organisations* (London: Nicholas Brealey Publishing).
- Boeker, W. (1997) Strategic change: the influence of managerial characteristics and organizational growth, *Academy of Management Journal*, 40(1), pp. 152–170.
- Boje, D. (2001) *Narrative Methods for Organizational and Communication Research* (London: Sage).
- Bovey, W.H. and Hede, A. (2001) Resistance to organisational change: the role of defence mechanisms, *Journal of Managerial Psychology*, 16(7), pp. 534–548.
- Buchanan, D. and Badham, R. (2008) *Power, Politics and Organizational Change: Winning the Turf Game*, 2nd edn (London: Sage).
- Buchanan, D., Fitzgerald, L., Ketley, D., Gollop, R., Jones, J.L., Lamont, S.S. and Whitby, E. (2005) No going back: a review of the literature on sustaining organizational change, *International Journal of Management Reviews*, 7(3), pp. 189–205.
- Business Week* (1984) Who's excellent now? 5 November, Issue 2867, pp. 74–86.
- Butler, J., Scott, F. and Edwards, J. (2003) Evaluating organizational change: the role of ontology and epistemology, *TAMARA Journal of Critical Postmodern Organization Science*, 2(2), pp. 55–67.
- Carnall, C.A. (1986) Toward a theory for the evaluation of organizational change, *Human Relations*, 39(8), pp. 745–766.
- Collins, D. (2007) *Narrating the Management Guru: In Search of Tom Peters* (London: Routledge).

- Collins, D. and Rainwater, K. (2005) Managing change at Sears: a sideways look at a tale of corporate transformation, *Journal of Organizational Change Management*, 18(1), pp. 16–30.
- Cooke, B. (1999) Writing the left out of management theory: the historiography of the management of change, *Organization*, 6(1), pp. 81–105.
- Dawson, P. (2003) *Understanding Organizational Change: The Contemporary Experience of People at Work* (London: Sage).
- Doyle, M. (2001) Dispersing change agency in high velocity change organisations: issues and implications, *Leadership and Organization Development Journal*, 22(7), pp. 321–329.
- Doyle, M., Claydon, T. and Buchanan, D. (2000) Mixed results, lousy process: the management experience of organizational change, *British Journal of Management*, 11(Special Issue), pp. S59–S80.
- Gabriel, Y. (2000) *Storytelling in Organizations: Facts, Fictions and Fantasies* (Oxford: Oxford University Press).
- George, J.M. and Jones, G.R. (2000) The role of time in theory and theory building, *Journal of Management*, 26(4), pp. 657–684.
- Guest, D. (1992) Right enough to be dangerously wrong: an analysis of the ‘in search of excellence’ phenomenon, in: G. Salaman (ed.), *Human Resource Strategies*, pp. 1–19 (London: Sage).
- Hall, G., Rosenthal, J. and Wade, J. (1993) How to make reengineering really work, *Harvard Business Review*, 71(6), pp. 119–131.
- Hammer, M. (1990) Reengineering work: don’t automate – obliterate, *Harvard Business Review*, 68(4), pp. 104–12.
- Hammer, M. and Champy, J. (1993) *Reengineering the Corporation: a Manifesto for Business Revolution* (London: Nicholas Brearley).
- Hammer, M. and Stanton, S.A. (1995) *The Reengineering Revolution: a Handbook* (New York, NY: Harper Collins).
- Hardy, C. (1996) Understanding power: bringing about strategic change, *British Journal of Management*, 7(Special Issue), pp. S3–S16.
- Handy, C. (1994) *The Empty Raincoat: Making Sense of the Future* (London: Random House UK).
- Hope Hailey, V. and Balogun, J. (2002) Devising context sensitive approaches to change: the example of Glaxo Wellcome, *Long Range Planning*, 35(2), pp. 153–178.
- Kelemen, M., Forrester, P. and Hassard, J. (2000) BPR and TQM: divergence or convergence? in: D. Knights, and H. Willmott (eds), *The Reengineering Revolution: Critical Studies of Corporate Change*, pp. 154–173 (London: Sage).
- Keller, S. and Aiken, C. (2009) The inconvenient truth about change management, *McKinsey and Company*, Available at http://www.mckinsey.com/App_Media/Reports/Financial_Services/The_Inconvenient_Truth_About_Change_Management.pdf (accessed 4 July 2011).
- Kotter, J.P. (1995) Leading change: why transformation efforts fail, *Harvard Business Review*, 73(2), pp. 59–67.
- Kotter, J.P. (2008) *A Sense of Urgency* (Boston, MA: Harvard Business School Press).
- Lewin, K. (1947) Frontiers in group dynamics, in: D. Cartwright (ed.), (1952), *Field Theory in Social Science*, pp. 301–336 (London: Social Science Paperbacks).
- McKinsey and Company (2006) Organizing for successful change management: a McKinsey global survey, *The McKinsey Quarterly*, July, pp. 1–8. Available at http://www.mckinseyquarterly.com/Organization/Change_Management/Organizing_for_successful_change_management_A_McKinsey_Global_Survey_1809 (accessed 13 November 2010).
- Pace, S. and Mulvin, G. (2002) Managing change: strategies that work, *Bain and Company*. Available at http://www.bain.com/bainweb/publications/publications_detail.asp?id=10331&menu_url=publications_results.asp (accessed on 13 November 2010).
- Palmer, I., Dunford, R. and Akin, G. (2009) *Managing Organizational Change: a Multiple Perspectives Approach* (Boston, MA: McGraw Hill).
- Peters, T.J. and Waterman, R.H. (1982) *In Search of Excellence: Lessons from America’s Best Run Companies* (New York, NY: Harper & Row).
- Pettigrew, A.M. (1985) *The Awakening Giant: Continuity and Change in ICI* (Oxford: Blackwell).
- Pettigrew, A.M. (1990) Longitudinal field research on change theory and practice, *Organization Science*, 1(3), pp. 267–292.
- Pettigrew, A.M. (2000) Linking change processes to outcomes: a commentary on Ghoshal, Bartlett and Weick, in: M. Beer, and N. Nohria (eds), *Breaking the Code of Change*, pp. 243–265 (Boston, MA: Harvard Business School Press), (2000).

- Rucci, A., Kirn, S. and Quinn, R. (1998) The employee-customer profit chain at Sears, *Harvard Business Review*, 76(1), pp. 82–97.
- Schwarz, G.M. (2003) Book review of breaking the code of change, *The International Journal of Organizational Analysis*, 11(1), pp. 85–87.
- Schwarz, G.M. and Huber, G.P. (2008) Challenging organizational change research, *British Journal of Management*, 19(Special Issue), pp. S1–S6.
- Senturia, T., Flees, L. and Maceda, M. (2008) Leading change management requires sticking to the plot, *Bain and Company*. Available at <http://www.bain.com/publications/articles/leading-change-management-requires-sticking-to-the-plot.aspx> (accessed 4 July 2011).
- Spector, B. and Beer, M. (1994) Beyond TQM programmes, *Journal of Organizational Change Management*, 7(2), pp. 63–70.
- Tsoukas, H. and Chia, R. (2002) On organizational becoming: rethinking organizational change, *Organization Science*, 13(5), pp. 567–582.
- Vakola, M. and Nikolaou, I. (2005) Attitudes towards organizational change: what is the role of employees' stress and commitment? *Employee Relations*, 27(2), pp. 160–174.
- Van de Ven, A.H. and Poole, M.S. (1995) Explaining development and change in organizations, *Academy of Management Review*, 20(3), pp. 510–540.
- Van de Ven, A.H. and Poole, M.S. (2005) Alternative approaches for studying organizational change, *Organization Studies*, 26(9), pp. 1377–1404.
- Walston, S.L. and Chadwick, C. (2003) Perceptions and misperceptions of major organizational changes in hospitals: do change efforts fail because of inconsistent organizational perceptions of restructuring and reengineering? *International Journal of Public Administration*, 26(14), pp. 1581–1605.
- Weick, K.E. and Quinn, R. (1999) Organizational change and development, *Annual Review of Psychology*, 50, pp. 361–386.
- Zammuto, R.F. (2001) Book review of breaking the code of change, *Administrative Science Quarterly*, 46(4), pp. 796–798.