

1 **Leading organizational transformation: an action research study**

2 **Abstract**

3 **Purpose** – This study addresses a specific gap in the literature that centers on individual perspective
4 of leadership within the context of organizational transformation. It explores synergies between
5 leadership, analyzed as a combination of individual and plural perspectives, and managerial drivers
6 relating to organizational transformation (communicating, mobilizing, and evaluating), with a focus
7 on capturing the essence of the context.

8 **Design/methodology/approach** – The study examines a complex organizational transformation
9 initiative faced by an Italian, family-owned fashion design company through an action research
10 project.

11 **Findings** – The results illustrate that context may play a role in accelerating the implementation of
12 plural forms of leadership and their effectiveness during some phases of transformation. Specific
13 emerging manifestations of leadership and synergies with transformation drivers are identified.

14 **Research limitations/implications** – This is a single case study derived from an action research
15 project. Although the approach is congruent with the nature of the phenomenon and the purpose of
16 the study, it does not aim for generalizability, and as such further empirical investigation is advocated.

17 **Originality/value** – The article offers an original perspective on leadership of organizational
18 transformation, discussing in particular the co-existence of individual and plural leadership and the
19 role of context.

20
21 **Keywords** Organizational transformation, Action research, Leadership, Transformational leadership,
22 Plural leadership, Transformation drivers

23
24 **Article classification** – Research paper

1 **Introduction**

2 A transformational leader, juxtaposed against a transactional leader, “engages with others in such a
3 way that the leader and the follower raise one another to a higher level of motivation and morality”
4 (Burns, 1978, p.20). Through various mechanisms, s/he is able to infuse a vision that encourages
5 followers to transcend individual performance norms and act in the collective interest (e.g. Bass and
6 Avolio, 1990; Yammarino and Bass, 1990). Transformational leadership theory has recently been
7 criticized for its limitations (e.g. Van Knippenberg and Sitkin, 2013). The challenge of organizational
8 transformation in complex contexts requires far greater depth of theoretical examination, such as
9 exploring possible combinations of individual and plural perspectives of leadership at the top of the
10 organization (e.g. Denis *et al.*, 2012); yet the literature continues to focus mainly on the individual
11 leading the transformation, rather than on the plurality of individuals and their interactions (Kempster
12 *et al.*, 2014; White *et al.*, 2016). Denis *et al.* (2012) advocate further exploration of when and where
13 forms of plural leadership are necessary and effective.

14 Following Johns’s (2006) suggestions and, in particular, taking account of the role of context
15 to develop frameworks that illustrate specific contingencies affecting the implementation of different
16 forms of leadership, this study focuses on the “omnibus” context and the process of leadership in
17 transformation, illustrating the findings in terms of key actors, activities and behaviors. The research
18 question guiding this study is:

19 *RQ:* How does the context of an organizational transformation and its different phases
20 affect the characteristics of individual and plural leadership, and the adoption of
21 different transformation drivers?

22 This study analyzes the results of an action research project developed with an Italian, family-
23 owned fashion design company. The research focus on organizational change from a leadership
24 perspective and captures the dynamics of a family hiring a CEO that is not a member of the family.
25 Family-owned organizations share many features in common with other firms, but the coupling of
26 business and family relationships leads to specific organizational characteristics and dynamics, for
27 example with regard to family succession and relationships between family and non-family members
28 (Cater and Schwab, 2008). This study contributes to the literature by showing the role of context in
29 accelerating the effective implementation of different forms of leadership and their relationship with
30 individual perspectives over time, and how specific leadership manifestations, in terms of individual
31 and plural manifestations of leadership and transformation drivers, may be observed during different
32 phases of transformation.

1 **Theoretical background**

2 *Organizational transformation and transformation drivers*

3 Transformation entails a radical shift in an organization's values, culture, structures, and routines,
4 and particularly in how it does business (e.g. Bartunek and Louis, 1988). Transformation is viewed
5 as an all-pervading, holistic, and complex process within a specific business context and presents
6 major challenges to any system (Beckhard, 2006).

7 From a managerial perspective, the literature emphasizes three key managerial drivers relating
8 to planned transformations: communicating, mobilizing, and evaluating (e.g. Ford and Greer, 2005;
9 Battilana *et al.*, 2010). *Communicating* refers to ongoing actions taken by leaders to engage
10 organizational members by explaining their decisions and actions, for example explaining their vision
11 and expected outcomes, and communicating the need for change (Kotter, 1995). *Mobilizing* refers to
12 actions taken by leaders to establish mechanisms for social spaces that provide organizational
13 members with opportunities to engage in dialogue to enhance acceptance of new work routines.
14 Examples include seeking out structures that help shape a vision of the new organization, spending
15 time and energy on re-designing organizational processes and systems, and creating trust (Higgs and
16 Rowland, 2011). *Evaluating* refers to measures employed by leaders to monitor and assess the impact
17 of their implementation and institutionalization efforts. Relevant examples include using formal
18 systems of measurement, and identifying problems, opportunities, and needs for possible refinements
19 (Battilana *et al.*, 2010). The transformation drivers, mentioned above, can also be related to the
20 leadership characteristics of actors leading an organizational transformation, which therefore requires
21 further discussion.

22 *Leadership in transformation*

23 Leadership characteristics influence the success or failure of organizational transformation initiatives
24 (Higgs and Rowland, 2011). The construct most frequently adopted to study leadership of
25 transformations is transformational leadership: transformational leaders successfully change the
26 status quo in organizations in each stage of the transformation process, promoting a culture that
27 encourages team decision making and behavioral control, and changing followers' attitudes to
28 achieve greater commitment to transformational goals (Manz and Sims, 1991; Guay, 2013).

29 The literature also suggests the need to complement the focus on individual transformational
30 leadership with a pluralistic approach (i.e. Alvesson and Kärreman, 2016). Although transformational
31 leadership has been widely adopted in various organizational transformation contexts, some
32 criticisms relate to the stereotype of "heroic" leadership, which ideologically assumes that effective
33 performance of followers in an organization depends on the leadership of an individual with all the
34 skills to find the right path and motivate others to take it (Yukl, 2006; Alvesson and Kärreman, 2016).
35 The literature on the plural approach to leadership has been growing significantly (e.g. Contractor *et*

1 *al.*, 2012). Many different theories and definitions of the plural approach to leadership and its key
2 variables have been articulated (e.g. Bolden, 2011; Contractor *et al.*, 2012; Denis *et al.*, 2012; Gronn,
3 2009). They encompasses various forms of leadership that imply the interaction and “combined
4 influence of multiple leaders in specific organizational situations” (Denis *et al.*, 2012, p.1). Some
5 studies (e.g. Leithwood *et al.*, 2009; Miles and Watkins, 2007) indicate variation in the extent to
6 which the role of plural leadership is captured in developmental practices in organizations. In
7 organizations that have become increasingly knowledge-based and where work is mainly team-based,
8 leadership is moving toward a form that can cope with collective efforts, where individuals can
9 contribute to establishing and developing a common purpose and vision (e.g. Serban and Robert,
10 2016). The literature suggests a need to describe leadership as a shared process, going beyond the
11 conception of an individual leader who is able to perform all essential leadership functions (Ramthun
12 and Matkin, 2012). The inconclusive findings about the role and characteristics of plural leadership
13 in transformation and their relationship with the individual approach suggest the need for further
14 investigation (Denis *et al.*, 2012; White *et al.*, 2016).

15 *The role of context*

16 The role of context is often unrecognized in studies of organizational behaviors, even though it may
17 affect the results substantially (Johns, 2006). As Rousseau and Fried (2001, p.1) underline,
18 “contextualization entails linking observations to a set of relevant facts, events, or points of view that
19 make possible research and theory that form part of a larger whole”. To take context into
20 consideration, Johns (2006) proposes focusing on the “omnibus” context (the who, where, when and
21 why of the research) as opposed to the discrete context (task, social, physical) or studying events and
22 processes. For example, in reference to our study, the family business context is a relevant contextual
23 element. “Familianness” (Cater and Schwab, 2008; Canterino *et al.*, 2013) refers to the particular
24 characteristics of family-owned companies, in terms of relationships with employees, managerial
25 roles, and strategic decisions. The interplay of family and professional relationships gives family
26 businesses unique characteristics (Cassia *et al.*, 2012), with a complex configuration of cultural
27 patterns in the business, in the family and in the board of directors (Dyer, 1986). Leading a successful
28 transformational process may therefore require dynamic coordination between different leading
29 subjects.

30 Further insights into the contextualization of leadership in change efforts can be derived from
31 the field of organizational development and change, systems theory and organizational culture (e.g.
32 Katz and Kahn, 1978; Nadler and Tushman, 1989). A basic assumption of systems theory is that an
33 organization can be viewed as a system composed of different elements that interact with each other,
34 and that organizational performance depends on the fit between different elements, such as leadership,
35 organizational culture, structure, management practices, tasks, and people (e.g. Burke and Litwin,

1 1992; Schein, 2010). A relevant approach to contextualizing leadership in change through systems
2 theory is Burke and Litwin's (1992) causal model of organizational performance and change. The
3 model aims to guide organizational change by describing the organization as composed of variables
4 grouped into two categories: transformational factors (external environment, mission and strategy,
5 leadership, and culture) and transactional factors (structure, management practices, systems, task
6 requirements, individual skills and abilities, work unit climate, motivation, and individual needs and
7 values). The input is the external environment, directly affecting changes in transformational factors,
8 which are considered revolutionary, while internal operations affect changes in transactional factors,
9 which are considered evolutionary. The final output is organizational performance. This model, still
10 widely used (e.g. Noumair *et al.*, 2017), offers a valuable framework to identify contextual and
11 systemic influences when leading change.

12 **Methodology**

13 Data for this study were collected in the context of a broader, long-term action/collaborative research
14 process (Schein, 1995). The overall research was conducted in a specific organizational setting and
15 involved close collaboration between practitioners and researchers, scientifically addressing specific
16 issues of concern (Coghlan, 2012; Shani *et al.*, 2012; Canterino *et al.*, 2016). The company is a
17 medium-sized (476 employees), family-owned, Italian business that designs and produces silk for
18 prestigious fashion labels. The company was targeted as an organizational setting in which issues of
19 creativity and organizational change were relevant, and dialogue with the CEO was initiated. The
20 first few meetings with the CEO resulted in a decision to embark on a broad research collaboration.
21 The overall action research project included high-quality collaborative relationships (e.g. forming and
22 nurturing a research team of researchers and practitioners from the company) and designing several
23 different research projects collaboratively (Cirella *et al.*, 2012). In particular, studies were developed
24 on creativity and organizational transformation in family businesses (e.g. Cirella *et al.*, 2016; Cirella,
25 2016). This specific study focuses on a theory-building case study of the organizational
26 transformation process and manifestations of leadership, exploiting the opportunity to explore a
27 significant phenomenon under rare and extreme circumstances and generate research findings that
28 can be taken further in subsequent studies (Yin, 2009).

29 Throughout the research process, the research team co-led the inquiry process and worked
30 collaboratively on: (i) the design of the research process, including ongoing meetings with the
31 research team; (ii) the collaborative development of data collection tools, such as an interview guide
32 and protocol; and (iii) a collective data interpretation.

33 Data were collected through semi-structured interviews. The questions focused on
34 organizational transformation, its key activities and drivers, the actors involved, and leadership styles.
35 The set of questions was based on Battilana *et al.* (2010), Gronn (2009), and Kets de Vries (2002)

1 (e.g. “What actions were put in place?”; “How was the coordination between leaders and/or relevant
2 roles?”; “Were specific standard and goals put in place?”; Was generated among organizational
3 members? How?”)

4 Data were collected by interviewing six people in leading positions, including the CEO (three
5 interviews at different points during the transformation process), three senior managers, two family
6 members, and a group of fifteen other middle managers and practitioners, as a representative sample
7 mirroring the overall characteristics of the personnel and including all the key roles involved in the
8 company’s creative process. Data were collected between 2009 and 2010, while the transformation
9 was still in progress. In addition, follow-ups were conducted in 2011 with the CEO who was ending
10 his term, and with the family member who was becoming the new CEO (see next section). Table I
11 provides a brief profile of the informants.

12 *Insert Table I about here*

13 The researchers contacted the CEO directly to arrange the interviews with him. The other
14 invitations to attend interviews were sent by email, with a note from the CEO to the individuals
15 identified by the research team. All the individuals responded positively and were willing to
16 contribute to the study. Although the CEO’s note played a role, the response rate (100%) was also an
17 indicator of commitment to the company, its current situation and the collaboration orientation of the
18 research itself. The interviews took place face to face and were conducted in Italian. They lasted
19 between 45 and 90 minutes, with the exception of three interviews that lasted about two hours. Each
20 interview was carried out by two researchers, and all were recorded and transcribed. The
21 transcriptions were read through several times. An iterative approach to coding was adopted (Saldaña,
22 2009), working through three phases until agreement was reached among the researchers in terms of
23 categorization and sensemaking of the data. First, specific codes were referring to transformation
24 activities and behaviors put in place (e.g. building trust, communicating urgency). In line with Patton
25 (1990), these codes were organized into categories which show patterns between transformation
26 activities (communicating, mobilizing, evaluating) and leadership behaviors (individual/plural;
27 transactional/transformational). The different categories were grouped into the three main
28 manifestations of leadership, as chosen unanimously by the researchers, to most accurately describe
29 the materials collected and to show recurrent patterns in relation to the phases of the transformation.
30 On completion of the analysis, the data were shared with the research team to generate a shared
31 interpretation of the data and to validate the findings. The structure of the data and the shared
32 interpretations were compiled and presented to the CEO in order to share progress on the study and
33 some emerging insights, and to refine the data interpretations. As a final step, external readers with

1 knowledge and experience of the topic also reviewed the data to ensure interpretative validity. The
2 quotations included in the manuscript have been translated into English.

3 **Findings**

4 Following Johns (2006), the findings from the case are illustrated by describing (i) the who, when,
5 what and why, and (ii) the process of transformation, to reveal how behaviors unfolded over time.

6 *Company background and role of the family*

7 While the study was under way, the company was undergoing a major transformation, namely a
8 radical reorganization to avoid bankruptcy and survive the competitive market of Italian textile
9 fashion. The focal point of the case was a drastic decision made by the family owner in 2006, after
10 several years of significant financial losses, to hire an outsider as CEO for the first time in the
11 company's 100-year history to try to save the company and possibly lead a turnaround. This allowed
12 a focus on the role of context in narrating the findings and answering the research question. Table II
13 shows a timeline with the key milestones in this process.

14 *Insert Table II about here*

15 The company is a leader in the Italian market in silk fabric design and manufacturing. The
16 company had always been family-owned and managed by a family member. The family ties to the
17 business were strong, there was an established preference for putting family members in charge, and
18 the management systems were quite informal. The newly-hired CEO, experienced in corporate
19 restructuring, led a five-year transformation process, and this major turnaround allowed the company
20 to achieve positive economic figures, regain and reinforce its position in the market. In this setting,
21 coordination between the leader as a newcomer (the new CEO in 2006) and the old-time leaders (the
22 owning family) was crucial to the transformation effort and the company's survival. There were four
23 main phases of transformation – as they emerged from the findings. Each is illustrated in terms of the
24 key activities and relationships between key actors in the process.

25 *Initial phase of transformation*

26 The new CEO had just joined the company as the first outside CEO. The new CEO was faced with
27 several critical challenges: to turn around many years of losses, to acquire greater knowledge of
28 products and materials, to manage creative people, and to design and manage the creative and
29 manufacturing processes. He immediately realized that, for the company to survive, the management
30 team had to tackle all challenges simultaneously on multiple fronts and within a relatively short
31 timeframe. Employees did not perceive crisis, urgency or need for change and, at the same time, were
32 skeptical and even cynical about possible changes:

1 At the very beginning, people were a bit skeptical, since the general mood was “we
2 have been around for 100 years, we are used to this: things go up and down, and
3 this is not our fault” [a manager].

4 The company was still influenced by old, and provincial, working methods [a
5 technician].

6 Communication was viewed as critical to the beginning of the transformation process and the
7 establishment of a new culture. For example, during his first month, the new CEO and some top
8 managers met almost all employees. There were frequent meetings with all employees (groups of 50
9 employees at a time), during which all organizational members discussed the various challenges
10 facing the company, its goals, and key emerging issues. According to a member of the family:

11 He [the CEO] wanted to walk through the factory, talk with the people, understand
12 what the people were doing [a member of the family].

13 Management team members led similar sessions and discussions within their units. The
14 emphasis on communication in the organization was generally perceived as an important element by
15 the employees:

16 It was important that we continued to communicate a lot, even if there were some
17 major disagreements [a designer].

18 The main focus of the management team was to generate trust among the people in the
19 company and communicate the urgency of the situation, which was not perceived accurately. The
20 CEO underlined the importance of trust, which engendered social and emotional ties with employees,
21 creating commitment by all organizational members:

22 Seeing that the new CEO was listening to people and relying on their help to keep
23 the boat afloat, everybody thought: “Okay, so now our contribution is important”
24 [a manager].

25 The chairman of the board played a fundamental role in highlighting the urgency for change,
26 conveying the message throughout the company that the new CEO was in charge of guiding the
27 process over the next few phases. The guiding role of all members of the family and the chairman
28 was fundamental in creating commitment to the transformational process within the organization:

29 People were surprised at realizing the serious situation the company was facing.
30 They would probably have had a hard time believing the new CEO if he had met
31 them alone, without us [the family members] [a member of the family].

32 *First part of core transformation*

33 The various problems faced by the company were attributable to two main causes: the poor economic
34 state of the market, and inadequate management over recent years. The CEO took action to establish
35 new work routines, re-design organizational structures and processes, and create trust among people
36 about the transformation:

1 The CEO really cared about feedback from managers. Both in the re-design of the
2 processes and in the implementation of the new routines, he wanted to see us twice
3 a week, and he always started the meeting with the same two questions: “Do you
4 think that we are going in the right direction?” and “Are the people on-board with
5 us?” [a manager].

6 In particular, administrative expenses and non-strategic expenditure were drastically reduced,
7 as was the workforce. Major changes included significant reductions in general and administrative
8 expenses (in excess of €4 million), improved operating performance (for example, reducing the cost
9 of samples from six to five percent), termination of unprofitable licensing agreements, and upgrading
10 to more efficient printing equipment.

11 At the same time, financial “discipline” was instilled for the long term, with two main
12 interventions: the introduction of management tools to support the restructuring (for example, budget
13 planning and periodic reports), and the creation of a new management team (a few managers with
14 strong profiles were hired). The strategy was re-shaped, based on the concept of competitiveness. In
15 implementing the new mission statement, the CEO worked to develop a shared vision at all levels of
16 the company to encourage different subcultures to communicate with each other. These subcultures
17 were very different and had lacked fundamental alignment (the subcultures were related to different
18 organizational units, in particular design, sales and manufacturing). The CEO underlined this feature:

19 When I began to meet the people in the company, I noticed one thing: they never
20 talked about “we” when referring to the company. On the contrary, by “we” they
21 meant only people from their unit, and “others” was used for people from other
22 units. This is not so unusual but, in times of urgency, you need to be aligned in
23 terms of vision. I put extra effort into trying to build a common language and a
24 common identity because, after all, we were all in the same boat [the CEO].

25 The CEO built a shared vision, encouraging accountability-based practices. This process of
26 mobilization was supported by evaluations of the development. The CEO underlined the importance
27 of accountability, setting clear standards for performance, and the focus of evaluation was shifted to
28 performance indicators, such as measures of quality and reliability, and budget planning. Performance
29 and professionalism, in the past often linked to more informal dynamics, became the key criteria for
30 success and promotion, and a formal performance management system was introduced. The CEO
31 kept working to create trust among people, while underlining the importance of achieving truly
32 positive performance, adopting managerial practices based on figures, learning how to be effective
33 and efficient in every activity, and sharing a new profit-oriented vision with a deeper understanding
34 of the business context:

35 The CEO helped us to realize that we needed to get more knowledge about the
36 business, because this is what we do here. Although we create beautiful pieces, we
37 are not making art [a color expert].

1 Special attention was paid to developing new shared values and types of behavior, to unify
2 people throughout the organization. As part of this initiative, a program was introduced to recruit,
3 select and train highly-qualified talent, as the company lacked standard talent management processes.
4 In this phase, the owners decided to step aside, so as not to interfere with the CEO's actions. The
5 other members of the management team played an operational role, implementing top-down decisions
6 by the CEO. All the management team members worked together, developing close relationships with
7 each other:

8 Finally what can be seen is a management team that has developed shared routines
9 and language. They do not have a structured procedure. They just feel very
10 comfortable in asking each other's opinion on a particular issue [the CEO].

11 *Second part of core transformation*

12 At this point, after re-designing various processes and routines, the main task was to build and
13 enhance an organizational structure that reflected the new business strategy, restructuring the
14 organization and establishing a market orientation in order to withstand the competitive pressures of
15 the environment. For example, the organizational chart was re-designed. A hybrid of "convertor" and
16 "holistic" (vertically integrated company) orientations was formulated. Four new divisions were
17 established, with new staff units to support each division. The structure of the commercial teams was
18 also changed:

19 Our commercial team changed, both in terms of people and structure, following a
20 geographical criterion: three areas of the world, plus two branches in New York and
21 Paris, shared with all the licensed brands [a salesman].

22 The composition of the board of directors changed from four family members and three
23 outsiders relatively close to the family, to three outsiders with management expertise and deep
24 knowledge of the industry. The new board became a proactive body that could both challenge the
25 management team and provide a wide array of expertise to help support and guide the company. The
26 statutory audit committee (responsible for auditing company practices and reporting on a regular
27 basis) was given new energy with two new, highly-skilled members, one of whom became the head
28 of the committee. These activities of mobilization were developed along with a specific manifestation
29 of leadership. Leadership was strongly related to tasks:

30 The CEO put a lot of stress on reporting. This allowed us to have a clear
31 understanding of our performance and the performance of the organization. The
32 underlying message was very clear: "If you do not perform, you have to leave" [a
33 manager].

34 The focus was on setting clear performance goals, enhancing the market orientation, and
35 translating the new business strategy into an effective and efficient organizational structure. For
36 example, a product manager said:

1 I have promoted the rationalization of the structure of the collection (from 140 to
2 75 designs to exploit economies of scale) along with the optimization of production
3 at 360 degrees, in terms of efficiency, through the reduction of waste and surpluses
4 [a product manager].

5 At this point, the people in the organization were strongly committed to the transformation,
6 and they already trusted the CEO. The family supported the CEO's decisions, but did not take an
7 active role:

8 People have understood the CEO's style and they have seen that things are becoming good [a
9 family member].

10 People looked at me as the person who could make decisions [...] The family and
11 the organization were relying on me for that; that is the reason they hired me [the
12 CEO].

13 There were many different collaborations between the CEO and other managers, whereby
14 people in the organization formed temporary, one-off groups to complete a task connected with the
15 implementation of the new structure:

16 This phase implies that you need a leader, someone who is capable of running the
17 show, allocating the appropriate roles to individuals, stimulating ideas from each
18 individual, as in maieutics. In fact, the "maieutikè" brings the idea out of you. Yes,
19 here the leader should be a sort of intellectual obstetrician [the CEO].

20 *Final phase of transformation*

21 In the final phase of transformation, the CEO pointed out the significant goals that the company had
22 achieved and, above all, continued to identify the most important objectives that the company had
23 still to pursue. The company had new strategies, processes, skills, and structures, and it was ready for
24 new challenges and changes. In this phase, communication was again fundamental:

25 Even if the emergency is over, the CEO is putting much effort into communicating
26 the status of the situation to the people. However, now it is a much better message
27 to be heard because it is about positive results [a manager].

28 The CEO explained what fundamental lessons the company had to learn in order to stand on
29 its own two feet. In an impassioned letter, he wrote:

30 It is a challenging match to play. It is one that asks us to change, preserving all the
31 positive learning from our experiences. We have to be brave enough to change our
32 behaviors and professional orientations when they are outdated [the CEO].

33 The employees were able to recognize and acknowledge this cultural change:

34 Traditionally, there was a dualism between creativity and economic value. But good
35 business actually comes from good ideas. But how do you build that good idea that
36 can lead to a good business? You can really do it if you know the context into which
37 you are throwing yourself [a product manager].

38 In this final phase, the CEO empowered all the other management team members, encouraging
39 them to take full ownership and make every effort to achieve results. The family also worked closely

1 with the CEO in this phase. The leadership at this point was split between the CEO, the family, and
2 the management team:

3 Celebrating positive results together with people is important, as much as it was
4 important to push for the emergency. People see all of us [the family, the CEO, and
5 the management team] as a group, of course with different roles, but indeed with
6 the same responsibility [a family member].

7 At this point, the CEO handed the baton back to the chairman, who then had to manage the
8 changeover to a new CEO (a family member). The guiding role returned successfully to a (fourth-
9 generation) family member. This new CEO is still in charge and the company is currently profitable
10 and in growth.

11 **Discussion**

12 During this transformation, three recurrent manifestations of leadership can be identified, in terms of
13 individual and plural leadership behaviors, their synergies with transformation drivers, with a focus
14 on transformational or transactional factors (Burke and Litwin, 1992). These manifestations, which
15 emerged from the data, are “communicating leadership”, “envisioning leadership”, and enabling
16 leadership”. Table III briefly summarizes the characteristics of each leadership manifestation in the
17 case.

18 *Insert Table III about here*

19 *Communicating leadership* is related mainly to transformational factors, with the CEO and
20 the owner family trying to shock (at the beginning) reshape and reinforce (at the end) mindsets. This
21 manifestation of leadership emphasizes communication activities, leading transformation by fostering
22 communication between people and social systems and coordinating with other leaders. As
23 communication is an interactive process of reciprocal influence, a plurality of leadership is clearly
24 observable and almost institutionalized. This manifestation of leadership was observed in the initial
25 and final phases of transformation. *Envisioning leadership* is related to both transformational factors
26 – such as strategy and culture – and transactional factors – such as new management practices,
27 systems and procedures. It emphasizes mobilizing and evaluating activities, leading by integrating
28 tasks and relationships and identifying forms of temporary plural leadership. Individual leadership is
29 prevalent, and plural leadership seems to be less crucial in this manifestation. In particular, intuitive
30 and temporary forms of collaboration between leaders seem to be effective. This manifestation of
31 leadership was observed particularly in the first part of the core transformation. Lastly, *enabling*
32 *leadership* is related mainly to transactional factors, in particular on changing the structure. It
33 emphasizes mobilizing activities relating to the implementation of new structures and processes, by
34 implementing specific changes and taking full responsibility for leading. Individual leadership is
35 crucial in this manifestation. The CEO acts as an organizational architect, being mainly task-oriented

1 and concentrating his energies on developing procedures, processes, and systems. As a result, plural
2 leadership is almost absent, and the only form of plural leadership seems to relate to a few
3 spontaneous, short-term collaborations on specific tasks. This manifestation of leadership was
4 observed in the second part of the core transformation.

5 The contribution of this study relates to its insights into the role of context that activated and
6 accelerate the creation of recurrent patterns between leadership and transformation drivers. Context
7 acted as a “bundle of *stimuli*” (Johns, 2006), conveying the urgency of the situation, a need for rapid
8 and radical change, and “familiness”. This triggered effective coordination between the leaders (the
9 CEO and the family) at the beginning and end of the transformation, and also legitimized the (new)
10 individual leadership during the central phases of the transformation. Among the bundle of different
11 *stimuli*, the urgency of the situation may play an important and positive role. Uncertainty plays a role
12 in smoothing the tensions hypothesized by previous literature on plural forms of leadership, due to a
13 need for psychological security and support (e.g. Alvarez and Svejnova, 2005).

14 The study also underlines that the structure of pluralized leadership is not necessarily linked
15 to competing logics within the organization (Alvarez and Svejnova, 2005), but may be instrumental
16 in spreading a shared vision. The study provides a concrete example of how the change context shapes
17 the alternation between individual and plural forms of leadership without creating tensions (Denis *et*
18 *al.*, 2012). Moreover, the findings from the case suggest that it is possible to institutionalize a precise
19 configuration of leadership that is both plural and individual, and manages both accountability and
20 rivalry (Denis *et al.*, 2012). Finally, findings show practical evidence of how different manifestations
21 of leadership act on different elements of a complex system when leading transformation, with the
22 context acting as the catalyst input (Nadler and Tushman, 1989; Burke and Litwin, 1992; Schein,
23 2010). The case offer insights on how different leadership behaviors need to be aligned to business
24 strategy and mission when external context is forcing the organization to activate the transformation
25 (Burke and Litwin, 1992).

26 **Limitations and future research**

27 Similar to many action-based studies (e.g. Baron, 2016), directions for future research relate to the
28 limitation of a single case study. Future studies should explore other possible variables that may be
29 relevant to drivers of transformation and leadership, such as different types of context, organizational
30 vision, and forms of plural leadership (e.g. Spillane and Diamond, 2006; Leithwood *et al.*, 2009).
31 Further research should also combine qualitative and quantitative methods. Studies of the three
32 specific manifestations of leadership and their roles in different kinds of business transformation not
33 involving a family business would also be of value.

1 **Conclusions**

2 Understanding and leading organizational transformation continues to present challenges to scholars
3 and practitioners alike. This study focused on exploring the role of context in shaping the interplay
4 between individual and plural leadership in the adoption of different transformation drivers during
5 different phases of an organizational transformation. The action research study reveals the emergence
6 of three recurrent manifestations of leadership, in terms of leadership behaviors associated with
7 transformation drivers. In terms of implications for practice, the findings show that leaders should
8 adopt both individual and plural leadership orientations when leading organizational transformation.
9 This study offers a possible practical “guideline” for leaders to follow in order to identify effective
10 leadership practices for different activities and phases during organizational transformation, with
11 particular reference to family businesses.

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1 **Table I.**
 2 Brief profiles of informants

Informants	Brief profile
Chief Executive Officer	CEO of the company from 2006 to 2011; with a finance background, he had been Executive VP and CFO of a major Italian IT company and of a major energy company
Family members	A fourth-generation family member, who had risen through the ranks of the company, held a managerial role as Director of Product Development and Marketing Another fourth-generation family member, whose career had progressed mainly outside the company, held a managerial role in the company; he was identified as the new CEO in 2011 and is currently in charge
Senior managers	Chief Strategy Officer, Womenswear Division General Manager, and Licenses & Distribution Division Manager
Middle managers	Three individuals serving as Product Manager, each managing a group of clients and responsible for a set of collections
Practitioners/experts	Twelve individuals representing different jobs, including six designers, as well as colour experts, salesmen and technicians

3
 4 **Table II.**
 5 Key milestones in the company's transformation and in the research

Time	Key milestones
End of 2000	First year with significant net losses (3 million Euros)
December 2006	Appointment of first outsider CEO (with total losses of 80 million Euros since 2000)
Beginning of 2007	Initial steps relating to the transformation
April 2009	Beginning of the research collaboration
June 2009	Beginning of empirical inquiry
End of 2010	Final steps relating to the transformation (2010 was the second year of positive net profits)
June 2011	Formal end of the research
October 2011	Appointment of a CEO in the family succession (currently in charge, with positive net profits)
December 2011	Follow-up interviews

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 8

1 **Table III.**

2 Partial illustration of results

Manifestation of leadership	Phases in the transformation	Predominant transformation drivers and examples from the case	Individual leadership	Plural leadership	Transactional vs transformational focus
“Communicating leadership”	Initial and final phases	<i>Communicating</i> <ul style="list-style-type: none"> • Communication with employees • Institutionalization of communication mechanisms • Empowerment of employees 	Facilitating communication	Relevance and observability of a structured plural leadership	Transformational factors
“Envisioning leadership”	Core transformation (first part)	<i>Mobilizing</i> <ul style="list-style-type: none"> • Renewal of top management • Transformation of the organizational culture • Recognition of employees’ knowledge <i>Evaluating</i> <ul style="list-style-type: none"> • Accountability • Criteria for promotion and retention 	Integrating focus on tasks and relationships	Intuitive and temporary forms of plural leadership	Transactional and transformational factors
“Enabling leadership”	Core transformation (second part)	<i>Mobilizing</i> <ul style="list-style-type: none"> • Implementation of a market-oriented organizational structure • Establishment of product design units within each division • Establishment of additional staff units • Introduction of a new statutory committee 	Directing toward specific activities	Minor role of plural leadership, limited to spontaneous collaborations	Transactional factors

3

