

**A PRACTITIONER'S JOURNEY TO SCHOLAR**  
**CHANGE LEADER RETENTION AND CAREER DEVELOPMENT:**  
**THE ROLE OF SOCIAL CAPITAL AND BALANCING COMMITMENTS**

By

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## **INTRODUCTION TO THE THREE STUDIES THAT COMPRISE THE RESEARCH REQUIREMENTS FOR THE EXECUTIVE DOCTOR OF MANAGEMENT PROGRAM**

The following three research studies address the practical problem facing organizations that are challenged to attract and retain executives to lead successful and sustainable organizational change. Quite often organizations choose to hire executives experienced with change leadership from the outside (Outsiders) as fulltime employees in order to access knowledge, best practices, and networks beyond the traditional know-how and know-who of leaders inside their organizations (Insiders). Although not in all cases, there can be a mutual desire for the leader to remain with the organization post the change initiative. In practice, however, many Outsiders never become Insiders despite successful project outcomes, and instead leave their organizations (Klein, 2004). My goal was to investigate why this was so, with a special interest in social capital and the balancing of organizational and change career commitments. I was interested in uncovering distinctions between the attributes and experiences of Insiders and Outsiders in order to help organizations retain leaders to enhance their overall change capacity.

A different mode of inquiry was employed for each of the three studies. The first study, “Change Leader Career Development: The Leveraging of Social Networks in Planned Organizational Change” is an in-depth conceptual study that draws upon extant literature and my leadership experience to bound the challenging practical issue in the workplace. I developed a preliminary conceptual framework in the first study as the basis for subsequent qualitative and quantitative field work. Building upon this conceptual framework, the second study, “Change Leader Career Development: The Interplay of Social Capital, Sponsorship, and Self Identity during Planned Organizational

Change” is the result of the grounded theory analysis of thirty qualitative interviews. Using a semi-structured protocol, insights were discovered through conversations with executives who have led large change initiatives. This field-based inquiry led to revising and enhancing the conceptual model, as well as identifying several interesting, key findings worthy of additional investigation which will be discussed in the next section.

The third study, “Change Leader Retention: Social Capital, Organizational Commitment, and Balancing Change Career Commitment” is a quantitative study where a two-path model using established theoretical constructs provided a framework for rigorous hypothesis testing. An original on-line survey was deployed to executive change leaders from multiple sources, and statistical measurement and structural equation modeling methods were applied to the data to reveal causal relationships. This study was a direct offshoot of the questions raised from the qualitative study, and was oriented to analytically discern differences between Insiders and Outsiders.

The following introduction briefly reviews the purpose, methods, and conclusions of each study, and the relative strengths of the methods employed. I also summarize in an integrated fashion the implications for leadership practice and future research.

## **PURPOSE, METHODS, AND CONCLUSIONS OF EACH STUDY**

### **A. The Conceptual Study**

The purpose of this research study was to develop a conceptual framework from which to study the extent to which a change leader is embedded in and leverages internal and external social networks to contribute to favorable project outcome. It was theorized that successful network leverage would also influence the leader’s career development upon completion of the project. It was my intent to thus explore how leveraging of

networks for the sake of change could work in concert with networks to ensure the change leader's retention in the organization. A conceptual framework was developed through the synthesis of extant literature from the disciplines of organizational development, change management, careers, and social capital, conversations with practitioners, and my personal experience within several large companies.

Social networks are the often informal structure of relationships among organizational members that provide invaluable resources, such as information, power, and trust between individuals and groups. These resources are often critical for a change leader to access to pull or enable change compared to pushing or commanding change. Relationships as networks are often the locus for change acceptance or resistance, fundamental for a leader to effectively deliver project results, sustain new processes, and contribute to his becoming a valued, long term member of the organization.

The conceptual model led to conjectures on how the leaders' successful leveraging of networks for project and personal career outcomes may be influenced in different ways depending upon the context of the type of change project (radical change or continuous improvement change) and the type of organizational culture (hierarchical or open collaborative structure). It was posited that change leader attributes (career background, dimensions of his networks, and degree of sponsorship) could determine the type of networks the leader more often relies upon for success. For example, Insiders often have at their disposal greater access to internal networks rich in closure and thus prefer to leverage these networks, compared to Outsiders who inherently have broad external networks, and so choose to leverage or broker more external information.

This highly reflective and challenging exercise was aimed at narrowing my proposed research interest to operational proportions. The conceptual study closed with research questions concerning change leader background, criteria for personal and project success, and the roles of organizational culture, type of change project, sponsorship, and social networks in leading planned organizational change. This study laid the foundation from which to develop the semi-structured interview protocol for gathering of real world qualitative data from practicing executive change leaders.

## **B. The Qualitative Study**

Thirty executive leaders from predominantly large manufacturing companies were interviewed for between 60 and 90 minutes about their experiences in leading one or two high impact change projects (one successful, one unsuccessful). An 18-question protocol with extensive probes was utilized in a grounded theory approach. Over 650 pages of transcribed data were ultimately analyzed in an iterative fashion using open coding in ATLAS TI software.

Whereas the earlier conceptual work focused on social networks, the qualitative investigation led to an appreciation for social capital, of which networks are a part. By definition, social capital extends beyond the role of social networks – structural connections for information exchange – to include relationships based on trust, friendship, longevity, shared norms and experiences, and quite often reciprocity. Bonding social capital specifically refers to the extent of membership, integration, and influence (of and from) experienced by the leader within the organizational community. This study revealed how in absence of strong sponsorship and often regardless of project outcome, leaders must concurrently develop bonding social capital when leading change

to become sustainable members of the enterprise's leadership team. This was in particular true for executives I interviewed who were Outsiders.

This qualitative study also revealed how Outsiders hired to lead radical change initiatives seldom got the opportunity to become Insiders regardless of the project outcome, given how much bonding social capital was destroyed, spent or prohibited from forming during the change process. Radical change projects contend with competitive pressure or are in reaction to a business crisis, or both, often requiring stressful and significant restructuring of the organization. By nature continuous improvement projects often evolved under less hostile environmental conditions. Leaders built off the strengths of the existing organization with a positive focus and time was available to build the supportive if not protective relationships that constituted bonding social capital.

The grounded theory analysis also revealed a topology of traits characterizing change leader identity, findings outside of the original conceptual model. While most of these traits were shared by Insiders and Outsiders, one distinction was how Outsiders view themselves foremost as leaders of change. It is who they are, their "being". This was compared to Insiders who often saw the assignment as one of many that make up their career with the organization. Several Outsiders who "remained outside" and Insiders who "moved outside" poignantly discussed an unexpected change in themselves that unfolded during the *project* change process. In some cases the personal journey while painful and disruptive, became growth-enabling and was even embraced, particularly by those leaders who had led multiple change projects. Leading change can change leaders.

Combining the theories of the conceptual phase with those revealed during the field experience, in particular the role of social capital and the potential conflict between organizational and career commitments, the stage was set for focused penetration through the third study of executive change leader retention.

### **C. The Quantitative Study**

Building off, yet narrowing further, from the qualitative study findings, the third and final study used quantitative methods to explore the role of bonding social capital in affecting the turnover intention of executive change leaders. My goal continued to be to identify distinctions between Insiders and Outsiders. I also sought to identify mechanisms to better understand and potentially predict what may influence whether change leaders can balance the potentially competing commitment to a career of leading change with a commitment to an organization, therein affecting the organization's ability to retain them longer term.

A two-path conceptual model utilizing thirteen constructs was proposed to portray a change leader's organizational and career associations related to turnover intention. Turnover intention referred to the mitigation of a desire to leave the organization or desire to leave the profession of leading change. Fifteen hypotheses were developed to address the research questions and were translated into an original web-based survey. All reflective scales were from extant literature, except for a new three-dimensional scale for bonding social capital. This scale with the individual as the unit of analysis was developed and field-validated specifically for this study. Six diverse channels of leaders from US for-profit, non-profit, and civil service organizations were tapped, resulting in a robust sample size of 602 (63% Insiders, 37% Outsiders).

A full portfolio of complementary, quantitative research methods were applied to the data using SPSS and AMOS: exploratory factor analysis (EFA), confirmatory factor analysis (CFA), measurement analysis (variance extraction, composite reliability, and measurement invariance), pursuing evidence of construct reliability, convergent and discriminant validity, and adjusting for measurement error. Structural equation modeling was ultimately used to test for significant causal relationships with the baseline model evolving to a re-specified form to account for potential misspecification bias. Multi-group analyses enabled Insider and Outsider dataset comparison. Tests for significant partial and full mediation and moderation were also performed.

My findings indicated how two of the three dimensions of bonding social capital, integration and influence, and perceived organizational support appear to play significant and primary roles in the turnover intention of Outsiders. This differs from Insiders who appear to be affected by their identification with the organization and perceived organizational support, influencing organizational commitment, leading to mitigation of turnover intention. Unlike for Insiders, and consistent with the implications of the prior qualitative study, the extent to which an Outsider is committed to a career of leading change can negatively influence his intention to remain with the firm.

In summary, the sequential path of these three studies offered a highly disciplined approach to synthesize theory and practice. It exemplified how a reflexive relationship between theory and practice can reveal new knowledge and provide a strong foundation for future study. The final study is a logical extension of earlier conceptual and qualitative inquiry on the role of social capital in change leader retention, and I believe it would not have been so compelling were it not for my first working within the extant

academic and practitioner literature followed by the more open yet equally rigorous qualitative approach.

### **IMPLICATIONS FOR LEADERSHIP PRACTICE**

Three propositions evolved from my work on the interplay of social capital and commitments for executive leaders of planned organization change.

#### ***1. Bonding social capital formation is critical for successful change leader outcome.***

In the absence of strong sponsorship, Outsiders hired to lead radical change seldom get the opportunity to become Insiders regardless of project outcome. My findings indicated that this is a result of how much bonding social capital is bruised, prohibited from forming, or destroyed during the change project. This seldom occurred for Insiders I interviewed, as they are often viewed as a member of the family who by circumstance ended up leading the effort. Others may feel that external forces drove the leaders to do what they did and how they did it. In essence, bonding social capital protects the Insider, and if the project fails or has neutral results, he is apt to get a “career bye” and the experience viewed as learning instead of failure.

Given how radical change may not allow time for Outsiders to develop “protective” bonding social capital, organizations may want to consider one of the following to fill the void: a) assign Outsiders to lead quick turn continuous improvement projects before leading radical change in order to build foundational bonding social capital, b) “surrounding” Outsiders with a select group of strong inside change team members with extensive networks and positive reputations for participation in change projects, in order to bridge the gap and complement the leader’s efforts to establish these relationships, c) at the time of on-boarding, identify peers capable of providing coaching

and feedback, and ensure that the project and change leader sponsor(s) are sensitive to this need, in particular providing access to “the right” relationships.

In absence of one or more of these types of explicit actions, strong sponsorship may be required throughout and post the project. Active sponsorship with interventions could contribute to ensuring the success of both the change leader and the project.

## ***2. Leading change can change leaders.***

Several Insiders and Outsiders shared in their stories of how they "outgrew" the company and had less desire to stay post the change project. This reflected an accumulation of personal learning, exposure to new and different ideas (often as a result of outside bridging social networks), and the successful demonstration of new skills. The leader was attracted to pursue new frontiers and their values and guiding principles may have no longer matched those of the firm.

Perhaps leaders of change, however, get to a point where they are so singularly consumed by the delivery of the goal that they view the project outcome as bigger than the initial intent, and move forward as if on a mission of more global (beyond the local unit) significance. They may assume a sort of unchecked empowerment sanctioned via real or perceived sponsorship or protective bonding social capital, as several executives related via their striving for “what is right.” Change leaders, in absence of acute self-awareness or coaching, or both, could fall prey to self-destructive behaviors and actions that in other contextual situations they would know through experience not to do. In absence of the change leader knowing how to articulate this “growing beyond” or “going beyond” himself and taking action with trusted support, the leader may be unaware of a self identity shift. He could go through a personal birthing process where pain is

accepted in order to get to a better place, a personal sacrifice in an organizational sense that is not without cost. He becomes in effect a changed change leader.

Just as leaders consider the game of change like playing chess, imagining several moves ahead, firms should consider the same when identifying change leaders – Insiders and Outsiders – to execute projects and build organizational change capacity. As my studies revealed, Outsiders in particular view themselves leading change as a career role, something much bigger and broader than a “job” of leading a change project. The initial placement of leaders should be with cascading assignments in mind, such as a succession of change positions across the enterprise, a transition from the project to a more traditional operational role, or the explicit conversion of the change leader to the sustain leader, remaining with the affected unit post the change.

***3. There are very important distinctions between Insiders and Outsiders when considering retention as a desired outcome.***

Outside change leaders may be more attuned to and affected by the extent to which the organization supports them, in particular how integrated they feel they have become within the enterprise, and the extent to which they can influence it. They may be more conscious of bonding social capital NOT being present, compared to Insiders who may have the relationships given their longer standing membership and would not know to question existence or absence. Integration appears to be important to Insiders, but more to enhance their commitment to the organization as opposed to strengthening their feelings of support from or identification with the organization.

An Insider’s feeling of commitment to the organization may be an indication of his intention to remain with the firm, enhancing the ability to retain him. Organizational

commitment may not be a major factor contributing to an Outsider's intention to remain with the organization. Organizational commitment also appears to have a positive influence on an Insider's commitment to a career involving leading change, which could indicate his willingness to lead change "for the sake of the firm", as opposed to being driven from an individual aspiration standpoint in the way Outsiders can be.

In a related fashion, the extent to which Insiders feel leading change will contribute to their future career opportunities is enhanced by their perception that the organization supports them in this role. Outsiders do not seem to have this need, perhaps given their inherent identification with leading change – it is "who they are". Organizations are advised to be sensitive to the potential that Outsiders may have such a strong commitment to leading change that in absence of tapping this passion the Outsider may not remain in the firm – use them, love them or lose them. This passion could supercede a leader's desire to identify with and become committed to the organization.

Neither the qualitative nor the quantitative study is intended to dissuade the hiring of outside change leaders. I do not posit that either Insiders or Outsiders do a better job or have a higher likelihood of successful projects and careers within their organizations. To the contrary, this research is intended to open eyes to the merits of a mix of change leaders, but not without careful understanding of the career orientation of the leaders, degree of self-awareness, and ability to develop, maintain, and retain bonding social capital. Building organizational change capacity goes far beyond sizing up the need for external access to ideas and networks and an understanding of the pace and context of a project. A change leader cohort group as a blend of Insiders and Outsiders, recognizing a potential increased investment for some in social capital development teamed with

sponsorship to mitigate risk of exit post project, could be a powerful combination for developing sustainable enterprise talent.

## CONCLUSION

These three studies have made several contributions to both theory and practice. The qualitative study added clarity to and expanded my early research questions and vectored me towards implications for leadership practice. The quantitative work added knowledge to the distinction between and interrelationships among the constructs employed, in addition to demonstrating high levels of the reliability and validity of the measurement approach. The new measure for Bonding Social Capital with the individual as the unit of analysis is unique and noteworthy. I believe the insights revealed internal to and between the two paths of the model emphasize how research benefits from systems-level thinking, in this case intersecting the individual's association with the organization and his association with self, his "being".

This integrated body of work encourages organizations to recognize how different Insiders and Outsiders are, particularly those who tackle leading high impact change projects. While in some ways my pursuit continues to pose more questions than it has perhaps answered, I am reminded how "leading" and "change" are two messy businesses for researchers and practitioners alike. It is no wonder that putting the two together compounds the opportunity for considerable challenge and expanding, as opposed to contracting, research agendas.

*Note to the reader: Each of the three research reports was created as a stand-alone document per specific EDM program and research publication guidelines. Three separate submittals were made to Academy of Management Annual Conferences (Summer 2005, 2006, and 2007). As such, some background information has been repeated in the opening sections of each study.*