Leading organizational transformation: an action research study

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Abstract

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

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

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

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

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

Keywords Organizational transformation, Action research, Leadership, Transformational leadership, Plural leadership, Transformation drivers

Introduction

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

et al., 2014; White *et al*., 2016). Denis *et al*. (2012) advocate further exploration of when and where forms of plural leadership are necessary and effective.

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

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

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

Theoretical background

Organizational transformation and transformation drivers

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

From a managerial perspective, the literature emphasizes three key managerial drivers relating to planned transformations: communicating, mobilizing, and evaluating (e.g. Ford and Greer, 2005; Battilana *et al*., 2010). *Communicating* refers to ongoing actions taken by leaders to engage organizational members by explaining their decisions and actions, for example explaining their vision and expected outcomes, and communicating the need for change (Kotter, 1995). *Mobilizing* refers to actions taken by leaders to establish mechanisms for social spaces that provide organizational members with opportunities to engage in dialogue to enhance acceptance of new work routines. Examples include seeking out structures that help shape a vision of the new organization, spending

time and energy on re-designing organizational processes and systems, and creating trust (Higgs and Rowland, 2011). *Evaluating* refers to measures employed by leaders to monitor and assess the impact of their implementation and institutionalization efforts. Relevant examples include using formal systems of measurement, and identifying problems, opportunities, and needs for possible refinements (Battilana *et al*., 2010). The transformation drivers, mentioned above, can also be related to the leadership characteristics of actors leading an organizational transformation, which therefore requires further discussion.

Leadership in transformation

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

The literature also suggests the need to complement the focus on individual transformational leadership with a pluralistic approach (i.e. Alvesson and Kärreman, 2016). Although transformational leadership has been widely adopted in various organizational transformation contexts, some criticisms relate to the stereotype of "heroic" leadership, which ideologically assumes that effective performance of followers in an organization depends on the leadership of an individual with all the skills to find the right path and motivate others to take it (Yukl, 2006; Alvesson and Kärreman, 2016). The literature on the plural approach to leadership has been growing significantly (e.g. Contractor *et al*., 2012). Many different theories and definitions of the plural approach to leadership and its key variables have been articulated (e.g. Bolden, 2011; Contractor *et al*., 2012; Denis *et al*., 2012; Gronn, 2009). They encompasses various forms of leadership that imply the interaction and "combined influence of multiple leaders in specific organizational situations" (Denis *et al*., 2012, p.1). Some studies (e.g. Leithwood *et al*., 2009; Miles and Watkins, 2007) indicate variation in the extent to which the role of plural leadership is captured in developmental practices in organizations. In organizations that have become increasingly knowledge-based and where work is mainly team-based, leadership is moving toward a form that can cope with collective efforts, where individuals can contribute to establishing and developing a common purpose and vision (e.g. Serban and Robert, 2016). The literature suggests a need to describe leadership as a shared process, going beyond the conception of an individual leader who is able to perform all essential leadership functions (Ramthun and Matkin, 2012). The inconclusive findings about the role and characteristics of plural leadership in transformation and their relationship with the individual approach suggest the need for further investigation (Denis *et al*., 2012; White *et al*., 2016).

The role of context

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

Further insights into the contextualization of leadership in change efforts can be derived from the field of organizational development and change, systems theory and organizational culture (e.g. Katz and Kahn, 1978; Nadler and Tushman, 1989). A basic assumption of systems theory is that an organization can be viewed as a system composed of different elements that interact with each other, and that organizational performance depends on the fit between different elements, such as leadership, organizational culture, structure, management practices, tasks, and people (e.g. Burke and Litwin, 1992; Schein, 2010). A relevant approach to contextualizing leadership in change through systems theory is Burke and Litwin's (1992) causal model of organizational performance and change. The model aims to guide organizational change by describing the organization as composed of variables grouped into two categories: transformational factors (external environment, mission and strategy, leadership, and culture) and transactional factors (structure, management practices, systems, task requirements, individual skills and abilities, work unit climate, motivation, and individual needs and values). The input is the external environment, directly affecting changes in transformational factors, which are considered revolutionary, while internal operations affect changes in transactional factors, which are considered evolutionary. The final output is organizational performance. This model, still widely used (e.g. Noumair *et al*., 2017), offers a valuable framework to identify contextual and systemic influences when leading change.

Methodology

Data for this study were collected in the context of a broader, long-term action/collaborative research process (Schein, 1995). The overall research was conducted in a specific organizational setting and

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

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

Data were collected through semi-structured interviews. The questions focused on organizational transformation, its key activities and drivers, the actors involved, and leadership styles. The set of questions was based on Battilana *et al*. (2010), Gronn (2009), and Kets de Vries (2002) (e.g. "What actions were put in place?"; "How was the coordination between leaders and/or relevant roles?"; "Were specific standard and goals put in place?"; Was generated among organizational members? How?")

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

Table I. 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

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

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

Findings

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

Company background and role of the family

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

Table II. 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

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

Initial phase of transformation

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

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

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

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

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

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

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

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

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

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

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

First part of core transformation

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

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

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

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

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

The CEO built a shared vision, encouraging accountability-based practices. This process of mobilization was supported by evaluations of the development. The CEO underlined the importance of accountability, setting clear standards for performance, and the focus of evaluation was shifted to performance indicators, such as measures of quality and reliability, and budget planning. Performance and professionalism, in the past often linked to more informal dynamics, became the key criteria for

success and promotion, and a formal performance management system was introduced. The CEO kept working to create trust among people, while underlining the importance of achieving truly positive performance, adopting managerial practices based on figures, learning how to be effective and efficient in every activity, and sharing a new profit-oriented vision with a deeper understanding of the business context:

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

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

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

Second part of core transformation

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

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

The composition of the board of directors changed from four family members and three outsiders relatively close to the family, to three outsiders with management expertise and deep knowledge of the industry. The new board became a proactive body that could both challenge the management team and provide a wide array of expertise to help support and guide the company. The statutory audit committee (responsible for auditing company practices and reporting on a regular basis) was given new energy with two new, highly-skilled members, one of whom became the head

of the committee. These activities of mobilization were developed along with a specific manifestation of leadership. Leadership was strongly related to tasks:

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

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

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

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

> People have understood the CEO's style and they have seen that things are becoming good [a family member].
> People looked at me as the person who could make decisions […] The family and the organization were relying on me for that; that is the reason they hired me [the CEO].

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

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

Final phase of transformation

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

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

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

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

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

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

In this final phase, the CEO empowered all the other management team members, encouraging them to take full ownership and make every effort to achieve results. The family also worked closely with the CEO in this phase. The leadership at this point was split between the CEO, the family, and the management team:

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

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

Discussion

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

1

<p style="text-align:center;">*Table III. Partial illustration of results*</p>

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	*Communicating* • 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)	*Mobilizing* • Renewal of top management • Transformation of the organizational culture • Recognition of employees' knowledge *Evaluating* • 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)	*Mobilizing* • 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

2

3

Communicating leadership is related mainly to transformational factors, with the CEO and the owner family trying to shock (at the beginning) reshape and reinforce (at the end) mindsets. This manifestation of leadership emphasizes communication activities, leading transformation by fostering communication between people and social systems and coordinating with other leaders. As communication is an interactive process of reciprocal influence, a plurality of leadership is clearly observable and almost institutionalized. This manifestation of leadership was observed in the initial and final phases of transformation. *Envisioning leadership* is related to both transformational factors – such as strategy and culture – and transactional factors – such as new management practices, systems and procedures. It emphasizes mobilizing and evaluating activities, leading by integrating tasks and relationships and identifying forms of temporary plural leadership. Individual leadership is prevalent, and plural leadership seems to be less crucial in this manifestation. In particular, intuitive and temporary forms of collaboration between leaders seem to be effective. This manifestation of leadership was observed particularly in the first part of the core transformation. Lastly, *enabling leadership* is related mainly to transactional factors, in particular on changing the structure. It emphasizes mobilizing activities relating to the implementation of new structures and processes, by implementing specific changes and taking full responsibility for leading. Individual leadership is crucial in this manifestation. The CEO acts as an organizational architect, being mainly task-oriented and concentrating his energies on developing procedures, processes, and systems. As a result, plural leadership is almost absent, and the only form of plural leadership seems to relate to a few spontaneous, short-term collaborations on specific tasks. This manifestation of leadership was observed in the second part of the core transformation.

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

The study also underlines that the structure of pluralized leadership is not necessarily linked to competing logics within the organization (Alvarez and Svejenova, 2005), but may be instrumental in spreading a shared vision. The study provides a concrete example of how the change context shapes the alternation between individual and plural forms of leadership without creating tensions (Denis *et al*., 2012). Moreover, the findings from the case suggest that it is possible to institutionalize a precise

configuration of leadership that is both plural and individual, and manages both accountability and rivalry (Denis *et al*., 2012). Finally, findings show practical evidence of how different manifestations of leadership act on different elements of a complex system when leading transformation, with the context acting as the catalyst input (Nadler and Tushman, 1989; Burke and Litwin, 1992; Schein, 2010). The case offer insights on how different leadership behaviors need to be aligned to business strategy and mission when external context is forcing the organization to activate the transformation (Burke and Litwin, 1992).

Limitations and future research

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

Conclusions

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

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