

PAPER ABSTRACTS

ORGANIZATION DEVELOPMENT & CHANGE

Toward a Process Model of Strategic Change in Multinational Enterprises

Martin, Graeme g.martin@tay.ac.uk U. of Abertay Dundee

How MNEs control and coordinate their subsidiaries has been a matter of some debate in recent years. The corporate centre is frequently accorded a key role in shaping direction through programme of strategic change involving best practice transfer or culture change. Such programs, however, have been questioned by academics and practitioners for their ability to deliver on the promises made for them and for the failure to recognize the problems of top-down programs of change. In this paper, we address the question of what it might take to deliver a coherent and acceptable corporate-wide strategic change initiative whilst allowing for simultaneous subsidiary development and innovation. Building on the work of Kostova and other contextualist/process theorists, we develop a process model of strategic change in MNEs that identifies the key factors which lead to successful change outcomes. The main contribution of this work is to fill existing gaps in the literature and to provide some advice to practitioners who seek to implement universal change programs in MNEs.

Change, Theory, MNE.

Do Humanistic Values Matter?

Nguyen-Huy, Quy quy.huy@insead.fr INSEAD

Based on a three-year ethnography of an intentional attempt at second-order strategic change in a large information technology firm, this article argues that behavioral enactment of certain humanistic values affects the emotional component of major change initiatives. These values include democracy, diversity, humility, integrity, and justice. Sensitivity to this emotional component determines the likelihood of adoption of a proposed change by the organization. Enactment of humanistic values creates an emotion-based trust that allows organization members to cooperate and explore new alternatives in highly unpredictable and stressful situations of second-order change where the organization's cognitive paradigm is being questioned as inadequate and no satisfactory solution has yet been found. Radical change often implies obsolescence of certain existing competencies, and so cognition-based trust based on past task competence is weakened.

Implications for the strategy and OD literatures as well as for future research on organizational change are discussed. In particular, organizational transformation may be more usefully studied as a composite of multiple change interventions, to which the same people could react very differently. Existing linear process models of change, while potentially useful at the small group level, may oversimplify the complex interaction of change dynamics at the organizational level.

Change, Emotion, Values.

Reframing Change in Organizations: The Equilibrium Logic and Beyond

Schreyögg, Georg schrey@wiwiss.fu-berlin.de Freie U. Berlin

Noss, Christian noss@wiwiss.fu-berlin.de Freie U. Berlin

This paper challenges the widely accepted equilibrium conception of organizational change. The argument is that it essentially misconceives organizational dynamics and the nature of change processes in organizations. Conceiving of change as a relatively rare punctuation of stability ignores the inherently dynamic character of organizational operations and their constantly shifting basis.

This paper suggests a novel framework designed to revise the basic idea of organizational change. It depicts organizations as permanently changing entities. Specifically, the idea of Organizational Learning and a continuously reworking organizational knowledge base is used in combination with Social Systems Theory to develop a new dynamic conception of organizational change which, however, does not ignore the necessity of stabilizing mechanisms in social systems.

punctuated equilibrium, organizational change, organizational learning.

Talking Change, Changing Talk: The Case of a High Technology Research Organization

O'Connor, Ellen o_connor_ellen@hotmail.com Chronos Associates

Using ethnographic research methodologies, this study focuses on an organizational change initiative that occurred at a high technology research organization over the course of ten months. The change process was followed on a daily basis as it developed in real time. Emphasis is on the language used to effect change and on the linguistic outcomes of the change initiative. Change, Communication, High Technology.

Predicting Organizational Change Success:

Matching Organization Type, Change Type and Capabilities

Waldersee, Robert r.waldersee@qut.edu.au Queensland U. of Technology

Griffiths, Andrew a.griffiths@qut.edu.au Queensland U. of Technology

Lai, Jessica jldlai@hotmail.com Queensland U. of Technology

The dynamic and increasingly global world in which organizations operate has created an unstable environment that requires continuous change for most organizations. Burns and Stalker (1961) have argued that mechanistic organizations are not as suited to change as organic organizations. Organic organizations are thought to have capabilities which suit them to reshaping and reinventing themselves, while mechanistic organizations have functional capabilities suited to operational excellence. It is argued that the capabilities of organic organizations suit them to social and behavioral change, but that the functional capabilities of mechanistic organizations may suit them to technical structural change. The results of the study indicate that mechanistic organizations were successful at implementing technical structural change, but less successful at behavioral social change. Organic organizations were equally successful at implementing both

technical structural and behavioral social changes. The results also indicate that managers understand the capabilities needed to implement behavioral social change, and that deficits in these areas accounted for the failure of change. That managers understand the capabilities needed for change, but are unable to develop them raises issues around the utility of prescriptive change recommendations.

Capabilities, Organization Type, Change.

Beyond the Single Intervention Study:

A Collaborative Research Project to Investigate Organizational Change

Rafferty, Alannah a.rafferty@qut.edu.au Queensland U. of Technology

Griffin, Mark m.griffin@qut.edu.au Queensland U. of Technology

A collaborative research project involving Australian public sector agencies and a management research institute is described. Two studies designed to integrate the implementation and systematic evaluation of organizational development interventions are reported. The overall goal of the two studies was to systematically review the factors contributing to successful change across a wide array of business unit driven organization development interventions. Two sources of data provided information on the nature of the interventions occurring in the organization: enterprise development agreement reports and focus group transcripts. The success of interventions was evaluated through their impact on features of the work environment including supportive leadership, employee feedback, workplace morale, and quality of work life. Results revealed that the total number of interventions implemented predicted change in supportive leadership, employee feedback, and workplace morale. The results encourage a stronger role for organizational development theory that specifies the nature of successful organizational interventions. The collaborative research project has implications for the strategies adopted to implement change in complex organizations.

Survey Feedback, Interventions, Organizational Change.

The Reincarnation of Hierarchy: An Examination of the Resilience of Organizational

Hierarchy Under the Influence of Information Technology Innovation

Schwarz, Gavin G.Schwarz@gsm.uq.edu.au U. of Queensland, Australia

Shulman, Arthur a.shulman@gsm.uq.edu.au U. of Queensland, Australia

New form organizational theorists claim that information technology can bring about major changes to organizational hierarchy. Previous studies have however illustrated that the implementation of information technology does not necessarily bring about fundamental changes in organizational structures. This study builds upon these studies in addressing the question of how information technology innovation modifies hierarchy. Three case studies that differ in their initial structures are reported that illustrate the effects of information technology innovation on structure are minimal. These cases indicate that not only is hierarchy a constant part of the business organization, regardless of new information technology implemented, but that focused hierarchy rededication can take place without invoking broader structural changes. What appears to

occur is that information technology does affect structure, but only at a localized level. These changes are in one sense marginal and facilitate a reincarnation of the fundamental hierarchy of the organization. We argue that this is often a reflection of the company's antecedent change experiences. A revision of new form theory is presented that incorporates these findings.

New Form Organization, Information Technology Innovation, Hierarchy Change.

The Measurement of Readiness for Change:

A Review of Instruments and Suggestions for Future Research

Holt, Daniel daniel.holt@afit.af.mil Air Force Institute of Technology

Although organizational leaders have been encouraged to measure readiness for change before they introduce an organizational change, measuring readiness poses a major empirical problem. This is not because there are no instruments designed to assess readiness for change; a number of instruments have been published by researchers, consultants, and practitioners. However, none of these instruments have been accepted as the standard and the content of them demonstrates that readiness for change can be measured from various perspectives. This paper systematically reviews the perspectives used to measure readiness for change and the psychometric properties of several instruments. On the basis of the review, it closes with a research agenda for the future development of scales to assess readiness for change.

Unfreezing, Readiness for Change.

The Dynamics of Change in Law Firms: Transformation or Sedimentation?

Malhotra, Namrata n.malhotra@qut.edu.au Queensland U. of Technology

Law firms have been facing an increasingly competitive environment and a more sophisticated clientele. Some of the external pressures are forcing these professional firms to become more business-like calling for significant changes in their traditional structures and systems. Clearly, these firms are undergoing major changes in response to a changing external context. In this paper, I draw attention to the process of change in law firms and how it is manifesting itself strategically and structurally in the organization. This study is based on an in-depth analysis of qualitative data from seven major Canadian law firms. The study shows that these firms are in transition moving from the traditional Professional Partnership (P2) organizational archetype to the Managed Professional Business archetype (MPB). The transition is triggered by an increased emphasis on the management function and on marketing and business development. This is creating the need for increased formalization, standardization, coordination and control, which are challenging the interpretive scheme underpinning the P2 form. The study highlights how different aspects of systems and structures that characterize the P2 form have undergone varying degrees of change. However, despite the visible structural and systemic changes the underlying interpretive scheme of lawyers has not necessarily changed. It is evident that some of the key values encompassing the P2 form continue to be preserved. It shows how both the P2 and MPB archetypes are co-existing and drawing on each other resulting in tension between two contradictory sets of values and beliefs. The study provides strong support for the theory of sedimentation proposed by Cooper, Hinings, Greenwood, and Brown (1996).

Professional Service Firms, Archetypes, Change.

Toward a Model of Individual Resistance to Change

Hernandez, Jose Mauro jmhernandez@fgvsp.br EAESP-FGV, Fundação Getúlio Vargas

Caldas, Miguel mcaldas@fgvsp.br EAESP-FGV, Sao Paulo, Brazil

When implementing changes or carrying innovations, organizations are at times faced with resistance. Resistance to Change is one of the most studied subjects within the organizational field, for that reason, we have been induced to believe that we must know all about it. This paper addresses the following question: If we do know so much, why is resistance still considered a major barrier to organizational transformation? We attempt to answer this question by challenging the predominant models of resistance and by questioning the premises of the commonly recommended "recipes" to deal with resistance. Our proposition is that those "recipes" are not helpful because they are rooted in a model of resistance which was built on several unsubstantiated assumptions: resistance is (a) an inevitable fact; (b) malignant to the organization; (c) naturally spread among most human beings; (d) employee-driven; and (e) mass-oriented. Based on counter-assumptions to each of these widespread premises and on Psychology of Perception, a new Model of Individual Resistance to Change is proposed. This seven-stage model, moderated by individual and situational factors, represents the individual's perceptual process during organizational change, from exposure to stimuli up to behavior adoption. Implications for theory and practice, limitations of the model and suggestions for future development are presented.

Resistance to Change, Perception, Organizational Change.

Focused Diagnostic Intervention: A Longitudinal Experiment on Employee Coping

Sherling, Zippi zipi@andrew.cmu.edu Carnegie Mellon U.

Shirom, Arie ashirom@ccsg.tau.ac.il Tel-Aviv U.

The current research investigates how an organizational intervention, based on the Focused Diagnostic Model (Harrison & Shirom, 1999) moderates the relations between three coping resources (job skills, work autonomy and self-efficacy) and changes over time in two work related outcomes: work effort and intention to leave. In a field experiment, thirty-four clinics of a sizeable health maintenance organization (HMO) in Israel were randomly assigned to experimental and control conditions. The study's variables were assessed by self-report questionnaires one month before (the pretest) and four months after (the posttest) the diagnostic intervention. The sample included 150 respondents who completed both the pretest and the posttest surveys. The basis for the Focused Diagnosis was qualitative data, gathered through interviews with all respondents across all the clinics in the experimental condition. Results indicate that the organization-based intervention moderated the relation of autonomy with changes of both outcomes. In addition, the intervention moderated the relation of job skills with changes in work effort and self-efficacy with changes in intention to leave. In all cases the results were consistent with the hypotheses, indicating that the intervention served as a compensatory mechanism by contributing to the change in work outcomes primarily for those with low coping resources.

Intervention, Compensatory, Focused Diagnosis.

Anatomy of Collaboration:

Identification of the Facilitators and Barriers to the Collaboration Process in a Virtual Team

Horvath, Lisa lhorvath@gwu.edu George Washington U.

Tobin, Timothy ttobin@gwu.edu George Washington U.

This exploratory case study identified the (a) characteristics, (b) facilitators, and (c) barriers to the collaboration process in a virtual team. The findings of this study revealed 14 themes about virtual team collaboration; these themes emerged in the broad areas of situational factors, structural dimensions, process dimensions, and relational dimensions. In addition, there were two identified facilitators and three identified barriers to the collaboration process. Based upon the emergent themes in this descriptive case study, a line of argument about the collaboration process in virtual team is generated. The relational dimension, specifically the interaction between individuals in a virtual team, was identified as the most significant aspect of the collaboration process in the virtual team. We conclude with research implications and with a discussion on how managers can influence the formation of the collective by developing the appropriate structures and processes.

Virtual Teams, Team Effectiveness, Collaboration.

Then and Now:

Effects of Two Decades of Structural Contingency Theory on Academic Medical Centers

Livingston, Jean JeanLiving@aol.com Benedictine U.

A study was conducted aimed at advancing the science of organizational inquiry relating to organizational structure in the not-for-profit sector of the health care industry. Interest centered specifically on the effects of levels of differentiation and integration on organization performance and implications for organization development (OD) practitioners and scholars.

The thesis of this research was that the current trend towards transforming highly differentiated organizations into more integrated structures has positive effects on organizational effectiveness and performance. The notion of integration means practices that group tasks, individuals, and functions in ways that maximize their coordination and relationships. Differentiation means the number of different products or services characterized by increasing specialization, more functional departments, and multiple hierarchical chains of command.

The study revealed that contingency-based interventions proposed by researchers over two decades ago are helping complex academic medical centers integrate disparate components of the clinical enterprise by using strategies to increase integration within highly differentiated organizations. The strategies include mechanisms used to achieve unity of effort across organizational components, such as matrix relationships, developing more differentiated structures, and increasing integration through task conflict management.

Effectiveness, Integration, Contingency.

Studying Organizational Change: A Change Response Model with Readiness Factors

Kennedy, Christie Christie.Kennedy@intel.com *State U. of New York, Binghamton*

Gonsiorowski, David dave@webraiser.com *Webraiser*

Organizational change is the mantra of the 1990s and according to a recent survey by Deloitte and Touche (1998) will continue to be so through the first decade of the next millennium. To date, many change management models have been offered. This paper presents a justification and model for studying the phenomena of organizational change from a change response perspective. Other social and physical science discipline's conceptualizations of change are reviewed, leading to the development of an organizational change response model. Change readiness factors of leadership and management style, performance management systems, and communication systems are presented as tools to prepare an organization for change. Using the change response model as a framework to present the readiness factors, a stream of research is offered that can be studied for descriptive explanations or prescriptive recommendations. Finally, implications for future research on this model are presented.

Organizational Change, Change Response, Readiness Factors.

The Part and the Whole:

Reductionism and Complex Thinking in ERP Systems Implementations

Caldas, Miguel mcaldas@fgvsp.br *EAESP-FGV, Sao Paulo, Brazil*

Wood, Thomas twood@fgvsp.br *EAESP-FGV*

This paper approaches managerial innovation and one of its counterparts: management fads and fashions. Change theorists and practitioners have witnessed the coming and going of management panaceas for quite some time. They have struggled not only to keep up with them, but to foster organizational transformation amid the frenzy management panaceas tend to generate. In this paper, the authors contrast complex thinking against reductionism during broad organizational transformation processes, focusing particularly in the Enterprise Resource Planning Systems (ERP) rage. ERP implementations have represented immense investments for companies around the globe in the last few years, and have been promoted as a management panacea. Not surprisingly, many implementations fail to match such expectations. For those dealing with organizational development and change, the ERP phenomenon may sound uncomfortably familiar. This study: (i) introduces the phenomenon; (ii) presents an exploratory survey of 28 implementation experiences, focusing on the implementation decision, chosen implementation approaches and outcome assessment; (iii) proposes a broader perspective to comprehend antecedents of the phenomenon, including substantive, institutional, and political factors; and (iv) discusses reductionism in the realm of ERP implementations. It is argued that by applying complex thinking, rather than techno-reductionism and systemic-reductionism, we may open new avenues to explain these processes.

Reductionism, Management Fads, ERP Systems.

The Use of Appreciative Inquiry for Reducing Turnover: A Field Experiment

Jones, David Djones1915@aol.com Benedictine U.

Perhaps the greatest problem facing today's restaurant industry is employee turnover. This study utilized appreciative inquiry in an attempt to reduce turnover in one region of a major fast food chain. Utilizing a quasi-experimental design, the region's restaurants were divided into three groups: one received appreciative inquiry based interventions, one received the traditional problem-based interventions and one was used as a control group. Appreciative inquiry appears to be a valid and useful technique for turnover management - this group's turnover rate reduced to 18% compared to the pre-experimental rate of 36%. The problem solving group's turnover rate was reduced by 2% while the control groups rate decreased by 1%.

Restaurant, Turnover, Appreciative Inquiry.

Internal Consulting Practices and the Credibility Chain

Matlock, Lynn lhmatlock@duke-energy.com Duke Energy Corporation

Lacey, Miriam mlacey@pepperdine.edu Pepperdine U.

This paper presents findings of a study conducted to ascertain the perceived relevance of various change agent practices touted in the literature for becoming established as an internal Organization Development (OD) consultant. Organizational consultants and line managers were interviewed and results showed, that while several competencies were confirmed as important, one important area was not adequately represented in the literature. Namely, building one-on-one relationships with the client was found to be critical for internal change agent credibility and success. Results were used to create a conceptual model that theorizes a Chain of Credibility useful to internal change agents to increase the likelihood of delivering meaningful results to the client.

Credibility, Internal Consulting, Relationship Skills.

Corporate Art and the Framing of Time in Organizations:

The Symbolic Construction of Time Through Aesthetic Discourse

Nissley, Nick nnissley@mcgregor.edu Antioch U.

This research examines the corporate art program at Minneapolis-based First Bank System (FBS), from 1980 through 1990 (the life of the corporate art program). The research views corporate art through the paradigmatic lens of organizational symbolism. It explores how the artifact of corporate art, referring to art found within collections held by corporations and exhibited in the workplace environment (Martorella, 1990, p. 4), can be transformed into symbolic meaning. This paradigmatic lens of organizational symbolism focuses upon symbolic management, to examine how leaders use visual symbols--specifically, corporate art--to potentially influence shared meaning and realize strategic change. The research reveals a symbolic understanding of how a specific artifact/symbol and art type (corporate art) may be used by leadership to socially construct organizational life to affect the organization--specifically, the potential to influence the symbolic construction of time. Specifically, this research found the symbolic construction of time (during a corporate culture transformation) through aesthetic discourse (corporate art). In this

case, corporate art/aesthetic discourse framed the understanding of time (e.g., old versus new and past versus future). Implications for future research are suggested in culture change and symbolic leadership.

Organizational Symbolism, Aesthetic Discourse, Corporate Art.

Changing Employee Attitudes:

Transformational Leader Behaviors (TLBs) Longitudinal Effects

Upon Employee Cynicism About Organizational Change and General Job Satisfaction

Bommer, William wbommer@gsu.edu Georgia State U.

Rich, Gregory garich@cba.bgsu.edu Bowling Green State U.

Using data collected across nine months from 372 employees, this research is a longitudinal, empirical assessment of change at the individual level in the organizational setting. Specifically, strategies used by change implementers were operationalized as six transformational leader behaviors, and then hypothesized to influence the following two attitudes of change recipients: cynicism about organizational change (CAOC) and general job satisfaction. As hypothesized, transformational leader behaviors generally caused a reduction in CAOC with no reciprocal causation. In contrast, transformational leader behaviors generally had the expected positive association with employee job satisfaction; however, the direction of causality was found to be contrary to what was hypothesized meaning that leaders were rated higher in transformational leader behaviors as a result of increased job satisfaction of their subordinates.

Cynicism, Change, Transformational Leadership.

Effective Organizational Change:

New Insights From Multi-Level Analysis of the Organizational Change Process

Whelan-Berry, Karen kswheelan@samford.edu Samford U.

Gordon, Judith gordonj@bc.edu Boston College

Existing organizational change models have not fully explained the organizational change process, or the relationship between the organizational change process and the inherent individual level and team/group level change processes (Armenakis & Bedeian, 1999). Yet, large-scale organizational change does not occur without widespread individual change; that is, employees use different work routines and employ different mental models or values, such as quality or customer service as opposed to efficiency, to guide their actions and behavior. In addition, a given organizational change often has different implications when considered for different groups, departments, or locations.

This paper explores the implications of level of analysis for change by addressing three questions: (1) How does the change process vary when considered across levels of analysis? (2) What happens in actual change implementation as change initiatives move across levels of analysis? and (3) What does analysis of the change process across levels of analysis add to our understanding of how to successfully implement change? This study answers these questions by presenting and analyzing a case study and related data from a major organizational change effort

involving four separate but intertwined change initiatives in the corporate audit department of one of the twenty largest U.S. banks. The paper discusses three aspects of the organizational change process which need to be more fully understood: the group level and individual level change processes inherent within organizational change, how change initiatives move from one level to another, and change process steps specific to a single level of analysis.

Empirical, Multi-Level Analysis, Organizational Change Process.

Alignment as a Meta-Construct and the Role of 'Fit' in Organizational Research

Mann, Joan jmann@odu.edu Old Dominion U.

Rohatgi, Mukesh mrohatgi@odu.edu Old Dominion U.

The importance of achieving alignment or 'fit' among the organizational components (ex: strategy, structure, people, positions) has long been taken as axiomatic. The organizational components under discussion within different research studies may vary, but the authors all agree that alignment is important and conversely, that mis-alignment is dysfunctional. Still, most authors have not discussed alignment explicitly and if they do it is only in terms of the specific components under investigation. The discussion herein takes a closer look at alignment in a way that is independent of the components to be aligned. This paper has several purposes: 1) to justify the use of alignment as a meta-construct, 2) to formalize a generic definition of alignment between components and organizational alignment; 3) To examine theoretical issues related to the study of organizational alignment and 4) To present a framework for mapping alignment when investigating organizational change.

Fit, Alignment.

Organizational Culture and Quality of Work Life: A Competing Values Perspective

Goodman, Eric egoodman@cos.coloradotech.edu Colorado Technical U.

Zammuto, Ray rzammuto@carbon.cudenver.edu U. of Colorado

Gifford, Blair bgifford@carbon.cudenver.edu U. of Colorado

Being able to diagnose, understand, and change organizational culture is increasingly important within the field of organization development. But to foster changes successfully, OD practitioners must first find out if they can predict certain attitudes and behaviors based on patterns of organization culture. This study investigates the relationships between organizational culture and several important job related variables. We use the competing values framework as a tool for understanding and studying differences in cultures across organizations and illustrate our argument using data from seven different hospitals. The data are analyzed in order to identify alternative patterns of culture and to examine the impact of the patterns on various measures of quality of work life for nurses. Hospital nurses are under increasing pressure from higher productivity expectations in a managed care environment. The findings indicate that group cultural values are positively related to organizational commitment, job involvement, empowerment and job satisfaction, and negatively related to intent to turnover. While, hierarchical cultural values are negatively related to organizational commitment, job involvement, empowerment and job satisfaction, and positively related to intent to turnover. Also presented are two case studies from hos-

pitals in the sample that highlight the relationships observed. The implications of the findings for organizational change and development are discussed and areas for future research are suggested. Culture, Work Life, Change.

Employee Adjustment During Organizational Change:

The Role of Climate, Social Support, Negative Affect and Situational Appraisals.

Martin, Angela a.martin@mailbox.gu.edu.au Griffith U.

Jones, Elizabeth l.jones@mailbox.gu.edu.au Griffith U.

The present studies were designed to advance theoretical understanding of employee adjustment during organisational change by testing a model based on Lazarus and Folkman's (1984, 1990) cognitive-phenomenological account of stress and coping processes. In study 1, a qualitative analysis of interview data from 67 hospital employees enabled situational stressors to be identified and organisation-specific measures of the climate within which the changes were taking place to be developed. In study 2, survey data from 591 employees from the same organisation was used to conduct structural equation analyses which examined the role of organisational change climate in relation to change appraisals (stress, self-efficacy, openness to change and situational control) and employee adjustment (job satisfaction and psychological well-being). Results revealed some support for the role of each of the components of the proposed model of employee adjustment. As expected, change climate played an important role, with both direct and indirect (through change appraisal processes) effects on adjustment criteria.

Organisational Change, Occupational Stress, Organisational Climate.

Postdichotomous Realities in the Experience of Change Management

Beech, Nic n.beech@strath.ac.uk U. of Strathclyde

Cairns, George g.m.cairns@strath.ac.uk U. of Strathclyde

It is argued that dichotomizing tendencies, in both theory and practice, often presume a unitary structure of meaning. Where differences occur, they are perceived to occur along linear criteria. For example, in deciding about the direction of an organizational change, the closing of a unit may be seen as good or bad. On the basis of empirical findings, the writers argue that such an action can be good, bad, both and neither, simultaneously. In this paper, the notion that there is a unitary context for individual and organizational intent, action and interpretation will be challenged. In so doing, the writers draw upon different literatures, some of which assume a rational and cumulative knowledge development process. Others emphasize the fragmented, divergent and, in some cases, nihilistic nature of human activity, and consider that knowledge is constantly (re)constructed by a process of rationalization, with history read backwards to suit.

The writers argue that a pragmatic and purposeful interpretation of the nature and context of management, and an understanding of the justification of intent, interpretation and action, can only be derived by abandonment of dichotomous, binary-oppositional constructs, and by consideration of the simultaneous validity of seemingly incongruous and contradictory concepts, interpretations and actions by different actors.

The writers propose that striving for an end goal of unity within the organizational context

may be a driving force for sustained disunity, and that seeing disunity as a natural state should be a starting point for concerted, but not necessarily convergent, action by organizational actors.
Reality, Power, Rationalization.

A Longitudinal Examination of Momentum During Culture Change

Jansen, Karen kjj5@psu.edu Pennsylvania State U.

This study explores the activities and events that contribute to (or detract from) a social perception of momentum during a long-term change effort. In contrast to prior research, which has traditionally studied momentum as an inertial tendency, this study draws on sociology and sport psychology to develop and validate a more dynamic momentum construct. A longitudinal single-organization field study is used to explore the ebbs and flows of momentum during culture change. In addition, the impact of managerial interventions (i.e., kickoff meetings, formal briefings) and competing projects on momentum is explored. Results suggest that momentum is a distinct and useful construct for organizational change research.

Momentum, Culture, Organizational Change.

The Effect of Sequencing on Implementation Success:

What is Changed First and Last, and Does it Matter?

Stensaker, Inger inger.stensaker@nhh.no

Norwegian School of Economics and Business Administration

Haueng, Anne Cathrin anne.haueng@nhh.no

Norwegian School of Economics and Business Administration

The purpose of this conceptual paper is to examine alternative ways of implementing deliberate and intended large-scale changes enabled by IT, and to evaluate the effects sequencing has on implementation success. Large-scale organizational changes are often introduced in a piece-meal and stepwise fashion. This is due to the complexity and the many organizational components involved in large changes. In this paper we look at four different approaches to sequencing that involves the components OD (organizational development) and IT (information technology).

Based on three streams of literature; strategy, IT-implementation, and innovation, we formulate propositions that predict the effect different sequences have on implementation success. Implementation success is measured by degree of goal attainment, costs, and time used. These three indicators of success represent tradeoffs as they are predicted to move in different directions depending on the sequencing of the organizational components.

Organizational Change, Sequencing, Implementation.

Organizational Learning in the Context of Strategic Reorientation

Lines, Rune Rune.Lines@nhh.no Norwegian School of Economics and Business Administration

Doving, Erik erik.doeving@snf.no SNF

Johansen, Svein Norwegian School of Economics and Business Administration

This study tested the influences of change novelty, participation and goal setting on organizational learning. The study was conducted following the strategic reorientation of a large telecommunication firm. Major findings were (1) Participation in strategic change is positively related to organizational learning, (2) The use of goal setting as part of the implementation process enhances organizational learning and (3) medium and high levels of change novelty is associated with higher levels of learning than low levels of change novelty.

Organizational Learning, Implementation, Strategic Change.

Is Time Money? The Spirit, Theory, Practice, and Effects of Timely Action

Torbert, William torbert@bc.edu Boston College

The paper proposes that social science knowledge is actively perverse to the degree that it distracts us from cultivating timely action. Yet empirical positivism seeks time-free, third-person generalizations, and even the foremost intervention theories do not develop theories of timely action.

A review of the sparse literature in this area leads to a six-dimensional theory of space/time and a model of nine action-logics through which persons, organizations, and scientific paradigms can evolve toward an increasingly inclusive theory and practice of timely action. A study of CEO action-logics and organizational transformation is cited, in which CEOs' relative capacity for timely action accounts for 73% of the variance in whether successful organizational transformation occurred.

The paper concludes that only a social science research process that interweaves first-, second-, and third-person inquiry in the midst of daily action can contribute to the development of increasingly timely action. It raises the question of what the 21st century will look like if social scientists are as deeply influenced by this direction as the natural sciences have been by Einstein's work during the twentieth century.

Timely Action, Action-Logics, Transformations.

Prospecting for Continuous Organizational Change: The Role of the Psychological Contract

Kickul, Jill jkickul@condor.depaul.edu DePaul U.

Lester, Scott lestersw@uvec.edu U. of Wisconsin, Eau Claire

The rapidly changing work environment can influence and alter the type of organizational promises made within an employee-employer relationship (i.e., psychological contract). Our study examines the role of the psychological contract in relating organizational strategies and practices to retention relevant attitudes and outcomes. Specifically, we argue that a prospector strategy that focuses on continual change and adaptation will be related to an organization's abil-

ity to fulfill employees' psychological contracts. We also posit that the degree of fulfillment or unfulfillment (i.e., contract breach) of the contract will affect employees' beliefs and behavioral intentions to leave their organizations. While our results revealed that prospecting firms were able to satisfy employees' desires for tangible performance-based outcomes and benefits, the intrinsic outcomes of autonomy and control, and growth and development were two factors of the psychological contract that were breached by such an organization. The lack of fulfillment of these intrinsic contract factors served as a mediator of the relationship between a prospector strategy and employees' intent to leave, job satisfaction, and negativity at work. Our findings suggest that the increased flexibility of a prospector orientation may not outweigh the costs associated with the lack of commitment and continuity within such an organization. Additional organizational implications and recommendations are discussed.

Organizational Change, Prospector Strategy, Psychological Contract.

Organizational Adaptation in Transitional Economies:

The Challenge of Cognitive and Behavioral Change

Lord, Michael michael.lord@mba.wfu.edu Wake Forest U.

Cimbalov, Ivan Volga Region Personnel Training Centre

Much attention has been focused on the need for macro-level reform of political, legal, and financial infrastructures in transitional economies. Much less attention has been devoted to the equally challenging task of cognitive and behavioral change, particularly among top enterprise managers. This paper explores the need for organizational unlearning of dominant general management logics in transitional economies in order to facilitate established enterprises' adaptation to fundamental institutional changes. Both the need for unlearning, and the complexity of its realization, are likely to be more formidable challenges than in established market economies. First, we discuss how the need for such unlearning is likely to vary according to differences in the degree and pace of institutional change in different transitional economies. Second, we discuss how the difficulty of unlearning is likely to vary according to the degree to which established dominant logics are embedded. We consider the utility of two different approaches to organizational unlearning: (1) more 'radical' unlearning accomplished through top management team turnover, and (2) more 'evolutionary' unlearning accomplished through efforts at management development and training. The utility of both of these mechanisms is limited by several factors particular to transitional economies: by the relative scarcity of alternative managerial resources; by the relative scarcity of feasible options for management development and training; and by the multi-level embeddedness of socialist-oriented schema and routines. The complexities of unlearning fundamentally shape the course of organizational adaptation in transitional economies and also suggest lessons for firms facing major transitions in other types of situations.

Adaptation, Cognition, Inertia.

**Perceived Organizational Support and Leader Member Exchange
Facilitating Change Message Acceptance: An Empirical Exploration**

Schaninger, William schaninger@business.auburn.edu Auburn U.

Self, Dennis dself@business.auburn.edu Auburn U.

Niebuhr, Robert Auburn U.

Dramatic organizational change is a regular occurrence in the modern business environment. Academics and practitioners alike hypothesize about causes of change, types of change, ways to facilitate change, and consequences of change. This manuscript addresses how employees' perceptions of the change agent (whether it is the immediate supervisor or the organization) affect their response to the change message. Specifically, perceived organizational support (POS) and leader-member exchange (LMX) are empirically examined as predictors of change message acceptance. The results of this analysis are reviewed and implications for practice are offered. Social Exchange, Change Messages, Organizational Change.

**A Longitudinal Case Study of the Interplay Between Agency
and Structure Across Hierarchical Levels in Organizational Transformation**

Sharma, Gitanjali gita_sharma@umanitoba.ca U. of Manitoba

Dyck, Bruno bdyck@ms.umanitoba.ca U. of Manitoba

Dass, Parshotam pdass@ms.umanitoba.ca U. of Manitoba

This paper draws on structuration theory to develop a model of organizational transformation which examines the interplay between agency and structure across time and hierarchical levels. The model provides a framework to examine how a change agent's mental maps and corresponding organizational changes get implemented and adopted by other organizational members. We use the model to examine change in a small manufacturing firm as it undergoes transformation. The analysis is based on six sets of interviews with all members of the firm over a two-year period, starting from the arrival of a new change-oriented President through to the point when the majority of the members have changed their mental maps to correspond to the changes championed by that President. A striking finding was that the changes in members' mental maps occurred after the change-oriented President had resigned from the position (which occurred six months into the study) and was replaced by the previous President (who did not subscribe to the changes). Implications for theory and practice are described. Structuration Theory, Mental Maps, Transformational Change.

Social Network Analysis in Organizational Diagnosis

Michela, John jmichela@uwaterloo.ca U. of Waterloo

Webster, Jane jwebster@mansci2.uwaterloo.ca U. of Waterloo

Burke, W. Warner wwb3@columbia.edu Columbia U.

This paper describes use of social network analysis for diagnosing problems in team and department organization and functioning that may stem from patterns of communication among individuals or subgroups. Although use of social network analysis is increasing in basic research in organizational theory and organizational behavior, few applications to organization diagnosis (as for organization development and change initiatives) appear in the literature. Moreover, these applications generally follow an "expert" model of consultation, rather than the more collaborative and open process fundamental to action research and several other organization development (OD) and change approaches. We describe two methods of social network analysis that are applicable to OD. We also describe a case to illustrate each approach, with one case involving a software development team, and the other, an employment placement services department. Several principles or recommendations for effective use of network analysis are derived from past literature and these case experiences.

Social Network Analysis, Organizational Diagnosis, Action Research.

The Dynamics of Transitional Space

Overlaet, Robrecht bert.overlaet@econ.kuleuven.ac.be Catholic U. of Leuven

Barrett, Frank fbarrett@nps.navy.mil Naval Postgraduate School

In today's organizational context stability is rare. More and more people are confronted with challenges they did not anticipate. They find themselves in transitional moments where they cannot rely on familiar routines, and yet do not have new frameworks that are up to the challenge. Old conceptions and practices are no longer valid, and new practices are not yet available. This paper examines the dynamics of efforts to grasp and hold onto those challenges that appear just beyond our reach.

In order to understand processes of transition, we base ourselves on the work of D.W. Winnicott, studying the play of young children. We adopt his concepts of transitional space, holding environment and transitional objects, and elaborate further on the nature of the emotional difficulties that are raised by the transition.

The relevance of transitional dynamics for organizational phenomena is demonstrated in a case study of a merger between two labor unions. The case describes how and why the two union managements got stuck in the transition process, and how the interventions of consultants helped them through the transition. Both the creation of a holding environment and the use of transitional objects are illustrated. Consequences for theory and practice are discussed.

Merger Process, Emotional Dynamics, Organizational Transition.

Explaining Change to the Market: A Model for External Sensemaking and Sensegiving

Calhoun, Mikelle mcalhoun@stern.nyu.edu New York U.

The purpose of this paper is to expand the theoretical concepts associated with sensemaking and sensegiving beyond the traditional internal, micro arena in which they have been explored. Sensemaking and sensegiving and related communication interpretation theories have generally been evaluated as they occur within an organization at the time of a perceived change. I propose to move this work to the external, macro environment. Specifically, the focus of this investigation is on the sensemaking and sensegiving process when an organization explains a change to the market. A model is proposed and propositions are presented.

Under institutional theory and population ecology theory, organizations' meaning systems are extremely important. Any change to the organization threatens the meaning system and must be explained. Concepts of legitimacy, identity, reputation and image also support the concern for how an organization makes sense of its change. The model proposed herein suggests that the market's sensemaking process may be studied and considered proactively to seek a particular response. Certain aspects of the communication about the change must be considered in the context of corporate actions and environmental events. Other aspects may be less prone to contextual influences, at least as the communication is interpreted. The four areas of focus for the interpretation of the communication concern: (1) the relationship of the content to the organization's goals, identity and issues; (2) the semiotic and linguistic presentation; (3) the framing of the change as it relates to its environment; and (4) technical aspects of the communication.

Change, Sensegiving, Sensemaking.

Developing Managerial Capabilities for Organizational Change

Lucarelli, Christopher lucarc@rpi.edu Rensselaer Polytechnic Institute

Peters, Lois peterl@rpi.edu Rensselaer Polytechnic Institute

Business in the last decade has experienced major changes in global competition and technology resulting in an information and knowledge explosion. Managers must be equipped with the tools required to understand and analyze rapidly changing information as well as develop the capability to deal with overall knowledge complexity in order to take advantage of the continual reconfiguration of the business landscape. Knowledge is a firm resource and skillful management of that knowledge is an enabler of competitive advantage.

The increasing recognition that sophisticated management of knowledge is essential to maintaining competitive advantage has increased the desire of firms to invest in strategic management development. Indeed firms spend a significant amount on management development but these efforts are often disconnected from strategic intent.

If managerial capabilities play an important role in fostering competitive advantage, we need to explore how organizations develop and nurture such capabilities. Furthermore, we need to gain a better understanding of how managerial knowledge translates into higher performance capabilities. So how can we help organizations better develop and utilize the managerial capabilities? The thesis of this paper is that by placing management development programs in the context of current strategic theories of the firm, and ideas about organizational learning and human resource management we may be able to better relate management development programs to firm

performance. Further we propose that a consideration of the contingencies requiring different types of managerial capabilities will inform about the required dimensions of management development programs to achieve competitive advantage.

Management Development, Organizational Change, Managerial Capabilities.

Strategy and/as Organizational Change

Montuori, Alfonso montuori@ciis.edu California Institute of Integral Studies

Pievani, Telmo U. of Milano-Bicocca

This paper unpacks some of the assumptions surrounding the discourse and practices of strategy. Two areas in particular are focused upon. First, the use of language and concepts borrowed from the natural sciences (environment, adaptation), and both the critique and present vogue evolutionary metaphors and concepts. Second, the way in which strategy could benefit enormously from being fully integrated into, and drawing from the theory-base of, the discourse of organizational change and development. The authors outline how "strategic" thinking might be articulated drawing on an epistemology of complexity, and argue for the development of the tetrad strategic thinking/reflection/action/learning.

Change, Organizations, Strategy.

Has the Profile of Effective Organization Culture Changed over Time?

A Look at Successful Transformational Change Implementation

Almaraz, Jeanne jaalmaraz@csupomona.edu California State Polytechnic U.

Participation, empowerment, and teamwork: such terms exemplify the approach of the visionary leader of the 1990s. Today's leaders stress participation while at the same time driving transformational changes in their organizations. Is there a type of culture more suited to the implementation of transformational change? If an organization culture is more open and participative, will transformational change be more effective than if that culture is closed and autocratic?

This research sets out to determine whether transformational change was more successful in organizations with open, participative cultures. A model of the relationship between visionary leadership, organization culture and perceived transformational change in organizations was developed. Interviews were conducted with CEOs or their designates in 41 small- to medium-sized manufacturing organizations, resulting in the identification of 71 transformational change events. Industries represented in the sample included aerospace manufacturing, printing, and other high and low technology manufacturing. 560 questionnaires were distributed to individuals in the organization familiar with the transformational changes being studied. The response rate was 45%. Questionnaires included validated scales on organization culture and employee acceptance of transformational change.

The study results contradict current beliefs in the relationship between organization culture, visionary leadership and transformational change. Results of the stepwise multiple regression indicate that leaders operating in cultures which are less open and less flexible are more likely to be successful than those in cultures which are open and flexible. These results suggest the need to explore further the role of organizational culture in the implementation of transformational change.

Organization Culture, Visionary Leadership, Transformational Change.

Remembrance of Things Past?

Intergroup Conflict, Development and Paternalism in Talk of Organizational Change

Wolfram Cox, Julie julie.cox@buseco.monash.edu.au Monash U.

As part of a retrospective, interpretive study of effects of organizational change on interpersonal relations, this paper discusses change talk in an Australian manufacturing organization. Change was described in terms of pressure, of pushes and pulls. Interviewees tended to feel "pushed" into change, often likening their experiences to earlier experiences of sudden independence and discussing the effects of these pressures in terms of the difficulties of adolescence. It is suggested that talk of paternalism as a form of remedial personalization serves to buffer the present without romanticizing the past. If developmental, progressive assumptions of organizational change are relaxed, further attention can be given to theorizing and researching subtleties in talk of the past.

Intergroup Conflict, Paternalism, Change.

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