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Creating earthquakes to change organizational mindsets

Rhonda K. Reger, John V. Mullane, Loren T. Gustafson, Samuel M. DeMarie

Executive Overview

Due to the stress of operating in increasingly dynamic environments, organizations are under tremendous pressure to fundamentally change the way they do business. Restructuring, rightsizing, and re-engineering all represent attempts to implement fundamental change. Unfortunately, many companies fail to achieve the results promised by these approaches because their members resist and the change attempt is aborted.

This article focuses on overcoming the resistance that resides with the mindsets of organizational members—managers and employees alike. This article goes beyond simple advice for increased education and communication to explore why people fear and resist change. We offer six suggestions on how to avoid and, when necessary, overcome resistance in order to realize lasting fundamental change.

In the past, managers had two choices for implementing fundamental change: they could use either incremental or revolutionary processes. For most firms in dynamic environments, incremental change is too minor and revolutionary change is too devastating. To achieve the optimal magnitude of change, we propose a new, vitally different implementation mode. We call this change process tectonic to evoke a seismic metaphor: organizational inertia is overcome, environmental stress is relieved, and outdated beliefs are destroyed while a new organizational identity is rebuilt on the foundation of the unique, enduring, and positive attributes of the organization.

> *Even continents can move, and seismic activity is under way at Procter [& Gamble] . . . It is a tectonic shift in a huge, iconic corporation.*
>
> *Fortune, March 7, 1994*

Fundamental organizational change is difficult. Examples of top managements' failed attempts to reposition organizations are found throughout the popular business press. In many instances, executives believe the organization is fundamentally flawed and they begin looking for a "quick fix," a panacea to correct their ailing organization. This panacea approach has given rise to a stream of management fads, all promising to deliver a fundamental make-over of the organization in a short period of time. Among the radical solutions offered are virtual corporations, renewed commitments to quality, and organization charts shaped like pizzas, shamrocks, and starbursts. These quick fixes rarely work. Top managers become disenchanted and move on to the next fad. For our part, academics bemoan the quick fix mentality but offer little advice beyond general exhortations to take a long-term perspective and "stay the course."[1]

The preponderance of firms looking for quick fixes suggests that organizations are at a watershed stage. Globalization, increased competition, and global recession are forcing companies to make major changes. New information technology is facilitating change at an ever-increasing pace. There are striking parallels to the 1930s that Alfred Chandler wrote about—because the old organization forms and strategic formulas are not working, managers are willing to try innovative solutions.

The amount of change that is needed is large—shifts in the global marketplace require firms to undertake fundamental change. The term *fundamental change* is used in this article to describe actions that alter the very character of the organization and not simply revise processes, structure, or strategy. Restructuring, rightsizing, re-engineering, reorganization, and total quality management are terms that depict particular kinds of fundamental change. While these terms may represent different specific actions, all share the goal of fundamentally altering an organization's basic character.

Globalization, increased competition, and global recession are forcing companies to make major changes.

Past prescriptions gave managers two alternative approaches to implementing change: incremental and revolutionary. Neither of these approaches provides satisfactory results for most firms in dynamic environments. A third alternative is needed. We call this proactive, mid-range approach the *tectonic* implementation mode. Table 1 describes the environmental conditions in which each implementation mode is most effective. While both incremental and revolutionary approaches can be effective in some contexts, mid-range processes are the most appropriate for most firms in today's dynamic environments.

Incremental change processes introduce minor adjustments that are most suitable for firms in stable environments. However, many organizations have found that incremental solutions are inadequate to keep pace with today's complex and dynamic business environment. Ameritech's CEO William Weiss summarized the situation well: "Our markets were moving too fast for incremental change to work."[2] Firms that attempt fundamental change through incremental processes are likely to encounter *strategic drift*.[3] Strategic drift results when environmental conditions are shifting faster than organizational responses. The result is an increasing gap between the firm and its environment. Similarly, incremental processes rarely overcome internal inertia;

Table 1
Comparison of Different Change Modes

Environmental Conditions	Change Process	Change Magnitude	Change Objective (Organizational Identity)
Stable	Incremental	Minor fine-tuning or adjustment	No change or piece-meal changes in organizational identity
Turbulent	Tectonic	Moderate	Significant changes, building on existing elements of organizational identity
Crisis	Revolutionary	Massive	Complete replacement of organizational identity

organization members do not perceive the need to fundamentally change the way they work and the bureaucracy reinforces bad habits.

In light of the shortcomings of incremental processes, many CEOs opt for a revolutionary approach to change. Unfortunately, revolutionary change processes also rarely achieve planned results. Such changes generate significant internal conflict because they challenge employees' basic assumptions about the very nature of the firm. For example, both TQ and re-engineering require a blank page approach to change—the removal of long accepted practices and a willingness to start over, essentially from scratch. But companies are not blank pages. They have rich histories of successes and failures, cultures, and implicit assumptions about how to conduct business. Change programs that threaten core beliefs about the organization will meet with resistance, unless the organization is confronted with an overwhelming crisis.

Thus, managers face a dilemma. Fundamental change is an environmental imperative—firms must act or risk extinction. Yet, incremental approaches are unlikely to allow a firm to remain competitive in today's fast-paced environment, and the track record for revolutionary processes is dismal. This article explains why necessary, beneficial change is often misunderstood and resisted, and offers solutions for managing fundamental change more successfully. A mid-range change process introduces modifications that are powerful enough to overcome inertia and relieve environmental stress without destroying company attributes that are positive, such as employee loyalty.[4]

It is dangerous to assume that everyone shares the executive's mental model of what is best for the organization.

We recognize that other sources of resistance, such as those that stem from political concerns or guileful self-interest, also must be addressed in any change initiative. However, those problems are well understood, as are the tactics to handle them. The perplexing question is why dedicated members resist beneficial change. This puzzling type of resistance can be understood by first examining the role of mental models in general, and then exploring the concept of organizational identity and its relationship to the implementation process.

Change is Interpreted Through Mental Models

Organizational members interpret major new management initiatives through their existing mental models. A key feature of fundamental change is that successful implementation requires a new mindset that questions members' most basic assumptions about the nature of the organization. Unfortunately, mental models aren't easily altered.

It is dangerous to assume that everyone shares the executive's mental model of what is best for the organization. For example, where managers see rightsizing as an opportunity to cut costs, employees may see it as a threat to customer service. In this scenario, employees may resist the rightsizing that executives believe is valuable.

Organizational Identity: Mental Models that Define Who We Are

A particularly powerful mental model is the set of beliefs members hold about the organization's identity. Organizational identity is a part of organizational culture. A practical way to define organizational culture is the set of members' beliefs about "the way we do business around here." Identity is a precise term that includes only what members think is vital to the essential character of the organization. Identity beliefs are critical to consider when implementing fundamental change because organizational identity is what individuals believe is central, distinctive, and enduring about their organization. These beliefs are especially resistant to change because they are embedded within members' most basic assumptions about the organization's character.[5]

Organizational identity has been shown to limit organizational actions, including strategic change. Ameritech's Weiss encountered this situation while trying to transform his company to compete in unregulated markets: "Our culture had no instinct for competition. People believed that if you got a job here, it was a lifetime opportunity. We had an entitlement philosophy, *believing that we were a monopoly* because it was right to be a monopoly. Many people thought competitive entry was a bad thing. Their inclination was to hang on to the things that had kept us so secure in the past." [emphasis added][6] This monopoly identity caused Ameritech's employees to resist the changes of a competitive marketplace. Ameritech's top management overcame this resistance by aligning the unfamiliar competitive mindset with members' positive beliefs about the firm's character. Specifically, management built on the organization's convictions about Ameritech's unsurpassed technological quality and innovation. For instance, employees took pride in providing high quality universal phone service. By inducing workers to value new dimensions of customer service, such as same day installation and competitive pricing, Ameritech built on these positive values while simultaneously destroying the monopoly mindset.[7]

Mental Barriers Hinder Fundamental Change

Two specific mental barriers tend to undermine the acceptance of initiatives that countervail organizational identity. First, failure to comprehend the meaning of the change generates passive resistance. Second, cognitive opposition generates active resistance. Cognitive opposition is the rejection of change based on its inconsistency with current mindsets. How the failure to comprehend and cognitive opposition hinder fundamental organizational change is discussed next.

Barrier 1: Passive resistance results from a failure to fully comprehend the change

Fundamental change usually introduces new ideas that have little meaning to organizational members because they are unfamiliar. To fully comprehend a fundamentally new program, those charged with implementing the program must integrate its concepts into their mental constructions of organizational identity. If the change is not integrated with at least some aspects of existing identity, members are likely to believe that the new program will not work. Even if the change initiative has been successful in other ostensibly similar firms, members will not readily perceive how the new doctrine "fits."

The inability to fully comprehend a change is likely to result in apathy or anxiety rather than the appropriate action. Thus, passive resistance occurs when top managers exhort subordinates to implement change without providing the connections to organizational identity necessary for deep comprehension and action. The Campbell Soup Company provides an example in a change initiative launched in 1980. Campbell trained lower level employees in order to gain their support. However, middle managers were not trained in the new program because it was assumed they supported the change. This assumption was incorrect. Middle managers resisted the change effort because it did not fit their view of the company. When top management recognized this comprehension-based barrier, middle managers were educated in the value of the initiative and their new role in the company. Once middle managers fully comprehended the change initiative, their resistance dissipated.[8]

In sum, the failure to comprehend a fundamental change results in puzzlement: members wonder "what does this really mean; what does management want me to do?" Only when a new concept is integrated into mental models of organizational identity can the first hurdle, passive resistance stemming from a failure to comprehend, be overcome.[9]

Barrier 2: Active resistance results from cognitive opposition
Fundamental change will be actively resisted when the new initiative is believed to directly conflict with valued elements of current organizational identity. This conflict will trigger strong negative emotional responses such as anger and fear. Cognitive opposition results in antagonism: employees think they understand the results of the change very well, but they believe the results will be detrimental. When cognitive opposition is a source of resistance, employees ask themselves "why does management want to do this stupid, crazy thing?" The Ameritech scenario discussed earlier vividly depicts this type of response. Monopoly was seen as positive by Ameritech employees, and managers' attempts to implement a competitive identity was a threat to that positive identity.

Another striking illustration of cognitive opposition is provided through interviews we conducted at a semiconductor manufacturer about employee experiences in a total quality management program. Technological innovation was the essential element that most members believed caused the strong performance this firm had long enjoyed. Innovation was, therefore, central to members' understanding of the organization's identity. At the same time, the company had a reputation for poor customer service. Most organizational members did not perceive lack of service as a quality problem; they saw it as a necessary outgrowth of the organization's commitment to innovation. Many members possessed an identity belief that placed "technological innovation" in opposition to "customer service." Thus, members found it difficult to conceive that their company could achieve high levels of both innovation and service. Members of this organization even questioned the validity of the Baldrige Award criteria, an award they had recently been denied, because they felt it put excessive emphasis on the customer. They said things like "we can't pay too much attention to what our customers want; we have to drive technology and be ahead of our customers."

Given this core component of identity, it is not surprising that when a TQ initiative was introduced with a focus on customer service, many members concluded that top managers were abandoning innovation. Only after several years and significant reframing efforts by top managers have mid-level managers begun to develop new meanings of "customer service" that support, rather than oppose, "technological innovation."

A member of the top management team commented about how difficult it has been to change the organization's identity:

> "The old (corporation's name) was technology-driven. [After TQM], the new (corporation's name) is still technology-driven, but now we are customer-driven as well. Customer-driven hasn't replaced technology. This is hard for our people to accept. We still aren't to where we want to be . . ."

Implementation of fundamental change often flounders because change is improperly framed and implemented by top managers. Programs presented as overly radical departures from the *status quo* fail because members view the change as inconsistent with their basic beliefs about the nature of the organization. Looking back over his company's change efforts, Roger W. Hale, Chairman of LG&E Energy Corp. said ". . . it is increasingly apparent that TQM must be a deeply held value to the organization, not just a program."[10] For many companies, critical success factors, such as a focus on the customer and attention to system errors, are quite foreign. Telling the troops that these factors will be the new order of the day falls far short of making them a deeply held value. Overcoming resistance can be accomplished by linking change initiatives to valued elements of organizational identity.

Using Ideal Organizational Identity to Change Current Identity

We have focused so far on only one aspect of organizational identity: current identity. Current organizational identity refers to beliefs about the existing character of the organization: "this is who we are." In contrast, another mental model, ideal organizational identity, encompasses beliefs about what is desirable in the future: "this is who we want to be." Ideal organizational identity can originate as a collective ideal among members or as a management directive. An "identity gap" exists when an organization's current identity differs from its ideal identity.[11] Figure 1 depicts three possible identity gap scenarios.

Overcoming resistance can be accomplished by linking change initiatives to valued elements of organizational identity.

A narrow identity gap suggests that current and ideal organizational identities are similar. Members who perceive small discrepancies between current and ideal identity will view change as unnecessary since the organization's current state is sufficiently aligned with the ideal. This is one reason why achieving fundamental change in companies with strong financial returns is so difficult—members believe the organization is performing near the ideal.

On the other hand, a widened identity gap is a source of organizational stress. Members will be dissatisfied with the organization since "who we are" differs

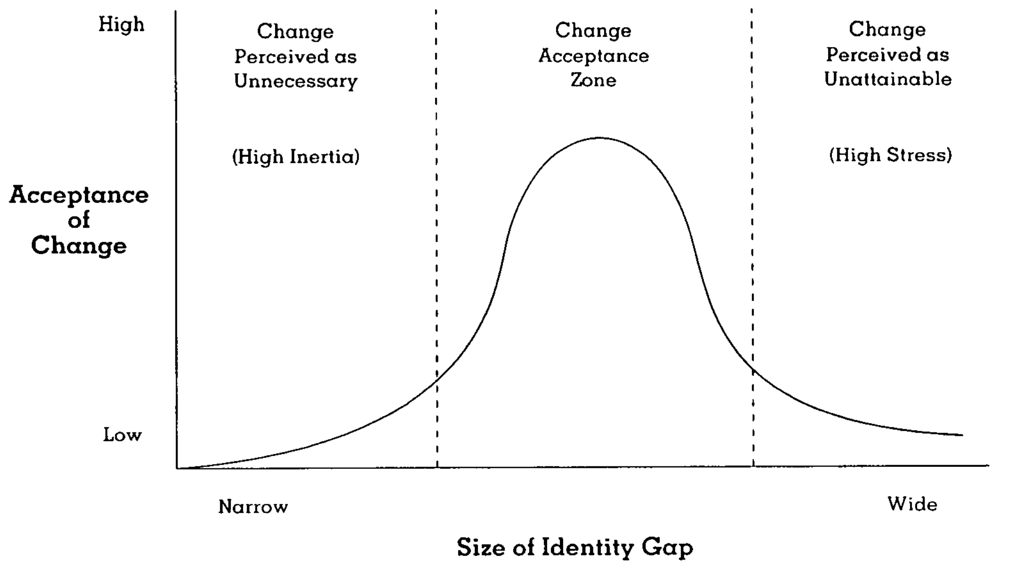

Figure 1. Probability of Change Acceptance

significantly from "who we want to be." This dissatisfaction leads members to seek to close the gap. Members will not be content with a current identity far removed from their notions of the ideal. The gap results in uncomfortable negative emotions, such as anxiety and anger.[12]

However, an identity gap that is too wide can be detrimental to implementing change because members believe the ideal is unattainable and will resist attempts to achieve it. O. Mark DeMichele, CEO of Arizona Public Service Co., encountered this situation when proposing a major change at his company. "When I first proposed the idea, people thought I had gone off the deep end. Even my officers tried to persuade me to abandon this seemingly impossible quest. They reasoned that it was too aggressive and that we would fail, destroying the morale of the organization."[13] DeMichele was presenting an ideal identity too far removed from the current identity.

Insignificant earthquakes, like incremental change in organizations, may cause rumblings, but often do little or nothing to relieve the pressure.

The optimum situation for change occurs when the gap between current and ideal is large enough to create the stress necessary for members to desire change, but the dissimilarities are not so great that the ideal is perceived to be unattainable. In such a situation, members see the need for change and believe it can be accomplished. As shown in Figure 1, it is within this "change acceptance zone" that organizations will achieve the greatest success in implementing fundamental change.

The lesson of the change acceptance zone is that change must be sufficiently large to overcome inertia without being so large that it creates catastrophic conflict that destroys positive organizational attributes. This magnitude of change can be illustrated by an earthquake metaphor. As pressure builds along a fault, seismologists hope for moderately powerful earthquakes to overcome the inertia preventing the plates from moving and to relieve the stress building along the fault. Insignificant earthquakes, like incremental change in organizations, may cause rumblings, but often do little or nothing to relieve the pressure. A "great" earthquake, analogous to revolutionary change in organizations, relieves much of the stress but often results in major, undesirable destruction.[14] We coined the term *tectonic* to evoke this seismic metaphor—change that is large enough to overcome the inertia that plagues large organizations while avoiding the cataclysmic side effects of massive revolutions.

Tectonic describes the magnitude of change that falls within the change acceptance zone. Even though it may seem counterintuitive, fundamental change requires managers to create the equivalent of moderate earthquakes within their organizations. They must be willing to destroy outdated aspects of the organization's old identity while simultaneously building on other, still relevant, elements. For example, as indicated in the opening quote, seismic activity is under way at Procter & Gamble. The ongoing change initiative is a multi-year effort that seeks to destroy undesirable beliefs and practices while concurrently building on P&G's core identity beliefs of marketing, distribution, and manufacturing excellence. Successful implementation of each major change simultaneously uncovers the need for further changes and provides the impetus to persevere.[15]

This analogy vividly symbolizes an important implication of our ideas. As Figure 2 depicts, a series of mid-range actions may be most effective in implementing fundamental change. The shaded bar at the top of the figure represents the ultimate target. As the figure indicates, incremental change will

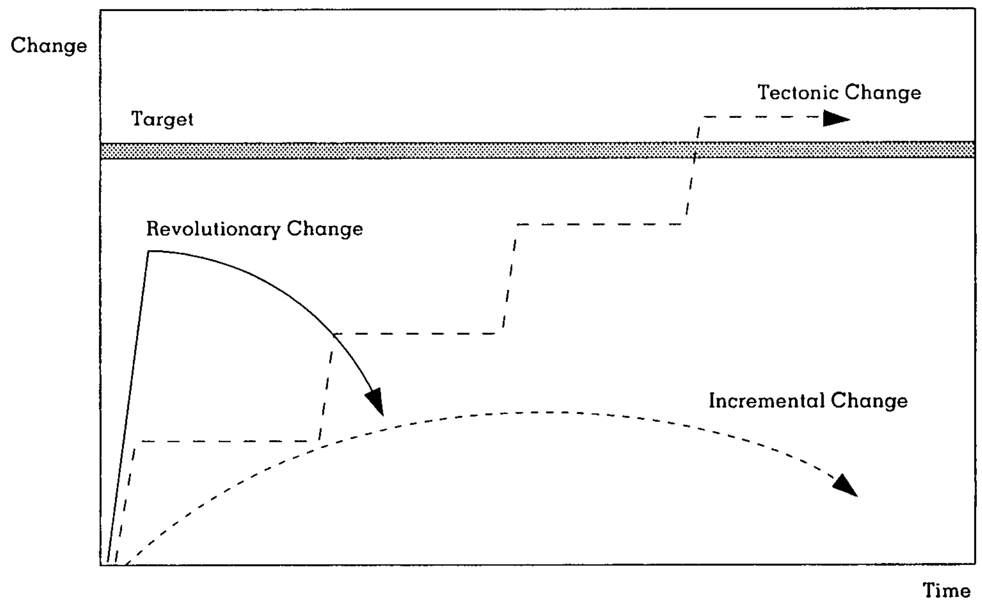

Figure 2. Results of Fundamental Organizational Change Processes

not allow an organization to reach the target of a major change because it does not overcome cognitive inertia; strategic drift is the result. A revolutionary change also will not reach the target. Executives are unable to transform the entire organization all at once, and when the initial effort meets opposition and falls short, the change effort is aborted. Tectonic changes move the company in steps that are significant enough to overcome inertia and gain momentum toward the goal. Initial successes encourage additional changes. Thus, tectonic implementation of fundamental change is more likely to succeed than either incremental or revolutionary implementation.

Another illustration of tectonic change is provided by the ongoing restructuring process at United Electric Controls Company. United Electric has not attempted to become a world-class competitor overnight, nor are they moving incrementally. Rather, they are concentrating on major restructuring of selected core processes. VP Bruce Hamilton, commenting on his company's continuing progress in reducing delivery times from 12 weeks to 3 days, says "If you compare us with Toyota, we're nowhere. But we are taking business away from our competitors."[16] A tectonic change process has given United Electric demonstrated success that provides momentum for further changes.

Recommendations to Managers

Based on our conclusions concerning overlooked sources of resistance to beneficial fundamental change, we recommend the following steps to assure successful implementation of change. For these steps to be effective, top management must be committed to the change initiative. Jim Eibel of Ameritech sums up the need for management support: "When you go through one of these things [fundamental change], it's important that you really do believe in it, that you're fully committed to the necessity for change."[17]

1. Conduct an organizational identity audit before undertaking any major change

The audit should include all departments and levels affected by the change.

Intel, for example, conducts a survey every three years that audits employees' understanding and commitment to Intel's core beliefs. A complete audit involves listening to employees, observing daily work habits, as well as conducting employee surveys.

The audit should focus on members' beliefs about the organization—both current and ideal states—because employees' views of the organization's identity may differ from top managers' views. Thus, time taken to discover what employees perceive as central and enduring characteristics of the organization is time well spent. The audit highlights cherished beliefs which can bridge the change. For example, Arizona Public Service Company conducted surveys to identify potential sources of inertia, and subsequently crafted a highly successful fundamental change program.[18]

2. Tailor the change to fit the organization
Each firm's mental models of organizational identity present the key contingencies in managing fundamental organizational change. Since every organization has a unique identity, implementation begins and proceeds at varying paces across organizations. Two recent efforts illustrate this point. The previously mentioned semiconductor manufacturer had success implementing manufacturing and process control improvements, changes consistent with valued elements of their identity. Conversely, Ritz Carlton had an easier time implementing improvements in customer service because service was already a central, valued part of their identity. But Ritz Carlton struggled with process issues. Given the diversity of organizational identities, off-the-shelf approaches to fundamental change are likely to fail.[19]

Thus, time taken to discover what employees perceive as central and enduring characteristics of the organization is time well spent.

Even within a single corporation, implementation must be tailored to the specific identity of each division or department. An approach successful in one division may be resisted in another division. For example, Tambrands accomplished successful global restructuring by recognizing the differences between divisions. Their European division was operations-focused and their U.S. division was customer-focused. Thus, manufacturing processes were re-engineered in the European division and customer service processes were reworked in the U.S. division. Each division then shared its new processes with the other division.[20]

3. Present the change as significant (to overcome organizational inertia) while tying it to valued aspects of organizational identity
Where fundamental change is required, incrementalism—fine-tuning of existing practices—fails to overcome organizational inertia. For example, five restructuring programs in the past ten years have failed at Kodak because they did not cause a significant change in the core identity of Kodak. The remaining workers simply worked harder, not smarter. Recently, Kodak's board has turned to outsider George Fisher from Motorola with the hopes that he can reshape Kodak's stifling identity. However, Kodak's new identity will not come at the expense of its proud past. Indeed, Chairman Fisher plans to link his restructuring effort with Kodak's identity. "Kodak has a great franchise, and my hope is to build on that to get exciting growth," says Fisher.[21]

4. Introduce change in a series of mid-range steps
Success at each step increases momentum and alters current identity. Think of ideal identity and current identity as two pencils linked with a rubber band.

Management's challenge, at each step, is to introduce sufficient change to widen the gap to create stress sufficient to motivate the change, but not so much that the rubber band breaks and the change effort fails. For example, Intel has been successful by changing 30 to 40% of a process, retaining the balance to achieve continuity. This allows them to change significantly while building on their existing technology base. They avoid starting over from scratch, as a revolutionary change would suggest, because it takes too long, is too inefficient, and is likely to fail.[22] Over time, elements of the change initiative become part of current organizational identity, reducing the initial gap and solidifying the change. This creates a platform for further change. A step-sequenced approach also provides the opportunity to reassess targets and fine tune efforts in midcourse.

4a. Use sensegiving opportunities to widen the identity gap. Managers can widen the identity gap through "sensegiving" activities that blend top managers' vision for the organization's future with members' mental models. Managers must expect to devote considerable time to communicating the change, enlivening it with symbolism. For example, when an IBM plant manager entombed IBM's policy manuals in plexiglass, it was a strong symbolic action that reminded IBMers that he really did want them to think, and not look for answers from the company's past. One of the best methods for sensegiving communication is to conduct focus groups between top managers and other organization members. Through focus groups, executives can share their interpretations and visions. Employees then have the opportunity to question and truly integrate top managers' interpretations with their own, and executives have the opportunity to ensure that their position is not misunderstood. Memos are less effective for managing interpretations of change because of the absence of face-to-face communication and interaction.

4b. Use outsiders to make your case. Managers can also use outside opinions and standards as a powerful lever for widening the identity gap. Two TQM practices, competitive benchmarking and direct customer interaction, are well-suited for this task.

Benchmarking can widen the gap by providing vivid examples of successful organizations. This may help redefine members' beliefs about the upper limits of achievable performance, and redirect aspiration levels. Paul H. O'Neill, Chairman of Alcoa, supports benchmarking to avoid the "it can't be done" attitude: "World standards are measurable, and they are practiced somewhere." Competitive benchmarking may also force members to admit that their current identity beliefs are indefensible. Caution must be exercised in benchmarking since the wrong choice of a benchmark can be detrimental. A benchmark that is too similar to current processes or performance will not encourage change, and a benchmark that is far superior may seem unattainable to organization members.[23]

Direct customer interaction can also make members aware of organizational shortcomings. James J. O'Connor, Chairman of Commonwealth Edison Co., says ". . . the most convincing argument in favor of change has been the painful acknowledgment that our customers are not as happy with us as they were in the days of economies of scale, when we used to lower rates every year or two." Customer communication about ideals for the organization may prompt members to reassess their views as well. At Hallmark Cards, executives who believed that all was well had to rethink their views when a video tape highlighted Hallmark customers complaining about the greeting card giant's slow process for introducing new products.[24]

5. Take the path of least resistance
In large, complex organizations, members in separate divisions, plants or functional departments are likely to have distinct identity beliefs that are internalized with varying levels of conviction. Diversity of beliefs about organizational identity can complicate implementation because a change that is acceptable to members in one part or level of the organization might be incomprehensible to or opposed by others. On the other hand, diversity of organizational identity beliefs should create leverage or entry points where change can be implemented with relative ease. Demonstrated success in these areas may subsequently induce other members to reconsider their conceptions of ideal identity.[25] Midrange steps can be used to assess shifts in the path of least resistance, and redesign in response to those shifts. Managers must be aware that some members will never change their identity beliefs; these workers should be counseled to find employment elsewhere or be terminated.

6. Know how much change your organization can handle
The width of the change acceptance zone varies across organizations. For instance, members' willingness to change is higher in crisis than non-crisis organizations. For example, Tenneco and AlliedSignal initiated change at a time when each was having significant problems. Employees essentially welcomed change. Conversely, GE and Ameritech were performing well. Here, change efforts generated more opposition. Similarly, change that is perceived to be tectonic in one organization may be viewed as incremental or revolutionary in others, depending upon members' interpretations of the situation.[26]

Conclusions

Change is never easy. In fact, successful fundamental change is a rarity. When change initiatives fail to show positive results, managers become frustrated and move on to the next new management idea. Management scholars lament this short-term orientation, but propose little helpful advice. When poor results are due to member resistance, staying the course often implies a brute attempt to outlast the opposition—a battle that causes more long-run harm than good. As an alternative, a series of well-orchestrated mid-range changes gives executives significant, demonstrated results that build momentum for the successful continuation of further improvements.

These six steps provide no guarantees that change will be smooth or painless. Ill-conceived or inappropriate change initiatives will not achieve the desired positive results for an organization, no matter how skillfully the change process is managed. However, we believe that our recommendations can significantly improve the probability of success for fundamental change, which is vital for many organizations' survival and success.

Endnotes

We would like to thank Anne Huff, Bob Wiseman, Woody Peres, Jeff Piland and two anonymous reviewers for their insightful comments on earlier drafts of this article.

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[6] Sherman, *op. cit.*

[7] The academic management literature provides at least two examples of identity constraining change. One example is found in Dutton and Dukerich, *op. cit.* The New York Port Authority was vexed by the homeless issue because it challenged the organization's core identity as a "can do" builder of beautiful buildings. As the numbers of homeless living in Port Authority buildings continued to climb, the issue became increasingly threatening. The attempted solutions, however, were inadequate and inappropriate because the Port Authority's organizational identity prevented organization members from both perceiving the issue clearly and understanding how to cope with it. An example of similar issues within the forest products industry and a process to build a more appropriate identity is provided by C. Marlene Fiol, "Managing Culture as a Competitive Resource: An Identity-Based View of Sustainable Competitive Advantage," *Journal of Management*, 17(1), 1991, 191-211.

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[23] Ernst and Young and the American Quality Foundation, *Best Practices Report* (New York, NY: Ernst and Young, 1992); Otis Port and G. Smith, "Quality: Small and Midsize Companies Seize the Challenge—Not a Moment Too Soon," *Business Week*, November 30, 1992, 66-75; Port and Carey, *op. cit.*

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[25] C. Marlene Fiol, "Consensus, Diversity, and Learning in Organizations," *Organization Science*, 5, 1994, 403-420.

[26] Sherman, *op. cit.*

About the Authors

Rhonda K. Reger is an assistant professor of strategic management at Arizona State University. Her current research interests focus on cognitive approaches to organizational change, competitive strategy, upper echelons, and joint ventures. She received her Ph.D. in strategic management from the University of Illinois at Urbana-Champaign.

John V. Mullane is a visiting assistant professor of strategic management and international business at Drake University, and a Ph.D. candidate in strategic management at Arizona State University. His research interests include managerial cognition, top management teams, entrepreneurship, and international market entry.

Loren T. Gustafson is a Ph.D. candidate in strategic management at Arizona State University. His research interests include managerial cognition, strategies in turbulent environments, and organizational change implementation. His dissertation examines many of the issues raised in this article.

Samuel M. DeMarie is a Ph.D. candidate in strategic management at Arizona State University. His research interests include strategic change processes, restructuring, and downsizing.

Executive Commentary

Jack Berry
Consultant

It is amazing just how much has been written to help companies understand and handle the process of change, including what is referred to as "resistance." Not a month goes by without another book or article on the topic appearing in the popular press, not to mention the academic literature. In spite of all our efforts, however, organizations are still having trouble implementing change.

The authors of this article raise a number of points important to the understanding of change. The article, unfortunately, will probably join the many that preceded it in terms of its impact on our progress toward managing change successfully. This is because the article neglects to deal fully with two areas. The first is the issue of human needs. The second has to do with what creates value for the business.

With respect to the first issue, we must realize that people in organizations do not resist change *per se*. What they resist is the manner in which they are treated in the change process and the roles they play in the effort.

Most people prefer routine to change because it gives them a feeling of control. Because most change initiatives, at least at the outset, involve ambiguity if not downright confusion, this feeling of control is threatened. Furthermore, individuals need to feel competent and to continually develop their competence. Change generally involves new knowledge, skills, or abilities, and this often places people in positions where they initially lack that which they need to feel competent.

Most change processes in organizations today work against meeting these two sets of needs. In the examples given in the article, it appears that management takes on the role of thinking and deciding what to change and how to make it happen. Through their actions, they appear to be communicating to workers that their role is to execute management's change strategies. Here are some of those examples. The italics are mine.

- "Only after several years and significant *reframing efforts by top management* have mid-level managers . . ."
- "By *inducing* workers to value new dimensions of customer service . . ."
- "*Managers must devote considerable time to communicating* the change, enlivening it with symbolism."