MAKING CHANGE PERMANENT
A MODEL FOR INSTITUTIONALIZING CHANGE INTERVENTIONS

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ABSTRACT

Increasing global competition has accelerated the rate of organizational changes, such as reengineering, restructuring, and downsizing. As a result, organizational leaders find themselves faced with growing cynicism among employees that the current wave of changes is nothing more than the *program of the month* that will pass as those that preceded it. We address the issue of how to make changes permanent by providing a model developed from theory and research on organizational change and from successful practices implemented in numerous organizations worldwide. The model can serve at least three purposes. First, the model can assist change agents in planning for and assessing progress toward institutionalizing organizational change. Second, the model can help focus efforts of organizational scholars to study the change process. Third, the model offers the basis for hypothesis testing regarding the success or failure of change efforts.

Increasing global competition and changing political ideologies worldwide are some of the causes for the accelerated rate of organizational changes. Managers are being required to change virtually every aspect of the way organizations function. Employees' attitudes about work, their jobs, and their psychological contracts with their employer are being changed. As the pace of change increases, employees are continually faced with evidence that some changes are simply passing fads or quick-fix attempts, implemented with little commitment for their long-term success. It is no wonder that announced changes are met with skepticism and a *program-of-the-month* reception. In such circumstances, it makes perfect sense to wait to see if the organization is serious about the change before going through the machinations it requires. Clearly, such a reception to planned changes by those ultimately responsible for implementing them is detrimental to the change effort's timeliness and success. Thus, the change has little or no chance of being *institutionalized*; that is, becoming accepted, permanent, stable and/or normative.

Change efforts fail to become institutionalized for varied reasons. However, much of the problem revolves around the failure to shepherd the change effort through the entire process of change from diagnosis to institutionalization. Moreover, some changes are implemented simply based on the desire to be in *fashion* or to create the impression that the organization is being proactive. The goal is image rather than substantive change and such efforts generally lack the organization's commitment and follow-through to succeed.

But what about change efforts implemented with sincere intentions to improve the organization? We contend that two primary reasons those who are responsible for planning and implementing organizational change fail to follow through on such change efforts are (a) their impatience and assumption that successful change introduction and implementation guarantees institutionalization, and (b) their simple neglect of seeing change through to institutionalization. We suggest that the success rate for planned organizational changes could be improved by giving change agents and students of organizational change a better appreciation of the institutionalizing phase of the change process—by describing the numerous pieces that must be understood, acted upon, and integrated before an organizational change can be successful.

Therefore, the purpose of this chapter is to shed some much-needed light on the institutionalization of planned organizational change. After exploring the meaning of institutionalization, we propose and develop an integrative model of the process of institutionalization. In developing our model, we integrate scientifically rigorous research findings with numerous practical examples taken from our experiences as consultants and from the popular press. These practical examples are excerpted from organizational change experiences of noteworthy companies like Whirlpool, GM, Goldman-Sachs, Control Data, Ford, Merck, Xerox, Allied-Signal, GE, and Chrysler. Thus, our intent is to propose a model a change agent can use to answer the question "What must we do to facilitate the adoption and institutionalization of change?" The model can also serve to guide diagnosis and modification of change

efforts. For change scholars, the model provides a framework to stimulate additional research and theory on the dynamics of organizational change and management of the institutionalization process.

WHAT IS INSTITUTIONALIZATION?

The issues of permanence and stability are central to Lewin's (1947) unfreezing–moving–freezing metaphor. From this metaphorical perspective, an institutionalized change is one that is frozen and the process of creating that institutionalization is freezing. Beer (1976) describes freezing as follows: "the stabilization of change at a new equilibrium state through supporting changes in reference group norms, culture, or organizational policy and structure" (p. 939). As organizations are constantly undergoing change and experiencing flux, talking about literal *permanence* to describe institutionalization is unrealistic. However, experience tells us that some changes have a longer life than others. Therefore, it seems reasonable to talk about degrees of institutionalization as reflected in the duration of a state. But how should such degrees be conceptualized?

The Role of Commitment

Institutionalization is reflected in the presence of resistance against deviating from the current state. Resistance to change is the same as commitment to the current state. In his pioneering research on the sources of individuals' normative conformity, Kelman (1958) operationalized commitment into the three dimensions of compliance, identification, and internalization.

Kelman defined *compliance commitment* as that which occurs because an individual expects to receive specific rewards or avoids punishment by conforming. Resistance to change due to organizational structure, resource limitations, fixed investments, interorganizational agreements, threats to power, and economic and interpersonal vested interests all reflect resistance due to external pressures, fears, or constraints. The appropriateness of the change, that is, its *rightness* or *wrongness* for the organization, is not a concern. These sources of resistance represent compliance-based commitment to the system.

Identification commitment occurs because an individual wants to establish or maintain a satisfying self-defining relationship to another person or group. The individual adopts the induced behavior because it is associated with the desired relationship, but the content of the responses may be irrelevant. Culture, group cohesiveness, and other social system vested interest sources of resistance all reflect identification-based commitments.

Internalization commitment occurs because the content of the induced behavior, that is, the ideas and actions of which it is composed, is intrinsically appealing and seen as proper. Thus, the behavior is adopted because it is congruent with the individual's values. Paradigms, fear of the unknown, habit, and organizational

culture sources of resistance reflect internalized commitment, that is, people and the system believe the present state to be appropriate. In general, internalized commitment because of its unconscious, preconscious, or automatic nature is viewed as being a more powerful and persistent determinant of behavior.

Since Kelman's research, numerous researchers have made extensive contributions to our understanding and use of organizational commitment. Research indicates foci of commitment can be particular entities (e.g., an organization, people, values) to whom a person is attached (cf. Becker, 1992; Fishbein & Ajzen, 1975; George, 1990; Mathieu & Kohler, 1990; Reichers, 1985). Moreover, Becker's research expanded Kelman's typology to include organizational identification, organizational internalization, supervisor-related identity, supervisor-related internalization, work group identity, work group internalization, and overall compliance. He found supervisor-related and work group-related commitments were distinguishable from the more general organizational commitment. This conceptualization points out the importance of realizing that organizational members can identify with and internalize the values of, not only the organization, but also their supervisors and their work groups. As described below in more detail, we incorporate the importance of change agent (including supervisor) and organizational member (including work group) attributes in the proposed model of the change process. Thus, Becker's (1992) expanded conceptualization of commitment fits neatly into the model for institutionalizing change.

In a recent study of organization development (OD) practitioners, Church and Burke (1995) found that practitioners thought OD should begin to focus more on system-wide organizational issues and less on the traditional OD foci of individual and group processes and interpersonal relationships. In a sense, our focus on institutionalization represents such a shift. However, we prefer to think of our approach to institutionalization as bridging and interweaving the distinction between the system and individual OD concerns. Specifically, we suggest that the process of institutionalization at the system level is the process of building commitment to the changed state (or building resistance to changing from it) at the individual level. To create compliance-based commitment, a change agent must tie the change to organizational structure, interorganizational agreements, sunk costs, and reward systems. In order to create identification-based commitment, a change agent must tie changes to association with their supervisor and membership in their work group.Furthermore, to create internalization-based commitment reflected in individuals' paradigms, a change agent must tie changes to current employee beliefs and values as they relate to the organizational culture.

In most circumstances, a change agent will probably want to create institutionalization based on compliance, identification, and internalization commitments. To the extent a change agent wants a recent change to be more easily changed (unfrozen) in the future, institutionalization based on compliance may be sufficient. In cases where it is clear that many, if not most, employees will resist internalization, it may also be appropriate to focus mainly on creating compliance commitment,

particularly in the short term. However, over time, behavior resulting from compliance-based commitment can become normative, that is, *the way we've always done things*. The commitment perspective on institutionalization encourages the change agent to consider and plan for the degree of institutionalization desired.

Factors Affecting Institutionalization

While little work exists on the process of facilitating institutionalization, efforts have been made to determine the types of changes that are most easily institutionalized and the types of organizational factors that are most conducive to institutionalizing change. In general, interventions that are received positively by organizational members are more easily institutionalized than those received negatively. For example, Tornatzky and Klein (1982) found that innovations that (a) produced a relative advantage, (b) were more compatible with an organization, (c) were relatively less complex, (d) were lower cost, and (e) could be implemented on a trial basis were more likely to be adopted and institutionalized.

Regarding organizational factors, Damanpour (1991) analyzed the findings of 23 empirical studies that investigated the role of 13 content, contextual, and process factors on institutionalization. Among the 10 factors found to be associated with innovation were (a) functional differentiation (i.e., content), (b) technical knowledge resources (i.e., context), and (c) communication (i.e., process). The logic to this research focus is that successful change may depend more on the fit between content, context, and process considerations than the nature of the change.

Although research on the attributes and organizational factors provides interesting explanations for the success and failure of change efforts, practical application of the findings is limited. What options are open when relative advantage is not an obvious attribute of the intervention? What options are open to those organizations that do not fit the profiles? Finally, even if an intervention offers competitive advantage and an organization fits a successful profile, the findings do not provide insights into change processes and dynamics. Are there other forces that may contribute to institutionalization? To address such questions, we propose a model to aid in understanding and in ultimately facilitating the institutionalization of change.

THE MODEL

Our process model builds off Lewin's (1947) stages of change and social learning theory (Bandura, 1986). The model, depicted in Figure 1, comprises the following constructs: The three generic stages of change, the change message and its components, commitment (as explained above), the attributes of the change agent and the organizational membership, reinforcing strategies, institutionalization, and assessment.
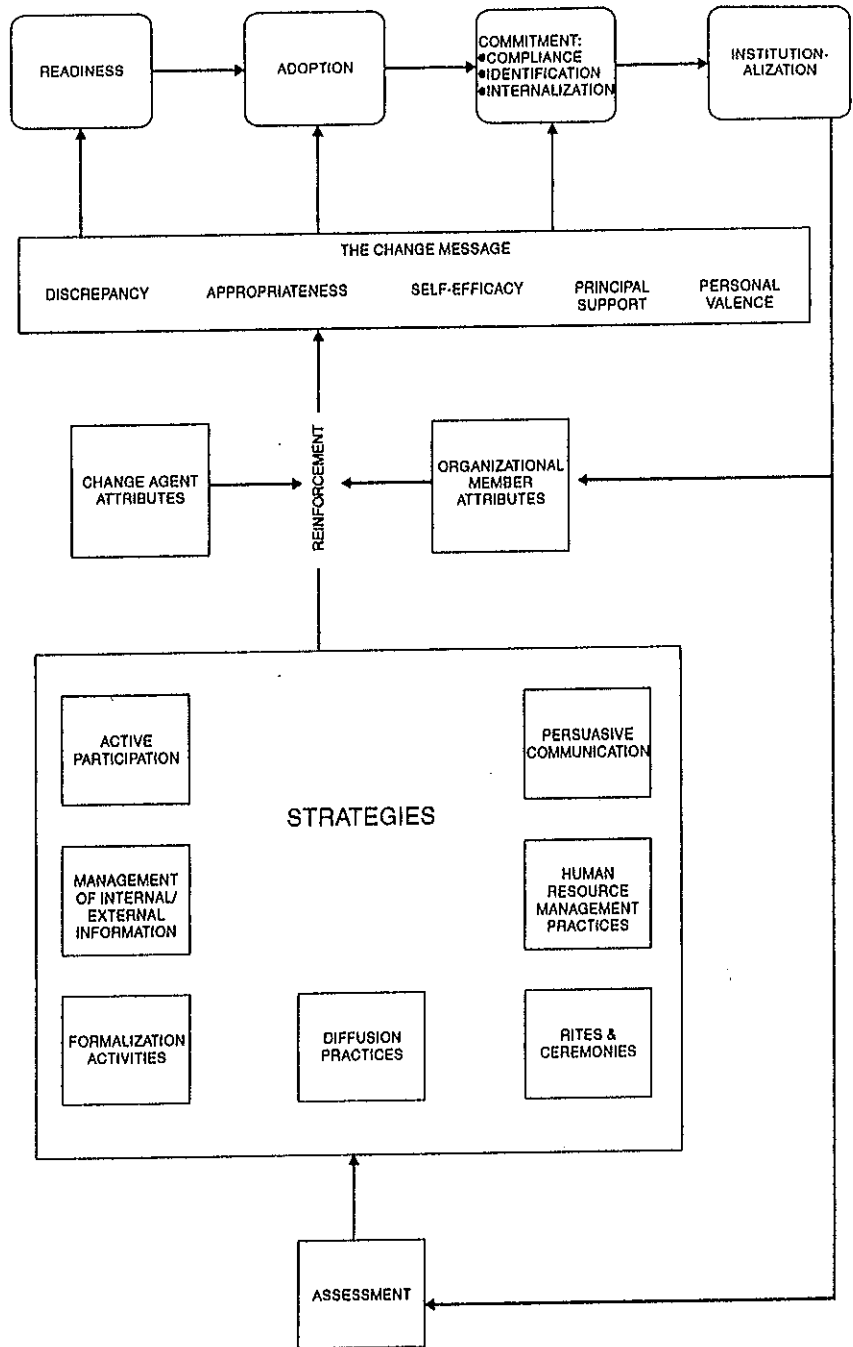
Figure 1. Institutionalizing Change

The Stages of Change

Most models of the change process are built around Lewin's (1947) stages of unfreezing, moving, and freezing. Paralleling Lewin, Bridges (1991), in his work on transitions, frames the process in terms of endings, transitions, and new beginnings. In Figure 1, we have used labels consistent with recent change literature to describe the three stages as readiness, adoption, and institutionalization. *Readiness* is the cognitive state comprising beliefs, attitudes, and intentions toward a change effort. When readiness for change exists (cf. Armenakis, Harris, & Mossholder, 1993), the organization is primed to embrace change and resistance is reduced. Organizational members will embrace the change and the adoption stage begins. If organizational members are not ready, the change may be rejected, and organizational members may initiate negative reactions, such as, sabotage, absenteeism, and output restriction. *Adoption* is the act of behaving in the new way, on a trial basis. That is, the change can still be rejected. As discussed earlier, *institutionalization* is reflected in the degree of commitment to a new way, that is, the post-change state of the system.

The Change Message

At the core of our model is the *message* required to build commitment to a change effort. All efforts to introduce and institutionalize change can be thought of as sending a message to organizational members. The introduction of change creates a great deal of uncertainty and confusion. Essentially, the purpose of the change message is to create certain core sentiments in members of the organization by answering a set of five key questions they have about the change. The first question is "Is change really necessary?" The question is answered by the *discrepancy* component of the message. Discrepancy refers to information regarding the need for change as reflected in the discrepancy between the current and ideal state in the organization. The second key question raised by organizational members is "Is the specific change being introduced an appropriate reaction to the discrepancy?" The *appropriateness* component of the change message provides the response to this question. A third question generated during a change is "Can I/we successfully implement the change?" The *efficacy* component of the change message answers this question by providing information and building confidence regarding the individual and group's ability to successfully implement the change. A fourth question has to do with organizational support for the change and reflects skepticism resulting from previous *program-of-the-month*, half-hearted change interventions. The purpose of the *principal support* message component is to provide information and convince organizational members that the formal and informal leaders are committed to successful implementation and institutionalization of the change. Finally, organizational members will want to know "What is in it (the change) for me?" By clarifying the intrinsic and extrinsic benefits of the change,

the *personal valence* component of the change message addresses this question. Imbedded in the concern for personal valence is the intrinsic desire for change fairness and justice. As Cobb, Wooten, and Folger (1995) note, employee perceptions of justice during periods of organizational change encompass assessments of the fair distribution of positive and negative outcomes, of the fairness of change procedures, and of the appropriateness of change agents' treatment of them. Perceptions of justice are particularly important for encouraging the type of extra-role behavior generally required of change efforts (Cobb et al., 1995).

The degree to which organizational members receive adequate answers to their core questions is a prime determinant of the nature of their ultimate commitment to the change. While the emphasis in this chapter is on the institutionalization of change, it is important to note that the change message also has implications for the creation of readiness for change (Armenakis et al., 1993) and its adoption. In fact, to the degree that the core questions are answered adequately in early stages of change, sentiments central to institutionalization may already be established.

The role of these five messages in generating positive change momentum is exemplified in an investigation conducted by Nutt (1986). Nutt studied the change implementation tactics of hospital executives in 91 case studies. The most successful tactics (labeled intervention and participation) described the change agent as demonstrating early support for the change (principal support), communicating the need for change (discrepancy and appropriateness), and involving organizational members throughout the change process (efficacy and personal valence). The least successful tactic (labeled edict) described the change agent as not discussing change plans with organizational members, not justifying the need for change, and using control and personal power to mandate adoption.

Before examining the strategies that can be employed to send the five key message components, it is important that we briefly examine attributes of the change agent that affect the persuasiveness of the change message and characteristics of the organizational members who are the targets of the change that affect their receptivity to the message.

Change Agent Attributes

Anyone involved in initiating, implementing, and supporting a change can be considered a change agent. Initially, this change agent may be the head of the organization (i.e., *global* change agent). People in all leadership positions will ultimately be expected to support and help drive the change throughout the organization. For large-scale change programs involving numerous organizational levels and departments, executives and other managers are extensions of the change agent, thus, serving in a role of *local* change agents. Finally, nonmanagerial organizational members can serve as change agents (i.e., *horizontal* change agents). These horizontal change agents can be those persons who interact socially (on the job, as well as, off the job) with colleagues as opinion leaders and can reinforce the

favorable interpretation of the message. Naturally, organizational members' perceptions of the change agents' attributes will influence the persuasiveness of any change message and ultimately commitment, hence, institutionalization of organizational change.

The single most important attribute that a change agent should possess is credibility. Kouzes and Posner (1993) identified the primary components of credibility to be honesty, competence, vision, and inspiration. The importance of credibility in changing cognitions and behaviors has been researched for several decades and continues to be of interest in current research investigations. According to research cited by Slater and Rouner (1992), changes in cognitions of organizational members have been linked empirically to the credibility of the change agent. Nystrom (1990) found that the quality of the relationship between a change agent and the organizational members was a significant factor in determining commitment. Similarly, Eisenberger, Fasolo, and Davis-LaMastro (1990) concluded that organizational member perceptions of being valued and cared about were instrumental in influencing innovativeness. In the Buller and McEvoy (1989) investigation, trust in the change agent was significant in institutionalizing a new performance appraisal system. Communicating a shared vision through speeches, memos, and newsletters along with executive visibility were significant in developing organizational commitment (Niehoff, Enz, & Grover, 1990). Larkin and Larkin (1996) refer to numerous surveys of employees from large organizations that revealed the preferred information source was frontline supervisors, implying, frontline employees had little confidence in upper-level executives. Likewise, Cobb et al. (1995) summarize the results of several studies that clearly demonstrate the importance of the perception among employees that the change agent can be trusted and is viewed as being, or attempting to be, fair and just in the way in which the change is being managed.

The obvious conclusion from these findings is that a required, although not sufficient, condition for institutionalization is that organizational members should perceive the change agent and his/her representatives as credible. Change agents develop credibility through their behaviors.

Attributes of the Organizational Membership

The organizational membership is the collection of individuals who must modify their cognitions and behavior to achieve the objectives of the change effort. Ultimately, it is the commitment of these individuals that determines the institutionalization of a change. Confronted with the same information and intervention, individuals can still be expected to react differently. *Listening* to organizational members, even those who may not be sold on the change, can result in a better mutual understanding of the concerns (Weisbord, 1988). Then, this understanding can be used to anticipate differential reactions of organizational members and can be helpful in orchestrating strategies intended to build their commitment for change

initiatives. Research on two factors, namely, individual differences and organizational differentiation, provides some guidance in the process of institutionalization.

In terms of individual differences, two scales are valuable for understanding change dynamics. Kirton's (1984) Adaption-Innovation Inventory, a paper-and-pencil instrument, has been used to categorize individuals as either adaptors or innovators. Innovators are more likely to embrace fundamental change while adaptors are less likely to embrace fundamental change (Kirton, 1984). A second scale, the Self-Monitoring Scale (Snyder, 1974) was used by Burkhardt (1991) who found that high self-monitors' (i.e., those who were more attentive to social comparison information) attitudes toward change were more influenced by opinion leaders and other individuals in their work groups. In contrast, low self-monitors were more influenced by those individuals who were performing jobs considered to be hierarchically similar.

The second factor to be considered in change institutionalization is the organizational differentiation that exists throughout the organization. Organizational change that originates outside of a group may be perceived as a threat. Defensive mechanisms are mobilized to ward off the intervention that will undoubtedly upset the norms. Plans to address the needs of these diverse groups (e.g., union members, professional classifications) and enlist the support of some as change agents can enhance the success of institutionalization.

Organizational differentiation has been researched in the change literature as subcultures (cf. Van Maanen & Barley, 1984) and cultural ecology (Baba, 1995). Baba's research explained how 15 work groups reacted to an organizational transformation aimed at commonizing the tools and methods used in the product development process of a large manufacturer. Baba's data revealed that the differential reaction of the work groups was related to the cultural ecology (i.e., the type of work they do, relationships with other internal and external organizational groups, and availability of resources) of each group. Thus, the cultural ecology of the work group determines how individuals within a work group will react to an organizational change.

Researchers investigating diffusion of agricultural innovations (Ryan & Gross, 1943) found that individuals who were highly respected influenced the willingness of others to institutionalize change. Therefore, it is critical that opinion leaders within the cohesive groups support the change and, consequently, influence others to embrace it, thus building momentum. Organizational commitment and commitment to change initiatives can be generated throughout the organization by peers serving as role models and providing social support and becoming horizontal change agents (e.g., giving encouragement and positive feedback).

Implications of the findings regarding individual differences and organizational differentiation are that a change agent needs to be familiar with organizational members and should attempt to enlist support for change. For example, organizational differentiation, including unions, engineers, and technical specialists, should be considered when identifying opinion leaders. Although it may be impractical to

assess organizational members by administering paper-and-pencil tests to identify innovators/adaptors or high/low self-monitors, these findings are important in understanding change dynamics.

Institutionalizing Strategies

Naturally, during organization change programs, change agents initiate actions that are intended to redefine norms and establish new ways of thinking and behaving. Their actions (or lack of action) can have both real and symbolic consequences with regard to sending and reinforcing the five core message components. In short, everything a change agent says (or does not say) and does (or does not do) can reinforce (or contradict) the change message. Executing the seven influence strategies shown in Figure 1 is intended to transmit and reinforce the five core message components.

Active Participation

Participation strategies can enhance the relationship between a change agent and organizational members, build the credibility of the change agent, and establish ownership in and reinforce commitment for organizational change (cf. Nutt, 1986). Furthermore, active participation's effectiveness as a change strategy is based on the concept of self-discovery, that is, the learning that results through personal experiences. Three active participation tactics are particularly useful in building commitment to change: (a) enactive mastery, (b) vicarious learning, and (c) participative decision making.

Enactive mastery. Enactive mastery is accomplished by gradually building competence and skills through successively accumulating activity blocks; that is, chunks of the total responsibilities. In enactive mastery, more complicated behaviors are not introduced until the previous behaviors have been mastered. In this way, individuals experience *small wins* (Weick, 1984) and are not confronted with the magnitude of the overall behavioral change requirement all at one time. In some situations, enactive mastery may mean initiating a new practice, such as quality meetings to discuss very simple issues on an infrequent basis. Over time, however, the frequency and intensiveness of the meetings can be increased as people become more accustomed to them. Through enactive mastery, organizational members can experience and realize any advantages of the new procedures and can gradually develop a sense of efficacy with regard to those procedures. Through prolonged practice and exposure, it is also possible that enactive mastery can be a source of demonstrating the appropriateness of a change.

Vicarious learning. Vicarious experiences are those during which organizational members observe others, most preferably respected colleagues, in the performance of the new behaviors. Benchmarking, the process of identifying and

emulating the excellent practices of other companies, is another type of vicarious learning experience and results in enhanced efficacy (e.g., "if they can do it, so can I") and appropriateness, because individuals will be able to observe any advantages of the new method. Furthermore, principal support for the intervention is observed as respected colleagues initiate and continue the adoption of the organizational change. Desire to adopt the new behavior results from wanting to be identified with the adopters. Consequently, the vicarious observer is encouraged to continue adoption and ultimately institutionalizes the new behavior.

Participative decision making. Participative decision making is an effective method to change cognitions and behaviors (cf. Beer, Eisenstat, & Spector, 1990; Dalton, 1970; Neumann, 1989; Pasmore & Fagans, 1992). To the extent that participative decision making enhances members' psychological ownership of change in the organization, individuals' dispositions toward promoting such change will likely be enhanced (cf. Dirks, Cummings, & Pierce, 1996). Individuals can be involved in decision making for all phases of the change process. Naturally, there are limits to participation, and there are situations in which participation is simply not possible. Some aspects of a change program may involve participation, such as strategic planning, but other aspects, such as downsizing, may involve only selected decision makers. Through their involvement in making change-related decisions, organizational members self-discover a clearer understanding of the problems and issues confronting their organization (discrepancy) and the improvements that can be realized from implementing change (appropriateness). Likewise, having a say in the changes that are ultimately introduced is likely to make individuals feel efficacy for those changes. As shown in the goal-setting literature, people have more confidence in their ability to meet a goal that they participated in setting (cf. Locke & Latham, 1990). Through participation, individuals observe the support of other organizational members. Participation also increases the likelihood that changes consistent with intrinsic/extrinsic motives are selected and that the change procedure is viewed as being more fair and just because participants are given a *voice* (Cobb et al., 1995; personal valence).

Persuasive Communication

Persuasive communication strategies are useful in efficiently communicating information relevant to all five core message components. Oral transmissions can be formal, such as speeches, or informal, such as chance face-to-face encounters. In addition, oral transmissions can be transmitted live as well as through audio- and videotape technology. Written messages can take the form of memos, e-mail messages, annual reports, letters/memos, and newsletters.

Cobb et al. (1995) make it clear that persuasive communication is a particularly important vehicle by which change agents provide *social accounts* which shape perceptions of the change and its fairness and justice and can be used to build

support for the change. Drawing off the work of Bies (1987), Cobb et al. (1995) describe four such social accounts. In causal accounts, change agents articulate the reasons and rationale behind the change and engage paradigms that provide a more *acceptable* interpretation of the change. In ideological accounts, change agents justify the change within the context of superordinate goals or visions and clarify the values which will guide change decision making and set the standard for definitions of what is just. Referential accounts clarify benchmarks for the change and clarify how things will be worse if change is not made and how things will be better once the change is made. Finally, penitential accounts are used to honestly address the difficulties of the change, make apologies, and demonstrate empathy with the employees.

In addition to the verbal content of the messages sent, the nature by which those messages is sent can have symbolic consequences as well. For example, the time, energy, and resources utilized in giving verbal communication provide symbolic evidence of the change agent's support for the change effort. In addition, change agent attempts to communicate powerful metaphors to summarize the change process often helps clarify events and processes that might otherwise be confusing for organizational members.

Because of people's inherent stance of "I'll believe it when I see it," persuasive communication cannot be expected to be as powerful as a strategy based in self-discovery, like enactive mastery or vicarious learning. However, persuasive communication is a basic and required strategy of all change agents because the act relates to one or all of the attributes of credibility. Furthermore, the symbolism emanating from the persuasive communication incidents can bolster the message transmitted by other strategies. To illustrate the integrated use of various persuasive communication strategies, examples from Whirlpool and General Motors are briefly outlined below.

Whirlpool example.   During 1988, Whirlpool Corporation leaders changed the corporate strategy and reorganized from a functional to a strategic business unit (SBU) organizational structure, followed by a 10 percent reduction in managers. A significant attempt at persuasive communication occurred in June 1988, when the Whirlpool chairman and CEO, Dave Whitwam, addressed the 250 officers, directors, and managers (and spouses) in an 80-minute, after-dinner speech. The purpose of the speech was to demonstrate symbolically his support for the changes, as well as to provide a degree of confirmation for them. Regarding discrepancy, the CEO reiterated that the changes were needed because of increased global competition and the accelerated rate of industry consolidation. The old functional structure inhibited the company's ability to capitalize on opportunities that existed in the market. As for appropriateness, Whitwam pronounced that with the changes, the company could now more effectively compete. To communicate his support for the changes that were implemented, he assured them "there is no turning back. Whirlpool of the past will be no more" (*Confirmation Speech*, 1988).

This persuasive communication incident is significant because it required time and effort in planning, reinforced the change, and was symbolic. For example, making arrangements for all directors, officers, managers, and their spouses for a formal dinner and to prepare a videotape of Whirlpool's *Confirmation Speech* for broader dissemination required more than a casual effort. Furthermore, the event was intended to do more than summarize the process. By incorporating the spouses at the dinner, the intent was apparently to acknowledge the impact of the changes on the whole family and to enlist familial support.

A symbolic innovative attempt, referred to as dramaturgy (Ritti & Silver, 1986), to institutionalize the changes at Whirlpool was the preparation (in 1990) of a videotape of three top executives (the CEO, the CFO, and the Executive Vice President) being interviewed by a French newscaster (*Business in Profile*, 1990). The setting for the staged interview was five years into the future, and the three executives were answering questions related to the reasons for Whirlpool's success during the last decade of the twentieth century. In introducing the executives, the newscaster referred to Whirlpool as the *renaissance company of the 1990s*. In the staged discussion, the executives attributed the company's outstanding performance (in the future) to the organizational changes which were currently being implemented in real life. Thus, this dramaturgy was reinforcing (a) their support for the continuing adoption and institutionalization of the new/improved ways of operating, (b) the need for and appropriateness of change (i.e., the new way proved better than the old ways), (c) efficacy (i.e., Whirlpool was capable of responding more quickly to external environmental changes) and (d) valence (i.e., the evidence indicates that the organizational changes were indeed something to be proud of and had been rewarded in the marketplace).

It is noteworthy to point out that this Whirlpool example is referred to as *video feed-forward* (Dowrick, 1991). Dowrick and associates describe some interesting research findings (with various groups of people, including alcoholics, children with reading disabilities, and athletes) that demonstrate its effectiveness in mastering new skills and enhancing one's ability to achieve higher levels of performance. The idea is to permit subjects to view themselves "not as they performed in the past (including errors), but as they will perform (correctly) in the future" (pp. 240–241). Using video feed-forward with a nationally ranked power-lifting athlete, Franks and Maile (1991) recorded a 26 percent improvement in performance in a 25-week period. A 10 percent increase in a one-year period is considered *remarkable*, especially when one considers the elite performance level of such an athlete. Thus, video feed-forward shows promise for implementing organizational change.

GM example. In 1992, General Motors Corporation announced numerous executive successions in the wake of staggering operating losses. Subsequently, the new leaders initiated a series of organizational changes intended to improve the corporation's performance. In its 1992 annual report, the chairman, John Smale, referring to its austere appearance, emphasized "that this annual report is a dramatic

departure from past practices. I believe it demonstrates the Corporation's commitment to meaningful change" (*General Motors Annual Report*, 1992, p. 3). In addition, the CEO, Jack Smith communicated the appropriateness of the changes by stating "I firmly believe your Corporation is, right now, on the way to achieving the strength it once had. We know what we have to do, and we're going to do it. Watch and see" (*General Motors Annual Report*, 1992, p. 3). Therefore, this report reinforced discrepancy (i.e., company performance was unacceptable) and efficacy (i.e., we are capable of returning to the strong company we once were). This annual report was symbolic because of its austere appearance. The statements made by both John Smale and Jack Smith communicated their support. Furthermore, their statements and the strategy were intended to demonstrate their vision and to inspire support from GM personnel.

Management of Internal/External Information

Information from internal and external sources is a powerful lever for reinforcing the message needed to institutionalize change. Examples of internal data are employee attitudes, productivity, costs, and other performance indicators (e.g., scrap) usually considered to be minimally influenced by external environmental fluctuations. Examples of external data include direct contact with customers via telephone surveys conducted by employees or articles in the business press. Clearly, much of the content of the information will be incorporated into messages conveyed using the various forms of persuasive communication. To the extent that individuals affected by the change can actively participate in gathering the information, believability is enhanced. Some information allows for the tracking of change success, so important to celebrating small wins (Weick, 1984) and keeping individuals focused on the desired changes.

Collecting survey data has a long history as a tool for identifying the need for change within the action-research community (cf. Nadler, 1977). After a change is initiated, organizational members can be reinforced to continue adoption by tracking the progress of change with data collected from internal and external stakeholders.

Leveraging and managing information from external media sources, such as the popular business press, can be disseminated to further enhance adoption and institutionalization (cf. Macdonald, 1995). For example, compiling and sharing press releases regarding the activities of competitors can be used to justify change efforts. Other tactics, like contracting with consultants and high visibility speakers can be very effective in reinforcing the ideas among organizational members that the firm is employing leading edge technology and is considered among the elite in their business area.

Human Resource Management Practices

Human resource management (HRM) practices can be used to complement other strategies in the institutionalization process. HRM practices include selection, performance appraisal, compensation, and training and development. While each practice can contribute to reinforcing all five core message components, human resource practices are generally a primary source of extrinsic reinforcement for desired behavior and symbolic evidence of organizational support for the change. It is important to realize that much of the reinforcement of change is accomplished through HRM practices (cf. Tichy, 1982). As evidence of the power of HRM practices, Yeung, Brockbank, and Ulrich (1991) report the results of a study of 1,200 businesses showing that HRM practices support change initiatives. However, care must be taken to consider employee attitudes related to the perceived fairness of change when using these HRM practices to reinforce change implementation. Kilbourne, O'Leary-Kelly, and Williams (1996) studied employee reactions to a shift from seniority-based to performance-based layoffs in a large electronics firm. They theorized that in addition to procedural and distributive justice concerns, transformational justice issues impacted employee attitudes toward the perceived fairness of change. Moreover, they concluded that justice concerns are present during change implementation, and the interrelatedness among HRM practices was critical to employee justice perceptions of change.

Selection. Selection decisions include firing, hiring, transferring, and promoting or demoting employees. At the most basic level, selection systems can be used to reinforce change adoption and discourage resistance. Selection activities can be used to institutionalize change by hiring and promoting those individuals whose values match those represented in the changed state of the organization and removing those individuals whose values do not (Pascale, 1985).

During periods of retrenchment, when organizations are downsizing, the commitment of the *survivors* may be influenced by the treatment of the selected *victims.* Brockner, Grover, Reed, DeWitt, and O'Malley (1987) found that publicized benefits (e.g., severance pay, job placement, and continuance of health insurance) provided to layoff victims significantly affected the commitment of the survivors. Therefore, the quality of the relationship between the agent and organizational members prior to any changes and the actions taken regarding those adversely affected during crisis will influence the survivors' response.

In addition to the usual knowledge, skills, and abilities (KSAs), selection specifications may include the likelihood of being committed to changes introduced. Therefore, an understanding of salient job requirements, plus the commitment of the time necessary to identify appropriate personnel, will contribute to the institutionalization of change programs. Furthermore, this knowledge can be applied in promoting and transferring from within (thus capitalizing on symbolism) those individuals who will initiate and sustain the social dynamics necessary to accelerate

the change process. Farkas and Wetlaufer (1996) described how Goldman-Sachs encouraged managers to volunteer for foreign assignments. A managing partner of the company explained "It was just not valued as an attractive career opportunity by most of our US people, and their spouses didn't necessarily want to go, and their dogs couldn't possibly endure living in Tokyo...So we took an exceptionally talented young banker and promoted him to partner two years ahead of his class because he went to Asia at great personal sacrifice" (Farkas & Wetlaufer, 1996, p.121).

Selection can be a powerful practice to reinforce discrepancy, efficacy, support, and valence. The survivors of an effectively executed downsizing should sense the change was needed and that the organization feels they are capable of performing the new behaviors. Job candidates who satisfy the technical and interpersonal job criteria, after extensive screening, may appreciate the thoroughness of the selection procedures and be more likely to contribute to a synergistic relationship with peers, subordinates, and superiors. Furthermore, rewarding individuals for volunteering for unpopular assignments and performing admirably can transmit new meaning to unpopular duty. The rewarding of such volunteering will demonstrate the organization's support and likely create support among organizational members.

Performance appraisal. The importance of feedback in changing one's behavior has been documented in field and laboratory studies (Bretz, Milkovich, & Read, 1992). Ilgen and Moore (1987), for example, found that feedback about quantity led to higher quantity, feedback about quality led to higher quality, and feedback about both led to higher quantity and quality. Including change criteria in appraisal systems serves to constantly reinforce the desired behaviors. Performance appraisal systems can contribute to institutionalization of change by providing appropriate feedback in a timely manner to organizational members. Performance appraisal systems at Control Data (Gomez-Mejia, Page, & Tornow, 1985), Ford Motor Company (Scherkenbach, 1985), Merck (Wagel, 1987), and Xerox (Deets & Tyler, 1986) have been designed to promote behaviors necessary to accomplish changes in corporate strategy.

Of late, a particular form of appraisal system, the 360-degree or multisource feedback (MSF) program, has become popular. MSF is feedback to leaders and managers from superiors, peers, subordinates, vendors, and customers aimed at improving organizational effectiveness (cf. London & Beatty, 1993). Its focus on change renders it appropriate for the adoption and institutionalization process because (a) new visions of the types of leaders an organization will begin to reward and advance can be incorporated and (b) knowledgeable individuals can be involved in the design of the MSF program (London & Beatty, 1993).

Lepsinger and Lucia (1997) describe an MSF process introduced at a bank. The leaders responded to the numerous external environmental changes affecting the banking industry by developing a business strategy that addressed service excellence and customer focus. In order to translate this to the branch-based employees,

an MSF program was designed to ensure that individual employees' skills and orientation were realigned to support the new strategy. An MSF instrument was completed by self, superior, direct reports, and peers. Personalized feedback reports were presented to each employee. Skill gaps for each individual were identified and during one-on-one development meetings, plans were formulated that specified how skill gaps were to be eliminated within an 18- to 24-month time period.

Performance appraisal and MSF provide an opportunity for an employee to receive feedback regarding the adoption and institutionalization of an organizational change. A difficulty in adoption is related to the delay of the new behavior resulting in tangible personal benefits. However, periodically giving feedback about employee performance in recently changed jobs can influence valence and efficacy sentiments. This feedback can serve to extend the adoption (trial) period, thus enhancing the possibility of institutionalization.

A great deal of research has been conducted on performance appraisal focusing on understanding and improving ability, through changing formats and training. The motivation for appraising the performance of others has not been well researched (cf. Harris, 1994). However, rater motivation in performance appraisal is an important variable that must be recognized. If performance appraisal is to serve as a change lever, change agents must recognize the importance of this tool. It appears that the popularity of MSF will stimulate research, hopefully on improving change agent ability and motivation to appraise performance.

Compensation.   The acceptable performance of a job is rewarded through some type of compensation program. Compensation typically consists of fixed interval plans (e.g., hourly, bi-weekly, monthly,) and variable plans (i.e., incentives), plus employee benefits (e.g., pensions, medical allowances, annual/sick leave, and severance pay). These tangible rewards can be very effective in reinforcing adoption and ultimately institutionalization of organizational change.

Bandura (1986) argued that extrinsic incentives (e.g., financial compensation, special priviledges, social recognition, advancement in rank, and other status-conferring rewards) should be provided to sustain adoptive behavior until the intrinsic value becomes apparent. When an organization establishes a new compensation plan to encourage organizational members to adopt an organizational change, change agent support is apparent. Furthermore, when a manager ceremonially recognizes a team or an individual, it is obvious that management supports the accomplishment. The likelihood of receiving compensation, in general, can be a significant factor in influencing the valence for an organizational change. The actual receipt of compensation will reinforce efficacy. When this compensation is tied to the goals of the organization change effort, organizational members infer that the change is appropriate and was indeed needed.

Traditionally, organizations have developed vertical hierarchical structures such that advancement within the organization has been perceived as upward movement. Typically, pay structures have matched hierarchical levels. However, the recent

trend toward flattening organizational structures is incongruent with a rigid multi-grade pay scale because the pay grades no longer match the reduced number of organizational levels. One way to resolve this incongruency is to introduce broad-banding, the act of collapsing pay grades into a few wide bands, thus supporting today's flatter organization (Abosch & Hand, 1994). By having fewer grades, restructuring, with the concomitant changes in roles and responsibilities, is less difficult. Among the benefits to broadbanding are that it: (a) provides greater opportunity for cross-functional moves; (b) fosters team building and functioning because team members will likely be from the same band; and (c) emphasizes skills/competencies (Abosch, 1995).

Broadbanding is consistent with the concept of teamwork and with various pay delivery strategies. Skill-based pay programs (i.e., rewarding individuals for acqui-sition and demonstration of work-related skills and competencies), career-develop-ment pay programs (i.e., rewarding lateral job involvement to encourage breadth of experience, knowledge, skills, and abilities), and merit cash/gain-sharing pro-grams (i.e., re-earnable lump-sum awards for individual/team performance) are all consistent with the broadbanding concept.

Research on these pay delivery strategies has shown them to be effective in reinforcing organizational change (cf. Bullock & Tubbs, 1990; Murray & Gerhart, 1998). Each provides various degrees of extrinsic rewards (e.g., periodic distribu-tions of monetary payments, minimally influenced by external environmental disturbances) and intrinsic rewards (e.g., autonomy and skill development).

Some factors that are possible with these pay delivery strategies may not be as practical with managerial bonus programs (e.g., eliminating the influence of external environmental fluctuations). Still, however, the logic of reinforcing new cognitions and behaviors with extrinsic rewards applies to managerial personnel. For example, before Whirlpool's SBU reorganization, the bonus system rewarded managers for the performance of the entire corporation. With the SBU reorganiza-tion, bonuses were based on the performance of the SBU. Thus, the receipt of the bonus was contingent on the performance of a manager's SBU and all managers were treated equitably, based on the performance of their SBU.

Training and development. To assist in the acquisition of new knowledge, skills, and abilities (KSAs) for recently changed jobs, an organization can initiate focused training programs. Parsons, Liden, O'Connor, and Nagao (1991) found that training in the use of personal computers, when perceived as *instrumental*, contrib-uted to institutionalizing the new behavior. El Sherif (1990) reported that training was a dynamic component in accelerating the institutionalization of decision support systems. Furthermore, Buller and McEvoy (1989) found that training contributed to the institutionalization of a new performance appraisal system. Also, Goodman and Dean (1982) found that training was a significant factor in institu-tionalizing changes brought about through Quality of Work Life programs.

Not only is training considered to be significant in institutionalizing change but the *trainers* can have an added influence on the outcome. Bandura (1986) proposed the use of respected peers as trainers or facilitators because of the symbolic social dynamics. A recent example illustrates how Coopers & Lybrand trained a cadre of Allied-Signal employees to conduct total quality management (TQM) workshops for all other employees (Stewart, 1992). This tactic is symbolically different from bringing in external trainers; this is more akin to respected peers spreading their influence through the organization, encouraging peers to adopt and to institutionalize the TQM philosophy.

Training and development, if linked to an organizational change, can reinforce all message components. First, the superiority of the new way should be obvious. Thus, need for change and the appropriateness of the change can be sensed. Second, the trainee should experience efficacy in performing the new job, because the KSAs will be related to the tasks. Organizational support should be apparent through the expenditure of funds and by permitting the training to be done on company time. Peer support can be transmitted by using colleagues of the participants as trainers. Finally, valence can be created by associating tangible and intangible rewards to the successful performance of the new job.

While skills training is focused more on the individual KSAs, team building capitalizes on the social dynamics of groups. Through team building, organizational member commitment to the change effort is influenced. Respected peers influence team members to increase their commitment by identifying with the team and internalizing the values of the change effort.

Diffusion Practices

Diffusion is spreading change adoption within one organizational group as well as spreading the adoption to other organizational groups. It is a common practice to establish a pilot program for experimental purposes to test an innovation. If test results are positive, then the innovation may be shared with potential adopters. Although some customization of the innovation may be necessary, the originating unit serves as a valuable resource in demonstrating the benefits, forewarning of adoption barriers, and advising about methodologies to facilitate implementation. Thus, the diffusion practice is an attempt to establish some kind of organizational dialogue whereby organizational members *learn to talk, walk the talk*, and *sustain the talk and walk* (Ashkenas & Jick, 1992).

Research by Johnston and Leenders (1990) on the diffusion of minor technical improvements in operations revealed that diffusion was accomplished through an interpersonal exchange between the potential user and the originating unit. Blakely, Emshoff, and Roitman (1984) identified site visits and diffusion facilitators as significant factors in institutionalization. Stewart (1991) reported that GE's successful Exchange of Best Practices program consists of presentations made by respected peers.

Other means of organizational sponsorship, such as providing research funding for the diffusion of an innovation, have also been shown to be effective. Gannis (1987) reported that financial support was a major factor for the success of Merck & Company, the pharmaceutical firm, in changing its research methodology for the invention of new drugs. The awarding of such funds, especially if handled in a ceremonial manner, may enhance the desire to achieve the high status of the awardees. Thus, the new practice can be diffused throughout the organization.

Bushe and Shani (1991) have described the use of a parallel learning structure (PLS; also referred to as a transition team, collateral organization, and parallel organization), as a vehicle for diffusing change. A PLS can connect and balance all the pieces in a change effort (cf. Duck, 1993). In addition to being a diffusion strategy, a PLS is a form of active participation which develops commitment among organizational members and enhances institutionalization. A PLS typically consists of a steering team (for overall direction) and smaller teams representing the various differentiated groups resembling the overall organizational membership. The operating procedures of a PLS are intended to promote change by representing the various interests and by assisting in customizing the change to that organizational group. Duck (1993) emphasized that someone on the PLS should pay particular attention to the emotional and behavioral issues that can and should surface in conjunction with the organizational change. Consequently, an organizational change can be tailored to be more compatible with the organizational networks, thus facilitating diffusion.

Ness and Cucuzza (1995) provided an example of how Chrysler used a PLS in diffusing activity-based costing (ABC) throughout its organization. A PLS was assembled consisting of 20 employees from the finance, manufacturing, engineering, and information systems. Three critical steps were executed in the diffusion process. First, the PLS persuaded critical opinion leaders to give ABC a fair shake and ultimately embrace the program. Second, the PLS coordinated training programs at all levels dealing with principles and mechanics of ABC. Finally, the PLS set up a pilot program at one plant and then rolled out the program throughout the company making sure local managers were involved and that there were visible successes (Ness & Cucuzza, 1995).

Use of diffusion practices is valuable because it effectively transmits the five message components. The benefits revealed from pilot programs or vicarious experiences from site visits can produce sufficient evidence that a change is needed (i.e., there is a better way). The actions by the change agent to sponsor the site visits or coordinate an exchange of best practices program symbolizes support for the organizational change. Customizing the innovation, practice, or organizational change to the uniquenesses in the adopting organization addresses the appropriateness issue. Knowing that the organizational change is being used by others and that it may be customized for local use can create efficacy. Finally, valence is created through some extrinsic reward (e.g., monetary compensation or social recognition) for adopting the organization change; furthermore, the realization that others are

adopting the change may extend the adoption and ultimately result in institution-alization.

Rites and Ceremonies

As noted above, symbolism is an important outcome of workplace activities and is the *expressive* meaning associated with organizational structures, behaviors, and processes (for a thorough treatment see Trice & Beyer, 1993). Rites and ceremonies are considered symbolic practices evident in all organizations. Rites are public performances that signify the consequences of actions and the extent to which these actions are consistent with an organization's values; ceremonies connect two or more rites into a single occasion (Trice & Beyer, 1993).

Rites and ceremonies are powerful shapers of underlying cultural values (Harris & Sutton, 1986; Trice & Beyer, 1993) and powerful sources of the key change message. Several change researchers have emphasized the role of *letting go of the past* in helping organizational members adopt and institutionalize change (cf. Bridges, 1991; *Confirmation Speech*, 1988). The transition to a new state is facilitated by accepting the fact that the old is gone forever. Retirement ceremonies are intended to provide an opportunity to summarize one's accomplishments and contributions to the organization, as a way of expressing gratitude to the retiree and officially ending one's formal association with the organization. However, these ceremonies also focus on the life thereafter, the new challenges, the application of accumulated experience and skills to the many new endeavors that continue to make life fulfilling. Consistent with the notion of letting go of the past, Harris and Sutton (1986) described parting ceremonies in public- and private-sector organizations that were *dying*. These were formally planned functions where employees mourned the passing of the old; a kind of cathartic experience which was intended to confirm an end to a rewarding worthwhile experience. During these ceremonies, participants shared in a final feast and exchanged stories of the good times and perhaps expressing sadness and anger at the organization's death. However, the one indis-putable fact was that it was over and it was time to move on. Thus, parting ceremonies can be useful in adopting and institutionalizing the *new* organizational change.

Rites of enhancement are intended to reinforce individuals and groups for adopting new ideas, values, and behaviors. Tunstall (1985) described AT&T's efforts (during the divestiture transition) to recognize and reward individuals for exemplary performance by establishing the Eagle award for new marketing ideas and the Golden Boy award for outstanding customer service.

Another rite of enhancement was Whirlpool's announcement of the joint venture with N.V. Philips (of the Netherlands). In August 1988, Whirlpool leaders quickly scheduled a meeting of the officers, directors, and managers to formally announce the joint venture. This joint venture made Whirlpool the world's largest home

appliance manufacturer. Badges with "We're #1" were distributed to all attendees. The atmosphere of the meeting was one of excitement and celebration.

This meeting was effective in transmitting the five message components; these inexpensive badges served as a symbol representing the outcome of the negotiations with Philips and in reinforcing the appropriateness of organizational changes recently experienced by these employees. The audience was then briefed (for approximately 60 minutes) on the strategic logic employed in seeking the joint venture with Philips. This accomplishment reinforced that the recent strategic and structural changes were necessary. The pride of being employed by the world's largest appliance manufacturer was an intrinsically valent sentiment that also contributed to the employees' efficacy. Support from the leaders was apparent from scheduling the meeting and the strategic briefing that followed. The jubilation and excitement of the officers, directors, and managers during and after the meeting were evidence of the support.

While symbols like the Whirlpool badges may seem insignificant and by themselves may not have the effect of more costly awards, they demonstrate the extent to which some organizations will go to influence emotions regarding organizational change. Furthermore, while the cost of these badges was nominal, over time, numerous low-cost symbols can have a cumulative effect.

Because symbolism is in virtually all actions (as well as in *nonactions*), several strategies/tactics explained above qualify as rites. Notable are, for example, Merck and Company's awards for adopting a new pharmaceutical research methodology (i.e., rite of creation), the dramaturgy video prepared by Whirlpool's leaders to celebrate the positive consequences of the reorganization (i.e., rite of transition), and Whirlpool's CEO delivering his *Confirmation Speech* that included the phrase "there is no turning back" (i.e., rite of parting).

Formalization Activities

In practically all organizational change efforts, there are concomitant changes in formal activities necessary to demonstrate emphatic support for the changes being implemented which may play a major role in the overall success of the change. Generally, such formal changes in structure and procedures are substantial and difficult. They are unlikely to be undertaken unless the organization wholeheartedly supports the organizational change. For example, in 1988, Whirlpool initiated a fundamental change in business strategy by changing from a low-cost leader to a product differentiation strategy. Concomitant with this change in strategy was a change from a functional to a divisional (i.e., strategic business unit) organizational structure. To support the new structure, revised job descriptions, policies, procedures and other formal job requirements were necessary.

Other initiatives like ISO 9000 (Uzumeri, 1997) and reengineering (Hammer & Champy, 1993; Vansina & Taillieu, 1996) are implemented concomitantly to change the formal activities, and thus change the way an organization conducts its business.

These formal activities naturally require new behaviors and are intended to support the organizational change. By applying the tactics described within the other strategies, change agents can facilitate the adoption and institutionalization of these new behaviors and send a powerful message regarding management's support of the change.

Use of the Model for Planning Organizational Change

The process of planning and implementing change obviously requires a great deal of time, effort, money, and patience. Summarized in Table 1 are the major questions that should be answered regarding the institutionalization of a change effort. We realize it is common practice for an organization to have multiple changes

Table 1. Checklist for Institutionalizing Change

- What level of commitment is appropriate for this organizational change? Is this commitment level consistent with the time dimension necessary for this change?
- Do we have realistic answers to the five questions used to focus the change message?
- Are the change agents and their representatives credible?
- Can we systematically categorize organizational members into groups? Do we know the opinion leaders within each group? How will they assess the change effort? Can we anticipate their reaction?
- Does this organizational change lend itself to a participative approach? Who do we involve? Can the overall change effort be divided into components, thus permitting sequencing the components, and capitalizing on the concept of enactive mastery? How can we incorporate vicarious experiences to facilitate and extend the adoption of the change effort?
- How should we incorporate the various tactics (e.g., live presentations, written communications, electronic transmissions) of persuasive communication? How frequently should the tactics be used? Are some of the tactics more appropriate for some audiences?
- What internal information can be used to transmit the message? What external information can be used to transmit the message?
- Regarding HRM practices:
  - How can we execute the selection tactic to communicate the message?
  - Is our performance appraisal program in synch with the organizational change?
  - Are we assessing the appraisees in terms of their commitment to the change program?
  - Does our compensation program support the organizational change?
  - What educational programs are needed and who can conduct them most effectively?
- Can we benefit from establishing a parallel learning structure? Who should the representatives be?
- What symbolic actions/events can we execute to transmit the message?
- What formal activities are necessary to support the organizational change?
- How are we going to assess the level of commitment among our employees?
- Does this organizational change resemble a *program-of-the-month*?

being implemented simultaneously. By planning each change, using the model as a guide, a change agent can appreciate the magnitude of the effort required for implementation. Consequently, it should be apparent that *change overload* can be experienced quite quickly. Thus, a change agent can more realistically anticipate the challenges faced in implementing changes successfully. In situations requiring implementation of multiple changes at least two alternatives are apparent. One alternative may be to coordinate the various projects and use the strategies and tactics common to more than one project to facilitate institutionalization. Another alternative may be to prioritize the change projects and initiate a plan to implement those that are most critical early on and those that are less critical subsequently. In either case, by conscientiously answering these questions, change agents can appreciate the magnitude of implementing organizational change. Furthermore, the symbolic effect of using multiple strategies should be that organizational members will realize that the change program is not simply another program-of-the-month.

Commitment and Assessment

The assessment of any organizational change effort is intended to determine the extent to which the objectives have been accomplished. Understandably, a change implemented in response to unacceptable levels of productivity or profitability would be ultimately evaluated in those terms. However, early researchers (cf. Georgopoulos & Tannenbaum, 1957; Likert, 1967) established the link between managerial actions and behavior (i.e., causal variables); perceptions, attitudes, and satisfaction (i.e., intervening variables); and productivity, scrap, and employee absenteeism and turnover (i.e., end-result variables; Likert, 1967). Relying solely on assessment criteria, such as productivity and profitability, may not accurately portray the existing commitment level. The assessment of commitment can be used to predict future trends in end-result criteria. In other words, commitment may be a leading organizational indicator of productivity. That is, internalized commitment is more informative about institutionalization than simply reporting productivity has increased. An increase in productivity could be associated with a higher level of compliance commitment. Thus, assessing the effectiveness with which change strategies are executed and received should be based on level of commitment and selected end-result variables that are relevant to the specific organization change effort.

The research on commitment that we used in developing the model provides useful detail is assessing progress toward institutionalization. This conceptualization of commitment is relevant to the theory, research, and practice of organizational change because it permits a change agent to establish objectives related to each level. In addition, it serves as a barometer of the extent to which institutionalization has been achieved. For example, a change agent may elect to establish time horizons for achieving each level of commitment. In some situations, particularly those involving business turnarounds, a change agent may attempt to accomplish only

compliance-based commitment. However, for the long-term the goal might be internalization commitment. Moreover, some of the strategies and tactics are useful in short-term situations while others may be expected to produce changes over the longer term. For example, formalization activities may influence one's behavior in the short term because organizational members will be required to comply with new job duties. However, over time, other tactics, such as vicarious learning, may require the longer term perspective.

The research provided by Becker (1992) has demonstrated that we can refine the assessment of commitment into overall compliance commitment and identification and internalization commitment as each applies to the organization, an organizational member's supervisor, and work group. Furthermore, the other research (cf. George, 1990; Reichers, 1985) implies that we could extend the measurement of commitment to the change agent and the change initiative. Thus, it may be possible to assess one's commitment (i.e., identification and internalization) to each entity, namely, the organization, the change agent, the change initiative, the work group, and the supervisor. A comparison of the various levels of commitment to each entity (e.g., the change initiative with the supervisor) can indicate whether organizational members perceive their supervisor as supporting the change initiative. This added refinement in measurement can assist in pinpointing where additional resources might be needed in institutionalizing change.

In addition to assessing commitment, the extent to which organizational members have *heard* and *believe* the five core message components should be assessed. If an organizational change effort is not having the intended effects on commitment, then it might be valuable to know whether one or more message components has been ignored or lacks believability. Through this part of assessment, a diagnosis can be initiated to identify why the message lacks believability and what actions need to be taken to remedy the situation. Each element in the model must be analyzed. For example, (a) is there something unacceptable about the message components, (b) do some groups have different beliefs about the message, (c) do the change agents lack credibility, and (d) are the strategies being effectively executed?

The methodological issues related to assessment are beyond the scope of this paper. However, one must recognize that assessment of change offers some interesting methodological challenges (cf. Armenakis, 1988; Svyantek, O'Connell, & Baumgardner, 1992; Woodman, 1989).

CONCLUSIONS AND IMPLICATIONS

Organizational change efforts comprise *content* and *process* issues. Content issues are related to *what* is to be changed. Changes in business strategy and organizational restructuring and other formalization activities are examples of content issues. These may be the required changes that must be embraced and effectively implemented by organizational members in order for the organization to improve its

performance. On the other hand, process issues deal with *how* the content issues are implemented. We proposed and explained a comprehensive process model useful in institutionalizing organizational changes. Although the model is primarily focused on process issues, we do not want to underemphasize the required changes. Our intent in developing the model was to emphasize that a change agent must be knowledgeable of *both* the content and process of change.

Each construct in the model (see Figure 1) should become a conscious and explicit step in planning, implementing, and assessing organizational change. We selected commitment because we feel it is a natural outcome measure for institutionalization. Most people seek to be committed, in terms of psychological attachment, to some entity in order to satisfy a set of needs. Some interesting findings regarding loyalty and commitment have revealed that because of the organizational responses (e.g., mergers and acquisitions, reengineering, downsizing) to external environmental changes, employees are finding less reason to be committed to their employer than to some professional or trade organization (cf. Rousseau, 1997; and this trend is worldwide; see Kanter, 1991). We think this is unfortunate and unnecessary and thus made commitment a centerpiece in the model.

In realizing this trend in commitment, change agents should build and periodically assess commitment. Not only should change agents be concerned about losing good employees who have significant investment value and who can contribute to an organization's success, they should also be concerned about the commitment level of all employees.

The recent research on commitment has initiated some interesting debates. Several researchers (cf. Becker, 1992; Becker, Billings, Eveleth, & Gilbert, 1996; Harris, Hirschfeld, Feild, & Mossholder, 1993; Meyer & Allen, 1997; O'Reilly, Chatman, & Caldwell, 1991) have refined and extended Kelman's (1958) original conceptualization. While differences in the typologies exist, they are similar and compatible (Meyer & Allen, 1997). Although we used Becker's extension of Kelman, other conceptualizations can certainly be used with the model.

Change agent attributes were included in the model to emphasize not only the importance of the driving force behind the change but the importance of those representatives (e.g., managers and respected peers) who may act as change agent extensions in diffusing change throughout the organization. It was argued that change agents must be perceived as credible if institutionalization is to occur. The believability of the message is related to the credibility of the change agent.

The value in including attributes of organizational members in the model is to create awareness that it is unlikely that change will be institutionalized homogeneously throughout the organization. Understanding the role of individual differences and organizational ecology is important in appreciating the challenges change agents face in institutionalizing change. Change agents should be familiar enough with organizational members to systematically categorize individuals into one or more groups. Furthermore, it is useful to be able to identify the opinion leaders and to anticipate their assessment of and reaction to the change. Recognizing these

attributes and planning the implementation accordingly will enhance the probability of success. In order to establish positive momentum for the change and minimize the likelihood of a change initiative being cynically labeled a program-of-the-month, organizational members need to be converted to change agents.

The social distance that exists between the change agent's actions and organizational members is a major issue that must be dealt with in any organizational change. A CEO can initiate a change program, but there should be an explicit endorsement at all levels of the organization; otherwise, the change effort will not succeed. Those in leadership positions should be considered credible, should endorse the change, and should mimic the behavior of the change agents. At the local level these leaders should be expected to use the strategies in the model and apply them in ways that are appropriate for the level. Thus, all strategies in the model should be used at the macro- and micro-levels.

All strategies and tactics should be explicitly linked to the organizational change effort and should be considered to be complementary. In terms of linking tactics to the change effort, the human resource management practices should demonstrate support. For example, criteria related to the change effort may be included in the existing performance appraisal program; a multisource feedback program may be initiated and aimed at supporting the change effort. Similarly, the compensation package must reinforce the change effort.

The factors in the model can be expected to have interactive relationships. Thus, a change agent who was not considered to be credible could negate the potential positive effects of the strategies and tactics. We cannot identify which factors in the model are the most significant in the institutionalization process. Intuitively, we believe that those factors based on the concept of self-discovery have more impact than those that are directly from the change agent. However, active participation cannot be expected to be the sole ingredient in the change process, although it is significant. The other strategies should be considered as supportive and used as appropriate to institutionalize change. Until research can identify which are most effective, we argue that all should be coordinated and applied in all organizational change efforts. We prefer to think about the model in terms of an athletic metaphor and argue that omitting any element in the model is tantamount to fielding a team without all the players. Thus, we advocate use of the *complete* model in the adoption and institutionalization of change.

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