

# Sanding Down the Edges

## *Paradoxical Impediments to Organizational Change*

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In contrast to population ecology and new institutionalist approaches that cite the external environment as the culprit for inertia, this article steps inside the organization to show how internal processes render change ineffective. It is argued that the very same processes described in the literature as prerequisites for success are paradoxically those that make change less likely to occur. Detailed examples of failed organizational change from a *Fortune* 50 corporation and a metropolitan teaching hospital illustrate the ways in which the organizational system not only sands down the sharp edges of ambitious change agendas, but also uses the change process itself as fuel for perpetuating the status quo. The final section relates these basic paradoxes to deeper roots of change in social systems and suggests ways of changing the way we change in light of the resiliency and resistance of the organizational system.

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In their article titled "Managerial Discretion: A Bridge Between Polar Views of Organizational Outcomes," Hambrick and Finkelstein (1987) frame an important debate in the organizational literature concerning the degree to which organizations can control their own destinies. On one side of the debate are the new institutionalists

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*I am grateful to Richard Hackman for his invaluable feedback and direction at all stages of this project and to Joshua Margolis for his insightful comments and suggestions. I would also like to thank Ruth Wageman, Victoria Alexander, and Erin Lehman for helpful feedback on earlier drafts of this article, and Ruth Wageman and Elliot Fan for their insights on diagnosing change processes in the corporation.*

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THE JOURNAL OF APPLIED BEHAVIORAL SCIENCE, Vol. 35 No. 1, March 1999 8-24

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(DiMaggio & Powell, 1983; Scott, 1992) and population ecologists (Aldrich, 1972; Hannan & Freeman, 1977, 1989), who argue that organizations are so completely controlled by their external environments that they have little ability to transform themselves in any short-term, purposeful fashion. For these externally focused theorists, change is a slow, evolutionary process, according to which organizations are controlled by their environments and have limited abilities to deviate from their current trajectories. Strategic choice theorists (e.g., Child, 1972), on the other hand, operate with the opposite assumption. Instead of being controlled by their environments, organizations can control their own destinies by actively and purposely creating a fit between their own internal structures and the demands of the environment.

This article focuses on the process by which adaptive attempts at change heralded by strategic choice theorists reach the inertial conclusion of the externally oriented models. However, in contrast to the typical population ecology and new institutionalist approaches, which cite the external environment as the source of organizational inertia, this article steps inside the organization to show how internal processes render change ineffective.

Although these two broad theoretical perspectives make strong assumptions regarding an organization's ability to change, neither goes into depth about the mechanisms involved in the change process itself. This article aims to explain how mechanisms and processes internal to the organization sand down the sharpest edges of even the most promising change initiatives. The discussion focuses on the paradoxical ways in which factors typically described in the strategic choice literature as prerequisites for effective change turn out to be the very same ones that make change less likely to occur. Instead of fundamentally altering the organization as originally intended, change processes paradoxically extend and deepen the very dynamics of the system that they are meant to transform. The fundamental paradox of organizational change is that instead of changing the organization, organizational change strengthens the status quo. The roots of this fundamental paradox are elaborated in the final section of the article.

## METHOD

The paradoxical impediments to change described within grew out of research conducted in two very different organizations: a major metropolitan hospital and a *Fortune* 50 corporation. Although the original goal of each project was to study the processes by which change occurs, the focus gradually shifted to determining the reasons why change does not occur. Over time, it simply became apparent that, despite their differences, the two organizations were encountering similar dilemmas in their efforts to change.

The hospital investigation was part of a 2-year research project at a major metropolitan hospital (hereafter referred to as City Hospital) designed to fundamentally change the delivery of patient care by creating self-managing teams composed of doctors, nurses, and pharmacists. Two types of teams were created to accomplish this goal: a hospital-wide leadership planning team (composed of leaders from nursing,

medicine, and pharmacy) as well as unit-based strategy teams (composed of doctors, nurses, and pharmacists from each unit).

The qualitative research component of the hospital project was intended to provide detailed information about the way in which the structured changes conceived at the highest levels of hospital leadership actually unfolded within the patient care units themselves. The general, orienting research strategy was to track the process over time, systematically gathering data through (a) observation of meetings; (b) in-depth, semistructured interviews with individual team members; (c) observation and ad hoc interviews with members of the various units in which the interventions took place; (d) retrospective interviews with project leadership about the history and espoused purposes of the project; and (e) analysis of archival materials about past and present attempts to achieve organizational change in the division.

I observed 52 meetings during the 18-month duration of the project. These observations included three different types of meetings: (a) leadership meetings (including heads of nursing, medicine, and pharmacy; team leaders; and group facilitators), (b) unit-based strategy meetings (including team leaders; facilitators; and team members from nursing, medicine, and pharmacy), and (c) subgroup meetings (including smaller sets of the above individuals meeting on an ad-hoc basis). Forty-three open-ended interviews of approximately 1 hour each also were conducted with project leaders, project facilitators, team leaders (nurse managers), nurses, doctors, pharmacists, and support staff (medical secretaries, nurses' assistants). Following each observation and interview session, I wrote detailed field notes capturing the specifics of what happened, in addition to keeping an ongoing log of my impressions about the overall change process, supported with as many behavioral examples as possible. These accounts were checked on a monthly basis with another qualitative researcher who provided further behavioral evidence that confirmed some impressions and disconfirmed others.<sup>1</sup> Ideas and themes that emerged from these research discussions helped structure further observations and data collection in the field.

Concurrent with my position as a qualitative researcher in the hospital project, I was involved in a similar role with an organizational change project in a *Fortune* 50 corporation. The research at the corporation (hereafter referred to as Technology Inc.) was an in-depth investigation of a cross-functional design team, the mission of which was to plan and execute a strategy for restructuring the entire division's work life from a system of individual management to a system of self-managing teams. The design team was composed of nine individuals of varying functional levels selected from five U.S. sites who met on a monthly basis for 2 days at a time to design their strategy.

Our three-person research team at Technology Inc.<sup>2</sup> observed approximately 140 hours of meetings of the design team in addition to conducting semistructured interviews with each of the nine members. As the design group meetings were typically held at hotels over a period of several days, there also was ample opportunity to engage in informal discussion with members of the team. Some of the most fruitful and enlightening discussions occurred in this informal environment.

The research group also made a series of visits to field sites where the ideas about change were actually being implemented. These field site visits allowed for observation of employee training sessions, interviews with a range of employees at different

levels of the organization, and comparisons of the work environment before and after the interventions in the field.

The process of making sense of the change process in the corporation was similar to that involved in the hospital. Following each 2- to 3-day meeting, members of the research group would exchange field notes, including behavioral descriptions of events and discussions as well as impressions and themes that appeared to be emerging from the data. We then would meet to discuss emerging themes and check the reliability of our observations and inferences. Themes that emerged from these discussions focused subsequent data collection and observation in the field.

After several months of engaging in this process in both City Hospital and Technology Inc., congruent themes began to emerge from the data. It became increasingly apparent that the carefully conceived plans for change in each case were being undermined in a similar way by the very same factors that organizational literature cites as being essential for successful change.

With this insight in mind, I continued to collect data and participate as a researcher in the two change projects while simultaneously developing my own meta-level analysis of the two cases centering around this emergent theme of paradoxical processes. At the beginning of this process, I shared my insight with a fellow researcher who was not involved in the day-to-day process of data collection but who had helped to structure the project from the beginning and who knew the details of both of the cases quite well. Discussions with this researcher helped refine ongoing arguments and analyses, as well as guide further data collection in the field to confirm or disconfirm emerging themes and ideas.<sup>3</sup>

After several more months of this process, I fashioned these emergent ideas into an interpretive account of the change processes in the two organizations. Versions of this account were given to the original researchers in both the hospital and the corporation to test my insights against their observations and analyses. The current article is a result of this exercise.

### PARADOXICAL TRADE-OFFS TO CHANGE

Although previous research (e.g., Smith & Berg, 1987) has concentrated on inherent paradoxical features of social systems at the group level, this particular study focuses on the organizational level of analysis. Specifically, the article focuses on three inherent, paradoxical features of changing an organization:

1. Change depends on management, but management makes change less likely to occur.
2. Change depends on the commitment of change leaders, but the commitment of change leaders makes change less likely to occur.
3. Change depends on rhetoric, but rhetoric makes change less likely to occur.

For our purposes, if a certain feature of a social system is both essential for the system to grow and change while also destructive to the change process itself, that aspect of the system is paradoxical.

*Paradox 1:* Change depends on management, but management makes change less likely to occur.

The consensus among scholars of organizational change processes is that major change must be carefully managed to ensure commitment and coordination from individuals and groups involved in the process (e.g., Beer, Eisenstadt, & Spector, 1990; Nadler & Tushman, 1990; Schein, 1992). Typical recipes for the management of change include compartmentalization of the process into a designated project with a specified timeline for initiation and completion and the selection of a change leader or champion to head the project, with prior success in the organization being a key criterion for selection. The leader then is typically presented with this opportunity as a challenge that, if successful, could catapult him or her up the organizational hierarchy.

Managing change in this way is an organization's natural, routine response for making something happen. Unless the designated change project is somehow highlighted amid the chaotic stream of organizational activity, it has little hope for success (Cohen, March, & Olsen, 1972). However, although the compartmentalization and active, personal management of change are essential for attracting resources and attention, these very same processes make change less likely to occur.

One instance of the management of change undermining the process itself occurs when the change project becomes exclusively affiliated with a particular division or area and subsequently is undermined not because of the questionable merits of the project, but because of antagonism toward the project's sponsor. Such was the case in City Hospital, where the change project, which originally was meant to be a multidisciplinary effort among nursing, pharmacy, and medicine, eventually became viewed as a *nursing* study by all parties involved (as one pharmacist noted, "I feel overwhelmed with the process. The focus is 98% nursing and everyone is ganging up on me.").

The pharmacy ultimately undermined the project because of its long-standing conflictual relationship with the department of nursing and this perceived "sponsorship bias." For instance, despite initial promises of participation and cooperation, the chief of the pharmacy was the only member of the leadership team who never attended a single one of the bimonthly leadership meetings over the 16-month period. In addition, in one of the unit-level strategy teams, the pharmacy representative—who changed four times during the course of the study—routinely arrived 20 to 30 minutes late to the meetings, regardless of which pharmacist was fulfilling the role at the time. As one pharmacist noted, "Even if this nursing study solved all our problems, I believe that certain people here would still be fighting against it just because it came from nursing."

Although the pharmacy could have significantly benefited from the proposed reorganization ("The multidisciplinary teams could really have given us an established, important role in the hospital," according to one senior pharmacist), they nevertheless fought against the process because of prior antagonism toward the project's sponsor. By bounding change into a visible project affiliated with a particular sponsor, the organization undermined change by allowing the project to serve as fuel for the perpetuation of existing organizational conflicts instead of as a means for their resolution.

Another way in which management undermines change involves the way in which the organization structures and frames the initiative for potential leaders of the process.

Although change is almost always framed as an organizational, cooperative effort, it is more often than not structured in the individualistic, win-lose paradigm that the change process itself may have been designed to abolish. For instance, at Technology Inc., the change leader was given the project as a "make-or-break" career challenge. She was removed from her official position in the corporate office and given a short-term position as director of the change project for the entire division. She was given 18 months to familiarize herself with the change literature, examine previous change efforts in the organization, and devise a strategic plan for completely restructuring the division's work life. Her future role in the organization was contingent on the results of this highly visible effort. As one of the members of the leadership team in the corporation noted, "She has staked her entire career on this change strategy . . . so it better as well work out!"

Although such a frame ensures dedication and devotion to the project, it also biases the process by raising the stakes for failure and tempting a manager of change to put a positive spin on even the most negative news about the project. As the head of the change project at Technology Inc. quipped to her team immediately before presenting a progress report to senior management, "The project doesn't have to be perfect, but the communication has to be." And as she told the group before another meeting, "We really need to get a spin doctor to get this stuff across so that this stuff really hits them [senior management] hard."

Organizing change as a win-lose proposition for the manager of change curtails the likelihood of accurate feedback by depending on an organizational martyr to disclose bad news about the project. Because the head of the change project is almost always a fairly senior person with significant tenure and, as a result, a great deal to lose, creating a situation in which the interests of the organization are paramount is an especially difficult challenge.

A final example of the paradoxical consequences of the management of change occurs when the very mechanisms necessary for effective management of the process (e.g., trust and intergroup cooperation) are simultaneously a major goal of the effort itself. In Technology Inc., this paradox manifested itself in the efforts of management to build trust between workers and management. The strategy that the design team developed to meet this goal was to convince workers to stop thinking "we" (workers) versus "they" (management) and to begin thinking "all of us." The problem with implementing such a paradigm shift, however, was that the existing gap between the two sides interfered with the process. For instance, during one particular trust-building session between workers and managers, the majority of managers neglected to attend the session. Employees noted in off-line conversations with the researcher during the session that, despite all the rhetoric surrounding the new changes, they would still not risk speaking their minds in the organization for fear of antagonizing their managers. As one employee noted,

The problem with this "we-they" stuff is that if "we" bring up stuff to them about things we'd like to change, most of the time we'll just get in trouble for having brought it up. And now, of course, they're not even here to talk about it. It's all a big mess.

Thus, the lack of openness and trust that prompted the change in the first place complicates efforts at changing behavior.

In City Hospital, this paradox surfaced in efforts to improve coordination and cooperation among nurses, doctors, and pharmacists both in the leadership group as well as in the strategy teams on the units. The problem for improving cooperation and coordination in the hospital was that in order to do so, the different disciplines needed cooperation and coordination to initiate the process in the first place. For instance, although it was agreed at initial leadership meetings that doctors, pharmacists, and nurses would play an equal role on the leadership and unit-level teams, the pharmacy presence was minimal, and the medical presence was virtually nonexistent. Despite initial promises, doctors never appeared at a single one of the strategy meetings on one of the units; on the other unit, a doctor appeared a few times to advance a particular item on her agenda, but subsequently was never heard from again. On the level of the leadership team, the head pharmacist did not participate in a single monthly leadership meeting despite initial promises of active participation. In addition, after the first few meetings of the group, the head of nursing ceased to participate while at the same time complaining about the lack of pharmacy involvement: "It is obvious that the chief of the pharmacy is not involved, and there is a real question of whether or not he even believes in the study at all."

Thus, when an end of the change process is simultaneously a means to achieve that same end, the organization finds itself in a circular bind: To create cooperation, you need cooperation; to create trust, you need trust. In both Technology Inc. and City Hospital, this paradox served to frustrate an ambitious change agenda. Instead of increasing trust and cooperation among employees and managers and among nurses and pharmacists, the intervention became instead yet another example of the inability of the two sides to trust and cooperate and thus served to perpetuate the very same conflicts that it was meant to resolve.

The essence of this first paradox, therefore, is that although change depends on management in order to succeed, management inhibits change from being successful. First, by compartmentalizing change into a bounded change project with a designated sponsor, the organization allows the project to become a pawn in existing intergroup rivalries. Thus, instead of altering the organization by improving group relations, the change project becomes fuel for perpetuation of those rivalries. Second, by structuring and framing the leadership of the change initiative as a win-lose, individualistic proposition, the organization encourages impression management from project leadership and thus severs the very feedback mechanism crucial for the project's success. Finally, by depending on trust and cooperation in order to facilitate the change process, the management of change handicaps itself by depending on factors to create change that are not only lacking in the organization but that are also a major goal of the change project itself.

*Paradox 2:* Change depends on the commitment of change leaders, but the commitment of change leaders makes change less likely to occur.

Organizational scholars take it as a virtual given that the unwavering commitment of leadership is a crucial ingredient for successful organizational change (e.g., Beer et al., 1990; Kanter, Stein, & Jick, 1992). Successful change initiatives depend on change leaders who are dedicated to making change occur and willing and able to secure necessary resources and support from the highest echelons of the organization. However, because of the way in which the notion of commitment is understood and actualized within the organization, committed change leaders end up creating barriers to change instead of facilitating the process. Thus, although change depends on the commitment of leaders in order to be successful, the way in which commitment manifests itself in the organization makes change less likely to occur.

*Commitment as involvement with multiple projects.* In both organizations, change champions had to maximize the number and scope of change efforts with which they (and their departments) were involved in order to demonstrate commitment. For instance, as a close associate of the change champion in the hospital noted about the change leader, "She's valued here just for taking a direction—even if it's not the right direction. . . . Her style is valued 'cause people think there's a need for action in tough times."

Although this first dimension of commitment may serve to maximize the overall scope of change in the organization, it minimizes the potential effectiveness of any single initiative. For instance, the nursing division in the hospital, which originally sponsored the cross-disciplinary change project, was simultaneously involved with 20 other projects, several of which were also change oriented. Indeed, the leader of the nursing division in the hospital was so committed to making change happen, according to one subordinate, that "she [did] not refuse anything—ever. Her way [was] to shoo 'til you drop. Be a part of everything. . . . The hospital needs you if you are involved in everything." As another employee describes the leader's commitment style,

I was once in this meeting with her and we were asked by some of the bigwigs in the hospital whether we had the time for a project for which I knew we had no time or expertise. Right as I was about to say no, [she] said a definitive yes, and committed us fully to the project. That's what she's always like.

Although her being proactive and committed was indeed crucial for initiating change-oriented projects in the division, the leader short-circuited the process by having little time to oversee and manage the project that she had so enthusiastically endorsed. For instance, after consistent attendance at the first three leadership meetings, the leader neglected to participate in the next four and, according to one group facilitator, "All but dropped out of the project. We came to her with questions and concerns, but she didn't want to hear about it. The nursing division had too much going on and [she] had no time for the project." As the leader herself admitted in an interview with the researcher, "To tell you the truth, I have no idea what's going on with the project. Work pressure from other projects is just too intense and as a result, I cannot commit the time that I'd like to for this project."

In addition to stretching resources, multiple change efforts also confuse employees, diluting the effectiveness of the overall initiative. For example, in a training session at

Technology Inc. on self-managing work teams, employees confused the main points from the session with ideas from a similar session on total quality management (TQM) from the previous month. Such confusion manifested itself in comments such as "Didn't we just do all this team stuff with TQM? What's the difference?" and "So what's the big new change today?!" Both workers with the corporation as well as outside process consultants became so confused during the session about the difference between this effort and previous initiatives that they mistakenly disseminated quality improvement (QI) group packets during the session on cross-functional teams.

Although the outside facilitators later acknowledged the confusion in an interview with the researcher, the employees did not understand the crucial distinction between the two types of groups. To workers inundated with multiple change efforts and unfamiliar with the subtleties of the latest management fads, there was precious little difference between "QI teams," "quality groups," and "empowered work teams." As one employee noted in a side conversation during the training, "All this stuff is the exact same as what we did in the [TQM] sessions. I don't know *why* they are having us go through it again."

Thus, although committed leaders are indeed crucial for initiating and accomplishing the process of change, too broad a commitment on the part of overzealous change leaders diffuses and dilutes the process. By flooding the organization with multiple projects, confusing workers, and stretching resources too thin, an overcommitted leadership makes fundamental, structural change more of a rhetorical fantasy than a realistic possibility. As a nurse in the hospital perhaps put it best, "This is not my job—all this stupid stuff. Every second we have another restructuring to do. You can only do so much change, and we do too much."

*Commitment as catering to the wishes of top management.* In addition to involvement with multiple, high-profile projects, commitment in both the hospital and the corporation also came to mean catering to the wishes of current leadership of the organization—a second way in which the commitment of change leaders undermined the process. The following exchange between the change champion at Technology Inc. and another member of the design team illustrates this dynamic:

Change champion: We have to get together everything we've done and package it for the Chicago meeting [of top leadership].

Other team member: I have some reservations about that since we're not totally finished . . . and I have some concerns about the details of what we're doing. . . .

Change champion: Don't worry about that. Let's think about what's gotten them [top leadership] excited before and what can get them excited now. . . .

While the change champion must cater to the wishes of top management in order to secure organizational resources and support, the initiative suffers from this dependent relationship. Because catering to the wishes of top management necessarily involves retaining the status quo system from which top management derives its power and prestige, the commitment of change leaders ensures that little fundamental change will actually occur.

In sum, by stretching organizational resources and flooding organizational members with confusing and overlapping initiatives, overcommitted change leaders lessen the overall effectiveness of change by making it impossible for anyone (including themselves) to dedicate the attention necessary to seeing any single project through. And, by catering to the wishes of top leadership and crafting change according to the wishes and desires of the entrenched power and authority, change champions ensure that the necessary change effort will suffer. Thus, translated through the cultural filter of the hospital and the corporation, the commitment of change is crucial for galvanizing attention and securing resources yet, at the same time, debilitating to the change process itself.

*Paradox 3:* Change depends on rhetoric, but rhetoric makes change less likely to occur.

Leaders of change projects in organizations must be able to use rhetoric to present an appealing vision for the future and to motivate organizational members to undertake necessary sacrifices for change (e.g., Kanter et al., 1992; Nadler & Tushman, 1990). Without the galvanizing power of inspirational and motivational rhetoric, the change initiative risks falling on deaf or ambivalent ears. However, although the inspirational and motivational qualities of rhetoric are especially crucial for organizations in need of major change, it is precisely under these conditions that rhetoric is least effective. Because organizations in need of major change are often those that have not delivered on their promises in the past, members of these organizations approach rhetorical flourishes with learned skepticism. Because these types of organizations typically lack the type of trust and intergroup cooperation necessary to break through such skepticism, rhetoric serves the unforeseen consequence of deepening the very sense of disillusionment it was originally meant to resolve. Thus, while critical for the success of change, rhetoric simultaneously makes change less likely to occur.

While the inspirational quality of rhetoric lies in its divergence from reality, this very divergence diffuses the power of rhetoric. For instance, in one of the units at City Hospital that already had undergone a myriad of unsuccessful change endeavors, positive comments at the rhetorical level about group performance ("We're doing great! Let's keep it up!") contrasted sharply with the reality of the situation as expressed in individual interviews with the researcher ("I'm ready to throw in the towel."). Despite the fact that the members of the group expressed frustration and disappointment with the process in individual interviews, such dissatisfaction was never expressed during a group meeting.

Another example from the hospital occurred during a series of meetings on one of the units concerning the new joint "rounding" procedures for doctors, nurses, and pharmacists. Although meetings among the nurses and pharmacists in the unit expressed the true, frustrating state of affairs concerning progress on changing rounds (one of the central goals of the change initiative), the tune changed as soon as leaders of the change project entered the discussion.

In a meeting with only nurses and pharmacists present:

Nurse 1: The rounding piece is falling apart—it's very discouraging the difference between rhetoric and reality.

Nurse 2: We really need to get to the bottom of this.

In a subsequent meeting on the same topic with leaders of the change project present:

Nurse 1: The rounding is going *extremely* well!

The same gap between rhetoric and reality was evident in a trust-building training session at Technology Inc., where latent cynicism manifested itself in off-line comments by workers such as, "This program is just the change flavor of the month," while comments in front of managers and facilitators were in line with the lofty rhetoric: "This program really seems to be doing something different." In addition, when the managers and facilitators were in the room, the employees worked diligently toward arriving at a group strategy for improving trust and communication. As soon as the "authority figures" left the room, however, the workers began shooting spitballs, sniffing magic markers, and complaining about how "boring" and "useless" the activity was. When the managers and facilitators returned, the joking immediately ceased and the work recommenced, as if the workers were naughty children caught in the middle of committing a mischievous act. When the group as a whole reunited to discuss the project, the workers did not mention their frustrations. Instead, they praised the exercise as being "innovative and helpful" and thanked management and facilitators for the opportunity to participate. As one of the workers in the corporation noted, "We'll play their game and tell them it was good, but the reality of the situation is that it's all the same. It's always the same."

Despite the fact that both sides realize that the rhetoric does not meet the reality, neither side surfaces the truth. Instead, the two groups play a rhetorical charade in which the real situation is unspoken and the spoken situation is unreal. The circularity for the organization is that to break through the charade, the two sides need trust—employees must feel secure in their position to give accurate feedback, and management must trust that workers will support the initiative without such lofty rhetoric. Yet, the existence of the gap is itself is both a product and a source of continual distrust between the two sides. As one of the nurses in the hospital remarked,

They tell us to collaborate with other areas, but then when you start to do it and follow the rhetoric, and do something like send [another area] e-mail or tell them something, you get reprimanded by your boss. . . . She says, hey, why did you do that?—they didn't need to know *that!*"

Thus, rhetoric, if not supported by "robust action" (Eccles & Nohria, 1992), can be a fragile foundation on which to build and reinforce an effort for change. While crucial for inspiring and motivating members to make the necessary sacrifices for the change endeavor, rhetoric simultaneously disillusioned those involved in the process and functions as a vehicle for issue avoidance. In this way, although the change process needs rhetoric in order to be successful, rhetoric makes change less likely to occur.

## DEEPER ROOTS OF CHANGE PROCESSES IN SOCIAL SYSTEMS

The ideal way to change an organization would be to literally freeze it in time. If one could then erase beliefs, attitudes, and values from individuals; erase processes, routines, and norms from groups; and erase structures, symbols, and systems from the organization, organizational change would be a simple endeavor. One would then merely replace all these features of the system with new components at each level of analysis that reflect and reinforce the goals of the change initiative. Beliefs about nursing would shift from belligerent to benign. Norms of cooperation would replace those of confrontation. And the power structure of the organization would be reconfigured to reflect and reinforce this more egalitarian ideal.

Unfortunately, however, organizations cannot be stopped in time. If there is one universal rule of organizational change, it is that change can never escape the contextual features of the organization. Because change always occurs within a context, an intervention into a social system with as richly developed a texture as City Hospital and Technology Inc. will necessarily be interpreted, understood, and reacted to differently by the multiple constituents involved. For instance, in the case of City Hospital, change was interpreted as an opportunity for individual accumulation of power, as a symbol of the status of nursing vis-à-vis the pharmacy (and thus something worthy of undermining), and as a symbol of the leader's ability to commit to and carry out a high-profile project. In Technology Inc., the change project was interpreted as a personal challenge for the change leader's career and as yet another example of the organization not supporting its lofty rhetoric with vigorous action. When translated through the filter of the existing organizational context, change plays a far different role than originally intended. Instead of altering the state of the organization, the change initiative gets used by the organization to perpetuate and extend the very conflicts and tensions that it was meant to resolve. In this way, the three paradoxes of management, leadership, and rhetoric fuel the overarching paradox of organizational change: Instead of fundamentally altering the organization as originally intended, change programs serve to strengthen the status quo.

Both the hospital and the corporation illustrate this dynamic. For instance, in both organizations, the lofty rhetoric of new change initiatives was filtered through the lingering disillusionment with previous endeavors and, as a result, reinforced the notion that the organization did not really care about changing anything. Instead of serving as an opportunity to increase trust between management and workers in Technology Inc., the change endeavor became yet another instance in which trust was not achieved. Instead of improving relations between groups in the hospital, the change initiative served as yet another example of how pharmacy and nursing could not cooperate. Given a system in which beliefs and attitudes on the individual level (e.g., we do not like nursing) are reinforced and reflected in group norms (e.g., we do not come to meetings on time), in power differentials within the organization (e.g., nursing has more power than us in the organization), and in organizational symbols (e.g., we have

offices in the basement and they have nice offices on the first floor), the more likely such an overdetermined and mutually reinforcing system will not only reject change but reinterpret it within the context of the dominant paradigm. Attempts at change, therefore, become further symbols of the inability of change, and management, leadership, and rhetoric paradoxically serve to fuel the status quo.

### How Organizations Change

This macrolevel paradox of change reinforcing the status quo is rooted in the fact that organizations are dynamic, self-fueling social systems composed of reciprocal interactions among different levels within the system (Katz & Kahn, 1978). It is the shared schemas and scripts through which the members understand and interpret their world, as well as the prior existence of conflicts and tensions between different groups in the organization, that set the conditions under which management, commitment, and rhetoric become paradoxical. In their book *Paradoxes of Group Life*, Smith and Berg (1987) make a similar type of contextualized, historicist argument. For Smith and Berg, it is difficult to become committed, to trust, or to feel identified in the context of a new, forming group. It is not in some sort of decontextualized world in which their paradoxes of trust, commitment, and identification manifest themselves, but in the context of a group at its initial stages in which people do not already know or trust each other.

From the perspective of a reciprocal, self-reinforcing social system, the paradoxes themselves can be seen as representing a special form of the reciprocal relationship. For instance, although management influences the change process (it "manages" or "directs" the process of change), the change process also influences management. Managers take cues from the process—that is, that the change can be used as a vehicle for the further accumulation of power within the organization—and adjust their own behavior accordingly (Salancik & Pfeffer, 1978). A similar argument can be made for the paradox of rhetoric. Although rhetoric affects the change process by challenging and inspiring workers to achieve, the change process in turn affects rhetoric, as rhetoric unsupported by action becomes counterproductive and disillusioning.

Viewing change as an attempt to break the bonds of a set of mutually reinforcing, interdependent relationships in the system, one can easily see how revolutionary change broke down in both City Hospital and Technology Inc. The goal of revolutionary change in the hospital was to create interdependent work teams of pharmacists, doctors, and nurses supporting each other and working together as a seamless unit with the overarching goal of improving the care of the patient. Yet, the end result was that doctors and pharmacists only minimally participated in the intervention, nurses participated but became annoyed and frustrated at the lack of interest and effort of the other groups, and the system continued to spiral along its previous trajectory.

A similar story could be told about the failure of change in Technology Inc. While the ultimate goal of the design team was to create self-managing work teams supported by major organizational changes in compensation policy, reward structures, and information accessibility, the only revolutionary change that was accomplished was of the symbolic, "add-on" variety that could have easily occurred without all the fanfare of a major change effort.

Morphogenesis (Smith, 1984; Wilden, 1972) is a form of deep change that attempts to alter the system at its core so that everything will be different from that point on. Morphostasis, on the other hand, is a type of change that is aimed to make things look different, although they actually remain the same. Although the espoused changes at both Technology Inc. and City Hospital were of the morphogenetic variety, the paradoxical nature of the process gave rise to decidedly morphostatic conclusions.

### How to Change Organizations

According to March (1981),

Change takes place because most of the time most people in organizations do what they are supposed to do; that is, they are intelligently attentive to their environments and their jobs. . . . The conventional, routine activities that produce most organizational change require ordinary people to do ordinary things in a competent way. (p. 564)

However, as we have seen in both the hospital and the corporation, it is precisely the very "conventional, routine" activity of the social system that makes revolutionary change so difficult to achieve. Indeed, the strength of the "conventional, routine" activity of the social system and its ability to translate threats to the system—in this case, attempts to change—into the seeds of further growth make change of the planned, short-term variety a difficult achievement.

The cases of City Hospital and Technology Inc. demonstrate the absolute necessity of taking the power and resiliency of the "conventional, routine" activities of the social system into account when planning change. Yet, simply taking these characteristics into account is an insufficient solution. It is the way in which these dimensions of the system are taken into account that will determine the extent to which planned organizational change paradoxically fuels the status quo.

Presented below are four different ways in which one might consider the character of an organization's social system when planning a change initiative. Each is based on a different underlying metaphorical image of the system (Lakoff & Johnson, 1980; Morgan, 1986), and each suggests a different action strategy for change.

*System as surmountable obstacle.* According to this perspective, the system is a barrier, hurdle, or obstacle to be overcome. It is a roadblock on the path toward organizational change. As opposed to being a key for understanding the intricacies and subtleties of the process, the character of the system from this perspective is little more than a nuisance to the planner of change. Although the planners of change in City Hospital and Technology Inc. did not, according to our observations and interviews, explicitly state the image they used in planning their change strategies, one might infer from their behavior that the motivating metaphor was that of an obstacle to be overcome—a potential barrier to the change process that could be overcome through a forceful change initiative.

From this perspective, the logical operative action strategy would be to overwhelm the system. If well-accepted catalysts for change, such as management, committed leaders, and rhetoric, did not initially do their job, the prescription would be for even

more rhetoric, even greater leadership commitment, and even more management and control of the process. One might imagine this first image to be the default of an organization whose focus is on accomplishing the process according to a set of accepted "best practices" in the industry as opposed to concentrating on the qualitative dynamics of the actual system at hand.

*System as a code to be deciphered.* A second image of the character of the system might be that of a hidden, secret code—a mystery to be solved, the solution to which will reveal the hidden truth of what really drives the social system. For instance, Smith and Berg (1987) describe how small groups can solve the mystery of debilitating tension and inertia by understanding and appreciating the inherent contradictions that inevitably characterize life in a group.

Although this strategy of learning to understand and accept tension may under certain conditions help individuals and small groups release tension, merely understanding the system without structurally intervening, however, would likely do little to change a large, complex social system such as a hospital or a corporation. Nevertheless, the action strategy from this perspective is to learn and understand, with the planner of change acting as a facilitator to the change participants' process of self-discovery.

*System as a blueprint for change.* A third image of the character of the system is that of a blueprint for change—a map to be followed in the construction of a change process that is sensitive to the internal dynamics of the social system. This third strategy moves one step beyond the second by adding an action-intervention dimension to a strategy of mere understanding.

The action strategy for change from this perspective would include a careful diagnosis of the culture of the organization, followed by customized prescriptions for intervention based on this assessment. One might also imagine this third strategy as including an iterative dialogue between action and understanding (i.e., with understanding of the system guiding intervention, the result of which would increase understanding, which would then prompt further, more thoughtful interventions). Despite its potential to integrate action and understanding, this third strategy suffers from the same complication that frustrated change efforts at both City Hospital and Technology Inc.—namely, that it depends on the dynamics of the current system as a vehicle to move toward a future system.

*System as insurmountable obstacle.* A final image of the character of the system might be that of an obstacle to change to be avoided altogether. Instead of overwhelming, understanding, or using the system as a blueprint for change, this fourth strategy would prescribe circumventing the system entirely as the most plausible action strategy for fundamental change. By intervening at a point in time when the defenses of the system are down and the system is in a state of relative disequilibrium (e.g., at a point of "punctuated equilibrium" [Gersick, 1988; Romanelli & Tushman, 1994], at a point of acute crisis, or even, potentially, at the actual beginning of the system itself), a well-conceived change intervention, according to this fourth perspective, could avoid the resiliency of the status quo, thus creating conditions under which change is possible.

The logic of this fourth metaphorical image of the organization is that revolutionary, planned change can occur only when the system is at a relative standstill and has an opportunity to create entirely new dynamic linkages among different component parts of the system. Otherwise, no matter how well-planned and conceived, the change initiative will meet the fate of those at City Hospital and Technology Inc.—with the sharp, bold edges of the initiative being sanded down by the strength and resiliency of the status quo system.

## CONCLUSION

It is not new to consider organizations as self-fueling social systems with unique contextual features. What is new, however, is to consider the ways in which these fundamental aspects of social systems influence the process of organizational change. As the stories of City Hospital and Technology Inc. demonstrate, organizational change does not occur in a vacuum. While we typically think of individuals as being resistant to change, the experiences of these two organizations illustrate how entire systems can not only be resistant to change, but can translate attempts at fundamental transformation into fuel for perpetuation of the status quo. When the objects of change (e.g., lack of trust, lack of cooperation, individualistic ethic) become both the means for change as well as the lens through which change is interpreted, the change project reinforces and solidifies the very same dynamics it was intended to reverse. Instead of facilitating the process of deep and fundamental change, management, leadership commitment, and rhetoric instead serve to maintain and deepen the status quo.

To avoid the paradoxical situation in which change depends on and is simultaneously undermined by these organizational features, organizations and researchers must begin to seriously consider the strength and resiliency of the organizational system as a crucial variable influencing the result of planned change initiatives. In addition, it is critical to appreciate the implicit, underlying image of the system that guides action interventions. If researchers and practitioners are to craft more robust interventions into social systems, it behooves them not only to be explicit about their underlying conception of the system but also to acknowledge the conditions and situations under which different action strategies for change can be more or less successful. Until we do indeed change the way that we typically change, promising change initiatives such as those in City Hospital and Technology Inc. are destined to reach the inertial conclusions that population ecologists and new institutionalists predict, yet for entirely different, internally driven reasons.

## NOTES

1. I thank Deborah Servi for sharing her perspective on the ongoing change process at City Hospital.
2. I thank Ruth Wageman and Elliot Fan for their insights and observations about change processes at Technology Inc.

3. I am indebted to Richard Hackman for his insight, encouragement, and enthusiasm during this iterative process.

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