The Nature of Organization Change

As prime minister of Great Britain, Margaret Thatcher was hardly a shrinking violet. “Change agent” would be a more apt descriptor. She worked hard to move her country from a socialist economic system to a more capitalistic one. She believed strongly in a free-market system. As part of this overall political and economic change effort, she declared that many government-supported organizations, for example, public sector water and electric utilities, would become private enterprises. Prominent among these changing organizations was British Airways (BA). About 1983, she declared that BA would become a publicly owned company, with shares of the company being traded on both the City of London and the New York stock exchanges. For its entire prior existence, BA had been a government-supported organization, and in essence, Thatcher stated that even though it had been the nation’s flagship airline, it would now have to survive on its own in a global free-market system. The British government would no longer, year in and year out, bail it out financially. BA was therefore faced with a need to change itself rather radically if it wished to remain an organization—in this case, as a commercial enterprise. An example of a successful organization change effort, the BA story will be summarized later in this chapter.

During the late 1980s, the general manager of a chemical division within a large global pharmaceutical-chemical company was concerned about customer service. Customer orders were often delivered late, and as might be expected, the customers were complaining. The cause of this problem was not immediately apparent to the general manager, but he quite naturally assumed that it resided somewhere in the way customer orders were handled inside his division. He hired a consultant to tackle the problem. The consultant started with the end state, that is, with the customers’ receptions of their ordered products, and then traced the process back through the chemical division’s...
sales and delivery systems. The consultant recommended some structural organizational changes that would result in a more streamlined process. The general manager made these changes in his organization, and customer service improved, as well as overall customer satisfaction.

The two cases briefly described above both illustrate organization change, but as can readily be understood, they are very different in the scope and depth of the change efforts. The first, BA, represented a revolutionary change, and the second, an evolutionary one.

It is interesting to note that Darwin’s theory of evolution has been charac-
terized for many years as a slow, incremental process of change, but more recently, scholars have challenged this view, stating that changes in living organisms actually occur in spurts, or leaps, as perturbations. In other words, a species may live for many hundreds, if not thousands, of years with no signi-
ificant change, that is, in a state of equilibrium. But eventually, an entirely new species will emerge, replacing the previous one as if overnight. Natural historian Stephen Jay Gould (1977) has been a primary challenger of the idea that change is merely gradual, and he has proposed a new way of thinking and theorizing called “punctuated equilibrium”: a steady state for a period of time, then a sudden (punctuated) change, followed by equilibrium again.

Important for our understanding, then, is that change occurs both incrementally and radically. This is true for individuals, groups, and organizations, as well as for even broader domains, such as fields of science and biological species. First we will consider revolutionary change, then evolutionary.

Revolutionary Change

When scholars independently derive similar, if not the same, theoretical ideas (even though different words may be used), especially if these scholars repre-
sent different disciplines, it is time to sit up and take notice. Connie Gersick (1991) recently took notice of how the punctuated equilibrium idea had emerged in six distinct domains to explain change as revolutionary. In her study, she found commonality of thinking in the following:

Daniel Levinson’s (1978) theory of individual change: We live our lives through a relatively orderly sequence, but at times, many of us, especially around 40 years of age, dramatically change that sequence.

Gersick’s (1988) group change: Groups do not develop in a linear set of stages; rather, they proceed with not much happening and then recognize (almost suddenly) a need to move forward rapidly in a new way.

Organization change (e.g., Tushman & Romanelli, 1985): Organizations do not evolve but are more likely to change in strategic reorientations that demand significantly different patterns of operations.
Scientific fields (Kuhn, 1970): Truth is probably not discovered through the accumulation of individual findings, but more likely in paradigmatic shifts, that is, breaks in the prevailing mode of thinking.

Biological species (Gould, 1980): Change occurs after long periods of equilibrium and then in “rapid and episodic events of speciation” (p. 184).

Grand theory (Prigogine & Stengers, 1984): Systems vacillate between some kind of transition and the status quo, or equilibrium. At times of transition, that is, punctuated equilibriums, there is no end state that is a given, because during times of transition, system parts interact unpredictably. The change, therefore, becomes revolutionary.

The commonality of thinking across these six theories is in three domains, according to Gersick (1991).

1. **Deep Structure.** Gersick’s (1991) definition is as follows:

   A network of fundamental, interdependent choices about the basic configuration into which a system’s units are organized and the activities that maintain both this configuration and the system’s resource exchange with the environment. Deep structure in human systems is largely implicit. (p. 15)

   For individuals, it is the underlying pattern of a person’s life at a given time (D. Levinson, 1986). For groups, it is the structure and process a group chooses to accomplish its task (Gersick, 1988). For organizations, it is the underlying culture—the structure itself, that is, organizational design for decision making, accountability, control and distribution of power, and the way the organization monitors, reacts to, and, in general, relates to its external environment (Tushman & Romanelli, 1985). For scientific fields, it is the paradigm, that is, the pattern and set of standards for how a discipline develops and is maintained or sustained over time through scientific achievements (Kuhn, 1970). Change in scientific fields occurs through a break from the pattern, a paradigmatic shift. For biological species, it is a network of circular and interdependent interactions with feedback loops; thus, no single unit or part can interact with the environment independently (Gould, 1977, 1980; Wake, Roth, & Wake, 1983). This network of interacting parts helps to create resistance to change. A perturbation, then, brings about change; change will not occur as a result of life as usual within the species, that is, will not occur in a linear, evolutionary manner. And, finally, for grand theory, collective modes and parameters determine order for the overall system (Haken, 1981).

2. **Equilibrium Periods.** Gersick’s (1991) analogy is helpful here: “If deep structure may be thought of as the design of the playing field and the rules of the game, then equilibrium periods might be compared loosely to a game in play” (p. 16). Specifics of play vary, but the structure and rules remain fixed. The equilibrium period consists of (1) maintenance of the system and (2) choosing of
activities, “calling the plays,” but within an overall pattern of rules, standards, mores, and circular processes. Because part and parcel of equilibrium periods is inertia, one can begin to understand why it is so difficult for systems to change. O’Toole (1995), for example, lists 33 hypotheses for why organizations are resistant to change, for example, homeostasis—“Continual change is not a natural condition of life; hence resistance . . . is a healthy human instinct” (p. 161)—and the rectitude of the powerful—“The best and the brightest have set us on the current course. Who are we to question the wisdom of our leaders?” (p. 164).

Gersick (1991), after reviewing this literature, narrowed the resistance list to three albeit quite powerful barriers to change: (1) cognition, (2) motivation, and (3) obligation. These three are variations of the same phenomenon: resistance. Cognitive frameworks shape our awareness and thinking, how we interpret reality, and how we consider choices for action. In other words, cognitive frameworks, models of reality, and so forth, are useful for understanding reality; yet at the same time, they limit our awareness of other ways to look at reality.

With respect to motivation, change is accompanied by loss of some kind and by uncertainty. Resistance to loss and uncertainty are easy to understand; that is, one is motivated to reduce the loss and uncertainty. Regarding obligation, Gersick (1991) cites D. Levinson, Tushman and Romanelli, and Kuhn by pointing out “the inertial constraints of obligations among stakeholders inside and outside a system” (p. 18). Stakeholders hold expectations of and assumptions about how the system is supposed to operate. When this equilibrium is disturbed, they put pressure on the system to “get back into line.”


Incremental changes in a system’s parts [will] not alter the whole. As long as the deep structure is intact, it generates a strong inertia, first to prevent the system from generating alternatives outside its own boundaries, then to pull any deviations that do occur back into line. (p. 19)

So, how do revolutions occur? By (a) internal disruptions that pull sub-systems and activities out of alignment with each other and/or the environment, for example, intrusion of a “foreign body” from an acquisition or merger and (b) changes in the system’s environment that threaten its ability to obtain resources, for example, creation of new technology or severe consolidation of an industry via huge mergers. It is important to note that these internal changes and/or external ones do not in and of themselves bring about revolution. They simply create the need for change.

Revolutionary change, by definition, can be seen as a jolt (perturbation) to the system. As a result, nothing will ever be the same again. Organizations that change their missions exemplify revolutionary change—as in the BA case.
of focusing on the marketplace, after years of insularity and focusing on the most negative aspects of bureaucracy. Although the overall mission for BA remained transportation, the specifics changed significantly, for example, new goals of customer satisfaction and profitability, neither of which had ever been emphasized before. The change of mission affects all other primary dimensions of an organization: leadership, strategy, structure, culture, and systems. In Gersick’s (1991) language, the deep structure has been affected significantly.

It should be reiterated that the fundamental mission of an organization is to survive. Most of the time, organizations survive by continuously fixing problems and trying to improve the way things are done. Sometimes, however, survival depends on an entirely new raison d’être with completely different products or services or both. The BA case is such an example and will be described in more detail later in this chapter.

Evolutionary Change

No doubt, more than 95% of organizational changes are evolutionary. As noted above, the resistances to revolutionary change are indeed strong. The second case vignette, at the beginning of this chapter (improvement in customer service at the pharmaceutical-chemical company), is illustrative of evolutionary change. Most organizational change consists of improvements, incremental steps to fix a problem or change a part of the larger system. Most organizational change in Japan, for example, is referred to as kaizen, meaning continual improvement: changing the way a product is packaged before shipment to the customer, instituting a new form of commission on sales for how salespeople will be compensated, developing a new set of products or services for an emerging market on the basis of demographic shifts, acquiring a smaller company to augment current business lines, and installing a new leadership development program for the top 300 executives in the organization, to name only a few examples. These examples illustrate evolutionary changes. Any one of these examples, however, could be part of a larger change effort that might be revolutionary. But if any one of these partial changes does not affect the whole and the deep structure of the organization is not fundamentally modified, then the change is evolutionary.

In an attempt to further clarify the meaning of evolutionary change in organizations, let us consider the writings of Orlikowski (1996) and Weick and Quinn (1999). In place of evolutionary, these scholars refer to continuous change. The meaning is the same, nevertheless. For Weick and Quinn, continuous change means “the idea that small continuous adjustments created simultaneously across units, can cumulate and create substantial change. That scenario presumes tightly coupled interdependencies” (p. 375).
The “looser” these interdependencies, the less likely that overall organization change will occur. The change is more likely to remain primarily within subunits of the organizations—although not necessarily exclusively. Ultimate organization change could occur if consistent with managers’ abilities and desires to diffuse innovation from one unit to other units.

Orlikowski (1996), as cited in Weick and Quinn (1999), has also helped with definition and clarification. She had noted the following:

Each variation of a given form is not an abrupt or discrete event, neither is it, by itself discontinuous. Rather, through a series of ongoing and situated accommodations, adaptations, and alterations (that draw on previous variations and mediate future ones), sufficient modifications may be enacted over time that fundamental changes are achieved. There is no deliberate orchestration of change here, no technological inevitability, no dramatic discontinuity, just recurrent and reciprocal variations in practice over time. Each shift in practice creates the conditions for further breakdowns, unanticipated outcomes, and innovations, which in turn are met with more variations. Such variations are ongoing; there is no beginning or end point in this change process. (p. 66)

I would question Orlikowski’s assumption that “sufficient modifications may be enacted over time that fundamental changes are achieved.” Although possible, it is unlikely. Overcoming inertia and equilibrium, as Pascale, Millemann, and Gioja (2000) emphasized, is difficult, if not impossible, without a discontinuous jolt to the system. Organization change does occur with continuous attention and effort, but it is unlikely that fundamental change in the deep structure (Gersick, 1991) of the organization would happen.

Another example of continuous change is the relatively new field of organizational learning (Argyris & Schön, 1978). Watkins and Marsick (1993) define organization learning as follows:

Advocates may differ about specific details, but in general, they agree that the learning organization

1. Is not just a collection of individuals who are learning—instead, learning also occurs simultaneously at various collective levels within business units and sometimes within an entire company

2. Demonstrates organizational capacity for change

3. Accelerates individual learning capacity but also redefines organizational structure, culture, job design, and mental models (assumptions about the way things are; Senge, 1990)

4. Involves widespread participation of employees and often customers in decision making, dialogue, and information sharing

5. Promotes systemic thinking and building of organizational memory

In concluding this section, it should be noted, of course, that not all organizational changes lead to improvement, just as revolutionary change is not always good and does not always produce a significantly better organization. The following two cases do represent successful change, the first revolutionary, the second evolutionary.

**Revolutionary Change: Case Example**

This chapter began with a brief illustration of radical change, albeit over time. British Airways (BA) in the 1980s experienced significant organization change, a fundamental modification of its deep structure.

Described at the beginning of this chapter were the external forces threatening BA’s survival—the edict handed down by Prime Minister Thatcher and the growing deregulation of international air traffic; that is, many fares were no longer being set by governments but instead were being determined by the marketplace. We will now pick up the story by summarizing what happened, with emphasis on the organization’s internal changes.

In an attempt to become more competitive and cost conscious, an early decision made by the CEO, Colin Marshall, was to reduce the workforce from about 59,000 to 37,000. This act got everyone’s attention and, as might be expected, drew lots of criticism. Marshall stayed the course, however, and went on to emphasize a mission of providing superior service and to focus on a strategy that would increase market share and customer satisfaction.

These changes of mission and strategy began to affect the deep structure of BA but were not sufficient to complete the change. Marshall knew that he had to change the BA culture. Historically, BA was formed from the former pilots and staff of the Royal Air Force of World War II and, quite naturally, had evolved into a command and control culture that was engineering- rather than market-driven. BA had a terrific maintenance and safety record, but passengers seemed to be incidental to the whole process. It was a question of what to change in the culture while keeping those aspects that could continue to support the superb maintenance and safety records.

To be more specific about the culture change aspect, a series of programs and activities were launched to move BA from a bureaucracy laced with military residue to a service business in which passengers were treated as human beings rather than as another form of baggage. The initial programmatic effort was a 2-day orientation to the new culture called “Putting People First.” The program challenged the prevailing wisdom about how things were to be done at BA.
The next activities were to focus even more intensely and directly on the culture. Nick Georgiades, the head of human resources at the time, conceptualized this aspect of the change effort in terms of a “three-legged stool.” The “seat” was the new, desired culture, one that was more customer focused (Burke, 1994):

The three legs were (1) “Managing People First” (MPF) program, a five-day residential experience to help managers learn about how to manage their people in such a way (more participatively, for example) that they would be more service oriented; (2) performance appraisal, where half of a manager’s evaluation was based on results and half on how the results were achieved, the how being an incorporation of the behaviors and practices emphasized in the MPF program; and (3) pay for performance, rewarding managers according to how they were rated in (2) above. (p. 137)

Another program was to train all human resources staff within BA on consulting skills so they would be in a better position to help the MPF participants apply what they had learned.

A guiding rationale for conducting the MPF program and spending considerable effort with follow-ups to ensure change in the BA culture was supplied by the research work of Ben Schneider and his colleagues. In a series of studies reported in Schneider (1980, 1990a) and Schneider and Bowen (1985), this is what has been consistently demonstrated (Burke, 1994):

How “front line” people in a service organization [in this case, banks, therefore, tellers, loan officers] are treated by their respective supervisors has a differential effect on customer satisfaction. In bank branches where front-line employees were managed more participatively as opposed to bureaucratically—following procedures strictly, for example—customer satisfaction was significantly higher. (p. 137)

With BA, of course, being a service business, the same principle was applied. Although ticket agents and cabin crew employees needed some technical training in how they served the customer, the primary emphasis was not with them per se, but rather with their managers.

The MPF program was therefore designed and conducted to help managers to manage more participatively, openly, respectfully, enthusiastically, and with greater trust in their subordinates. Managers cannot manage the myriad of hour-by-hour contacts that employees who have direct contact with customers encounter every day, those 50,000 “moments of truth,” as Jan Carlzon, another successful airline CEO, described in his popular book (Carlzon, 1987). Managers can, however, work with their subordinates in an involving manner that will in turn have a positive effect on customers. (Burke, 1994, p. 137)

Many other activities were involved in this large-scale change effort, for example, changing the entire financial function from one of government...
accounting and reporting to one of providing annual financial statements for stockholders and monthly income statements for managers. Also, Marshall essentially created a marketing function in BA—where, prior to his arrival, for all practical purposes, none existed.

It is now a matter of record that BA transformed itself (Goodstein & Burke, 1991). By the end of the 1980s, BA was one of the most profitable airlines in the world and had improved its service record so much that passengers who had used to say that BA stood for “bloody awful” now revised the interpretation to “bloody awesome” (Power, 1989).

In summary, the revolution at BA began as a result of a disruption from the airline’s external environment. Internally, the initial disruption was the huge reduction of BA employees by more than 20,000. Then, through a planned series of activities and interventions, the culture (deep structure) was gradually shifted from a militaristic, bureaucratically driven way of doing things to one that was focused significantly more on service to customers and on being competitive in the workplace. The organization in a span of some 6 to 7 years had fundamentally changed, had transformed itself.

Evolutionary Change: Case Example

This case concerns a comparatively small professional services partnership that was close to a century old. The partnership consists of about 50 partners, with approximately the same number of associates, plus administrative and technical staff. The firm is relatively small, deliberately. They are a specialty house providing highly individualized services, to corporations primarily. Their mission is to remain specialized, not to provide a broad array of general services for clients. They serve more than half the Fortune 500 corporations, and more than half their revenue comes from clients they have served consistently for more than 20 years. The firm serves clients in 400 U.S. cities and in 15 foreign countries. Although growth of the firm is a goal, the partners do not favor “rapid growth, mergers, and branch offices.” In fact, the firm is located in only one building in a large metropolitan area in the eastern United States.

The structure of this professional services firm is rather simple and straightforward. At the top is the managing partner (the CEO equivalent), and working closely with him is a small executive committee consisting primarily of department heads, or as they prefer to call them, “practice group chairs.” Following the managing partner and the executive committee are the senior partners, then the junior partners (recent entrants into the partner status), followed by the associates (most of whom have partner aspirations), and the staff.

The organizational consultants working with this firm were initially asked to meet with the managing partner and some of his executive committee
members to explore ways of evaluating the performance of their senior and junior partners and, eventually, to cascade the process down to include the associates. The managing partner had heard about something called a “360-degree feedback process” and wondered whether this kind of procedure could be used to measure and reward performance. The consultants who were asked to meet with the managing partner and his colleagues had considerable expertise in this type of feedback process, as well as in the broader arena of organization change and development.

Briefly, a 360-degree feedback process gets its name from a “full circle” procedure of rated behavioral practices. The behaviors rated are usually in the domains of management and leadership. The central person rates himself or herself on a set of behavioral practices that are employed in leadership or management and three other categories of raters rate the person on the same set of behavioral practices (examples will be provided later in this case presentation). The three other categories of raters are the central person’s supervisor, the person’s peers, and the person’s direct reports or subordinates. The self and three other sets of raters compose the full circle, or 360 degrees, as it is often called. Incidentally, instead of the overly popularized and metaphorical label, a more accurate description would be multirater or multisource feedback, because other raters may be included, such as clients or customers.

The feedback process consists of the comparison between his or her self-ratings and those of the others (one or sometimes two supervisors and a minimum of three peers and three direct reports). The degree of congruence or divergence in the ratings is, of course, the main focus of attention.

In the exploratory discussion with the managing partner and his colleagues, the consultants quite naturally asked many questions and, in due course, offered opinions and suggestions. In addition to finding a way to evaluate partner performance, the managing partner also stressed the need for more leadership especially from among the senior partners, identifying potential leaders among the junior partners, and the need for more teamwork. The consultants explained in detail how a multirater feedback process works and then offered the opinion (actually the expression of a value that the consultants hold) that using this kind of procedure as a measure of performance for certain organizational purposes was not wise. That is, to employ multirater feedback in the service of performance appraisal and then to base organizational rewards (incentive compensation, promotion, etc.) accordingly would create the strong possibility of rater bias. To base evaluations and rewards on the rating procedure would mean that one’s ratings become somewhat public, that is, known to those who make decisions about performance evaluation and rewards, certainly to the managing partner and his executive committee. In other words, what would likely drive the process would be the rewards to be obtained, not so much one’s desire to be a more effective leader or team player. Moreover, when one knows that his or her ratings of someone, especially one’s supervisor, will be
used for evaluative purposes, rather than for the purpose of individual and organization development, the ratings are likely to differ. It is not necessarily a matter of using multirater feedback for organizational administrative purposes (for example, performance appraisal) versus using the process solely for individual and organization development. As London (2001) has pointed out in his coverage of the “debate,” it does not have to be one or the other:

[The feedback process] can be used for both development and administrative purposes, but this takes time. The organization may need to start by using MSF (multisource feedback) for development alone to establish a culture of interpersonal trust and attention to development. (p. 383)

With respect to the professional services firm, this multirater feedback process was a first for them. For more coverage of using this process for individual and organization development, see Bracken (1996) and Church, Waclawski, and Burke (2001).

The consultants therefore urged the managing partner and his executive committee colleagues to use the multirater process for individual and organization development. Individually, the purposes would be to increase one’s self-awareness in particular (studies have shown a positive link between self-awareness and performance, e.g., Church, 1997) and to increase personal and professional development in general. Organizationally, the purposes would be to (1) select behavioral practices related to functioning as a leader and manager and to teamwork that fit with the managing partner’s objectives and (2) encourage partners through the feedback process (that is, coaching by the external consultant) to work on improving their leadership qualities and to improve them so as to enhance teamwork in the firm. Furthermore, the consultants urged the firm’s leaders to authorize that the multirater feedback process be confidential, so that only the person being rated and the external consultant directing the overall process and providing the feedback and coaching would have access to and knowledge about the individual’s ratings. Finally, the consultants assured the managing partner that when a sufficient number of feedback sessions with partners had been conducted, an overall summary of all the ratings would be provided.

The consultants then recommended that the behavioral practices be as tailored as possible to the firm’s change needs, mission, and values. Not recommended were off-the-shelf or “general purpose” practices but, instead, to go through the process of identifying and selecting behaviors that they, as the firm’s leaders, thought made the most sense, that is, in terms of aligning partner behavior more closely with desired values and change directions for the firm.

At the end of the discussion of almost 3 hours, the managing partner and his colleagues told the consultants that they would talk further among themselves about what was being recommended and let the consultants know
within a week or two. There was no expectation by the consultants that a decision by the firm's leadership would be made that day. Rarely do potential client organizations make a decision to move forward that quickly. Besides, in this case, the consultants had attempted to persuade the managing partner and his executive committee members to move in a different direction from what had been asked for in the first place, namely, a change from an administrative appraisal to a developmental one.

The firm's leadership did decide to move forward with the consultant's recommendation (otherwise there would be no story to tell!), and the process began.

THE TOOLS FOR ASSESSMENT AND RATINGS

To start, the consultants asked for certain materials and documents from the firm, such as their mission statement, strategic plan, statement of values, and any other information that addressed their desired future state. Because the firm's leadership were rather conservative and careful about organization change, requesting these materials from the firm suggested a course of action consistent with continuous improvement, rather than a significant and sweeping change of mission—the firm wished, you will recall, to remain relatively small and specialized. Although they wanted to expand their services to new clients and broaden their base, the range and nature of these services would continue as they were. They considered themselves among the best at their specialty and wanted to remain so. They had good reason to believe that they were among the best—they still are—because their clients list was indeed desirable, and more than half their clients stayed with them for long periods of time, more than two decades.

BEHAVIORAL PRACTICES

On the basis of these documents and some selected interviews, the consultants, from their data bank of hundreds of behavioral practices that had proved to be effective in other organizations, developed a working list of behavioral practices that were as relevant to the firm as possible. These behavioral statements were categorized according to the firm's list of values, for example, promoting a courteous, collegial, and trusting culture. Through a collaborative, back and forth, iterative process with the client firm that required about 3 months, the consultants and the firm's leadership agreed on a final list of 59 behavioral practices. In the end, at least half these behavioral statements were written “from scratch,” that is, expressly for the firm. Much debate about the right phrase and proper word had ensued.

The 59 practices were then arranged into a rating questionnaire using a 5-point Likert scale. Each of the behavioral statements was rated twice—first
according to the extent to which the person being rated practiced that specific behavior, and second according to how important the behavior was to the part of the firm represented by the partner being rated. Comparing the behavior in terms of how much it is practiced with how important it is viewed to be helps the individual being rated to decide how much change in the given behavior may be needed. If the behavior is not seen as very important, little, if any, change may be required. If there is a gap—the behavior is perceived to be highly important, but the person is rated as practicing it very little—then behavior change may be needed. The 59 practices were categorized according to the firm’s 12 primary values. An example of a practice for 6 of these values used in this multi-rater feedback process is shown in Table 5.1.

In addition to the 59 behavioral practices, three other rating instruments were used in this feedback process. These additional three were related more to one’s personality than to specific behaviors. There were two primary reasons for adding these three questionnaires.

First is the matter of context. One’s day-to-day behavior is in part a function of the situation and in part due to a person’s temperament or personality. In a sense, one’s behavior is foreground and the personality underlying the behavior is background. Thus, in providing feedback to a person about behavior, that form of feedback can be understood more thoroughly if one can also see the rated behavior in the context of his or her nature, that is, personality

<table>
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<tr>
<th>Table 5.1 Main Values of Professional Services Firm With Behavioral Practice</th>
<th>Example</th>
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<tr>
<td><strong>Value</strong></td>
<td><strong>Behavioral Practice</strong></td>
</tr>
<tr>
<td>•Solidifying and maintaining close client relationships</td>
<td>•Solicits and responds to client feedback on the quality of service provided.</td>
</tr>
<tr>
<td>•Promoting a courteous, collegial, and trusting culture</td>
<td>•Relates in a courteous and professional manner, regardless of the level of the person with whom he/she is dealing.</td>
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<tr>
<td>•Working effectively in teams</td>
<td>•Promotes an atmosphere of teamwork, cooperation, and coordinated effort among people.</td>
</tr>
<tr>
<td>•Developing, mentoring, and training others</td>
<td>•Plans and reviews personal development goals jointly with associates.</td>
</tr>
<tr>
<td>•Developing the business</td>
<td>•Effectively manages and balances priorities among many projects, relationships, and clients.</td>
</tr>
<tr>
<td>•Leading and managing</td>
<td>•Provides a vision of the future that captures the commitment of people.</td>
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and temperament. An introverted individual behaves differently from one who is extraverted. Linking this dimension of personality to behavior can help one more clearly understand feedback from others.

Second, the firm’s leaders wanted to encourage their partners to assume more leadership, and they wanted to understand more about the potential for leadership in the firm, especially from among the junior partners.

It should be noted that providing leadership and management in a professional services firm is not exactly easy. There are clearly exceptions, but professionals—lawyers, accountants, and consultants—do not as a rule join firms to be managers or leaders. They join because they want to practice law, consult with clients, or analyze a company’s financial situation. They do not want to lead and certainly do not want to manage other professionals. They definitely do not want to have to be concerned with such mundane matters as budget, hiring other professionals, generating a business plan, providing performance feedback to others, determining compensation, and so on.

So, the managing partner wanted to know whether he could count on more help with leadership for the firm—or was his firm like most other professional service enterprises in this regard?

What follows is a brief description of the three other instruments of assessment that were used in this feedback study.

*Myers-Briggs Type Indicator*

Based on Carl Jung’s theoretical notions about individual differences, the Myers-Briggs Type Indicator (MBTI) assesses a person’s degree of strength of preference along four continua of personality dimensions (Briggs & Myers, 1943). Briefly defined, these dimensions are as follows:

- Extraversion-introversion: the degree to which individuals differ with respect to sociability and being energized while around others, as compared with introversion, which stresses keeping more to oneself and being energized more while alone than with others.
- Intuition-sensing: the degree to which individuals depend more on intuitiveness and hunches for assimilating information, as compared with a preference for concrete, fact-based information, that is, more a function of what a person sees, touches, hears, smells, and so on.
- Thinking-feeling: the degree to which individuals differ with respect to what they do with information once they take it in, that is, whether one (1) uses primarily thought processes such as logic, analysis, and objectivity or (2) prefers instead to rely more on emotional consideration when making decisions, for example, feeling domains such as interpersonal relationships, values, and certain internal, personal standards.
- Judging-perceiving: the degree to which individuals prefer order, planning, achieving closure, and decisiveness, rather than keeping one’s options open and “going with the flow,” or spontaneity.
A person's results on the MBTI become eight preference scores that represent comparisons with norms based on many thousands of others' scores on the continua of thinking to feeling, judging to perceiving, extraversion to introversion, and intuition to sensing.

Although it would be possible to have others answer the MBTI as a rating of the central person, this other-rating is not typical. The MBTI is lengthy, well over 200 questions, and has strengths of reliability and validity; thus, it serves the feedback process well only with self-ratings.

**NEO-Personality Inventory**

Also a self-rating instrument only, the NEO-PI provides measures that are linked to the “Big Five” factors of personality (Costa & McCrae, 1985). The NEO-PI is also lengthy, with 240 items, and is based on extensive research and practice. NEO stands for three of the five factors briefly defined below:

- **Neuroticism:** the higher the score, the more one tends to be anxious, depressed, and angry.
- **Extraversion:** very similar to the same measure on the MBTI; that is, the higher one's score, the more the individual tends to be gregarious, warm toward others, and outgoing.
- **Openness:** primarily meaning open to ideas and new learning; the high-scorer's behavior is likely characterized by curiosity, a love of intelligence, and creativity.
- **Agreeableness:** the higher the score, the more one tends to be cooperative, trustworthy, kind, and sympathetic toward others.
- **Conscientiousness:** high scorers on this factor tend to be reliable, well organized, responsible, and disciplined.

There is some overlap with the MBTI, and the feedback to a person needs to highlight convergence where it exists, such as the obvious extraversion dimension and intuition with openness and perhaps judging with conscientiousness. Consistency across instruments helps to convince the person receiving the feedback that his or her responses are credible.

**Leadership Assessment Inventory (LAI)**

This instrument was included to determine the extent to which partners in the firm preferred leadership to management. It is possible, as noted above, that many of the partners preferred neither. If neither, a person’s scores would be relatively low on a large set of norms. The LAI consists of 18 items that measure an individual’s preference for leadership over management. It is based on the thinking of Burke (1986), Burns (1978), and Zaleznik (1977). See Chapter 10 for more coverage of this kind of thinking. The LAI is a multirater instrument including ratings by oneself, one's supervisor, and one's subordinates but not one's peers. The content of the 18 items does not lend itself to peer
ratings. Peer ratings in this case are not as relevant or as reliable as those from supervisor and subordinates. In addition to an overall preference score for leadership compared with management, individuals receive ratings on five subfactors, namely, determining direction (5 items), influencing followers (5 items), establishing purpose (3 items), inspiring followers (3 items), and making things happen (2 items). For more information on the LAI, see Sashkin and Burke (1990) and Van Eron and Burke (1992).

DATA SUMMARY OF THE FIRM’S PARTNERS

The 50 partners in the firm were rated the highest on practices categorized as “Solidifying and Maintaining Close Client Relationships” and “Promoting a Courteous, Collegial, and Trusting Culture.” Their “Teamwork” ratings were fairly strong, but “Developing the Business” resulted in so-so ratings, and the lowest were “Leading and Managing.” In fact, the lowest-rated practice of all was “Provide a Vision of the Future That Captures the Commitment of People.” Moreover, the ratings on the LAI reflected little desire for service as a leader. Management activities were not exactly popular, either.

The MBTI pattern of the firm did not fit norms for the United States very closely. Whereas 25% of the overall U.S. population scored as introverts, 56% of the partners did so. On intuition, the partners scored 68% compared with 25% for U.S. norms; thinking was at 72% for the partners, compared with about 50% for U.S. norms; and 62% scored judging compared with approximately 50% for U.S. norms. The overall combination of traits among the partners, among the 16 possibilities for the MBTI of introversion, intuition, thinking, and judging, occurs in less than 2% of the U.S. population. This firm’s partners may not be like most American personalities, but they may not be that different from other professional service firm populations. Although some research has indicated that perceived leaders in organizations are likely to be higher on intuition and a bit higher on perceiving rather than judging (Van Eron & Burke, 1992), the only dimension conducive for leadership in our professional services firm is intuition. So, there may be some potential in the firm for leadership but, in the main, not a clear, strong profile for it.

The results on the NEO-PI were well within the normal range for neuroticism—no problems here—and showed consistent scores on extraversion (rather low), with openness and conscientiousness being strong. Agreeableness was in the average range.

CONCLUSION

The lead consultant in this case made the following points and recommendations to the managing partner and executive committee of the firm:
This professional services firm is indeed highly professional, showing a strong emphasis on serving clients promptly and effectively; internal firm norms of courtesy, respect, and collegiality; and a clarity about mission and the identity within the larger professional community, that is, strong specialization.

Although a reasonable amount of teamwork in the firm seems to exist, there is insufficient attention being paid to mentoring and providing professional development for junior partners and associates.

The leadership picture is rather bleak. Although there may be leader ability among the partners, there is little motivation.

Approximately halfway into this consultant-client relationship of about 3 years, the managing partner hired a senior partner from another firm to help with leading and managing. This seasoned outsider enjoys leadership and appears to be quite good at it. The consultant discussed this decision with the managing partner and suggested these options for the future: This method of providing further leadership for the firm could be followed and focus could be made on changing the firm’s reward system in such a way that internal leadership could be reinforced more strongly and be recognized to the same degree as effective client work.

Much more could be stated about the interesting culture of this firm and the issues facing it. However, the point of providing this case example is this: Organization change for this firm comes slowly; it is clearly evolutionary in nature. Future work is on leadership development, whether internally or externally by means of new hires. The firm needs to do a much better job of (1) mentoring, (2) considering the firm more as a business and less as a professional club, and (3) learning how to improve from the kind of process they have spent considerable time and money on, their multirater feedback program.

This professional service firm is not in trouble. There has been no need for a sea change. Evolutionary change is therefore quite appropriate. Continuous improvement is their slogan.

Summary

The primary purpose of this chapter was to make clear that not all organization changes are the same. An important distinction is the difference between revolutionary (later to be referred to as transformational) and evolutionary (later to be referred to as transactional) change. The inclusion of the two case examples was intended to clarify the distinction between the two.

Revolutionary change, perhaps by definition, occurs in leaps, spurts, and disruptions, not in an incremental, linear fashion. Our understanding
of revolutionary change has been enhanced and emboldened by similar findings across disciplines and multiple levels of analyses. These similarities are quite remarkable. Deep structure, as explained by Gersick (1991), is perhaps the key concept for understanding the nature of revolutionary change more fully.

Evolutionary change is characteristic of most organization change. Evolutionary change is typically an attempt to improve aspects of the organization that will lead to higher performance. The fundamental nature, or deep structure, of the organization, its culture, for example, remains undisturbed. The primary mission of the organization remains the same, and the primary rationale for its strategy to implement the mission also remains intact. Yet major organizational changes can occur, such as modifications of the structure, installing a new system of information technology, or launching a new line of businesses. These kinds of changes are simply evolutionary when it comes to a comprehensive understanding of organization change.