

This article was downloaded by: [University of Saskatchewan Library]

On: 18 September 2012, At: 19:32

Publisher: Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



## Journal of Change Management

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/rjcm20>

### Developing capacity for change

Christine B. Meyer<sup>a</sup> & Inger G. Stensaker<sup>a</sup>

<sup>a</sup> Norwegian School of Economics and Business Administration, Bergen, Norway

Version of record first published: 17 Feb 2007.

To cite this article: Christine B. Meyer & Inger G. Stensaker (2006): Developing capacity for change, *Journal of Change Management*, 6:2, 217-231

To link to this article: <http://dx.doi.org/10.1080/14697010600693731>

PLEASE SCROLL DOWN FOR ARTICLE

Full terms and conditions of use: <http://www.tandfonline.com/page/terms-and-conditions>

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The accuracy of any instructions, formulae, and drug doses should be independently verified with primary sources. The publisher shall not be liable for any loss, actions, claims, proceedings, demand, or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

# Developing Capacity for Change

CHRISTINE B. MEYER & INGER G. STENSAKER

*Norwegian School of Economics and Business Administration, Bergen, Norway*

**ABSTRACT** *In this conceptual paper we examine how organizations can develop capacity for change, which we define as the allocation and development of change and operational capabilities that sustains long term performance. Making change happen without destroying well-functioning aspects in an organization and harming subsequent changes requires both capabilities to change in the short and long term and capabilities to maintain daily operations. The change literature includes a number of process prescriptions on how change can be mobilized such as, framing, participation, pacing, and sequencing, routinizing change, and recruiting. We examine how these process prescriptions contribute in developing an organization's (1) capabilities to change, (2) capabilities to maintain daily operations and (3) capabilities to implement subsequent change processes. While participation, pacing and sequencing are likely to have adverse effects on daily operations, routinizing change and recruiting personnel are likely to have positive effects on subsequent change processes.*

**KEY WORDS:** Strategic change, capacity for change, change management

## Introduction

The ability to cope with dramatically altering contextual forces has become a key determinant of competitive advantage and organizational survival (D'Aveni, 1994). Previous research has shown that while organizations may be faced with similar contextual forces for change, they opt for various different responses (Greenwood and Hinings, 1996). This variation could be due to differences in terms of how organizations interpret signals and events in their environment (Dutton and Duncan, 1987; Weick, 1995; Walsh, 1995), but it could also be based on different capacities within organizations to undertake change. Even if organizations make similar interpretations of their environments, and initiate strategic changes that seem similar in content, differences remain in terms of what

---

*Correspondence Address:* Christine B. Meyer, Norwegian School of Economics and Business Administration, Breiviksveien 40, 5045 Bergen, Norway. E-mail: christine.meyer@nhh.no

1469-7017 Print/1479-1811 Online/06/020217–15 © 2006 Taylor & Francis  
DOI: 10.1080/14697010600693731

they are actually able to do and the results they attain (see, for example, Amis *et al.*, 2004; Lozeau *et al.*, 2002; and White and Linden, 2002).

We believe these differences can be related to an organization's capacity for change. In this study, we probe the strategy and change literature for insights on how organizations can build sustainable change capacity. Although an increased capacity for change is often called for both by academics and practitioners (Levinthal and March, 1993; Achtenhagen *et al.*, 2003; Pettigrew and Whittington, 2003), our understanding of the concept and the underlying mechanisms in building capacity for change remain underdeveloped.

We draw on recent research on ambidexterity (Tushman and O'Reilly, 1996; O'Reilly and Tushman, 2004; Gibson and Birkinshaw, 2004), in our discussion of how organizations can build change capacity, but our focus in this article is turned specifically to implementation challenges. We are concerned with how organizations can increase their capacity for implementing large-scale change. Our understanding of change capacity is that organizations are capable of implementing large-scale changes without compromising daily operations or subsequent change processes. Large-scale changes tend to require extensive attention and take focus from other organizational matters. Organizations often experience opposing demands in terms of handling both continuity and change during the implementation process. Moreover, the successful implementation of one particular change initiative may harm subsequent change initiatives, suggesting that we need to focus on change not as isolated events, but as a series of interrelated changes.

A number of prescriptions on how to manage change processes exist, such as communicating the need for change, involving employees in decision-making and implementation, and conscious attention to tempo and sequencing of changes. In the literature, these prescriptions are often presented as general recommendations for increasing the success of any particular change initiative, but they seldom include possible adverse consequences on daily operations or subsequent change processes. We argue that for organizations to build change capacity, it is not sufficient to look at the success of implementing single changes. If these changes have crowded out daily operations or have worn out the organization, thereby hindering new changes, we argue that the particular change initiative has not contributed in building change capacity. To suggest how organizations can develop change capacity, we examine some common process prescriptions and systematically analyze how these prescriptions contribute in making change happen, in maintaining daily operations and in making the organization ready for new changes.

We begin this article by developing a definition of the change capacity. We then present a number of well-known process prescriptions for implementing planned change in organizations. We explore if and how these prescriptions can contribute in developing sustainable change capacity. In the conclusion, we point to managerial implications, and present suggestions for future research.

### **Change Capacity**

There is wide agreement among researchers that organizations need to develop their capacity for rapid adaptation, flexibility, and innovation (Levinthal and

March, 1993; Pettigrew and Whittington, 2003; Van den Bosch *et al.*, 1999). Moreover, practitioners are equally concerned with developing change capacity: 'experiments to increase the capacity to adapt and learn are carried out in large companies all over the world' (Achtenhagen *et al.*, 2003). Despite increased attention among both researchers and practitioners, there exists no unified or commonly accepted definition of change capacity.

Our understanding of change capacity builds on the idea that in addition to coping with change, innovation, and renewal, organizations need to make the most of existing capabilities. Organizations have to attend to both change and stability (Leana and Barry, 2000), and need to balance exploration and exploitation (March, 1991, 1996) as the long-term superior performance is likely to depend on the appropriate mix of exploratory and exploitative adaptations (Leventhal and March, 1993). The literature on change has focused on these conflicting demands at the strategic level and it suggests that one way of handling this is by creating an ambidextrous organization (Tushman and O'Reilly, 1996; O'Reilly and Tushman, 2004; Gibson and Birkinshaw, 2004; He and Wong, 2004). This means to use organizational architecture to manage multiple and conflicting demands such as implementing both incremental (exploitation) and revolutionary (exploration) changes.

We believe that the challenge between balancing change and stability is highly relevant also at a more operational level during implementation of change. The nature of the challenges at the operational level is different than it is at the strategic level and different solutions are required. At the operational level, change has to be implemented while daily operations are simultaneously maintained. We argue that the potential adverse effect of many and frequent large-scale changes on daily operations has been missing in much of the change literature, with its sole focus on change. Some may argue that the forces for maintaining operations in organizations are so strong that this dimension takes care of itself. Our experience from working with large-scale change is that managers consistently neglect or underestimate the adverse effects of implementing change.

Large change processes trigger a large number of internal decisions and activities. New organizational solutions have to be decided upon; positions must be reallocated; product programs must be adjusted; routines and policies must be revised; employees training programs need to be planned and implemented; and so on. Such internal activities risk crowding out activities related to daily operations such as paying attention to customers, monitoring the competition, and responding to changes in the environment. A key task for management is, therefore, to find a balance between the resources deployed in change processes and in daily operations.

Another weakness of the change literature is that change processes have generally been treated as single and isolated events. This is particularly evident in some of the most well-known change theories and frameworks such as Lewin's unfreeze-move-refreeze framework, and the punctuated equilibrium model of change (Lewin, 1947; Anderson and Tushman, 1990). Viewing change processes as isolated events presupposes that they have a clear beginning and end. While useful, this can also limit our understanding of the more complex and dynamic aspects organizations deal with in change processes.

Pettigrew and Whipp (1991, p. 20) describe one of the main challenges in change management as '... the ability to manage a series of interrelated and emergent changes (often in parallel and in sequence) is vital.' Researchers have also suggested that multiple change processes can lead to change fatigue (Abrahamson, 2000). Successful implementation of one particular change initiative may in fact harm subsequent change initiatives. If changes are implemented but employees view the process as unfair, then they will be reluctant to embrace a new change process. The change capacity that contributed to one particular change effort must then be viewed as only temporary. Multiple change processes may also contribute in creating sustainable change capacity. Employees that have experienced positive experiences of change are likely to be more receptive to change. Moreover, managers may transfer experience from one change process to another, and thereby develop change management skills.

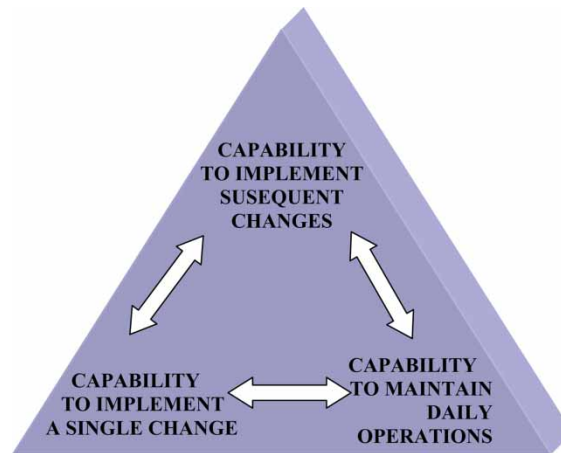
Our focus on change capacity takes into account that organizations often pursue a number of more or less logically connected change initiatives. In addition, new change processes are often initiated before previous changes have been completed. Our experience from working with organizations that pursue large-scale changes suggests that changes, while generally necessary, can become both excessive and destructive for the long-term performance of the firm. Whether or not change becomes excessive and destructive depends on how changes are organized and managed.

We believe that organizations that have a capacity for change must not only have the ability (resources and capabilities) to change the organization successfully, they must also have capability to maintain daily operations and implement subsequent change processes. We define change capacity as 'The allocation and development of change and operational capabilities that sustains long term performance.' This implies that the potential adverse effects on daily operations and subsequent change processes is outweighed by the positive effects on subsequent change processes and improvement in performance as a result of the change process. Hence, while implementation of change only can have adverse effects on daily operations, the particular change initiative can have negative or positive effects on the subsequent change processes. The balance between the three elements of change capacity is illustrated in Figure 1.

In reviewing different change process prescriptions, we will focus on how prescriptions contribute to developing change capacity and the likely effects on subsequent change processes. In the next section, we turn to prescriptions for developing the necessary capabilities and for ensuring sustainable change capacity.

### **Prescriptions for Developing Change Capacity**

The change literature proposes a number of different prescriptions that relate to how management can mobilize an organization to move from decision-making to action. Below we present some common change process prescriptions, which we have grouped into the following categories: framing, participating, pacing and sequencing, routinizing, and recruiting. The choice of these prescriptions was based on two criteria: the most cited in the literature (framing, participation



**Figure 1.** The three elements of change capacity

and pacing and sequencing) and the most relevant for developing sustainable change capacity (routinizing, recruiting and pacing, and sequencing). Most of the prescriptions we present are widely accepted ways of increasing the probability of implementation success and we can therefore assume that these prescriptions will serve to develop an organization's capabilities for change. We probe the underlying ways in which these prescriptions also can affect daily operation capabilities and subsequent change processes. An overview of the effects of different process interventions on change capacity is provided in Table 1.

### Framing

Framing refers to how changes are communicated, the reasons given for change and the rationale behind making a particular set of changes. In planned change processes, organizational members are likely to interpret the changes in various ways as they try to figure out the meaning of the proposed strategic change effort, its effect on them, and their role in it (Isabella, 1990; Weick, 1995). Symbols, metaphors, and crisis are often used as a tool by management to frame changes and to attempt to create a common understanding of the rationale behind the changes (Armenakis *et al.*, 1993, 1995, 1996; Kotter, 1996).

Symbols serve as information carrying devices that help organizations achieve goals. In a study drawing on the business turnaround literature, symbolism has been found as an important way to change cognitions and behaviors in organizations because it allowed change agents to transmit meaning (Armenakis *et al.*, 1995). Hence, symbols can contribute in building change capabilities by providing managers with a tool for mobilizing change. Symbols also increase change capabilities, at least temporarily for the current change initiative, by creating a better understanding for change and thereby affecting employees' motivation to change.

Metaphors have been found particularly good when relationships are extremely complex (Cleary and Packard, 1992). A metaphor is a figure of speech in which a

**Table 1.** Prescription for developing change capacity

Category	Prescription to change	Effect on capability capabilities	Effect on operational	Sustainability
<b>Framing</b> The reasoning and rationale behind changes.	Use symbols and metaphors.	Creates understanding and motivation.	No obvious adverse effects on operational capabilities.	Can build trust to subsequent change process, but does not develop new capabilities.
How changes are communicated.	Communicating a crisis.	Creates understanding for the need to change.	Can affect daily operations negatively if employees are shocked by crisis.	Cannot be used time and time again. No sustainable effects.
<b>Involving</b> Allowing organizational members to participate in planning.	Involve as many employees as possible in making decisions.	Creates understanding, commitment, motivation, and ownership.	Takes time and attention from daily operations.	Depends on how and when involved. Can cause change fatigue if work related to involvement is seen as a waste of valuable time.
<b>Pacing and sequencing</b> Tempo of the change process and sequence in which changes are introduced.	Fast-paced change. Slow-paced change (step-wise/successive process).	Creates energy and momentum. Creates environment for learning and understanding. Can allow for mobilization of resistance.	Disrupts daily operations considerably. Less disruptive for daily operations.	Can lead to change fatigue.

	Time pacing (shifting pace).	Creates a sense of control, urgency and periods of stability.	Disruptive for daily operations if changes are implemented unnecessarily.	
	Sequential approach with high-impact changes made first.	Creates motivation through visible effects and forces other changes through.	More disruptive in the start	
Routinizing Use of organizational routines to implement change.	Create routines for handling change.	Creates a sense of control, periods of stability, and creates a structure for transferring meaning.	Positive effect on operational capabilities.	Positive.
Recruiting Hiring personnel permanently or temporarily.	Rely on consultants. Recruit new people with change cap.	Provides expertise. Provides change expertise.	Adds costs. Positive in reducing workload.	Positive if change capabilities are transferred to org. members. Positive.
	Recruit operational capabilities temporarily.	Can contribute in building change cap in existing workforce.	Less costly. Positive as reduces workload connected with operations.	Positive.

---



word literally denoting one kind of object or idea is used in place of another to suggest a likeness or analogy between them. As such, metaphors provide vivid, memorable, and emotion-arousing representations of something familiar and can contribute in making the need for changes and the content for changes more understandable as well as serve motivating purposes for organizational members. Metaphors can contribute in creating change capabilities based on added knowledge and understanding.

While the use of symbols and metaphors have little or no adverse effect on daily operations or subsequent change processes, the other common prescription of creating a crisis can have such negative effects. Through this prescription, management aims to create an understanding for the need to change. This way of framing a change may therefore be functional in making an organization receptive to change. However, because of the drama and urgency related to a crisis, daily operations are likely to be negatively affected. Through communicating a crisis, the management also signals that something is wrong with the way the organization runs its daily operations. Creating a crisis is also likely to be dysfunctional in the long term. Unless the crisis is real, management will not be able to unfreeze an organization by repeatedly constructing crises.

### Participation

There is wide agreement in the change literature that it is difficult to implement changes if the one's that are most affected are not involved (King and Rodriguez, 1981; Guth and MacMillan, 1986; Floyd and Wooldridge, 1992; Armenakis *et al.*, 1993, 1999). Participation, either in formulation or implementation of change or both, can contribute in a greater understanding for and commitment to the change. Involving organizational members from different divisions and different levels in the organization will also create an arena for discussion and meaning making.

Participation in the decision-making process and/or the implementation process can contribute in facilitating change (Glew *et al.*, 1995) and lead to qualitatively better decisions (Kim and Mauborgne, 1998). When organizational members perceive that their input through participation has an effect, then participation is more likely to result in change capabilities, but it is difficult to say whether any long-term capabilities are developed based on participation in decision-making or implementation.

Although participation tends to be portrayed as purely positive, participation brings costs and can have negative effects, such as being time consuming (Ashmos *et al.*, 2002; Harrison and Freeman, 2004). Extensive participation in change initiatives, therefore, will tend to crowd out activities related to daily operations such as attending to customers. In addition, if organizational members perceive that they are asked to participate without having any real effect on decisions that are made, then participation will both be costly for that particular change initiative as organizational members are more likely to resist change (Lines, 2004). This is likely to have long-term effects as subsequent change processes may be met with cynicism.

### Pacing and Sequencing

Pacing has to do with the tempo and timing of change. Sequencing is related to the timing of change, but refers specifically to the sequence in which different elements of the change are introduced. We discuss pacing and sequencing as one prescription, since they are somewhat related.

Some researchers argue that change processes should be pursued at a slow pace while others argue that radical change needs to be made quickly (Beer *et al.*, 1990; Carnall, 1990; Pettigrew, 1992; Romanelli and Tushman, 1994). Both approaches can be linked with negative as well as positive reactions among organizational members. In order to achieve change, the organization needs momentum and energy. Fast-paced changes will contribute in releasing more energy. On the other hand, changes that are made *too* quickly may constrain problem solving, and adaptation to the new situation. Slow-paced change facilitates learning and allows all organizational members time to understand what needs to be changed and how. When done effectively, evolutionary change (slow-paced and incremental change) can be crucial part of short-term success. The long periods of incremental change implies that the organizations can concentrate its resources on business operations. If a change process takes too long, the change may lose salience and most people will not notice something happening. Slow pace can also allow for mobilization of power and increased resistance, which is one of the main arguments behind implementing large-scale changes as rapidly as possible.

With its mixed findings, the literature remains inconclusive in terms of how pace may contribute to developing change capabilities. In terms of potential adverse effects on daily operations, fast-paced change is likely to be more disruptive than slow-paced change in the short run, but not necessarily in the long term. As for the effect on subsequent change processes, fast-paced change over a long period may also lead to change fatigue. There is also a stream of research which suggests that sequencing must be linked to pace. According to this literature, the amount and type of change in a specific *period* is a key variable for determining the impact change has for an organization (Cummings and Worley, 1993). The available time for each period or phase can also be of importance since changes that are more fundamental require people to learn new behaviors, and often to adjust their norms and values. Such major adjustments take time and they are hindered when changes are implemented too quickly (Gravenhorst *et al.*, 2003). Management, therefore, needs to introduce changes sequentially and with different tempo. Some researchers suggest that by implementing high impact elements first, the symbolic effect on the organization, coupled with system dependencies, will secure changes in other elements as well (Hinings and Greenwood, 1988; Amis *et al.*, 2004).

Based on the view of organizations as systems composed of interdependent elements, the idea is that if you are able to induce change in some organizational elements (preferably the highly visible and important elements), other elements will subsequently have to change as well. Rapid pace can then be planned for high-impact elements early in the change process, while other organizational elements are allowed to fall into place over time. The dependencies between the different organizational elements will ensure that change occurs. Implementing

high-impact changes first will secure change and thereby this prescription contributes in developing change capabilities. Operational capabilities are likely to suffer negatively at first, precisely because high impact changes draw attention. In the longer term, however, this prescription seems likely to contribute in maintaining operational focus as well.

Some researchers argue that change needs to be made regularly and rhythmically through so-called time-pacing (Brown and Eisenhardt, 1997; Eisenhardt and Brown, 1999). Changes such as launching new businesses, creating new products or services, entering new markets should be made regularly, e.g. every other year. This creates a regular, rhythmic, and proactive approach to change that can increase the capacity for change by creating a sense of urgency, hence it increases the intensity of the effort in terms of information search and learning and increases the absorptive capacity (Linsu, 1998). At the same time however, it gives people a sense of control because change becomes predictable, focused, and efficient, and employees become more confident.

Time-pacing can thereby contribute in developing change capacity along both the dimension of change, while at the same time maintaining focus on operational activities in the organization and hence keeping costs associated with change down. However, if the changes are initiated for the sake of change only, it may be challenging to communicate to the employees why these changes are needed. Despite the regularity of changes, it is also unlikely that time pacing eliminates all adverse effects on daily operations. In addition, time pacing may not be appropriate for all kinds of organizational changes. Changes related to technological changes or more behaviorally oriented changes are perhaps less suited for being initiated at regular intervals.

### **Routinizing**

Organizations can establish or use existing routines for handling change. Routinizing change means to use structures and processes that are already in place in the organization, or to try to institutionalize structures and processes that can be applied in multiple change processes. Mintzberg (1978) discovered that organizations indeed develop a collection of routines for handling major change: recognition, diagnosis, search, design, screen, evaluate, authorize. These routines are more related to strategic issue diagnosing and decision-making than implementation. Other researchers (Pondy and Huff, 1985; Meyerson, 2001; White and Linden, 2002) have discussed how organizations can use existing routines in change processes in general without specifically addressing either decision-making or implementation. Feldman and Rafaeli (2002) argue that organizational routines contribute in achieving a balance between adaptability and stability because routines serve as connections between people. Connections, in turn, serve to transfer information and to create social support and thereby understandings about the change initiative are developed. In change processes, it becomes particularly important to create a common ground for transforming understandings of the change (Gioia and Chittipeddi, 1991; Bechky, 2003).

Routinized processes are likely to use and create more tacit knowledge than non-routine processes (Nelson and Winter, 1982) and tacit knowledge on

implementing change can be a source of competitive advantage. Routines can also create a sense of control as discussed above in terms of time pacing (Eisenhardt and Brown, 1999). Relying on established routines will reduce the number of new things to which any organizational member has to relate. Routines can also create trust between management and employees in change processes. Trust, in this respect, does not mean that organizational members necessarily *like* the changes or commit to the changes, but knowing what will happen creates a certain predictability which can also lead to maintained trust in management.

The underlying rationale for routinizing change is the belief that organizations can learn to change. By putting in place and relying on established routines for implementing change, change capacity can be developed. Routinizing change can increase both change capabilities and contribute in maintaining operational capabilities because less effort is spent on figuring out how to work with the changes. Routinizing change can also contribute in developing sustainable change capacity since the organization can become better at handling any type of change over time as it gains experience in these routines.

### Recruiting

A final prescription for ensuring change involves recruiting personnel. Recruiting can be permanent or temporary, and both experts and more operational personnel can be recruited for the purpose of contributing in getting changes implemented.

Since change is a fluctuating activity, many organizations prefer to hire consultants and change experts to take them through change processes (Armenakis and Burdger, 1988; Ginsberg and Abrahamson (1991); Gable, 1996; Werr *et al.*, 1997). The advantage of consultants is that they do not add resources to the organization permanently. For consultants to be successful, they need to involve the client in the process and secure ownership in the organization. Moreover, external consultants need to emphasize the development of the client's organization in order to attend self-sustaining development process and diffusion.

In the past ten years, several consultants that previously only focused on top management and strategy formulation have begun to focus on building competence on implementation processes. There are also a number of other process experts on the market, such as specialists in organization development. Hiring experts on change obviously increases change capabilities temporarily, and it takes some of the workload off permanent staff and hence contributes in maintaining operational capabilities. While experts solve short-term challenges such as time constraints, using experts during implementation may have negative effects on the long-term capacity for change. Several of the top managers we have worked with emphasize the importance of having change agents who themselves will have to live with the consequences of their decisions. Consultants or other external experts that are hired for a limited time may not consider to the same extent the long-term effects of their decisions and actions. This is particularly a risk if they are only hired for that specific change initiative and there is no long-term relationship between the organization and the consultant.

Finally, temporarily recruiting operational personnel in order to take some of the workload off employees and allow employees to focus more on changes can

contribute in developing sustainable change capabilities without negatively affecting operational efficiencies. Costs involved with hiring temporary operational personnel are likely to be lower than hiring experts, and they will only be temporary costs.

Another option, which covers long-term aspects better, is to increase more permanently the capacity in staff functions by recruiting personnel with change competence. This has the disadvantage of adding resources permanently, but the change competence will be retained within the organization, and long-term competence will be more closely tied to that particular organization and its operations. To facilitate the implementation of change, organizations need to add management capacity at lower levels in the organization. This is in line with recent research which points to middle managers as a crucial resource during organizational change (Huy, 2001, 2002; Balogun and Johnson, 2004). Recruiting in this way tends to mean increased resources and support in the change process and this is likely to affect positively both capabilities to change and maintain operational focus. Increased resources also mean that implementing change will become costly. Since implementing changes typically is a more fluctuating than activity than business operations, hiring too many specialists may lead to unproductive use of resources and additional costs in the long run, particularly in times of little change. However, new staff could also replace existing staff implying that the relative balance between change and operational balance is shifted in the organization.

### **Conclusion**

Based on the assumption that organizations have different capacity to implement change, and that this capacity can be developed, we have defined change capacity and presented a number of ways in which change managers can contribute in developing change capacity. We argued that the literature on strategic and organizational change has been preoccupied with implementation of change as isolated events, thereby ignoring the adverse effects on daily operations and subsequent change processes. Organizations may succeed in implementing change, but if the change has crowded out daily operations and worn out the workers, then it is highly unlikely that the change has contributed to sustainable performance. To build change capacity, we therefore, argue that organizations need to balance between the need to implement the changes, the need to maintain daily operations, and the need to implement changes in the future.

Owing to the focus on single change processes, we have little knowledge on how the process prescriptions affect daily operations and subsequent change processes. An important contribution of this study is, therefore, the systematic analysis of how the process prescriptions affect each of the three elements of change capacity. The process prescriptions vary in terms of the extent to which they contribute to change capacity. Additional literature as well as empirical evidence is needed to develop our insights on sustainability. Our work so far leads us to believe that certain process prescriptions more readily provide sustainable capacity for change, such as routinizing change and recruiting personnel. Extensive participation may create understanding and ownership for one particular change

initiative, but in the long term, it also incurs large costs and risks having negative effects on the next change process. This can be due to change fatigue or because organizational members dislike having to spend time on change work if they find they have no real influence.

The conceptual ideas presented in this paper have normative implications. Based on whether there is a need to focus on the change as a single event, as a series of multiple changes or in relation to daily operations, managers can then choose process intervention methods that contribute in developing the change capacity. Obviously, the different prescriptions need to be developed further theoretically as well as subjected to empirical contexts.

Several findings in this study are inconclusive and require empirical data. Is change capacity more efficiently developed by optimizing existing resources and capabilities or by building new resources and capabilities? Moreover, what is the most efficient way of building new resources and capabilities, drawing on familiarity or bringing in new elements? One way to begin to resolve these issues is by examining how organizations actually work to increase their change capacity.

## References

- Abrahamson, E. (2000) Change without pain, *Harvard Business Review*, 78(4), pp. 75–79.
- Achenhager, L. *et al.* (2003) Learning and continuous change in innovating organizations, in: A.M. Pettigrew *et al.* (Eds) *Innovative Forms of Organizing* (London: Sage).
- Amis, J. *et al.* (2004) The pace, sequence, and linearity of radical change, *Academy of Management Journal*, 47(1), pp. 15–39.
- Anderson, P. and Tushman, M.L. (1990) Technological discontinuities and dominant designs: a cyclical model of technological change, *Administrative Science Quarterly*, 35(4), pp. 604–34.
- Armenakis, A.A. and Burd, H.B. (1988) Consultation research: contributions to practice and directions for improvement, *Journal of Management*, 14(2), pp. 339–65.
- Armenakis, A.A. *et al.* (1993) Creating readiness for organizational change, *Human Relations*, 46(3), pp. 1–23.
- Armenakis, A. *et al.* (1995). Symbolic actions used by business turnaround change agents, *Best Paper Proceedings. Academy of Management*.
- Armenakis, A. *et al.* (1996) Symbolism use by business turnaround change agents, *International Journal of Organizational Analysis*, 4(2), pp. 123–34.
- Armenakis, A. *et al.* (1999) Making change permanent: a model for institutionalizing change interventions, *Research in Organizational Change and Development*, JAI Press Inc., 12, pp. 97–128.
- Ashmos, D.P. (2002) What a mess! Participation as a simple managerial rule to “complexity” organizations, *Journal of Management Studies*, 39(2), pp. 189–206.
- Balogun, J. and Johnson, G. (2004) Organizational restructuring and middle manager sensemaking, *Academy of Management Journal*, 47(4), pp. 523–49.
- Bechky, B.A. (2003) Sharing meaning across occupational communities: the transformation of understanding on a production floor, *Organization Science*, 14(3), pp. 312–30.
- Beer, M. *et al.* (1990) Why change programs don’t produce change, *Harvard Business Review*, 68(6), pp. 158–66.
- Brown, S.L. and Eisenhardt, K.M. (1997) The art of continuous change: linking complexity theory and timepaced evolution in relentlessly shifting organizations, *Administrative Science Quarterly*, 42(1), pp. 1–34.
- Carnall, C.A. 1990. *Managing Change in Organizations* (New York: Prentice Hall).
- Cleary, C. and Packard, T. (1992) The use of metaphors in organizational assessment and change, *Group and Organization Management*, 17(3), pp. 229–41.
- Cummings, T.G. and Worley, C.G. (1993) *Organizational Development and Change* (MN West: St Paul).
- D’Aveni, R.A. 1994. *Hyper-competition* (New York: Free Press).
- Dutton, J.E. and Duncan, R.B. (1987) The creation of momentum for change through the process of strategic issue diagnosis, *Strategic Management Journal*, 8(3), pp. 279–95.

- Eisenhardt, K.M. and Brown, S.L. (1999) Patching: restitching business portfolios in dynamic markets, *Harvard Business Review*, May-June, 77(3), pp. 72–82.
- Feldman, M.S. and Rafaeli, A. (2002) Organizational routines as sources of connections and understandings, *Journal of Management Studies*, 39(3), pp. 309–31.
- Floyd, S.W. and Wooldridge, B. (1992) Middle management involvement in strategy and its association with strategic type: a research note, *Strategic Management Journal*, Special Issue, 13, pp. 153–67.
- Gable, G.G. (1996) A multidimensional model of client success when engaging external consultants, *Management Science*, 42(8), pp. 1175–98.
- Glew, D.J. et al. (1995) Participation in organizations: a preview of the issues and proposed framework for future analysis, *Journal of Management*, 21(3), pp. 395–421.
- Ginsberg, A. and Abrahamson, E. (1991) Champions of change and strategic shifts: the role of internal and external change advocates, *Journal of Management Studies*, 28(2), pp. 173–90.
- Gibson, C.B. and Birkinshaw, J. (2004) The antecedents, consequences, and mediating role of organizational ambidexterity, *The Academy of Management Journal*, 47(2), pp. 209–26.
- Gioia, D.A. and Chittipeddi, K. (1991) Sensemaking and sensegiving in strategic change initiation, *Strategic Management Journal*, 12(6), pp. 443–8.
- Gravenhorst, K.M.B. et al. (2003) The change capacity of organizations: general assessment and five configurations, *Applied Psychology: An International Review*, 52(1), pp. 83–105.
- Greenwood, R. and Hinings, C.R. (1996), Understanding radical organizational change: bringing together the old and new institutionalism, *Academy of Management Review*, 21(4), pp. 1022–54.
- Guth, W.D. and MacMillan, I.C. (1986) Strategy implementation versus middle management self-interest, *Strategic Management Journal*, 7(4), pp. 313–27.
- Harrison, J.S. and Freeman, R.E. (2004) Democracy in and around organizations: is democracy worth the effort?, *Academy of Management Executive*, 18(3), pp. 49–53.
- He, Z. and Wong, P. (2004) Exploration vs. exploitation: an empirical test of the ambidexterity hypothesis, *Organization Science*, 15(4), pp. 481–94.
- Hinings, R. and Greenwood, R. (1988) *The Dynamics of Strategic Change* (Oxford: Blackwell).
- Huy, Q.N. (2001), In praise of the middle managers, *Harvard Business Review*, 79(8), pp. 73–9.
- Huy, Q.N. (2002) Emotional balancing of organizational continuity and radical change: the contribution of middle managers, *Administrative Science Quarterly*, 47(1), pp. 31–9.
- Isabella, L.A. (1990) Evolving interpretations as a change unfolds: how managers construe key organizational events, *Academy of Management Journal*, 33(1), pp. 7–41.
- Kim, W.C. and Mauborgne, R. (1998) Procedural justice decision making and the knowledge economy, *Strategic Management Journal*, 19(4), pp. 323–38.
- King, W.R. and Rodriguez, J.I. (1981) Participative design of strategic decision support systems: an empirical assessment, *Management Science*, 27(6), pp. 717–26.
- Kotter, J.P. (1996) *Leading Change* (Boston, MA: Harvard Business School Press).
- Leana, C.R. and Barry, B. (2000) Stability and change as simultaneous experience in organizational life, *Academy of Management Review*, 25(4), pp. 753–759.
- Levinthal D.A. and March, J.G. (1993) The myopia of learning, *Strategic Management Journal*, 14(2), pp. 95–112.
- Lewin, K. (1947) Frontiers in group dynamics, *Human Relations*, 1(1), pp. 5–41.
- Lines, R. (2004) Influence of participation in strategic change: resistance, organizational commitment and change goal achievement, *Journal of Change Management*, 4(3), pp. 193–215.
- Linsu, K. (1998) Crisis construction and organizational learning: capability building in catching-up at Hyundai motor, *Organization Science*, 9(4), pp. 506–21.
- Lozeau, D. et al. (2002) The corruption of managerial techniques by organizations, *Human Relations*, 55(5), pp. 537–64.
- March, J.G. (1991) Exploration and exploitation in organizational learning, *Organization Science*, 2(1), pp. 71–87.
- March, J.G. (1996) Continuity and change in theories of organizational action, *Administrative Science Quarterly*, 41(2), pp. 278–87.
- Meyerson, D.E. (2001) Radical change the quiet way, *Harvard Business Review*, 79(9), pp. 92–100.
- Mintzberg, H. (1978) Patterns in strategy formation, *Management Science*, 24(9), pp. 934–48.
- Nelson, R.R. and Winter, S. (1982) *An Evolutionary Theory of Economic Change* (Cambridge, MA: Harvard University Press).
- O'Reilly, C.A. and Tushman, M.L. (2004) The ambidextrous organization, *Harvard Business Review*, 82(4), pp. 74–81.

- Pettigrew, A.M. (1992) The character and significance of strategy process research, *Strategic Management Journal*, Special Issue, 13, pp.5–16.
- Pettigrew, A.M. and Whipp, R. (1991) *Managing Change for Competitive Success* (Oxford: Blackwell Publishers).
- Pettigrew, A. and Whittington, R. (2003) Complementarities in action: competition and change in BP and Unilever, 1985–2000, in: A. Pettigrew *et al.* (Eds) *Innovative Forms of Organizing* (London: Sage).
- Pondy, L.R. and Huff, A.S. (1985), Achieving routine in organizational change, *Journal of Management*, 11(2), pp. 103–16.
- Romanelli, E. and Tushman, M.L. (1994) Organizational transformation as punctuated equilibrium: an empirical test. *The Academy of Management Journal*, 37(5), pp. 1141–66.
- Tushman, M.L. and O'Reilly, C.A. (1996) Ambidextrous organizations: managing revolutionary and evolutionary change, *California Management Review*, 38(4), pp. 8–30.
- Van den Bosch, F.A.J. *et al.* (1999) Coevolution of firm absorptive capacity and knowledge environment: organizational forms and combinative capabilities, *Organization Science*, 10(5), pp. 551–68.
- Walsh, J.P. (1995) Managerial and organizational cognitions: notes from a trip down memory lane, *Organization Science*, 6(3), pp. 280–321.
- Weick, K.E. (1995) *Sensemaking in Organizations* (Thousand Oaks, CA: Sage Publications).
- White, S. and Linden, G. (2002) Organizational and industrial response to market liberalization: the interaction of pace, incentive and capacity to change, *Organization Studies*, 23(6), pp. 917–48.
- Werr, A. *et al.* (1997) The functions of methods of change in management consulting, *Journal of Organizational Change Management*, 10(4), pp. 288–307.

#### Notes on Contributors

**Christine Benedichte Meyer** is associate professor at the Norwegian School of Economics and Business Administration (NHH) in Bergen, Norway. She previously held a position as state secretary in the Norwegian Government and was a vice rector for international affairs at NHH. Meyer has specialized in merger and acquisition, and strategic change research. She engages in the business community both by giving talks and by acting as an adviser to several institutions and companies.

**Inger G. Stensaker** is Associate Professor at The Norwegian School of Economics and Business Administration (NHH). Her research interests include strategy implementation, strategizing, organizing, and managing planned change processes, and organization identity. In much of her work, Stensaker couples managerial views on change with change recipient perspectives on change, for instance by drawing on cognitive perspectives and sense-making theory.