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Dinosaurs or dynamos? Recognizing middle management's strategic role

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Executive Overview

Reengineering has automated and obliterated middle management, and has diminished their number dramatically. What have also been lost in many delayering efforts, however, are the benefits of the strategic roles of middle managers.

This article describes how certain middle management behavior is crucial to developing organizational capability. This is a learning process which calls on organizations to interpret the world, uncover new market opportunities, focus existing resources, and accumulate new resources. In our research, we identified a middle management role with each of these elements, and uncovered a strong relationship between the roles and organizational performance. Therefore, rethinking middle management's strategic role is a necessary part of the delayering process. The article closes by illustrating how to encourage strategic behavior in the reengineered organization.

Are middle managers becoming the dinosaurs of the business world? They once dominated the corporate landscape with salaries and perks that were the envy (and career goal) of every MBA. Now, like prehistoric reptiles, these behemoths of bureaucracy appear likely to succumb to a hostile environment.

In the past when a company needed to grow, management simply added workers to the bottom and then filled in management layers above. This focused managers' attention on planning and control and provided the rationale for legions of middle managers. Growth slowed dramatically in the late 1980s, however, and today's priorities are higher quality, lower cost, flexibility, and most important, speed.

People in the middle slow things down, increasing the distance between the customer and the corporate response. The current wave of reengineering is aimed at removing this obstacle by rethinking the division of work and reorganizing around "horizontal" processes. As part of this, "delayering" has entered the management jargon to represent the expected reduction in hierarchical levels.[1] Thus, for middle managers, the shift in emphasis from planning and control to speed and flexibility may mean the end of an epoch. Roughly twenty percent of the job losses since 1988 have come from middle management positions.[2]

There is growing evidence, however, that delayering often has unanticipated, adverse consequences. The consulting firm of Towers Perrin asked 350 senior managers in 275 major firms whether hoped-for cost reductions had been achieved, and half said "no."[3] Some firms lose valuable skills in the delayering process. Kodak, for example, slashed 12,000 positions between 1988 and 1992—many of them middle managers—but failed to achieve lasting performance improvement. Instead, innovation and creativity declined, and the company fell behind in the crucial race for new products.[4] Why doesn't delayering always work?

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There are many things that can undermine successful organizational restructuring. But, at the heart of the problem in delayering seems to be the stereotypical, "plan and control" view of middle management work. Seeing all middle managers from an operational viewpoint, top managers often fail to make distinctions about the variety of contributions made by middle managers, and, in particular, overlook the possibility that middle managers play strategic roles. Across-the-board or random influences (like attrition) become the *de facto* criteria for eliminating positions. As a result, delayering has the effect of "throwing the baby out with the bath water"—curtailing vital strategic capability while eliminating middle management layers.

In this article, we take a fresh look at the contribution of middle managers and provide a framework for differentiating the baby from the bath water. We argue that sustaining an adaptive balance between industry forces and organizational resources depends on the *strategic* roles of middle management. The recognition of these roles fosters a discriminating approach to delayering that increases the organizational influence of surviving middle managers. More like the Phoenix bird than the dinosaur, a new breed of middle managers—whose roles are more strategic than operational—should be rising from the ashes of the delayered corporation.

The Misunderstood Middle Manager

Typically, middle managers have been seen as part of an organization's control system. Middle management does things which translate strategies defined at higher levels into actions at operating levels. This involves: (1) defining tactics and developing budgets for achieving a strategy; (2) monitoring the performance of individuals and subunits; and (3) taking corrective action when behavior falls outside expectations. This description, or major elements of it, has applied for decades to the organization members we call middle managers, including functional department heads, project or product managers, brand managers, regional managers, and the like. In the language of strategic management, their role has been defined as "implementation."

In the reengineered organization, however, senior managers rely less and less on middle managers. Information and communications technologies make it easier for those at the top to monitor and control activities directly. In addition, empowerment and cross-functional teams allow operators to take responsibility for defining their own roles. The emphasis on business processes vastly reduces the relevance of functional departments and the accompanying managerial hierarchies. Such "stove pipes" gave rise to middle management in the first place, and as the layers disappear, so does the rationale for middle managers.

The withering of middle management's *operating* responsibilities undeniably justifies reductions in the number of middle managers. But, our research shows that performance of middle managers' *strategic* roles remains as a crucial factor in organizational success. In a study of twenty companies, for example, we found that middle manager involvement in the *formulation* of strategic decisions was associated with higher financial performance.[5] This is not to say that implementation is unimportant. Strategies that lack middle management commitment suffer serious implementation problems.[6] What differentiated higher performing organizations in this study, however, was an arrangement in which middle managers actively participated in the "thinking" as well as the "doing" of strategy. Involvement is an important stimulus to strategic thinking, so that strategies formulated with middle management input are likely to be superior to those designed solely by top managers.

In short, middle managers are frequently misunderstood by corporate America. Typically, they are seen in strictly operational terms, and their potential for enhancing the quality of firm strategy is discounted or ignored. Yet, research shows that middle management's strategic contributions directly affect the bottom line. What are these strategic contributions, and how do they sustain competitive advantage? Further, which middle management positions are likely to be most important in strategy? To answer these questions, we initiated a second study of 259 middle managers within a diverse set of companies and industry circumstances. Before presenting the results, the following section details middle management's strategic roles and explains why they are related to an organization's economic performance.

Competitive Advantage and Middle Management Strategic Roles

In a number of widely read papers, Jay Barney, Gary Hamel, C.K. Prahalad, David Teece and others have argued that competitive advantage results from unique organizational resources. According to this view, the most important strategic resources are the knowledge and skills accumulated collectively over time by organization members. The organizational capabilities associated with such human assets cannot be bought on an open market. They are acquired over an extended period and as part of complex interpersonal processes, and this makes capabilities difficult or impossible to imitate. When they effectively differentiate a firm from its competitors, they are called "core capabilities." In comparison with specific products or technologies which can be copied, capabilities provide the potential for a more sustainable advantage. In principle, therefore, *dynamic capability,* or the ability to develop new capabilities, is the feature of organizations most likely to be associated with long-term economic performance.[7]

The striking correspondence between the nature of dynamic capability and our sense of how middle managers influence the quality of strategy provided impetus for our second study. Dynamic capability is a learning process which calls on organization members to interpret the world around them, to uncover new opportunities, to focus existing resources efficiently, and to accumulate new resources when existing ones become obsolete. Put simply, capabilities develop as the organization learns how to deliver what customers want and how to create new combinations of assets and skills. In other words, capabilities develop through the brains and nervous systems of middle managers.

After talking with dozens of middle managers and weaving our impressions from these interviews with the threads of prior research,[8] we developed a theoretical framework which captures the roles of middle managers in dynamic

Cognitive Influences	Behavioral Activity	Upward Influence	Downward Influence
	Divergent	Championing Strategic Alternatives	Facilitating Adaptability
	Integrative	Synthesizing Information	Implementing Deliberate Strategy

Figure 1. A Typology of Middle Management Roles in Strategy

capability. Two principle dimensions underlie the roles. Each can be described as a dichotomy. Shown in Figure 1, the model combines upward and downward influence with integrative and divergent thinking to describe four roles: championing alternatives, synthesizing information, facilitating adaptability, and implementing deliberate strategy.[9]

Championing Strategic Alternatives

Sometimes, middle managers play an important part in bringing entrepreneurial and innovative proposals to top management's attention. Championing involves a complex sequence of activities. First, middle managers act as an initial screen, selecting from the broad array of business opportunities, new processes proposals, and administrative innovations suggested at operating levels. Living in the organizational space between strategy and operations, middle managers are uniquely qualified to make such judgments. Once committed, managers begin to nurture the idea, providing "seed" resources that allow experimentation. At this stage, the endeavor lacks formal sanction, and managers' effectiveness depends greatly on their ability to get informal cooperation and support. After gaining experience and building a credible proposal, middle managers take the initiative forward.

Synthesizing Information

Not all the ideas brought upward by middle managers are full-blown strategic proposals. Frequently, their role is to supply information to top management concerning internal and external events. Inevitably, middle managers are not objective channels of data, however. They saturate information with meaning through personal evaluation and explicit advice. Events are likely to be reported as "threats" or "opportunities," and these seemingly innocent labels are a powerful influence on how superiors come to see their situation.[10]

In conveying "facts," middle managers may be laying the foundation for a future agenda. An opportunity can be championed successfully only when all agree the "timing is right," and usually this requires a considerable amount of prior discussion. Accordingly, middle managers are often able to control, or at least influence, top management perceptions by framing information in certain ways. This role can be crucial in encouraging overly cautious top management teams to take needed risks.

Facilitating Adaptability

In her clinical analysis of a large computer manufacturer, Rosabeth Kanter describes the efforts of middle managers who sheltered and encouraged an employee involvement program in the midst of an emotional, top-down redesign of production processes.[11] Their efforts created an environment in which fears about the change could be brought into the discussion. Though participation helped the organization adopt the new work processes, the process diverged completely from top management's original intention. Without middle management's efforts to facilitate change, however, the reengineering would have met with considerably more resistance and could have failed.

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Thus, while middle managers are often called change resisters, Kanter describes them as "change *masters*." We compare this role with the flexible, accordion-like structure between the two sections of a reticulated passenger bus. The shape and composition of the accordion overcomes the rigidities of the vehicle, while at the same time assuring that the front and back head in the same direction.

Implementing Deliberate Strategy

In championing, synthesizing, and facilitating, middle managers go beyond, or even ignore, the plans embedded in top management's deliberate strategy. The most commonly recognized strategic role, however, is the implementation of top management's intentions. Here, the strategic contribution rests on middle managers' efforts to deploy existing resources efficiently and effectively. Reports suggest a widening gap between intentions and implementations,[12] however, and the cause is often attributed to middle manager obstinacy. Our research suggests another reason.

Implementation is commonly perceived as a mechanical process where action plans are deduced and carried out from a master strategy conceived by top management. The reality is more complex. Even in fairly stable situations, priorities must be revised as conditions evolve and new information unfolds. Implementation, therefore, is best characterized as an ongoing series of interventions which are only partly anticipated in top management plans and which adjust strategic directions to suit emergent events.

In summary, the conception that top managers formulate strategy while middle managers carry it out is not only unrealistic, it is also self-defeating. Effective implementation requires that middle managers understand the strategic rationale behind the plan, in addition to the specific directives. Such understanding appears to result from broad participation in the strategic process,[13] and middle management's effectiveness in implementing strategy is thus directly related to their involvement in other roles. The "implementation gap" reflects a broader chasm between senior management's perception of implementation and what middle managers must know to get the job done. In an earlier *AME* article, we described the problem as lack of *strategic consensus* and outlined a process for narrowing the gap.[14]

Linking Strategic Roles to Core Capability

Seen through our own conceptual lens, anecdotal evidence suggested links between middle management and core capability. Because the argument countered prevailing wisdom, however, we wanted to go beyond logic and case study to examine the issue more systematically. Thus, we developed a questionnaire that would measure middle manager behavior in a large-scale, statistical survey. The research design called for observation of hundreds of middle managers across many organizations and drew from a combination of objective and subjective data. Because different strategies rely on different capabilities, we expected to tie the middle manager roles to the success of particular organizational strategies.

The results uncovered three convincing patterns.[15] First, in organizations whose strategy depended on product innovation and exploiting new market opportunities, we found significantly higher levels of middle management championing and facilitating. Since core capability in innovating firms is related to the discovery of new business opportunity and operational flexibility, these results suggested the centrality of middle management.

Second, certain middle managers within the innovating firms were greater champions than others, and in particular, the involvement of those in "boundary spanning" functions (i.e.; marketing, sales, purchasing, and R&D) was highest overall. Ideas arose most often from interactions with customers, suppliers, and technologies, and we found championing highest where such exposure was most likely. Not only was innovative capability in the firm related to middle management championing and facilitating, then, but these behaviors were concentrated in certain positions. In other words, boundary-spanning middle managers appeared to use strategically important knowledge in ways that fostered the development of core capabilities.

These results supported our argument that middle management was important to strategy and that some middle management positions were more important than others. To establish a link to core capability, we needed to determine whether such behavior actually led to improved economic performance. We did not expect a simple linear relationship, however. In fact, this appeared to be a case where "more is not always better."

This provided the first scientific evidence to support the proposition that middle managers are potential reservoirs of core capability.

Rather than simply *more* of the strategic role behaviors, the successful development of core capability demands *variety*. A similar hypothesis was suggested by Stuart Hart and Catherine Banbury who showed in a survey of *top* managers that firms who combined a diverse mix of strategy-making skills enjoyed enhanced capability and organizational performance. These skills included everything from formal planning procedures to informal experimentation, and even creating a "dream" about the company future.[16] Such skills and the behaviors associated with them are not likely to be distributed evenly throughout organizations. The successful formal planner, for example, is not likely to be the best dreamer. Similarly, middle managers are likely to differ widely in their ability and willingness to assume a strategic role at a particular point in time. As a result, one would expect considerable diversity in the levels of middle management strategic behavior within organizations that were successful in developing core capability.

Consistent with this, we asked top managers in each of the 25 companies we studied to assess the financial performance of their organization. Then we examined whether performance was associated with a statistical measure of diversity in middle management behavior. We found strong relationships between variation in the performance of the strategic roles and economic performance. This provided the first scientific evidence to support the proposition that middle managers are potential reservoirs of core capability.[17] But, how does this change the way one thinks of middle managers in a world of flatter, reengineered organizations?

Middle Management's Role in the Reengineered Organization

At the beginning of this article we noted that middle managers in hierarchical organizations have been seen as the implementers of top management strategies. Thus, as organizations have been reengineered around horizontal processes, it is not surprising that the perceived need for middle managers has diminished. Unfortunately, the dominant, operational stereotype of middle managers has led to the diminution of their strategic contributions. Conversations with top and middle level managers reveal that the strategic roles we describe are misunderstood, considered secondary, almost always nonsanctioned, and often discouraged. Yet, reengineering's emphasis on responsiveness, flexibility, and speed puts a premium on the middle manager behavior associated with the development of new capabilities. In this section we first illustrate how organizations unwittingly discourage strategic behavior. The paper closes, then, with a set of guidelines for senior managers who want to encourage effective behavior in the reengineered organization.

The behavior associated with facilitating adaptability is often seen as risky and somewhat subversive. In his study of resource allocation, Joseph Bower describes how middle managers diverted resources and hid experimental programs from top management scrutiny in order to gain experience and acquire new capabilities. Not surprisingly, our interviews suggest that some top managers often view this role cynically. One CEO commented, "Oh, they've all got their own pet projects; I guess that's part of the price you pay." This view discourages the learning gained from experimentation and thereby lowers the level of dynamic capability.

Championing is generally recognized as a middle management activity, but its potential contribution is not always appreciated. One top manager described middle management championing as an "earned right," reserved only for a few in recognition of many years of "credible service." Similarly, many middle managers in our interviews observed that championing meant "spending currency" with top managers. It was pursued sparingly, as "an exception." Just as telling, some middle managers felt their real influence was minimal.

The role of middle managers as channels of communication and sources of information is well recognized. However, middle managers are often criticized for "putting their own spin on it." Senior managers use elaborate systems such as formal planning to objectify and rationalize middle management input. Unfortunately, formal, bureaucratic processes make the ongoing re-interpretation of events less likely and introduce undesirable rigidity into the decision-making process. Subjective interpretation is inevitable, and need not be considered pernicious.[18]

Realizing Middle Management's Strategic Value

In sum, our ongoing research on middle management's role in strategy suggests that as organizations move away from hierarchical toward more horizontal business structures, the importance of middle managers in achieving competitive advantage is likely to increase. While often unrecognized, their contributions in interpreting, nurturing, developing, and promoting new capabilities take on new importance as organizations strive to achieve increased levels of adaptability and responsiveness. Thus, the reengineered organization is likely to be delayered and certain to have fewer middle managers, but those remaining will be crucial to the firm's ongoing success. Senior managers interested in leveraging these human assets should reexamine middle management according to the following set of principles:

Recognize the link between middle management, core capability, and competitive advantage. Most fundamentally, reengineering should occur with an awareness of the link between middle management and firm competitiveness. Effective delayering can be guided by an understanding of the contributions required of surviving middle managers. The goal is to cut cost and increase responsiveness, not cripple dynamic capability.

Identify middle managers with the appropriate skills, experiences, and potential to thrive within the new organization. Not all middle managers are created equally, and certain middle managers are better equipped than others to thrive within the reengineered organization. Our research shows the importance of boundary spanning experience as one criterion for discriminating among middle managers. Another consideration is that middle management in the reengineered organization requires strategy and teaming skills. In the long run, developmental experiences that foster teamwork and a strategic mind set can be avoided only at the cost of eroding core capability.

Develop a better understanding of desired roles within the organization. Few top- or middle-level managers fully understand the strategic roles described here. How many top managers have articulated their expectations along these lines to middle management? For reengineering to pay off, top managers need to analyze the changed role of middle management and begin to develop it within the organization. Interventions with middle managers can clarify expectations and encourage appropriate behavior.

Redesign the organization to leverage the knowledge and skills of a selected set of middle managers and encourage their influence on strategic priorities. Delayering should be accompanied by reorganizing according to a process-oriented, horizontal logic. Though most top managers understand the idea of horizontal design, few appreciate the redistribution of power called for in the new arrangements.

Organizational boundaries are becoming increasingly fuzzy as networks of suppliers, customers, and competitors are formed to cope with enormously complex and demanding circumstances. Organizations want to capture the influence of middle managers who relate to the market and technological environments. In order to open up the organization to environmental influence, boundary-spanning middle managers should become the owners of product development, order fulfillment, and other key business processes.

The need for power shifts—from functional to process leadership, for example—is often lost on those considering or undergoing a reengineering effort. Sometimes, senior managers expect middle managers to take charge of a process but give them very little real authority. Without the freedom to experiment, middle managers quickly become frustrated and cynical about top management's intent. "Slack" has become a dirty word, but the flexibility, experimentation, and learning which is the goal of horizontal organization *does* require resources.

Delayering can enlist middle managers in a new strategic role, but this requires a vision, organizational redesign, and new power relationships.

Renegotiate the "psychological contract" by committing to the ongoing involvement of middle management in the strategy-making process. Restructuring is often seen as destroying a time-honored employment contract and ". . . many companies have given no indication of what the new psychological contract is."[19] Most managers want to be loyal, but if the old vision is simply thrown out with nothing to replace it, management loyalty goes out the window, too. An unknown future does not inspire confidence. Instead, it encourages talented managers to leave, thereby draining the reservoirs of core capability and eroding competitive position. Disloyalty also contributes to foot dragging and even sabotage of a reengineering strategy.

In many of our conversations with middle- as well as senior-level managers, this set of consequences seems to be inevitable. One thing becoming clear where delayering has succeeded, however, is that surviving middle managers enjoy a renewed sense of power and contribution. This results from an acknowledgment by company executives that middle managers have strategic value. Delayering can enlist middle managers in new strategic roles, but this requires a vision, organizational redesign, and new power relationships. The following ruled insert details one company's experience in realigning middle management's roles.

Recognizing Middle Management's Strategic Value

The key to broadening middle management's participation beyond the implementation role is to bring them into the strategic communications loop. Unfortunately, most senior managers think of communicating strategy "to the troops" as an annual or quarterly effort handled in large auditoriums or in a video conference. The idea of discussing strategy eye to eye with middle managers, much less engaging in an ongoing strategic dialogue, seems like an unnatural act.

The restructuring effort of a large insurance firm provides an example. An early step involved assembling district managers at corporate headquarters for a week-long planning session. In prior years, the agenda had been limited to financial reporting and budgeting. Since the company hoped to decentralize as a part of the delayering, some of the week was set aside to "do strategic planning." When it was suggested that the regional managers were likely to generate ideas for new products and market opportunities, however, the reaction of top management went beyond skepticism. One of the executives commented "These people don't even understand the basics . . . and we're going to get new ideas about our strategy from *that* bunch?"

Much of the initial problem in this firm, as in most, was that upper and middle managers had lived wholly different realities in the organization and spoke a different language. Bridging this kind of communications chasm meant translating the strategy into a vision that could be interpreted across diverse perspectives.

This company was facing declining premium revenues as rivals chipped away at what had been a very comfortable niche. Senior management saw the problem as a need for new technical services that would differentiate them from rivals, retain customers, and build new business. It was far less clear, however, which particular services would appeal to customers or which ones the organization could deliver. These initiatives could have come from the field. But, how do you solicit strategic initiatives when you really do not know what you want?

The answer came in creating a dialogue with regional managers about a strategic vision. The basis of the vision was captured by the admonition: to chart your own competitive future get to know the future of your *customer's* business. By communicating this simple idea, and more important, by talking about its implications one-on-one over a period of time, top management began getting substantive input from its middle management. These ideas provided the basis for reorganizing, redeploying managerial talent, and reinvigorating the competitive edge.

Everyone a middle manager?

The growth of the ranks of middle management during the post-War period allowed many Western companies to expand. Middle management provided the consistency and control so necessary to enterprise. While the resulting bureaucratic hierarchy may no longer fit today's demand for flexibility, wholesale elimination of the middle management role may be short-sighted. Some suggest middle management is a dying breed, but Tom Peters writes that ***everyone*** is becoming a middle manager.[20] This outlook is grounded in his customer- and change-dominated view of organization. There will be fewer layers and fewer managers overall, but the strategic roles of middle managers are likely to become more, rather than less, important in the organizations of tomorrow.

Endnotes

[1] A host of terms related to organizational restructuring have entered the lexicon. For our purposes, restructuring is the most general, referring to all efforts aimed at radical reorganization. Consistent with Michael Hammer and James Champy's book, *Reengineering the Corporation* (Harper Business, 1993), we use reengineering to refer to the process-driven style of organizing. Delayering is one aspect of reengineering and refers to the reduction of managerial levels.

[2] Laurel Touby, "The Business of America is Jobs," *Journal of Business Strategy,* 1993, 21-31.

[3] Anne B. Fisher, "Morale Crisis," *Fortune,* November 18, 1991.

[4] Daniel Burrus, *Technotrends: How You Can Go Beyond Your Competition by Applying Tomorrow's Technology Today* (New York, NY: HarperCollins, 1994).

[5] Bill Wooldridge and Steven W. Floyd, "The Strategy Process, Middle Management Involvement, and Organizational Performance," *Strategic Management Journal,* 11, 1990, 231-241.

[6] W.D. Guth, Ian C. MacMillan "Strategy Implementation Versus Middle Management Self-Interest," *Strategic Management Journal,* 7, 1986, 313-327.

[7] Few managers would dispute the importance of core capabilities in competitive strategy, and numerous examples suggest a strong relationship to organizational performance. A widely circulated working paper by David Teece, Gary Pisano, and Amy Shuen summarizes the scholarly literature on the resource-based view of strategy and core capabilities: "Dynamic Capabilities and Strategic Management," University of California at Berkeley working paper, 1992.

[8] The principal studies we relied on for an initial definition of middle managers' roles in strategy included: J.L. Bower, *Managing the Resource Allocation Process* (Boston, MA: Harvard Business School, 1970); R.A. Burgelman, "A Process Model of Internal Corporate Venturing in the Diversified Major Firm," *Administrative Science Quarterly,* 28, 1983, 223-244; R.M. Kanter, *The Change Masters* (New York, NY: Basic Books, 1983); T. Kidder, *The Soul of a New Machine* (Boston, MA: Little, Brown, 1981); I. Nonaka, "Toward Middle-Up-Down Management: Accelerating Information Creation," *Sloan Management Review,* Spring, 1988, 9-18; and P.C. Nutt, "Identifying and Appraising How Managers Install Strategy," *Strategic Management Journal,* 8, 1987, 1-14.

[9] This model was first described in our article: S.W. Floyd and Bill Wooldridge, "Middle Management Involvement in Strategy and its Association with Strategic Type," *Strategic Management Journal,* 13 (special issue), 1992, 153-167.

[10] See Jane E. Dutton and Susan E. Jackson, "Categorizing Strategic Issues: Links to Organization Action," *Academy of Management Review,* 12, 1987, 76-90, for a more elaborate discussion. More recently, Jane E. Dutton and Susan J. Ashford published an article related directly to middle managers: "Selling Issues to Top Management," *Academy of Management Review,* 18, 1993, 397-428.

[11] Kanter, *op. cit.*

[12] A study by Booz-Allen and Hamilton, Inc., "Making Strategy Work: The Challenge of the 1990s," was published in 1990. It is particularly articulate on this point and is available from their New York Office.

[13] In this study cited under endnote number 5, we found that middle managers who were involved in formulating as well as implementing strategy tended to understand the strategy better.

[14] Steven W. Floyd and Bill Wooldridge, "Managing Strategic Consensus: The Key to Effective Implementation," *Academy of Management Executive,* 6, 1992, 27-39.

[15] These results were first described in the study cited in endnote number 9.

[16] S. Hart and C. Banbury, "How Strategy-Making Processes Can Make a Difference," *Strategic Management Journal,* 15, 1994, 251-269.

[17] The results on boundary-spanning middle managers and organized performance are reported in a working paper: S.W. Floyd and Bill Wooldridge, "Middle Management Behavior, Dynamic Capability, and Organizational Performance," 1994.

[18] The reader interested in pursuing this idea could begin by reading Richard Daft and Karl Weick's article, "Toward a Model of Organizations as Interpretation Systems," *Academy of Management Review,* 9, 284-296.

[19] The fading expectations of middle managers were expressed eloquently in an article titled "The

Death of Corporate Loyalty," in *The Economist*, April 3, 1993, 63, which quoted David A. Nadler on this particular point.

[20] See Tom Peters' book, *Thriving on Chaos* (New York, NY: The Free Press, 1987).

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Steven W. Floyd and Bill Wooldridge are associate professors of strategic management at the University of Connecticut and University of Massachusetts at Amherst, respectively. Their recent research focuses on middle managers and the behaviors associated with developing and sustaining competitive advantage. In addition, the authors study the processes related to strategy formation and emergent adaptation within top management teams. Their work on strategic consensus and middle managers has been published previously in the *Academy of Management Executive*, and appeared frequently in the *Strategic Management Journal*. Jointly or independently, they have also published in the *Academy of Management Journal, Journal of Management Information Systems*, and the *Handbook of Business Strategy*. Currently, they are writing a book on the strategic roles of middle managers. As consultants, the authors apply a high-involvement approach to strategy making that helps organizations appreciate and elicit contributions from all managers.