

FROM SUPPORT TO MUTINY: SHIFTING LEGITIMACY JUDGMENTS AND EMOTIONAL REACTIONS IMPACTING THE IMPLEMENTATION OF RADICAL CHANGE

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Based on a three-year inductive study of one organization's implementation of radical organizational change, we examine the critical role played by middle managers' judgments of the legitimacy of their top managers as change agents. Our analysis revealed middle managers' shifting judgments of the change agents' legitimacy that arose with their emotional reactions and produced rising resistance to the change effort. Our inductive model illustrates the dynamic, relational, and iterative relationships among change recipients' legitimacy judgments of change agents and arising emotional reactions in various phases of planned change, which explain recipients' emergent resistance to the change effort. Our model allows us to contribute to theory on radical organizational change, resistance to change, and legitimacy judgments.

Organizational scholars have long recognized the severe challenges involved in organizational transformation efforts and the necessary role that individual agents play within them (Amis, Slack, & Hinings, 2004; Hinings & Greenwood, 1996; Huy, 2002; Singh, House, & Tucker, 1986). Planned radical organizational change (PROC), which fundamentally alters the power structure, culture, routines, and strategy of the entire organization, often appears to be the only option available in dire circumstances (Miller & Friesen, 1980; Tushman & Romanelli, 1985). As such, scholars have generally treated radical change as an inherently volitional phenomenon and placed change agents at the center of their theories and empirical research (Bartunek, 1984; Pettigrew, 1985). These agents can, in

principle, emerge from anywhere inside the organization (e.g., Plowman, Baker, Beck, Kulkarni, Solansky, & Travis, 2007); however, top managers (TMs) have been the conventional focus—and for understandable reasons. These actors play a readily visible and public role in many change initiatives and are often hired for the express purpose of transforming failing organizations. In addition, they appear to possess many of the resources that are most necessary for this task, such as formal decision authority, control over resources, and centrality (e.g., Denis, Langley, & Cazale, 1996; Romanelli & Tushman, 1994).

Over the last two decades, scholars have examined many different instances of radical change and presented ample evidence that supports an agentic view of the process. They have also provided many useful insights about change agents' role within this process and some prescribed requirements for success in the job (e.g., Tushman & Romanelli, 1985; Wiersema & Bantel, 1992). Despite its many important contributions, a closer examination of this literature reveals at least one fairly systematic and seemingly significant oversight: existing theory and research seem to have mainly focused on the early stages of the radical change process and given insufficient attention to the challenges that change

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agents face during its later stages—especially implementation. This striking imbalance is likely due in part to the opacity and complexity of implementation processes, especially in light of the difficulty researchers have in gaining deep access into organizations to study the PROC process closely and longitudinally (Van de Ven, 1992; Ford, Ford, & D'Amelio, 2008). It may also reflect, however, a more basic misunderstanding about the nature of these laborious processes, or, even, a bias toward an overly strategic perspective of them.

Regardless of the causes, though, there does seem to be a clear need (and opportunity) for research and theory that delve into the implementation of radical change and illuminate the role that change agents play therein. This need becomes all the more apparent when one considers implementation as a critical dimension within the larger process of radical change and the inherently agentic nature of this process itself. Radical change efforts frequently fail as a result of implementation problems (Beer & Nohria, 2000; Nag, Corley, & Gioia, 2007), yet there is no logical reason to believe that change agents should suddenly lose their ability to facilitate the process as it passes into this critical stage. This paper reports a study designed to examine this puzzle and meet the need (and opportunity) for more theory in this area.

Our qualitative, inductive study followed a radical change initiative undertaken at “Tekco,” a large and historically successful company that fell into a deep performance crisis in the wake of deregulation and associated changes in its competitive and technological environments. Given our general interest in implementation and executive change agents, we followed Tekco’s change effort over its full three-year course and conducted multiple waves of interviews with its new top management team (TMT) (which had been recently hired from outside), as well as with a large number of the company’s middle managers (MMs). We approached these MMs as if they were the “lieutenants” who would execute the TMT’s orders, and the “lynchpins” of the larger radical change process (two metaphors common in the literature—e.g., Balogun & Johnson, 2004; Huy, 2002).

Over the course of our time at Tekco, we observed a fairly remarkable turn of events. Within a short time after their arrival, the company’s new TMT successfully formulated a plan for change and rallied substantial internal support. This plan soon lost momentum, however, and ultimately failed during its implementation phase. This overall pat-

tern of events clearly affirmed our orienting beliefs about the critical importance of implementation, and, as we will later suggest, represents a contribution in its own right. Its main function, however, was to provide a foundation for our inductive analyses to explain this critical stage of the process and develop a grounded theory about the aspects that change agents (continuously) influence within it. Our data revealed that MMs frequently seemed to analyze their superiors’ statements and actions as if they were looking for clues about their motivations, intentions, and capabilities—that is, engaging in continuous judgment of Tekco’s senior change agents. These judgments were interlaced with emotional reactions that often influenced their action–response to those judgments. Over time, these perceptions seemed to coalesce into more holistic, person-centered judgments—ones that had important implications for the larger change process. Specifically, we found that MMs’ beliefs about their bosses were closely associated with their beliefs about the larger change effort and the nature of their participation therein. The existence of this relationship became most apparent in the final days of Tekco’s radical change initiative, when a final affront from the TMT caused MMs’ emotions to boil over and to stage an open revolt that collectively rejected the authority of their bosses. This led to the TMT’s rapid departure and brought an abrupt end to the change effort.

These findings were not easily interpretable through the lens of existing theory on PROC. In addition to under-examining implementation, radical change scholars have not investigated deeply enough the more general problem of change agents obtaining and maintaining support from change participants. We came to realize that our findings could be explained with a clearer focus when we turned to the large, multidisciplinary literature on legitimacy. Scholars dating back to Max Weber have recognized that power stands in constant need of legitimation, and also emphasized that the former is apt to quickly disappear in the wake of the latter (as with political uprisings and mutinies). Legitimacy scholars have also assembled a large body of theory and evidence that illuminate the various sources of legitimacy and hypothesize about the process through which it is amassed—and depleted (e.g., Suchman, 1995; Tost, 2011; Tyler, 2006). The inductively generated theory of change agent legitimacy that we present in this paper emerged as we delved into this literature and brought its various insights to bear on our qualitative data about Tekco’s PROC efforts.

Our study's main theoretical contribution is to highlight the importance of change agent legitimacy within the process of PROC, which ultimately provides a relatively detailed mechanism to explain shifting resistance to change via evolving legitimacy judgments. A key theoretical insight concerns the multiple and shifting bases of change agent legitimacy. Drawing from the legitimacy literature and our data, we identify several aspects of legitimacy judgment content and explain why they are apt to shift over the course of a PROC effort. Evolving judgments of change agent legitimacy provide a much-needed theoretical mechanism to support a dynamic (rather than static) and pluralistic (rather than single-sided) explanation of shifting resistance to change (Ford et al., 2008). Another important insight concerns the holistic and actor-centered nature of these judgments. Though judgments of change agents may involve various types of content, we posit that these typically congeal into a summary judgment of legitimacy that has significant influence on change participants' behaviors.

Additionally, our emergent insights add empirical texture to emerging conceptual work on legitimacy judgments (Bitektine, 2011; Tost, 2011). Specifically, we empirically demonstrate that legitimacy judgments of human agents exist and can change rapidly, in part because they can be highly emotion-laden (in contrast to legitimacy judgments of more impersonal forms and structures that tend to be slow-changing and unemotional). Emotional reactions can trigger fast and abrupt changes in legitimacy judgments and influence the information that becomes noticeable to evaluators. These insights extend the nascent literature on legitimacy judgment (which is dominantly cognitive) with an affective dimension, showing how both cognition and emotion can co-arise and influence evaluators' subsequent interpretation and behaviors. Our study thus bridges several key literatures—radical organizational change, resistance to change, institutionalism, and emotional reactions to change—with a pluralistic and relational perspective to provide deep insight into the implementation of PROC.

THEORETICAL GROUNDING

Planned Radical Organizational Change

The PROC process is generally characterized by sudden and intense change actions that fundamentally disturb various groups' roles, identities, and interests that have co-existed for a long time (Bar-

tunek, 1984; Pettigrew, 1985). While agents of PROC can, in principle, emerge from many places in and around organizations (Battilana, 2006; Plowman et al., 2007), TMs often appear to be the most suitable candidates for the job. These individuals occupy positions that provide many of the material and symbolic resources most necessary to the task of radical transformation, including the formal authority to alter structure, reallocate capital, hire and fire personnel, and publicly proselytize for cultural change (Finkelstein & Hambrick, 1996; Tushman & Romanelli, 1985; Wiersema & Bantel, 1992). It is not surprising, then, that a significant portion of the large and theoretically diverse literature on PROC has focused on the role that top management change agents play in initiating and directing it (Battilana, Leca, & Boxenbaum, 2009; Kraatz & Moore, 2002; Miller, 1991; Pettigrew, 1987; Romanelli & Tushman, 1994).

Nearly all forms of major change pose implementation challenges and require some degree of support and participation at lower levels (Sonenshein, 2010). These challenges are particularly severe in the case of PROC, which involves simultaneous change in multiple core organizational elements. Moreover, external constituencies such as investors, regulatory agencies, and customers hold high expectations for rapid performance improvement (e.g., Amis et al., 2004; Romanelli & Tushman, 1994). All these factors impose severe constraints on change agents facing both high time pressure and reduced resources to address challenging tensions (e.g., Huy, 2002; Sastry, 1997); failure to address these tensions could exacerbate organizational decline and even cause organizational mortality (Singh et al., 1986).

Intriguingly enough, the PROC literature has tended to assume that TMs' authority to lead change is largely unproblematic and that they typically perform a beneficial change agent role. Tushman and Romanelli (1985: 173–180), for instance, contend that “only executive leadership can mediate between forces for convergence and forces for change” and “implement the set of discontinuous changes” inherent in radical change efforts. Even though the literature on MMs has documented their active contribution to innovation in incremental or continuous change contexts (Kanter, 1983; Floyd & Wooldridge, 1992), the PROC literature tends to de-emphasize the role of MMs and to portray them in a self-effacing role (for an exception, see Huy, 2002). Likewise, most normative models of strategy tend to accord MMs a supporting role at best

(Shrivastava, 1986); executives are advised to reduce equivocality and establish control systems (Simons, 1994) so that MMs can comply with and act on executives' clear directives.

Coincidentally, the resistance to change literature has tended to assume a favorable view of TM change agents and treats resistance to change by lower-level employees as dysfunctional (Ford et al., 2008). In fact, resistance to change is often seen as problematic to PROC (Hinings & Greenwood, 1996). Thus, this stream of research tends to focus on what change agents can do to overcome resistance. Relatedly, resisters tend to be construed as individuals with constrained psychological or social attributes, or motivated by narrow self-interests that inhibit them from seeing and accepting the reasons for and benefits of the proposed change. Implicit in this literature is a largely static, one-sided (agent-centric) and judgmental view of resistance to change.

Likewise, the prescriptive PROC literature has suggested relatively simple, generic prescriptions to aid change agents, such as creating a sense of urgency and a compelling vision, performing procedural and interactional justice, participation and cooptation of lower levels, and project leader credibility and trustworthiness to overcome resistance to change (e.g., Bartunek, Balogun, & Do, 2011; Kotter, 1995). As intuitively commonsensical as these prescriptions may appear, empirical research has underexplored and even questioned how feasible or realistic it is for change agents to act successfully on these prescriptions, particularly in the context of PROC (Furst & Cable, 2008).

Because of challenges inherent to PROC, success often depends in part on employees voluntarily cooperating with TMs to realize radical change. Adherence to the spirit of the change goals, rather than just the letter, is necessary to overcome unforeseen complications (Huy, 1999). Since discretionary cooperation, rather than mechanical compliance, is necessary to creatively address difficulties that emerge during the implementation process (Amason, 1996), even a modest amount of resistance or passive apathy can harm the success of PROC. Studies have shown that MMs often function as "linking pins" who play a critical role in interpreting and implementing top-down changes and fostering discretionary cooperation (e.g., Floyd & Wooldridge, 1992; Huy, 2002). Thus, MMs can serve as a decisive force in "making or breaking" radical change efforts. Unfortunately, few empirical studies have taken an in-depth look at the exe-

cution challenges faced by TMs in enacting these seeming straightforward prescriptions, and, more importantly, their interactions with and dependence on MMs for assistance in implementing radical change.

Resistance to Change

In light of the complexities of PROC and the fertile conditions for the emergence of resistance to PROC (e.g., Bartunek, 1984; Ford et al., 2008; Furst & Cable, 2008), it should not be surprising that research on resistance to change has blossomed over the years. This literature has explored various strategies that managers can use to reduce employee resistance to organizational change, such as sanction, persuasion, participation, or communication (e.g., Kotter & Schlesinger, 1979; Nutt, 1986). Unfortunately, after decades of research, findings about their effectiveness remain inconclusive (see Bartunek et al., 2011; Furst & Cable, 2008). For instance, inviting employees to participate in planning a change has been found to increase employee support for change (e.g., Coyle-Shapiro, 1999) and to reduce support for change (e.g., Bruhn, Zajac, & Al-Kazemi, 2001). Similarly, using sanctions and edicts to force employee support for a change has been effective in some cases (Poole, Gioia, & Gray, 1989) and ineffective in others (e.g., Nutt, 1986).

As many scholars reviewing this literature have noted (Bartunek et al., 2011; Ford et al., 2008; Piderit, 2000), research on resistance to change has tended to take (a) a favorable view of change and change agents and (b) a dominantly individualistic and cognitive view of change resisters. Indeed, this literature has tended to take the unquestioned stance that change is good and resistance to change is bad (Huy & Mintzberg, 2003), and, thus, that change agents occupy a legitimate and beneficial organizational role. Consequently, this stream of research takes the implicit stance that resistance to change is dysfunctional and explores what change agents can do to overcome it. Second, and relatedly, resisters tend to be construed as individuals with constrained psychological or social attributes. Thus, they resist change because of personal cognitive and social limitations such as cognitive rigidity, conflicting schemas, low openness to change, risk aversion, and protection of self-interests (see Ford et al., 2008, and Piderit, 2000, for overviews).

Ford et al. (2008) have challenged this traditional line of thinking and argued for a relational perspec-

tive on resistance to change (see Bartunek, Rousseau, Rudolph, & DePalma, 2006), one that advances neither change agent nor change recipient, but, instead, focuses on their interactions. In this view, the presence of resistance to change is neither inherently good nor bad, nor is it solely to be blamed on either change recipients or agents. The key is to understand how the reciprocal actions of both agents and recipients work together to foster or inhibit resistance to change. Employees may respond differently to similar managerial actions depending on how they interpret the change agents' motives. Thus, some scholars have started examining how the quality of interpersonal manager–employee relationships could influence whether employees judge the information conveyed by their manager as supportive and credible, or as manipulative and selfish (e.g., Ferris & Judge, 1991; Furst & Cable, 2008). How employees make positive or negative attributions about leaders' motives, or experience positive or negative emotional reactions toward their bosses, could impact their behaviors toward the proposed changes, irrespective of whether these proposals are intrinsically beneficial or harmful. The resistance to change literature has tended to confound resistance to the change content (what is to be changed) with resistance to change agency (leaders or agents of change) (see Ford et al., 2008). Thus, there is a need to distinguish resistance to the change agent from resistance to the proposed change content. Whether employees accept a controversial change might depend on the extent to which they evaluate the change content and/or the change agent as legitimate or not.

Legitimacy

Legitimacy is widely recognized as a critical social phenomenon, and scholars across the social sciences have evinced a longstanding concern with understanding its nature, origins, and consequences (Beetham, 1991; Jost & Major, 2001; Johnson, Dowd & Ridgeway, 2006; Deephouse & Suchman, 2008). Integrating the vast institutional and psychological literatures on the topic (e.g., Suchman, 1995; Tyler, 1997), Tost (2011: 688) defines legitimacy as “the judgment that an entity is appropriate for its context.”¹ One critical outcome of

such judgments is the decision to accept existing power structures and obey managerial directives. When people believe that their superiors are entitled to their positions, they will also generally feel obligated to follow their orders and requests (Selznick, 1969; Tyler, 1997; Weber, 1978).

Recent conceptual advances in the literature on legitimacy judgments (Bitektine, 2011; Tost, 2011) have stressed the importance of looking at the *content* of legitimacy judgments; that is, “the substantive perceptions and beliefs that underlie the judgment of an entity as legitimate or illegitimate” (Tost, 2011: 687). Synthesizing the large and fragmented literature on legitimacy content, Tost (2011: 693–694) argues that there are three main dimensions of content underlying active or “evaluative” legitimacy judgments: (1) instrumental, (2) relational, and (3) moral. Instrumental legitimacy is present when the entity (in our study, the TM change agent) is “perceived to facilitate the individual's or group's attempts to reach self-defined or internalized goals or outcomes” such as “perceptions related to the effectiveness, efficiency, or utility of the entity.” Relational legitimacy exists when the entity is “perceived to affirm the social identity and self-worth of individuals or social groups and to ensure that individuals or social groups are treated with dignity and respect and receive outcomes commensurate with their entitlements,” such as perceptions of “fairness, benevolence, or communality.” Finally, “an entity is perceived as legitimate on moral grounds when it is perceived to be consistent with the evaluator's moral and ethical values.” She also notes that these three dimensions

ample, “credibility” has been defined as the quality of being believable or trustworthy. This concept has received very little scholarly attention relative to legitimacy. Because legitimacy also portrays dimensions of believability or trustworthiness, we thus focus on the more encompassing legitimacy concept. Moreover, a few studies have looked at how top teams experience declined credibility due to their inability to achieve political support or substantive change outcome, but in the eyes of constituencies who have power equal or superior to that of the top team, such as the board of directors, rather than subordinating MMs (see Denis, Lamothe, & Langley, 2001; Denis et al., 1996). As for “fairness,” Tost (2011: 690) argues against some scholars' tendency to conflate legitimacy with fairness, which is only one dimension of the content that underlies legitimacy judgments. Other dimensions of legitimacy exist, and fairness can be an antecedent or outcome of legitimacy judgment (see Tost, 2011).

¹ In the fragmented literature on organizational change, we note concepts that are close to “legitimacy,” such as credibility, trustworthiness, or fairness. For ex-

are not mutually exclusive, in that they may overlap and that an entity could be evaluated simultaneously on all three dimensions or some subset of the dimensions.

In addition to making active legitimacy judgments based on these three dimensions, Tost (2011: 695–696) also suggests that people often assess legitimacy in a more “passive mode.” These judgments occur through some combination of two other proposed cognitive processes. In the first, people use “validity cues” as cognitive shortcuts and base their own judgments entirely on the endorsements of other observers. In the second, they simply accept entities that display appropriate symbols and conform to cultural expectations. Because people tend to approach judgment tasks in ways that minimize effortful cognitive processing, this more passive mode is expected to be operative much of the time (Lieberman, 2003). This form of legitimacy judgment is also present in situations where an entity is accepted merely because it belongs to a generic category that is culturally “taken for granted” as good, familiar, or non-problematic (irrespective of its behaviors, outputs, or demonstrated competencies—Bitektine, 2011).

Legitimacy has long been recognized as a vital resource for power-holders looking to develop and maintain authority and extract high-quality compliance from their subordinates (Beetham, 1991; Tyler, 2006; Zelditch, 2001). In its absence, would-be authorities are unable to elicit voluntary cooperation from their subjects, and are, instead, forced to rely on costly and self-limiting coercive tactics. In more extreme circumstances, the loss of legitimacy can destabilize existing structures and lead to a wholesale loss of power itself (as in mutinies and political uprisings). Though previous theory and research on PROC has said very little about the legitimacy of radical change agents, its potential role within the radical change process is not difficult to recognize. Attention to change agent legitimacy seems all the more important given the significant problems that change agents are likely to face in gaining and maintaining it. Because these individuals must generally ask their subordinates to make significant and often disruptive changes in their identities and routines, and to accept significant sacrifices on behalf of the organization, their legitimacy is likely to be rather problematic and subject to ongoing scrutiny.

Another key benefit of bringing legitimacy theory to bear on PROC is that it provides a more encompassing, nuanced, and ideologically balanced lens

through which to explore resistance to change and agent–recipient interactions. In particular, it opens a window into factors that are external to the organization, and provides a way to integrate macro, institutional considerations alongside micro, social psychological insights (e.g., Tost, 2011). It also avoids the managerial bias that is evident in much of the prior research on resistance to change (Ford et al., 2008). When the relationship between change agents and change recipients is approached from a legitimacy perspective, managers are not inevitably the “good guys” and resisting employees are not necessarily irrational, selfish, or obstructionist (Bitektine, 2011; Tost, 2011). Finally, the legitimacy framing also invites needed attention to the role of interpersonal dynamics and emotional reactions (both of which have received insufficient attention in the extant PROC literature—Huy, 1999; Lazarus, 1991).

Emotional Reactions

Emotion refers to a feeling state with an identified cause or target that can be expressed verbally or non-verbally (Elfenbein, 2007). The question of what is an emotion and what is a “borderline” emotion is still debated by emotion scholars through various terms such as anger, excitement, hope, compassion, frustration, disappointment, or surprise (for an elaborate discussion, please see Lazarus, 1991: 82–83); thus, we use the term “emotional reactions” to include both emotions and borderline emotions. Lazarus’s (1991, 1993) emotion theory suggests that people typically experience emotional reactions as they evaluate the significance of an event in relation to their own goals and concerns. If they appraise the consequence as beneficial, pleasant feelings arise. They experience unpleasant feelings if they appraise the consequence as (potentially) harmful. Thus, to the extent that people appraise the legitimacy of their superiors who have an important say about the nature of their jobs or who lead change that is potentially important to the realization of people’s important goals and values, engaging in legitimacy judgment can arouse strong emotional reactions.

Emotional reactions often generate a change in readiness to act that prepares people to take action (Frijda, 1996). People determine a potential action response as they evaluate their own abilities to deal with the event. If they determine they have adequate resources to deal with the event, they are more likely to respond actively. Otherwise, they may adopt a passive/avoidance approach, which

could be interpreted as a form of resistance to change. As emotional reactions can impact both thinking and behavior (Elfenbein, 2007), they could influence subsequent legitimacy judgments and resistance to change. Research has under-explored how exactly emotional reactions emerge during the implementation of PROC, or how they interact with legitimacy judgments and resistance to change to help steer the course of PROC implementation. Our inductive study seeks to explore these critical gaps in our understanding.

METHODS

Research Setting

Our data collection efforts focused on radical change at “Tekco,” a large information technology (IT) company that enjoyed a dominant market position for more than 50 years.² Starting as a small venture more than a century ago, by the 1990s, Tekco had become a large provider of IT and communication services, with more than 50,000 full-time employees and a market value of more than \$12 billion dollars. Over time, its growing market power attracted the attention of governmental regulatory agencies that required the quasi-monopoly to provide universal and affordable service in the markets it dominated. The company’s strength relied on a highly skilled engineering staff that provided complex, reliable, and state-of-the-art services. The company enjoyed decades of revenue and profit growth, and could thus provide employees with generous company benefits, life job security, and well-established career development paths.

While the company had been historically profitable and stable, it faced an increasingly threatening competitive, technological, and institutional environment in the years leading up to our study. By the late 1990s, advancements in computing power and IT posed a severe threat to Tekco’s established business model and suggested a need for funda-

mental change. The government, acting in response to changes in technology and the political environment, also made a decision to deregulate the industry. This deregulation paralleled changes that took place in many other industries and countries during the 1980s and 1990s as market logics gained increasing influence. As a result of these converging technological and ideological changes, Tekco faced more new competitors, including both *de novo* firms and foreign technology companies.

These contextual changes also exerted pressure on Tekco’s established culture. The company had historically been engineering dominated and inward focused. A number of government officials and major customers felt that Tekco had not been responsive enough in terms of innovation and pricing, while some of its executives were becoming too arrogant, yet risk averse. These new pressures manifested themselves in the company’s declining market share and profits, and also subjected it to harsher criticism and scrutiny from investors and securities analysts.

In response, the board of directors appointed a new CEO from outside of the company—John Maxwell, who had held several senior management positions with high-technology firms—and directed him to turn Tekco around. Maxwell began by making sweeping changes to the TMT, splitting the monolithic bureaucratic structure into multiple business units with profit-and-loss accountability, changing the company’s incentive system, reducing its cost structure by shedding 25% of the workforce, and recruiting large numbers of new managers to quickly develop new sales and marketing skills for competitive markets (see Table 1 for a timeline of Tekco’s change efforts).

To enact these changes, the new TMT enlisted an initial group of about 40 veteran senior MMs in the formulation of radical change plans to generate what specifically should be changed to restore profits. MMs are generally important in organizational transformation processes (e.g., Balogun & Johnson, 2004; Huy, 2002), and occupy a particularly important role in the case of Tekco. At the request of these MMs, TMs contracted a prestigious external consulting firm, “Binary,” famous for quantitative analysis. Binary consultants helped MMs perform extensive quantitative analyses and bring external benchmarking information to them, so as to determine the best areas for work reengineering. This initial group of championing MMs then enlisted more than 500 other MMs across a wide array of work units—selected because of their work experi-

² The names of the organization and its members, ethnic origins, geographical locations, and specific technologies have been disguised to protect the confidentiality of this publicly traded organization. The exact names of change programs have also been modified, although we tried to convey the spirit of the disguised names. In the same spirit, some numbers and calendar dates have been altered. These adjustments in the presentation of the data do not affect how the data have been interpreted to explain the proposed theoretical concepts.

TABLE 1
Key Events in Tekco's CT Program

Year 1	Market share: 76%
January	<ul style="list-style-type: none"> • John Maxwell becomes CEO and starts replacing senior executive team.
March	<i>Strategy formulation phase begins.</i> <ul style="list-style-type: none"> • Select group of MMs and consulting firm to analyze and quantify proposed change projects.
December	<ul style="list-style-type: none"> • Complete new senior executive team in place.
Year 2	Market share: 70%
January	[Data collection begins.]
March	<i>Strategy implementation phase begins.</i> <ul style="list-style-type: none"> • Announcement of CT plan to reduce workforce by 13,000 in parallel with 150 change projects championed by MMs.
June	<ul style="list-style-type: none"> • Announcement of terms of voluntary separation program and support mechanisms. Downsizing begins.
Year 3	Market share: 64%
June	<ul style="list-style-type: none"> • Major decline in customer service known throughout the company.
December	<ul style="list-style-type: none"> • Implementation challenges have caused concerns about major delays and underperformance of various major change projects, in turn causing concerns that financial and customer service improvement targets might not be met.
Year 4	Market share: 59%
August	<i>Change evaluation phase begins.</i> <ul style="list-style-type: none"> • Implementation challenges continue to surface, causing concerns that originally forecasted financial targets will not be met. TMT then decrees involuntary layoff of 3,000 people.
September	<ul style="list-style-type: none"> • CEO Maxwell resigns. TMT dissolved. New CEO appointed.

ence and high influence with their respective peer groups. The goal was to propose various change initiatives that would allow the company to increase revenues and cut costs quickly, with a target economic payback of three years as a key criterion for obtaining funding. MMs suggested about 250 change projects to improve Tekco's operations and profit, of which about 150 were funded. These projects were collectively referred to as the Corporate Transformation (CT) program and involved reengineering work processes and the heavy use of IT (for more details on these CT projects, see Huy, 2002, 2011). To fund these projects, the company set aside \$1.2 billion of restructuring costs over the next three years, with a goal to achieve a pre-tax annual cash flow of \$700 million by December 31, 2006.

Data Collection

As part of a three-year research project examining Tekco's three-year radical change, which in-

cluded the first author having unfettered access to observe meetings and interact with employees, we conducted both formal and informal conversations with employees at all levels of the company. Formal interviews consisted of semi-structured discussions about the general change effort and instances of change management specific to the informant; interviews lasted for about an hour. Following the tenets of purposeful sampling (Lincoln & Guba, 1985), these interviews often ended with suggestions for at least two other employees considered influential in one or several aspects of the change effort. Of particular interest were those who might have a different viewpoint, so as to help maximize diversity and depth of perspectives, although our techniques also sought confirmatory data (Charmaz, 2006). Perspectives were included in our analysis when provided by at least two informants (Laumann & Pappi, 1976).

This process resulted in the first author interviewing the incumbent CEO 3 times, the two previous CEOs once each, 12 executives 26 times, and 114 MMs³ 192 times, in addition to many lower-level employees and union officials. About half of MMs interviewed belonged to the change championing group, and the other half belonged to the change recipient group (although this categorization is a rough one in practice, because a MM could be a change agent of a particular change project while being the recipient of another change project). To get a more general perspective, we typically interviewed senior MMs who supervised other junior MMs. As Eisenhardt and Graebner (2007) suggest, interviewing informants from diverse groups and perspectives reduces the risk that all these informants would engage in biased, convergent retrospective sensemaking and/or impression management. The real-time data collection used in this study also mitigated rationalization biases. Research in real time is recommended for longitudinal research because it allows researchers to see events in a way that is closer to that actually experienced by the participants, and that is sensitive to current activity and concerns.

In addition to these formal interviews, the first author conducted informal conversations with

³ MMs are two levels below the CEO and one level above first-line supervisors. There are many levels of middle management at Tekco, so one senior MM in the line groups could be in charge of 2,000–5,000 frontline workers. TMs include the CEO and the level of executives above MMs.

close to 200 employees. These informal discussions were useful in corroborating what he saw and heard in the formal interviews and observations, as well as in triangulating various processes of change. The informal conversations also allowed him to screen potential new informants for additional formal interviews who had been suggested by previous informants; those informal conversations that raised new insights, or potentially divergent viewpoints led to requests for formal, recorded interviews. Finally, the first author also gathered internal documents related to change project status, employee surveys, and internal HR efforts. These secondary data sources, as well as the results of observations and the perusal of confidential archival data, allowed the triangulation of findings from diverse sources to build stronger interpretations (Charmaz, 2006).

Data Analysis

Initially, narratives of the change effort were developed from the perspective of both TMs and MMs. Key dates and milestones were placed into flow diagrams so that the dynamics of TM and MM actions and interactions could be better modeled (Langley, 1999; Pentland, 1999). Initially, these diagrams looked very complex, because we tried not to discard too prematurely any factor that might turn out to be consequential and that might be repeated across narratives (pattern matching). Two consistent themes that began to emerge from the MM change narratives were (1) the waning acceptance and support for the TMT over time and (2) a corresponding increase in descriptions of resistance to change. As we delved into the literature to understand these emerging themes, it became apparent that, while scholars understand each phenomenon individually, we have almost no theory on their interrelationship.

We then began “open coding” (Corbin & Strauss, 1990) individual interviews for perceptions of legitimacy and resistance to change on the basis of “in vivo” descriptions—or those offered by the informants—as the basis for establishing first-order codes (see Van Maanen, 1979). Legitimacy judgments of the change agents are manifest in what respondents said (expressing their thoughts and feelings) when they evaluated TMs’ actions and non-actions; resistance to change is coded in terms of what respondents said (expressing their thoughts and feelings) and what they did (or did not do) in regards to acceptance or support of the change

agent or the change effort. Building from these first-order codes, we then coded for similarities and differences within and across our informant groups to detect conceptual patterns (Glaser & Strauss, 1967), as well as with the extant literature to ensure that themes previously discussed in the literature were correctly attributed (e.g., legitimacy—Tost, 2011; resistance to change—Ford et al., 2008; emotional reactions to change—Huy, 2002) and new themes were properly specified.

One of those new themes was the presence of various emotional reactions to the change and actions of the top team. Following prior empirical examinations of emotional reactions to change (e.g., Huy, 2002), we initially relied on the “circumplex” model of emotions (Larsen & Diener, 1992) to explore the wide range of emotional reactions people can experience during change. According to this model, emotions share two basic dimensions: one dimension reflects the hedonic valence (pleasant–unpleasant) while the second refers to the intensity of arousal (high versus low intensity). Together, the four dimensions capture almost the full range of emotional reactions (Bartel & Saavedra, 2000). Thus, the hybrid category of pleasant, high-intensity emotional reactions includes enthusiasm and excitement, while pleasant, low-intensity emotional reactions include calm and comfort. Unpleasant, high-intensity emotional reactions include anger, anxiety, and fear, while unpleasant, low-intensity emotional reactions include disappointment, shame, or dejection.

Beyond noting explicit emotion terms such as “afraid” or “excited” for coding emotional reactions, we also identified implicit emotional reactions by relying on Lazarus’ (1991) core relational themes and cognitive appraisal theory of emotion (e.g., Smith & Ellsworth, 1985). These scholars argue that the experiences of specific emotions (e.g., anger, disappointment) are reliably associated with particular core relational themes (Lazarus, 1991) or appraisals (e.g., Smith & Ellsworth, 1985). For example, when people feel disappointed (unpleasant, low intensity), they tend to report thinking that the situation is unpleasant, that results are below expectations, and that they are certain about what is happening (e.g., outcomes). When people report perceiving the situation as harmful, they perceive having some control over others who intend to cause harm, anger (unpleasant, high intensity) could be inferred (Roseman, 1991; Tiedens & Linton, 2001). Ultimately, though, we aggregated these emotional reactions into higher-order constructs,

positive and negative emotional reactions, which are sufficient to explain the key elements of our inductive model.

With a rich set of emergent themes in hand, we went back to our initial narratives and began mapping those themes on to the dynamics we had uncovered in the TM and MM descriptions of the change effort (Langley, 1999). This mapping afforded us the opportunity to compare dynamics such as legitimacy judgments, emotional reactions, and resistance to change behaviors across different time periods or stages of planned change, as well as contextual factors (e.g., cultural norms, staff changes, unexpected internal events, external political and economic developments) surrounding these dynamics. Ultimately, this allowed us to begin establishing the boundaries of a longitudinal model for how legitimacy of change agents, emotional reactions, and resistance to change interrelated over time. Figure 1 represents our emergent data structure of MM responses to the change effort, illustrating the first-order concepts, second-order themes, and aggregate dimensions that serve as the foundation for our theorizing (Gioia, Corley, & Hamilton, 2013). In this way, Figure 1 provides a structured illustration of the links between our raw data and the emergent theorizing that forms the cornerstone of our theoretical contribution. The following sections detail those themes and dimensions, and begin tying them together into a coherent understanding of how judgments of change agent legitimacy judgments, emotional reactions, and resistance to change interrelate in PROC.

FINDINGS

As Tekco's change effort unfolded, it became increasingly evident to us that the initial acceptance of the change effort and positive regard the new leaders enjoyed in the first months of their tenure (during the change formulation phase) would not last. Near the end of Tekco's self-declared implementation phase, our data provided such a clear picture of growing resistance to the change program that a single empirical question stood out for us: *What happened to alter the initial acceptance of radical change into resistance to change among the MMs in this organization?* We attempted to empirically answer this question by tracking the status of three emergent dimensions (legitimacy judgments, emotional reactions, and resistance to change) over the course of Tekco's PROC effort. As our data revealed, MMs evolved in the extent to which they

judged TMs as legitimate change agents. Our coding revealed, for each phase of PROC (formulation, implementation, evaluation), shifts in MMs' legitimacy judgments that coincided with (a) shifts in the emotional reactions MMs had toward TMs and the change program and (b) a growing resistance to the change that culminated in open defiance of the TMs' directives.

Figure 2 represents a summary of how the key aspects of our emergent data story interrelated during each phase, and thus provides a structure for our telling the story of Tekco's PROC effort. For each phase, we list TMs' attributes and/or actions and change outcomes (descriptive aspects of our case), along with MMs' judgments and emotional reactions to TMs and the resulting shifts in their acceptance/resistance to the change (from our inductive analysis). We begin with a brief, albeit important, examination of the formulation phase to establish the high level of legitimacy and low levels of resistance that existed early in the PROC effort. We then spend considerably more time examining the interrelated dynamics found in the implementation phase, and conclude our data story with the dissolution of the PROC effort in the evaluation phase.

Change Formulation: Favorable Legitimacy Judgments and Low Resistance

Our informants marked the beginning of the change formulation phase with Maxwell's pronouncement of the need for a radical change. Maxwell and his new team not only had to sell the need for change, but also the need for change quickly, due to fast-declining market share (from close to 90% only three years earlier down to 75% and dropping) and profits (a projected decline of approximately 70% the following year). As one executive explained, "The financial markets were clamoring for blood." As a result, time scarcity underpinned MMs' felt urgency to improve the company's financial situation and reduce its cost structure, as well as the decision to forego lengthy detailed strategic planning to achieve major restructuring quickly in three years. Table 2 provides data examples for this phase (as a way to save space for the theoretically more interesting implementation phase).

Legitimacy judgments: Dominantly cognitive.

As the quotes in Table 2 illustrate, MMs assessed their new leaders as desirable, legitimate agents of PROC dominantly on the basis that new TMs belonged to a generic category of people who are presumed to be appropriate for leading radical

FIGURE 1
Data Structure of Change Recipient Responses to Change Effort

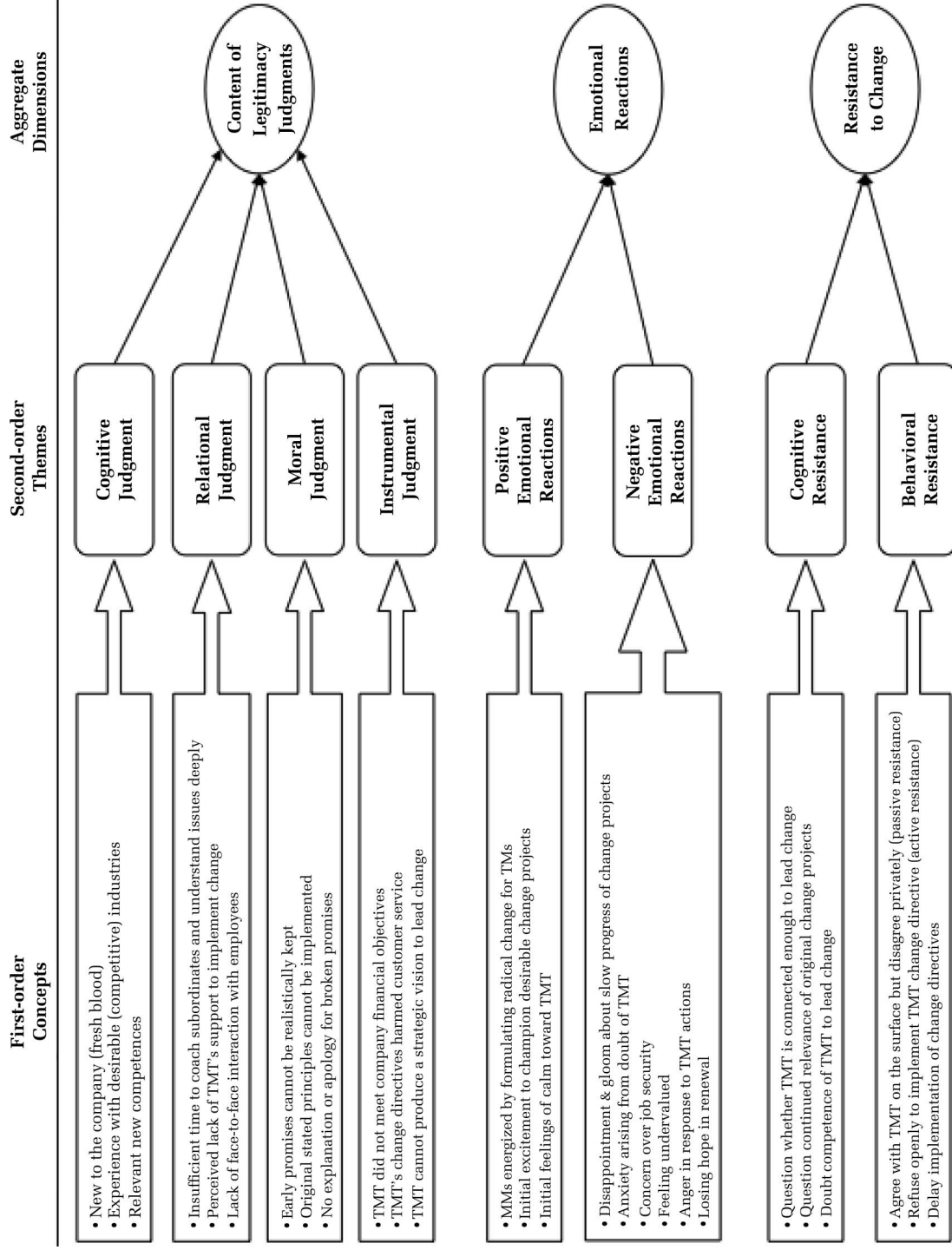


FIGURE 2
Interactions between TMs and MMs through Three Phases of Planned Radical Change

Top Management (TM)	Attributes	<ul style="list-style-type: none"> • Newcomer / outsider • Experience in relevant sectors 		
	Actions	<ul style="list-style-type: none"> • Promise to remove work before people • Involve MMs in defining the content of radical change • Provide generous compensation for layoffs • Set 3-year deadline for change 	<ul style="list-style-type: none"> • Shift focus to external pressures • Devote less time in supporting implementation of CT projects • No follow through on promise to remove work before people • Emotional censorship 	<ul style="list-style-type: none"> • Additional layoffs to achieve financial promises to shareholders • Reduce scope and remove resources for implementing CT projects
	Change Outcomes	<ul style="list-style-type: none"> • Quick start to the change implementation 	<ul style="list-style-type: none"> • Larger than expected turnover • Decline in customer service • Change fatigue 	<ul style="list-style-type: none"> • Continued decline in customer service • Underperformance of CT projects championed by MMs
		<i>Formulation</i>	<i>Implementation</i>	<i>Evaluation</i>
Middle Management (MM)	Judgments (about TMs)	<ul style="list-style-type: none"> • Not attached to old guard • Not encumbered by history • Know how to plan/lead change • Promises align with customer service ethos • Open to MM local experience • Fair and kind treatment 	<ul style="list-style-type: none"> • Perceived lack of engagement from TMs • Perceived lack of TMs operating knowledge • Blame TMs for CT project underperformance • Blame TMs for change fatigue 	<ul style="list-style-type: none"> • TMs are not keeping promises about customer service and removing work first • TMs are short-term oriented and are mercenaries change
	Emotional Reactions	<ul style="list-style-type: none"> • Positive • Neutral 	<ul style="list-style-type: none"> • Negative 	<ul style="list-style-type: none"> • Negative
	Acceptance/Resistance to Change	<ul style="list-style-type: none"> • Support & involvement in formulating change projects 	<ul style="list-style-type: none"> • Covert delaying • Furtive questioning 	<ul style="list-style-type: none"> • Overt disobedience

change. This category can be described by several attributes: as newcomers, they were not tied to the old regime and they had experience in relevant industry sectors. These attributes were seen by MMs as conforming to cultural expectations set by external consultants and industry analysts, thus suggesting cognitive legitimacy judgment. Many veteran MMs noted disruptive changes occurring in the broader environment and conceded that radical change was unavoidable, and that it was more appropriate for outsiders to lead radical change than incumbent executives. The “old guard” suffered a severe and precipitous loss in status while outsiders, in contrast, were taken for granted to be desirable leaders of radical change and were presumed to have skills to fight competition successfully. MMs’ cognitive legitimacy judgment was also aligned with the thinking of Maxwell himself; in his first year alone, he replaced about half of the

company’s top 27 executives, in effect establishing a new symbolic basis of authority within Tekco.

In addition to MMs forming cognitive legitimacy judgments, they also actively interpreted the instrumental and relational legitimacy of specific actions taken by TMs. Newcomer TMs also performed several additional symbolic actions (Pfeffer, 1981; Zott & Huy, 2007) that reinforced MMs’ prior positive judgment. These actions included involving MMs in defining the content of the CT program changes (which can be interpreted as enhancing TMs’ relational legitimacy). Additionally, the top team was seen as effectively handling the first planned layoff in the long history of Tekco, a proposed downsizing of 13,000 positions that represented around 25% of the workforce. It was feared the consequences would be devastating to employees who had what amounted to lifetime job security. Yet, this proposed change won the acceptance

TABLE 2
Data Examples for Formulation Phase

Legitimacy Judgments	Emotional Reactions	Resistance to Change
<p><i>Cognitive judgment</i></p> <ul style="list-style-type: none"> • “Most management gurus have affirmed that the majority of senior managers in protected firms like ours were unable to manage in the new competitive context and should be replaced . . . Many veteran executives will be replaced, but this is OK.” • “[Prior executives’] years of experience were all under one set of rules with one set of orientation and, frankly, a very narrow view of the world. So it was rather [new] experience that we went to buy in the marketplace.” • “If you believe the experts on corporate transformation, most would affirm that incumbent executives would be unlikely to make the transition, so the only viable solution is to replace them.” • “I believe that experts who can teach us how to become more competitive do not come from the inside.” • “We wanted to change the old Tekco monopolistic culture . . . Most of the new executives who came in did not come from monopolies, so that’s good. Most of them came from free market, free enterprise industries like GE and IBM.” <p><i>Relational judgment</i></p> <ul style="list-style-type: none"> • “I truly believe the way Tekco downsized [shows the organization] has been a very good corporate citizen. If you look around, their termination packages are as good as anybody’s.” 		
	<ul style="list-style-type: none"> • “I <i>like</i> very much that top managers have given me the opportunity to show what I am capable of, this is very <i>exciting</i> and I was recognized by my colleagues. I really <i>liked</i> the fact that I am valued by the company, by my bosses, so I am <i>very excited</i> and motivated to drive this change” [also: implicit positive high activation emotion inferred through appraisal of personal welfare, benefits from being valued by superiors] • “The new CEO has done himself some really good service by getting out publicly, showing people who he is as president of Tekco . . . He also visited some locations and met line employees . . . People <i>liked</i> him and trust that he’s going to do the right thing” [also: implicit positive emotion inferred through appraisal of potential benefit for the firm with a likable and trustworthy CEO] • “I think many of us here were selected for our ability . . . our interest in making changes, and achieving a challenge and being very goal focused . . . We have seen the importance of these initiatives for the future, and we have been recognized [by top managers] for doing that. So that feeds many of us . . . because we are goal focused and achievement oriented” [implicit positive emotion inferred through appraisal of personal benefits from being valued by superiors] • “We are getting increasingly confident that we can overcome most things that can get thrown at us. We have sufficient determination to deal with it” [implicit positive or neutral emotion inferred through appraisal of no personal harm, and even some optimistic confidence in taking risk and overcoming challenges] • “I truly believe the way Tekco downsized [giving competitive benefits] to be a real tribute to a caring organization” [implicit positive or neutral emotion inferred through appraisal of caring or no harm] 	<ul style="list-style-type: none"> • “People simply trust the [new] CEO that he’s going to do the right thing and will follow him.” • “We believe we do have excellent change initiatives here, they are the right solutions to improve our operations. We have developed them and believe in them. These changes are going to make a difference [to the quality of our service and reduce our cost]. We want to make these changes happen and see them through.” • “I would have thought that it would be harder to bring people along. But, to my great surprise, I see people go along with change. I thought that momentum would be slow at the beginning, one had to show positive results for momentum to slowly pick up.” • “We are extremely convinced about the need for a comprehensive transformation of the company, we understand very well our [dire] financial situation.” • “We are now facing new market conditions, the entry of international competitors, new client expectations, so we don’t have much choice about not changing drastically.” • “We feel the anxiety and the urgency for change in this highly competitive environment. We bought entirely into the need for change and want to help it succeed.”

and support of MMs, thanks, in large part, to promulgated symbolic principles by the CEO and his top team (again, see Table 2 for data examples). In addition to offering relatively generous compensation to the victims of the downsizing, Maxwell also decreed: "We are going to remove the work before we remove the job." This symbolic pronouncement also helped generate support among MMs, who were involved in designing their own cost-cutting projects based on promised new IT and believed that the CEO's promise that work would be removed before people would not materially reduce the quality of customer service, a key component of Tekco's identity to this point (which could be interpreted as enhancing instrumental legitimacy). An HR survey of employees reported that many affected employees viewed the downsizing rules to be "fair" and "kind," even though the implicit psychological contract of lifetime job security had been violated (relational legitimacy). TMs' additional symbolic actions thus conveyed various types of legitimacy in addition to the dominant cognitive legitimacy.

Emotional reactions. As could be expected in the wake of positive judgments, MMs' emotional reactions toward TMs were largely positive to neutral. More specifically, for MMs who championed change projects, collective emotions were largely positive, including such emotions as excitement to realize new projects that they proposed and hope for a better future for their professional development and for the improved performance of the company. Other MMs—in particular, those in the operating line groups who would implement the changes proposed by their colleagues while trying to maintain the quality of customer service—displayed calm (positive), resignation, and neutral emotions (neither positive nor negative) toward TMs. Overall, MMs' emotional reactions toward TMs were positive or neutral, with very little negative emotions toward TMs or the PROC effort.

Actions. Contrary to intuitive expectations and research about MMs resisting major change due to self-interest (e.g., Biggart, 1977; Tichy & Sherman, 1994), there was little discernible resistance to change, even from MMs who did not belong to the change formulation groups. A company study showed that more than 80% of the surveyed employees agreed that Tekco's financial performance had to improve if it was to survive in a competitive environment. A veteran senior MM in HR summarized the results of her company's employee survey near the end of the formulation phase thus: "The

[new CEO] has done a very good job as our leader and external ambassador. He's doing extremely well and employees in [Tekco] look to him as being their leader."

Despite these positive judgments and actions from MMs, two critical commitments were made during this formulation phase that would prove problematic in later phases: (1) Maxwell's very visible pledge to remove work before removing jobs and (2) TMs' promise to deliver to the board of directors (and shareholders) \$700 million annual net income at the end of a three-year change effort. When asked why the three-year implementation period was chosen, CEO Maxwell explained:

Two years is too fast to go from implement and achieve; five years is too long. You had to be pressured by time schedule. You could only put in the window the period of time you could sell to your shareholders. So everybody accepted the three-year plan, and that becomes the base around which we measure ourselves to the outside world and to the shareholders and investment community.

Change Implementation: Shifting Legitimacy Judgments and Increasing Resistance

Ironically, many of the same factors that produced high legitimacy and low resistance during the formulation phase came back to haunt executive change agents in the implementation phase. Our analysis suggests that emerging and protracted challenges related to the implementation of various radical change projects led MMs to reassess their original legitimacy judgments in the face of mounting implementation problems and heightened negative emotional reactions. Over the course of the implementation phase, these negative emotions and modified legitimacy judgments fueled a growing resistance to the change that eventually led to the downfall of the PROC program.

Interim change outcomes. Despite positive feedback from external analysts and an increase in stock price from \$28 to \$39 in less than a year, employees began to see cracks in Maxwell's change plans: a random telephone survey of about 1,800 employees showed that only 38% of employees felt that the company had a sincere interest in their wellbeing, 61% rated their morale from fair to very poor, and only 34% believed that customer focus would be better off at the end of the three-year change effort. Underlying this internal concern was the realization among MMs that many CT projects were meeting delays or producing lower than ex-

pected benefits. Recall that the design of the change projects was done very quickly and superficially during the formulation phase. MMs now blamed TMs for not giving them adequate face time and support to resolve these difficulties effectively and quickly.

As one operations MM championing a number of change projects reported:

My [senior executive] stayed at a very high level, wanted to manage the numbers, to understand some of the solutions, but really did not provide time to do that. It was very difficult . . . He would always tell us that he's available anytime, but he was so busy that you'd get a half an hour here, and, two weeks later, you'd get an hour there . . . We sensed that he really didn't understand, not because he wasn't capable of understanding, but that he wasn't focusing on some of the more detailed [aspects].

Another operations MM added:

We did not succeed in getting our bosses to go out to rally our employees. Most of their communication was written, formal communication. We were thinking of a training package to help them improve face-to-face communication.

Rapid launch of change projects that generated MMs' favorable judgment of TMs as competent change agents during the formulation phase thus began to hinder the smooth implementation of various change projects, foreshadowing real prospects of underperformance and threatening MMs' sense of self-worth. MMs needed to regularly justify to other colleagues that their championed projects remained economically and operationally viable, and they blamed TMs for having created this undesirable time scarcity and performance pressure environment. Rapid launch in the formulation phase—desirable in the eyes of both TMs and MMs—now became a source of disappointment and anxiety. “Failure is not an option” (a line from the movie *Apollo 13*) was often repeated in MMs' project review meetings. As one MM in the control group observed:

When these targets were set, there was nothing left we could do except to try to make things work, to deliver these projects while we were locked in some kind of a time box, with unrealistic schedules and [financial] benefits. This immediately created much tension between the [recipient line] groups who must endorse these benefits and [the change agent groups who proposed these benefits].

Project MMs tried desperately to realize their change projects, and any suggestion to evaluate the

interim results in mid-course, to re-prioritize resources, or to re-adjust plans was unwelcome. As one manager, analyzing the evolution of the portfolio of change projects, said:

It's like 155 lottery tickets all winning on December 31, 2006 . . . There's now a huge organizational resistance to [re-adjustment]. We don't like to go back and say we made a mistake. We're going to waste valuable company time, dollars, and skills. People are dedicated to just doing their own projects, and they worry about whether their initiative will get [enough resources to be] implemented, as opposed to [asking themselves], “*Have I got the right initiative?*”

This lack of engagement with MMs was also recognized by TMs. After having initiated CT and putting a control structure in place, CEO Maxwell devoted most of his time on external stakeholders. He described his focus in a private interview as follows:

I expect that [people below] will deliver. My role now becomes one of managing from altitude the work, explaining to the public what Tekco is all about and where it's going. Explaining to the government, talking to investors, and trying to keep myself up to date with where the industry is going. That keeps me fairly well employed.

While Maxwell assumed that other senior executives would spend much of their time championing and selling the change efforts inside Tekco, this did not take place. These executives reported in private interviews that they were also overwhelmed with tasks similar to those of the CEO.

To make matters worse, the generous downsizing compensation terms planned in the formulation phase also generated unintended effects on the operations groups: 16,000 employees opted to leave, 3,000 more than planned. Remaining employees felt overly burdened, especially supervising line MMs who were responsible for customer service. Even though top executives were not directly responsible for this unexpected event, MMs still held them responsible as heads of the company and for forcing them to cut employees and costs to meet the financial targets as per the initial time schedule. TMs' promise “not to remove people before work” had not been respected. All this caused a growing change fatigue among employees from having to work so hard, so fast in such a compressed time frame. As one customer service representative lamented on behalf of her colleagues: “There's so much information that we've become saturated.

We've become so saturated that we've become stupid. So very simple things become difficult." A senior project manager in charge of many projects that required major IT development also noted the effect this fatigue had on the implementation effort:

There is a lot of fatigue, the problems are enormous, I don't know many people who work less than 70 to 80 hours a week . . . People in [IT] Systems Development work very hard, for long hours, and many of them fell sick physically and mentally. Many depleted their energy because they could not sustain such an intense level for such a long time.

Some MMs in HR and operations knew the gravity of such actions and had been pleading with the top team to issue a public and honest explanation, but this did not take place (moral judgment).

Emotional reactions: Shifting to negative. These mounting implementation problems resulted in MM emotional reactions shifting from positive/neutral to negative emotions such as disappointment, anxiety, and frustration. There were subtle differences in MMs' emotional reactions depending on the dominant role they performed, however. MMs as change project champions felt disappointed because they were not getting adequate interaction and support from TMs (relational judgment). MMs attributed their mounting difficulties in implementing their change projects to insufficient TMs' support. This anticipation of underperformance, which could have negative identity and career consequences, also led to anxiety in dealing with TMs. One MM described the emotional reactions of the change group as follows:

People are so scared not to deliver. They are no longer asking the real questions, not only because they don't know what they are, they'd rather not think about them . . . we are playing a little bit the ostriches . . . people will try to deliver at all costs.

In aggregate, there was mounting shared frustration that their company was going in circles and wasting resources in the change process, especially in the wake of the top team's inability to articulate a meaningful change goal for the organization after the first year's learning grace period had elapsed. As an MM in operations voiced in frustration:

There's a lack of understanding [about] what the future is going to hold, and how we're going to deal with it. There's a big void . . . People are frustrated. Like, are we just doomed?

Meanwhile, MMs in the role of pure change recipients—typically, in operations groups charged

with customer service—felt disappointed by TMs not keeping their promise of not removing employees before work was first streamlined. These line operations MMs were under intense pressure to deliver good customer service while managing the collective anxiety and resentment of their line employees who were learning new competencies while at the same time subject to downsizing. For instance, a business unit composed of about 3,500 customer service representatives had to go through a major downsizing and geographical consolidation effort. One MM in charge of about 800 of those representatives reported:

Our customer representatives are getting tired from all this long traveling [due to centralization of customer service centers in major metropolitan areas] and this situation will not be sustainable in the long run. Many are mothers with young children. As a result, sales revenues are going down: senior management asked me to put the screws on them even more. I feel stuck . . . I have to sell this change to my employees but they don't believe me.

As one line MM described her employees' emotional reactions:

Employees told us to stop saying that change would be faster, we were making their lives more difficult by moving them around, yet they did exactly the same job as before, they answered the customers the same way as before, so nothing important in their work has changed . . . They only see that they have less resources, less time to devote to customers, less time for training . . . We had tremendous difficulty in delivering good service this year.

These employees' emotional reactions clearly had an emotional effect on their supervising MMs. These MMs, who were emotionally neutral and accepted the need for radical change during the change formulation phase, became increasingly critical of both TMs and other MMs who promoted radical change. Their emotional reactions could be best described as resentment. As one MM said, "They say that the greatest priority is our customers. Yet all the actions demonstrate that the highest priority is short-term financial results . . . People are not that naïve."

Collective anxiety also prevailed among these recipient line MMs, as one MM made very clear: "Everybody right now is feeling highly insecure, they are wondering if they would continue to have a job in a year from now"; and, again: "This creates a very high level of stress. Some of us are stressed, de-energized, fed up . . . We are in hell." Another

senior HR MM validated this widely shared emotional reaction of MMs toward TMs: "I'm disappointed on a lot of counts. I'm disappointed because the leadership of this company, at the very senior levels, has not delivered on its responsibilities." These MMs' negative judgments and emotions were validated by the CEO himself in a private interview toward the end of the second year of CT:

Over the last three months, I went out and began touching some of the people and I didn't like what I was hearing. It showed me that the senior executives in this company didn't stay in touch with the people. I didn't stay focused enough with the senior executives . . . We left the employees on their own. I think that's a huge mistake.

Emotional censorship. MMs' moderately negative emotional reactions were exacerbated by the top team's deliberate and public banning of any expression of doubt and cynicism by MMs (as those negative emotions were deemed too high a risk for demoralizing lower-level workers). An executive memo was circulated to MMs decreeing that "Cynicism will not be tolerated; we are in a position of leadership and must project hope and confidence in difficult times." This formal articulation of a norm that was already intuitively known by many MMs puzzled them, but effectively served to shut off any legitimate outlet for expressing negative emotions to the top team. At the lower-worker levels, the feeling of emotional censorship was less acute because many MMs organized venting sessions. However, such sessions were considered risky. Those who had managed to survive the layoffs thus far dared not express their true feelings lest they be taken advantage of one day. As one MM in operations described, "You have to show enthusiasm for a new idea even if you don't believe in it, so you have to fake your enthusiasm." This, in turn, reduced dialogue for understanding between the top team and MMs.

Legitimacy judgments: Dominantly relational and moral. The shift to more moderate negative emotional reactions fostered mounting unfavorable judgments about the top team's legitimacy to lead change. For instance, disappointment about the progress of the change projects and anxiety about their underperformance caused MMs to start making negative attributions about TMs' motives, such as when they expressed concerns that TMs were focused on "short-term mandates to make a lot of money" or acted as "mercenaries of change." These

attributions were so prevalent that even the CEO became aware of them: he mentioned these phrases in a private interview. These attributions marked a shift in MM legitimacy judgments, from the dominantly cognitive base of the formulation phase to more of a concern with the relational and moral aspects of legitimacy.

Relational legitimacy. Judgments involving how a social entity communicates with others in a way that accords them respect, dignity, and status within their social milieu constitute the basis of relational legitimacy (Tyler & Lind, 1992). If people perceive that their self-worth and identity are enhanced in this interaction, they will perceive relational legitimacy to be high (Tost, 2011). MMs who were co-opted by top executives to design the content of radical change felt well supported by their superiors during the formulation phase and thus had assumed this high level of support to continue during the implementation phase. But top executives' lack of engagement and implementation missteps reduced MMs' sense of support and gradually impacted the sense of respect and status felt accorded to them by senior change agents. Disappointment with change project progress and perceived insufficient TMs' support also led some MMs to make harsh attributions of the top team's motives. One MM shared this negative appraisal: [Executives were] "jerking them around all the time," and that, "they are here just for the short term . . . [they] appear ready to do anything to achieve short term results." Relational and moral judgments can blend: If people feel they are treated with disrespect, they can make an additional judgment that the disrespectful person is low in moral character. Not fully aware that TMs were overwhelmed with external constituencies such as government agencies and major customers, MMs tended to attribute insufficient two-way, authentic communication either to TMs' personal reluctance for honest dialogue or to their under-appreciation of the importance of communicating about change. As one MM from HR conveyed harshly:

[Executives] will tell you over and over again, "You can't communicate enough." But, here they are, these champions of change, and, for whatever reasons, they don't have the time to share their personal thoughts with employees on the state of change. I think it's defensive. Their fear of exposing themselves. It's fascinating that over 70% of the employee body believes that they have enough information, yet they still feel disconnected and say they don't trust [senior management].

Moral legitimacy. Judgments of moral legitimacy involve the extent to which a social entity conforms to moral values and ethical principles (Scott, 2001). Early symbolic pronouncements that conferred high legitimacy to top executives during the change formulation phase would come back to constrain them in the subsequent implementation phase. The strongest example of this involved the principle “removing work before people,” a principle heavily supported by change agents and recipients because it enabled recipient groups to accept cost cutting associated with downsizing on the assumption that customer service would not be significantly affected (“Tekco’s values revolve around the belief that the customer is king,” avowed one HR MM). While many change initiatives involved reengineering of work processes, in which traditional routine work was first streamlined then automated with the introduction of new IT systems (meaning less employees would be needed for the same quality of work output), several issues arose during implementation. Remember that the design of change projects was done quickly and superficially during the formulation phase. High-level agreements made during the formulation phase became points of conflict during implementation. That is, when it came down to agreeing with each smaller unit manager on the specific employees to be cut in their units, disagreement surfaced about the number of employees and timing of their departure, resulting in lengthy negotiations as operations unit managers were concerned about the impact of their employee cuts on customer service. To make matters worse, unexpected events occurred. For instance, the IT infrastructure on which many new productivity improvements were supposed to be implemented was found to have serious capacity problems and needed to be fundamentally redesigned with unplanned investment of hundreds of millions of dollars and years of development. This discovery sent a chill throughout the operations groups, as this implied that employees would need to be cut to meet the scheduled cost-reduction objectives while the customer service groups had no new IT technologies, as promised, to alleviate the work burden of remaining employees.

Under pressures of time scarcity and meeting interim financial targets on time, oftentimes coercion was ultimately used to arbitrarily cut a certain number of employees to meet the cost-cutting objectives, whether the new IT system was in place or not. This increased the burden of work on the remaining operations employees, de-energizing them

and causing decline in customer service. As one operations MM said, “The company had to force the customer service groups to accept a change initiative [and cut their personnel]. This is very difficult and creates a very high level of stress for many of us.” These coercive actions led to employees complaining to their MMs that top executives’ initial promise of “removing work before people” had not been respected. The expression “do not walk the talk” often arose in interviews as a reason for the loss of the TMT’s credibility in the eyes of operations and HR MMs. As one senior MM in operations reported, “I received a lot of letters from employees that we were not walking the talk . . . We are saying that customer service is [our] number one priority while we are cutting [employees] and service is deteriorating.” Then he added, “The change program does not match the company’s mission statement. We are focused only on cost reduction, not on improving customer service. We are sending out conflicting signals to both [employees and customers].”

Much of the top team’s rhetoric seemed well intended but not acted upon in the eyes of the subordinates, such as the CEO’s well-accepted initial mission statement that emphasized customer service being followed by an almost exclusive focus on financial results by arbitrarily downsizing service employees. Another senior MM made the following harsh judgment about TMs’ motivation in keeping words and actions aligned:

Because [executives] were being judged on the basis of their cost reduction, not on the basis of keeping their word. Nobody called them in for their performance appraisal and asked, “Have you kept your words in the last twelve months?” They were [measured] on reducing headcount and cost. The other stuff is just noise.

A MM in charge of 300 customer service employees summed up the views of many MMs we spoke with this way: “I think the top team has a short-term restructuring mandate. I have no confidence that they will make long-term decisions.”

When asked about this issue a year after it took place, the CEO claimed ignorance but seemed to realize its deleterious effect: “I should stand up and address that . . . you do lose credibility if that happens. I haven’t heard it before, by the way, because I am removed from the people who do the work right now.” However, neither he nor the top team ever publicly addressed the issue of why people were removed before work, which caused their

legitimacy to decline even further. As one senior MM monitoring communication inside Tekco deplored, "They should have conceded that they might have got it wrong, that some things have been done in zeal, inappropriately, and that they will be fixed. You've got to rekindle the trust." Another top executive privately noted that, "It was a mistake for the CEO to have made this promise. Removing work before people would have never worked because human beings by nature would create other work for themselves." In this way, the top team's legitimacy was damaged twice by the same decision: first, for violating their espoused principle, and then again for failing to explain or even acknowledge the obvious inconsistency (despite subordinates' expressed concerns about it).

Emergence of instrumental legitimacy judgments. Negative relational and moral judgments and co-arising negative emotional reactions also made salient to MMs the protracted inability of the top team to produce a meaningful strategic vision, which exacerbated MMs' judgments of the top team's low change competence: judgment of instrumental legitimacy started to emerge. Information that was not salient in prior MMs' judgments of TMs suddenly became a major point of concern. As one HR MM described, "Employees feel that top executives don't know what they are doing . . . [We don't have] a sort of driving thrust that people can all sort of anchor themselves to." In addition, disappointment with the progress of their change project and attributed insufficient TMs' support (relational legitimacy) made salient to MMs that the top team did not acquire sufficient operating knowledge as their tenure progressed. Such detailed operating knowledge, including the importance of customer service and what it takes to deliver it (instrumental legitimacy), could have been developed by frequent interactions with MMs. Instead, the top team remaining invisible to a large majority in the organization increasingly bothered MMs. As one MM in operations complained, "They're not listening to customers. They're not listening to employees who serve customers. How can they listen when they don't even come out of their offices to meet with us and talk to us? How can they know anything?" As an HR MM reported: "Employees feel as if the executives are completely disconnected from them and from the reality of the world of customers and employees." Thus, negative emotional reactions co-arising with emerging negative relational and moral judgments prompted MMs to reevaluate their early positive cognitive judgment

of newcomers as more competent to lead radical change than incumbent executives, ironically focusing on TMs not having an adequate operating knowledge of the company and not appreciating the company's distinctive competence: customer service. Judgments of TMs' instrumental legitimacy started to emerge, and to reach its peak in the next evaluation stage, as we will describe.

MMs' growing unfavorable evaluation of TMs seemed to reflect the large-scale dissatisfaction of their employees about radical change and TMs. A random sample survey of about 2,000 employees (conducted by the company) reported that only 40% of employees felt that senior management was open and honest; only 22% felt that leadership was well known and visible; 46% felt valued as employees; less than 25% of employees believed that the quality of customer service would improve at the end of the transformation program, and 47% believed it would be worse; and only 36% agreed that the changes made today would make the company a better place to work in the future.

Actions: Growing resistance to change. Under the combined weight of all these factors (MMs' shifting negative emotional reactions, unfavorable judgments of top executives' actions and non-actions, attribution of unfavorable motives—all of which could not be discussed openly due to emotional censorship), it is not surprising that subtle resistance to change began to surface. As an MM in corporate communications who monitored the situation described, "Explicit resistance to change is hardly visible . . . People just take no initiative, they follow instructions to the letter, they are not real partners to change, they express no objection because it is taboo in this new culture." MMs were not just questioning the competence and motives of the top team, and feeling disappointed about this situation; they were not actively complying and supporting top executives in implementing their change directives. One MM reported foot-dragging by his colleagues:

One (newcomer) [TM] wanted a certain change to be implemented in the company, so all the [MMs] around the table said, "Yes, no problem." [Several] months later, when he asked ["Why it is not done yet?"], they just told him, "Well, it's not quite in place yet" . . . They privately chuckled, "We said 'yes,' but we did not promise *when* we will do it."

Many MMs thus reduced their support and acceptance of the top team by delaying implementation of change directives they disagreed with. As

one MM noted: “When people don’t agree with a directive, they just ignore it. It’s faster to ignore [than to argue with the decision].” The seeds of behavioral disobedience from the middle management rank had started to grow and contributed to a legitimacy deficit that ultimately proved insurmountable for the top team.

Change Evaluation: Delegitimation and Intense Resistance to Change

The deadline for delivering economic and operational benefits at the official end date of the three-year CT program made evaluation of concrete outcomes of radical change imperative to both external (e.g., investors) and internal stakeholders (e.g., TMs and MMs). From the top executives’ perspective, they had no choice but to put pressure on the organization to deliver the committed profit and cost-reduction targets. A top executive explained:

If you don’t deliver the three-year plan, you lose credibility . . . Boards are willing to let you do things as long as you deliver your commitments. As long as you do that, they will give you the benefit of the doubt. If the board loses confidence in your ability to deliver, they will second-guess you constantly. They will stop you from doing things you want to do.

Change outcomes. Unfortunately, this unrelenting pressure to deliver on the financial goals with decreasing resources exacerbated a sense of change fatigue among employees, straining their ability to deliver quality customer service, as we described previously. In addition, the expected underperformance of many change projects championed by MMs was ultimately reflected in the disappointing end results. Due to the imposed deadline of December 31, 2006, the initial scope of many large reengineering projects had to be scaled down. As an executive change agent described:

The original cost estimate of each big project tended to start at \$10 million and over. At each project review, costs increased by another \$5 million. At some point in time, we said, “Enough is enough.” We started to remove features to meet the deadline and budget. So the scope was much reduced. The line recipients became dissatisfied; they said that, “You guys promised to deliver us a Cadillac and we got a Volkswagen.”

Another MM close to many IT projects expanded on the narrow behaviors adopted by this single focus on meeting the deadline:

The only thing that change agents really cared about was the delivery date, without defining what and why they wanted certain things, what they were going to change, and what benefits these changes were going to bring about. So we mobilized a lot of people to develop all kinds of scenarios, to develop critical path charts on detailed activities that remained to be defined. Once these were defined, they realized this was not exactly what they wanted, but we were still working toward the same date, and, because the date was the most important criterion, you redefine the end product in mid-course just to meet the date. Think about it for a minute: this is expensive, because you make all kinds of compromise just to meet the date!

The net effect is that, near the end of the official radical change program, an initial corporate forecast suggested that expected end-of-year profit objectives promised to shareholders would not be met: “The reality is that these \$700 million won’t be attained. It’s going to be longer than three years . . . Time is a critical factor and we didn’t have a lot” (Senior executive). This led to the top team’s decision to quickly cut an additional 3,000 service employees to meet the promised financial targets. A top executive stated privately, “We went through a very quick fix that was driven by financial considerations predominantly, to get the cost down.”

Emotional reactions: Negative. Although the size of the additional layoff was relatively small in comparison to the 16,000 employees involved in the first downsizing, it produced disproportionately strong negative collective emotional reactions—“What felt like a cold shower to me and for all of our employees was the announcement of the additional cuts of 3,000 employees . . . my emotional state right now is utter disappointment” (Operations manager). The main complaint of MMs who remained was that it was perceived as a panicky move by a top team that did not know where it was going (building on growing concerns about lack of a strategic vision in the implementation phase), and the affected groups of operations employees—customer service support—showed the top team’s lack of knowledge of the operating details of the business and disregard for the quality of customer service, which had been deteriorating. Executives had thought these support groups were administrative overheads, while, in fact, they were directly supporting customer-serving employees. One senior HR MM who received the directive

to implement this expeditious layoff described the reasons for this directive and his judgment of it:

Senior executives had taken any job title that sounded like it wasn't a direct customer-facing job and concluded it was overhead and support. Many of the targeted employees either deal directly with customers or are right next to the people who deal with the customer . . . They had this condescending attitude toward the service people, saying that these people don't know how to manage competently.

Emotionally, it was the last straw for many: "Employees are very worried, they are fearful of another wave of downsizing and want to leave the company . . . this announcement created total panic in the company" (Operations manager).

Legitimacy judgments: Final shift to instrumental criterion. Recall that instrumental legitimacy judgments are present when the entity is perceived to help others attain their goals, which can be linked to effectiveness or efficiency (Tost, 2011). TMs' rushed layoff command showed operations MMs, who had hitherto given the top team the benefit of the doubt, that, when "push comes to shove, these guys are really short-term oriented and only shareholders' interests really count" (Operations manager). This perception of declining trustworthiness further validated attributions of incompetent leadership of change (related to instrumental legitimacy judgments) that began to emerge in the prior implementation stage: "All credibility and vision are gone" (HR manager). The perceived disorganized and abrupt manner in which the second layoff directive was issued proved a fatal blow to the legitimacy of the top team:

It came like a flash to us that the top managers who initiated this action are completely disconnected from the customers and therefore are also disconnected from the front-line employees. This action will kill customer service, and this company is going to live or die on service.

(HR manager)

In essence, operations and HR MMs felt that this final action risked destroying what they believed was one of Tekco's few remaining competitive advantages: good customer service. Instrumental legitimacy judgments, based on evaluations of the entity's material results (Tost, 2011), became dominant in this phase. MMs had been struggling to balance the reduction in customer service employees with maintaining the quality of customer ser-

vice, even when the promised IT applications had not been delivered, and this rushed employee reduction was too much for them to absorb. As one HR MM reported, "By saying that there may be other actions like this [in the future] and this is going to be the new way to manage has removed all of our confidence [in the top team]."

Actions: Intense and explicit resistance to change. Following in the wake of these unfavorable judgments of the top team's legitimacy, collective anger (negative emotional reaction) toward the top team began to develop. Anger is generally elicited when targets appraise intention to cause harm by the other party, they are certain about the undesirable situation, and that they have the means to deal with the harming entity (perceived control). Anger tends to prompt aggressive action tendencies (Ellsworth & Scherer, 2003), as was the case in Tekco as collective anger energized many MMs to resist TMs' authority and the change effort itself more openly and intensely. HR MMs reported that many operations MMs delayed or refused to implement the layoff directive (a disobedience pattern that had started emerging toward the end of the implementation phase). Open, public defiance had set in—the TMT's power to exact obedience was effectively neutralized, thus hampering its ability to meet the year-end financial objectives that were committed to the board. Shortly after the firestorm that erupted in the wake of the additional 3,000 layoffs, CEO Maxwell suddenly quit. The hastily appointed interim CEO retained only one previous senior executive, effectively dissolving Maxwell's top team. Operations MMs largely treated the news with relief—"It's about time. He has done his time"—and resolution—"They had to make the unpopular but necessary moves, like the cuts, but it's time for them to move on." In sum, MMs' resistance to top executives, which was mainly passive and covert in the implementation phase, became active and overt in the evaluation phase. This active and overt resistance was energized by highly charged negative emotional reactions that hastened the final delegitimation of the TMT as radical change agents and their precipitous exit from the firm. Departing TMs acknowledged the mixed instrumental outcomes of the radical change effort and some of their causes, as one TM privately shared with us prior to his exit:

The company was completely focused on making its financial targets. So [the development of future capabilities] gets lost in the necessity to make the financial

targets . . . CT helped us to get the costs down, but it's not transforming the company . . . We're now acknowledging the enemy and he is us . . . In the interest of stopping the bleeding, we went through a very quick fix . . . It was driven by financial considerations predominantly, to get the cost down . . . Tekco needs truly transformational programs and it needs them quickly.

EMERGENT THEORETICAL MODEL

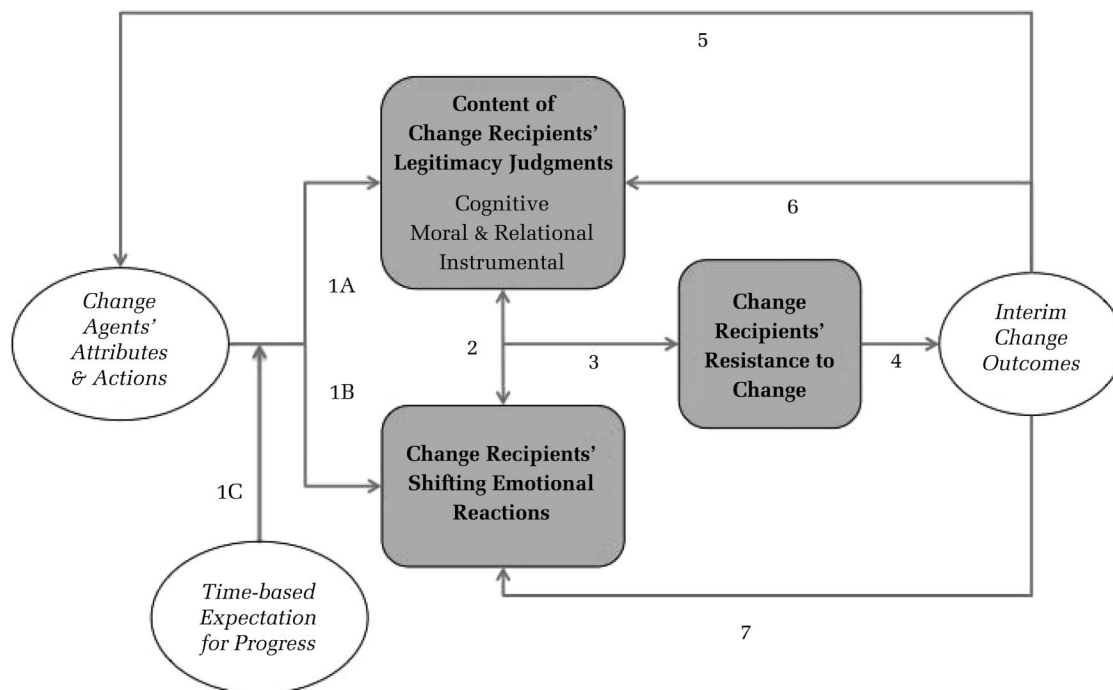
Our analysis revealed a set of emergent themes across our MM and TM informants involving reciprocal interactions between the attributes and actions of the TM change agents and the legitimacy judgments and emotional reactions of MM change recipients. Our data uncovered a heretofore-untheorized dynamism in how recipients' legitimacy judgments and emotional reactions shifted during the radical change process and fueled mounting resistance to the change effort. As shown in Figure 3, we propose an inductive model that links the emergent relationships of change recipients' legitimacy judgments with their co-arising emotional reactions toward the change agents, and how these in turn energize recipients' behaviors that impinge on various interim change outcomes. The following

sections illustrate how Tekco progressed through this process model in each of the three phases of the change effort; although the model emerged from the data, we also cite relevant literatures wherever possible to enhance the plausibility of the relationships among various constructs proposed in our model (Eisenhardt & Graebner, 2007; Golden-Biddle & Locke, 1993).

Formulation Phase

During the initial phase, the new top team effectively communicated the need for radical change, and stressed their attributes, such as "outsiders" and "new blood," as "validity cues" (Tost, 2011) and performed a number of symbolic actions that suggested their change competence. MMs' initial sensemaking largely reflected a realization that radical change was necessary and that the former top team was not a legitimate option to lead such a change. In this way, MMs relied on cognitive legitimacy judgment of TMs' attributes (e.g., not attached to old firm; relevant industry experience) as a form of heuristic processing to quickly evaluate newcomer TMs. Relying on these dominantly cognitive judgments (with other legitimacy criteria as

FIGURE 3
Emergent Process Model



secondary factors—desirable but not necessary⁴), MMs judged the top team as having high legitimacy as radical change agents (link 1A in Figure 3).

Co-arising with these favorable legitimacy judgments, MMs' emotional reactions toward the new top team and their proposed radical change were positive or neutral (links 1B and 2); as MMs appraised TMs as providing the resources necessary to implement the various change projects they championed (relational or instrumental legitimacy judgments), they experienced positive emotions toward TMs. Such positive affect in turn helped facilitate global attributions of TMs' trustworthiness, and energized behaviors of support and lowered resistance to radical change (link 3). At the end of this phase, the interim change outcome was the quick start of the implementation of radical change by MMs (link 4). Interestingly, much of the resistance to change literature cites early-stage resistance as the most critical to overcome (e.g., Sonenshein, 2010); but our case shows how early, high change agent legitimacy can minimize that initial resistance.

Implementation Phase

As the change progressed from formulation to implementation, TMs began shifting their focus to external pressures. This led them to devote less time to MMs' championed change projects and not following through on their early promises—thus violating expectations MMs had for their leaders at the beginning of implementation (link 1C in Figure 3). Additionally, unforeseen (yet typical PROC) problems in implementation emerged and threatened the hoped-for success of MMs who promoted change, prompting reconsideration of TMs (link 5). These MMs began experiencing shifts in their emotional reactions, from positive in the formulation phase to negative (disappointment, anxiety, frustration) in the implementation phase (link 7), and also began exhibiting shifting judgments of TMs' com-

petence as change agents, relying on dominantly relational and moral judgments (link 6). Exacerbating these shifts was a mutually influential relationship between MMs' emotional reactions and legitimacy judgments (link 2). Negative emotional reactions (e.g., disappointment) signal a problematic state of affairs and that more detailed cognitive processing and rapid remedial actions are required (Bless, 2000), thus activating process-based criteria focused on closer observation of TMs' behaviors. Change championing MMs quickly attributed part of the causes of implementation difficulty to TMs. Also, hitherto-skeptical recipient MMs noticed concrete evidence that their initial doubt of TMs was justified, and thus also experienced mounting anxiety that customer service quality (Tekco's perceived core competence) would be harmed by leaders whom they (increasingly) perceived as caring only about short-term finance. MMs saw TMs' inconsistency not only as a sign of questionable credibility, but also (and increasingly) as evidence of opportunism and dubious intent (recall, for instance, the expressed perception that the TMT were "mercenaries" operating with a strictly short-term orientation).

While there seemed to be some opportunity in the implementation phase for TMs to reverse the growing resistance to change (link 3), they unfortunately decreed a climate of emotional censorship instead, such that MMs who expressed negative emotional reactions about the progress of the change effort were viewed as unfit for leadership positions. Emotion-laden issues, thus, were bottled up and negative emotional reactions toward TMs accumulated and continued to elicit negative judgments of TMs (link 2). The combined perceptions of decreasing legitimacy and negative emotional reactions fueled a growing resistance among MMs, even if that resistance was not immediately visible to TMs (link 3). As resistance spread, underperforming change outcomes (such as growing change fatigue, delayed projects, and reduced learning) began to emerge with more frequency and effect (link 4), prompting further unfavorable judgments of the legitimacy of TM change agents (link 6) and negative emotional reactions (links 7 and 2).

Evaluation Phase

Ultimately, accumulating negative change outcomes led to the ultimate radical change outcome that economic benefits were well below what was committed to shareholders. This led TMs to take

⁴ We argue these additional actions were more like "icing on the cake" (desirable but not necessary) in the sense that, had newcomer TMs used a more commanding, coercive, and less generous approach in the beginning—actions that could be justified on the basis of Tekco's rapid decline of resources and the need to change quickly through a commanding approach (Huy, 2001)—it seems very likely that they would still be perceived as having high legitimacy because of dominant cognitive-based judgments discussed above.

drastic actions to maintain their credibility with the board (link 5 in Figure 3), such that they decreed another massive layoff in the final evaluation phase. This drastic action further violated MMs' expectations (link 1C), creating both MMs' unfavorable legitimacy judgments (link 1A) and negative emotional reactions (link 1B) with both feeding each other (link 2). In the face of self-imposed tight deadlines and formal final evaluations, recipients' legitimacy judgments shifted to largely instrumental criterion. Combined, negative legitimacy judgments and emotional reactions fueled overt resistance to the change as change recipients lost all faith in the change agents (link 3), thus leading to the departure of the top team (link 4).

Contributions to Theory

We began our paper by noting we lack a granular theoretical and empirical understanding of how PROC is implemented and the role played by change agent legitimacy during that implementation process. In making sense of what our data were illustrating as the PROC effort unfolded at Tekco, we were faced with a challenging empirical question: *What happened to alter the initial acceptance of radical change into resistance to change among the MMs in this firm?* Our empirical answer to that question is a dynamic model involving the reciprocal relationship between the cognitive legitimacy judgments and emotional reactions of MMs in response to the attributes and actions of TMs across the different phases of PROC. Thus, our study's central contribution is to show the mechanisms underlying the "generalized" perceived legitimacy of the change agent as a function of dynamic judgments by change recipients involving shifting content. These evolving judgments allow us to explain resistance to change as an emerging, situational phenomenon, rather than a static, initial, and predictable obstacle as often portrayed in the resistance to change literature (Ford et al., 2008). By offering a pluralistic (rather than single-sided) account of resistance to change, we illuminate the heretofore-underexplored nature and sources of change agent legitimacy and reveal its significance within the larger process of PROC. These insights provide an empirical basis for modeling how the change agent–recipient relationship unfolds over time and the factors critical to that evolution (e.g., legitimacy judgments and emotional reactions). This emergent model (Figure 3) provides us the where-withal to theoretically contribute to several domains

of organizational study; most prominently, theory on PROC, resistance to change, and legitimacy.

Advancing our Understanding of PROC

We began this paper with the aim of examining the theoretically and practically important phenomenon of radical organizational change implementation. As we noted, this literature has tended to focus on the initial, rather than later, phases of planned radical change, and to view the authority of TM change agents as largely unproblematic because of the typically severe organizational underperformance that justifies a top-down, commanding approach (Huy, 2001; Tushman & Romanelli, 1985). Our emergent model addresses the heretofore-under-theorized relationship between change agent legitimacy and change recipient resistance during the under-explored yet critical implementation phase, and delivers a compelling answer to the question: *"How do we explain why change recipients accept or resist change agent efforts to effect radical change?"*

Judgments of change agent legitimacy. Our findings bring to the forefront the important role of MM legitimacy judgments in the successful implementation of PROC. While the uninformed view of what happened at Tekco is simply one of poor decision making and mismanagement of resistance to change, our emergent model suggests a more subtle yet compelling account of change agent actions and change recipient legitimacy judgments and emotional reactions coalescing to create a dynamic process playing out over the course of the entire change effort. The shifting bases of MM legitimacy judgments (heavily influenced by changing emotional reactions) and their reciprocal relationship with TM change efforts suggest that we must think differently about how radical change proceeds and how its path toward effective implementation is more complex than previous theory explains (see Bartunek et al., 2011). At the heart of our theoretical contribution is the insight that the legitimacy of change agents is central to their ability to lead change and that legitimacy can be construed as a sequence of interim accomplishments involving continuous social interactions (rather than just as an entity with stable characteristics—Suchman, 1995). Consistent with developing research into the psychology of legitimacy judgments (Jost & Major, 2001; Tost, 2011; Tyler, 2006), our emergent findings suggest that the bases underlying legitimacy assessments can be more or less stable

during finite time periods, but that, over time, they shift in ways that provide for potential changes in the level of voluntary cooperation provided by subordinates. Helpfully, our data demonstrate that these shifts in legitimacy bases emerge from shifts in the expectations that change recipients have for agents of change. That is, as radical change begins to unfold, there is an increasing expectation that change agents will grow in ability: people expect leaders to display increasingly specific knowledge of the company and how it operates. This comes in part from increasing dialogue with key stakeholders, such as employees (relational legitimacy), and acting in ways that are compatible with stakeholders' norms of propriety (moral legitimacy). Furthermore, as the change effort progresses, there is an increasing expectation for change agents to deliver results (instrumental legitimacy), perhaps most especially when specific promises have been made (Gioia, Nag, & Corley, 2012).

While our description of the gradual delegitimation of Tekco's executives might be enlightening, we do not believe that changing bases of legitimacy always result in delegitimation, nor even a linear progression of high-to-low legitimacy or vice versa. Instead, what is important is that the underlying bases of legitimacy can and do shift over time (perhaps especially in times of radical organizational change) and that these shifting bases result in different perceptions of legitimacy at different points in time. Likewise, we do not claim, nor believe, that shifting bases of change agent legitimacy always result in failed attempts at organizational transformation. It is just as likely that shifts in change agent legitimacy can facilitate change efforts, such as when a new executive team begins without "cultural authorization" but subsequently gains legitimacy through the use of appropriate processes and demonstrated effectiveness (for illustration, see Huy, 2001).

Nonetheless, one upshot of our findings is that future theorizing about PROC should be cautious about the assumed unproblematic coercive power of TMs to lead PROC—even during times of crisis that justify this type of approach—and about the presumed sustained submissive behavior of direct subordinates. For instance, our research fundamentally questions the appropriateness of the well-worn metaphor of the "ice cube"—unfreeze—change—refreeze (Lewin, 1947)—that pervades much of our scholarly thinking and teaching about managing change (see Kotter's (1995) eight-step model as an example), and suggests that we should not construe change recipients as inanimate "ice cubes" that

skillful change agents can manipulate at will. Rather, theories of change in general, and PROC in particular, can be enriched by shifting our change metaphor to one of a teacher–student relationship. That is, in as much as teachers guide students and evaluate their learning, students also continuously monitor the effectiveness of their teachers and evaluate them. Like Tekco's MMs, students might initially assume that teachers are qualified to teach them based on the school's appointment (cognitive judgment). As the course progresses, students likely evaluate their teachers on what they have learned (instrumental judgment), but also on how the teachers engage them (relational judgment) as well as their ethical behaviors (moral judgment). Likewise, students' emotional reactions (positive or negative) about their teachers, together with various types of judgment, likely aggregate in rating evaluations that, over time, determine the relative status of the teachers.

Emotional aspects of radical change. The literature on PROC has also under-investigated how emotional factors influence implementation of radical change. Save a few exceptions (e.g., Bartunek et al., 2006; Huy, 2002), there is still a dearth of empirical research that examines the role of emotion in organizational change, and almost nothing on how emotional reactions interact with legitimacy judgments to influence change implementation. Our study demonstrates how emotional reactions can trigger qualitative shifts in legitimacy judgment, priming from a positive evaluation ("glass is half full") in the formulation phase to a negative one ("glass is half empty") in the implementation phase. This fits with what we know about emotions and how people tend to use affect as an additional source of information under time scarcity (e.g., Fredrickson, 2001; Schwarz, 1990) when they face unfamiliar rather than familiar subjects, when other types of information are scarce, and when judgment is too complex for analytical processing (Loewenstein & Lerner, 2003). Our findings from Tekco's implementation phase also show that emotional reactions can serve not only as a source of information, but also as *facilitators* and *amplifiers* of change in legitimacy judgment. Emerging disappointments about the progress of change projects facilitated MMs' shifts from heuristic processing during the change formulation phase and suggested that initial positive judgments might need to be revised. In other words, MMs' shifts in emotional reactions from positive to negative facilitated a marked shift from more heuristic to more detailed,

analytical processing, and thus helped make salient certain aspects of TMs that had been considered irrelevant or unproblematic during the formulation phase (such as lack of an overarching strategic vision, lack of detailed operating knowledge, not upholding promises, and insufficient interaction time with MMs). As MMs experienced repeated disappointments and fears of potential failure of their championed change projects, attribution bias tendencies (Zuckerman, 1979) might have operated, in that MMs began attributing the slow progress of their projects partly to TMs' now-salient limitations, which were amplified through repeated disappointments caused by implementation problems. These perceived limitations facilitated a shift in legitimacy judgment criteria from the cognitive to the relational and moral. Ultimately, mounting disappointments and collective anger about the perceived instrumentality of TMs' arbitrary downsizing command during the evaluation phase further facilitated and amplified MMs' negative judgments of their bosses and culminated in overt disobedient actions. These insights advance our understanding of the implementation challenges of PROC by revealing how emotional reactions facilitate and amplify changes in legitimacy criteria, which feeds a cycle of growing resistance to change. Although planned change scholars have noted it is an emotional-laden process that requires overseeing (e.g., Bartunek et al., 2011; Huy, 2002), the catalyzing (i.e., facilitating and amplifying) function of emotions in regard to legitimacy judgments enriches our understanding of the criticality of emotional reactions in PROC.

Temporal aspects of radical change. Furthermore, even though time is integral to the nature of change itself, there is still insufficient empirical research that examines how temporal factors influence the process and outcome of organizational change (for a review, see Klarner & Raisch, 2013). Our stage-based model reveals that both change agent' and recipient' actions, cognitions, and emotional reactions can vary significantly in different phases of planned change, and that recipients hold implicit expectations of progress in the change agent's ability in accordance with the length of tenure in a given role and in a given organization. It is thus imperative that future research on planned change become more attentive to time-based expectations and variations in the constructs and relationships of interest. For example, our data reveal that MMs expect TMs to show more knowledge and sensitivity to the internal matters of the organiza-

tion as their tenure within the organization increases, while they had low expectations about such ability when TMs just joined. Likewise, our data demonstrate how various types of legitimacy judgment become more salient than others in various stages of change.

Advancing our Understanding of Resistance to Change

In their recent article, Ford et al. (2008) suggest a much-needed reconceptualization of resistance to change as a dynamic phenomenon shaped by agent-recipient interactions. Our findings and emergent theorizing put some empirical meat on that conceptual bone by detailing the critical role played by recipient judgments of change agent legitimacy in helping to determine the emergence of resistance to change. As MMs (our change recipients) progressed through their involvement in the change effort, they continually sought to make sense of their senior leaders' (our change agents) actions; a significant part of that sensemaking involved judgments regarding the competence and trustworthiness of those leaders to enact change. Unlike much of the resistance to change literature, then, our study empirically captures the perspectives of both change agents and recipients. That is, as opposed to the strong agent-centric flavor to most resistance research (Bartunek et al., 2011; Ford et al., 2008; Furst & Cable, 2008), evidence for resistance in our study emerged directly from change recipient interviews (with corroboration from interviews with change agents) and was directly linked with their perceptions of agents' legitimacy to lead the change. Thus, this interactive relationship between perceptions of agent legitimacy and recipient resistance represents an important advancement of theory on resistance to change because it emerges directly from those experiencing the resistance phenomenon. Resistance to change scholars building on our research will need to take recipient perceptions into account and shun the traditional approach of studying resistance mainly from a change agent perspective.

Additionally, as Tekco MMs continued to see the need for major change to improve the company's performance even as their judgments of the change agents' legitimacy to lead that change worsened, it is important that scholars recognize that resistance to the actual change (i.e., change content: what is to be changed) should be distinguished from resistance to leaders of change (change agency). The two

concepts are often confounded in the literature (see Ford et al., 2008); however, we believe our study provides convincing evidence that it is theoretically and practically important to study acceptance/resistance to change content and change agency as two separate constructs. Likewise, our findings suggest that scholars can no longer assume the dominance of cognitive factors in explaining resistance to change (e.g., Ford & Ford, 1995; Furst & Cable, 2008); instead, we should account for both the emotional and cognitive aspects of recipients' experience, as well as their interactions with those leading the change.

Advancing our Understanding of Legitimacy

Our analysis also provides some important contributions to the legitimacy literature. Over the past few decades, institutionalists and social psychologists have amassed a great deal of theory and evidence about the legitimacy of organizational practices, structures, and other "social entities" (Deephouse & Suchman, 2008; Johnson et al., 2006; Scott, 2014; Tost, 2011). They have not, however, established an independent focus on the legitimacy of human actors (and often appear to assume that people judge one another using the same generic criteria that they use to evaluate various other cultural objects). Our study provides strong reason to question this premise. It also highlights a clear need for research that focuses specifically on actor-centered legitimacy judgments (which are likely to be consequential not only for change agents but for managers and other power-holders more generally).

In addition to revealing this general need, our study also provides some promising insights about the nature and foundations of these actor-focused judgments. First, they indicate that such judgments are strongly affected by the actor's observed behaviors (in addition to his/her culturally valued attributes and position in the social structure, etc.). While the latter things are certainly important to initial judgments, they appear to fade into the background and to be insufficient for sustaining legitimacy over time. Second, and relatedly, our results also highlight the essentially relational character of this type of legitimacy. Top management change agents and other elites clearly occupy preferred societal positions, and enjoy many critical advantages as a result. Nevertheless, our findings underscore the fact that their legitimacy ultimately rests on the consent of their subordinates (who retain the capacity to withdraw it at any time). Researchers studying PROC (and other forms of

change as well) must take this into consideration and not naturally assume the (ongoing) static presence of change agent legitimacy.

Third, our study demonstrates the critically important role of attribution processes and emotional reactions. Tekco's MMs showed a deep and persistent interest in discerning the intentions, values, and competencies of the new TMT, and reacted with obvious anger and indignation when their superiors acted in ways that indicated a deficit of these vital but indirectly observable human qualities. While these emotion-laden attribution processes are more or less ubiquitous in interpersonal evaluations, they are unlikely to be directed at inert cultural objects (and are thus notably absent from most of the contemporary legitimacy literature).

Finally, and more generally, our study also reveals the need for a holistic and processual approach to understanding the legitimacy of human agents. Though subordinates' perceptions of Tekco's TMT were affected by many different factors, we found that these disparate influences ultimately congealed into more or less unified legitimacy judgments (of the "thumbs up vs. thumbs down" variety). We also found that the foundations of these gestalt judgments shifted fairly dramatically over time (moving from "who" to "how" to "what"). This particular evolutionary sequence may or may not unfold in other instances, and future research is clearly needed to evaluate its generalizability. However, the more basic need to view legitimacy as a processual phenomenon with (potentially) shifting foundations would appear much more clear.

CONCLUSIONS

Exploring the interplay of temporal phases, emotional factors, and shifting legitimacy criteria used by different groups over the course of radical change should continue to reveal new and important insights. In particular, although time is integral to the nature of change itself, there is still insufficient empirical research that examines how temporal factors influence the process and outcome of various types of organizational change (Klarner & Raisch, 2013). Our findings also reemphasize the need for more empirical research bridging the literature on change recipient sensemaking and responses to change (e.g., Balogun & Johnson, 2004; Gioia & Chittipeddi, 1991; Gioia, Thomas, Clark, & Chittipeddi, 1994; Isabella, 1990) with the literature on resistance to change (e.g., Ford et al., 2008; Furst & Cable, 2008) by looking at a variety of

reasons that cause recipients of change to evolve in their support of, or opposition to, change agents over time. Again, resistance to change is usefully construed as a processual, a priori, undetermined evolution rather than as a static snapshot largely determined by relatively stable recipient psychological attributes, entrenched political interests, or predetermined content of the proposed change. Future research on resistance to change has much to gain by taking a longitudinal and more comprehensive and dynamic view of the interpretations, emotions, and behaviors of both change agents and change recipients.

Finally, our study also suggests a broader need for additional research and theory that is explicitly focused on the legitimacy of human actors (as distinct from other types of generic social entities or objects)—what might be called *agentive legitimacy*. Legitimacy has been described as “perhaps the most central concept in institutional research” (Colyvas & Powell, 2006). Institutional theorists increasingly highlight illegitimacy as a critical driver of institutional and organizational change (Greenwood, Hinings, & Suddaby, 2002; Suchman, 1995). Though we find much appeal in the idea of a general theory of legitimation (Tost, 2011), we believe that people are likely to apply a very different (or at least much more dynamic) set of evaluative criteria in judging the legitimacy of their fellow humans. Societal influences and taken-for-granted beliefs may be sufficient to ensure the continued acceptance of many important social practices, structures, and forms. But, the individual people who populate and administer these social entities are likely to face a distinct (and ongoing) set of challenges in establishing and maintaining their own legitimacy.

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