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The Underlying Structure of Continuous Change

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The HIV/AIDS epidemic created a new context for the pharmaceutical industry unlike any it had ever encountered. This was not a discrete shock to which the industry could simply adjust through a planned change program, but rather a whole new environment demanding novel and unfamiliar ways of operating. For one thing, the drug companies had to find different ways of collaborating with patients,¹ particularly those within the gay community, which had become increasingly politicized, organized and skeptical of the medical establishment. Adapting to such new realities required more than just implementing a single change effort. Rather, it required the pharmaceutical industry to manage cycles of continuous change over the course of years.

The experience of the drug companies illustrates the kind of complex and demanding environment that many companies face. The problem for managers confronting such situations is that the conventional models of organizational change tend to be too simplistic. Most of them present an unrealistic image of change as an episodic phenomenon in which corporate leaders develop and implement elaborate change programs on an occasional basis in response to specific, isolated environmental shocks. Of course, that type of change does occur, but more often the corporate environment is characterized by change that is open-ended, fluid and less closely tied to specific shocks — a continuous process rather than a clearly delineated episode. Thus, today's managers need a fuller understanding of continuous change — how it works and how it doesn't. Based on 15 years of studying and observing change in a wide range of organizations, we have developed a framework for understanding the underlying structure of continuous change.² Core to our perspective is the idea that continuous change occurs in cycles, not in the linear programs associated with planned-change projects, and not in random or chaotic flows. Our research suggests that real, lasting change occurs only when it cycles through four distinct phases, each requiring certain resources and specific individuals. (See "The Cycle of Continuous Change," p. 60.) An understanding of those

Managing change does not mean dealing with chaos. In fact, continuous change is a predictable cycle with four phases, each requiring certain resources and a specific type of champion.

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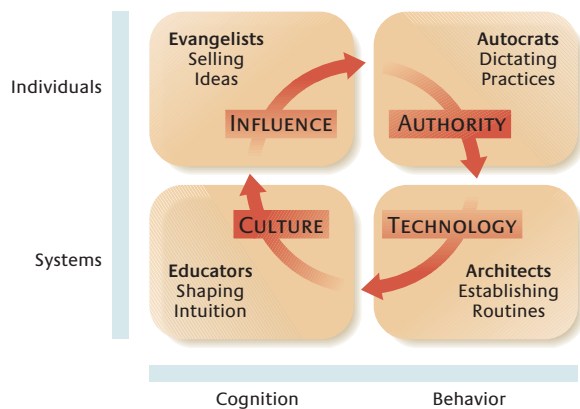
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The Cycle of Continuous Change

Continuous change is a process that has four phases, each with a specific type of champion: evangelists, autocrats, architects and educators.



phases can help managers transform their companies into organizations that experience change not as a tumultuous, anxiety-inducing event but as part of an everyday routine. (See “Key Lessons for Managing Continuous Change.”)

Phase 1: Using Influence to Sell Ideas

Change begins with an idea — an insight, intuition or belief that motivates someone to question the way things are done. But in order for an idea to initiate processes of change, it needs to be articulated and presented in ways that influence people. The change agent in phase 1 must therefore be an evangelist — literally the bringer of good news — who sells the idea to other key organizational members. To be successful across diverse stakeholder groups, the evangelist needs a wide repertoire of influence strategies. In some cases, the idea may simply need to be taken to the right people and presented in a straightforward manner. Many ideas, however, require more adept handling. Evangelists may need to reframe an idea in dramatically different ways for different audiences; to attach the idea to other ideas or plans that are already accepted; to enroll well-respected organizational members to act as spokespersons for the idea; to demonstrate the concrete economic benefits of adopting the idea; to show others how the idea might help advance their own careers. In other words, the evangelist must be fluent in the art of persuasion.

Consider the case of Tim Smith, CEO of a major British symphony orchestra, BSO. (Note: The names of the CEO and the two orchestras in this example have been changed to preserve their confidentiality.) While most of his peers argued vociferously for more government funding of Britain’s orchestras, Smith’s view was heretical: He felt that the country had too many orchestras. “There are 16; I think there should be eight,” he said. “You need to be ruth-

less . . . because then the [available] money would work.”³

Obviously, Smith’s ideas were going to be a tough sell to many constituencies, so he decided to start the process at home by calling for the merger of his own orchestra with another, ASO, in the same region to create a superorchestra. After first discussing his proposal with the BSO overseers, Smith met with a variety of ASO stakeholders, including the board and key management figures, to argue that the merger would allow the continuation of the ASO brand while attracting new sources of government funding. He then contacted representatives of the Association of British Orchestras, or ABO, the national advocacy body for professional orchestras in Britain, to defend his proposal as the only viable long-term solution for the two organizations and their musicians.

In early discussions with musicians and his own management team, Smith talked only in general terms. He did not address issues of the superorchestra’s size or the number of positions that would be cut in the process because he first wanted to sow the seeds of his idea. His tactic worked. In the weeks that followed, BSO junior managers began themselves to mention the superorchestra as a possible solution to the organization’s financial problems. Although some saw it as a threat, others talked in Smith’s words, suggesting it was the only secure future for the BSO.

In the coming months, Smith raised his proposal with senior figures in the city council and with the Arts Council of England, the country’s main funding body for the arts. He was careful, though, not to push the idea too hard. First, he wanted to obtain people’s buy-in by gradually getting them involved. So he formed an independent working group, with the goal of including business executives as well as those in the music industry, who would work with number crunchers, visionaries and marketing professionals to investigate the costs and consequences of various options.

For evangelists like Smith to be effective, three conditions must be met. First, they need to be aware of, and have access to, the informal networks necessary to sell their ideas. Therefore, managers who want their people to act as evangelists must regularly connect them to other groups and individuals across organizational boundaries, both vertical and horizontal, as well as assist the growth of informal networks. Smith had to tap into a number of formal, as well as informal, networks to spread the word of the superorchestra and to connect key figures to one another. That included not only engaging members of different orchestral groups but also those in the city council and arts-funding bodies, as well as experts from the worlds of business and music.

Second, evangelists must be adept at persuading others, so managers will need to create opportunities for employees to develop those abilities. Politicking and storytelling are not the kinds of skills typically taught in corporate training centers, but they are crucial nonetheless. Smith was successful because he was able to frame his proposal in various ways to appeal to different audiences. For ASO stakeholders, for instance, he focused on sta-

bility and brand maintenance. For the ABO and the Arts Council of England, he emphasized the novel and unique role that the superorchestra could play in Britain's heritage of classical music. If organizations want their employees to be able to sell their ideas effectively, they need to provide training and development in persuasion skills, including storytelling and the creative use of language, metaphors, symbols and imagery.

Third, potential evangelists need to feel the organization and those around them support their actions. Thus, senior executives need to model positive forms of networking, politicking and persuasive communication. And organizations need to reinforce the efforts of evangelists-in-the-making by rewarding their efforts even when their ideas don't prove to be winners.

Phase 2: Using Authority to Change Practices

A good idea often flounders because its advocates either do not understand what is needed to translate it into action or do not

have the resources necessary to do so. To move organizational members to action typically requires more than an evangelist's persuasion. Effecting collective action usually requires an autocrat — someone with the formal, legitimate power to tell people what to do, how to do it and when.

The prudent use of authority becomes necessary for three reasons. First, although key organizational members may have accepted a new idea, they might harbor considerable uncertainty or anxiety about putting it into practice: What if the idea flops, or what if others don't follow? At this point, someone in charge needs to approve (or reject) the new direction, not just in theory but also in everyday practice. In this regard, autocrats put their necks on the line and become responsible and accountable for the change. Second, the new idea could generate a wide range of interpretations. This is especially true with ideas that are genuinely novel or that involve intangible concepts like innovation or collaboration. Detailing in practical terms the new behaviors or practices that are

Key Lessons for Managing Continuous Change

In order to manage the cycle of continuous change, companies need to provide the necessary conditions for each of the four types of champions — evangelists, autocrats, architects and educators — to flourish.

Role	Organizational Lessons
Evangelist	<p>To ensure the survival and dissemination of good ideas that can inspire employees and stakeholders and incite change processes,</p> <ul style="list-style-type: none"> • Grow and support informal, interdepartmental networks that act as the channels through which good ideas flow. • Provide mentoring and a variety of other learning opportunities to enable rank-and-file employees to develop skills in politicking, storytelling, bargaining and persuasion. • Model and reward the positive politics of expanding connections to others, using influence skills and taking risks to propagate untested ideas.
Autocrat	<p>To ensure that authority is exercised promptly and effectively when continuous change processes hit the point at which force is needed to push them forward,</p> <ul style="list-style-type: none"> • Establish and maintain stable cadres of managers who have gained the credibility to use their authority and the practical imagination to turn ideas into behavior. • Provide operational managers with autonomy so that they neither rush to use authority because of pressure from above nor delay because they lack support.
Architect	<p>To embed change in organizational structures and systems,</p> <ul style="list-style-type: none"> • Build multidisciplinary career paths to senior management so that organizational architects understand the corporate strategy and its components. • Ensure that technical experts have the opportunity to reach senior levels.
Educator	<p>To build the potential for revitalization through innovation into the change process,</p> <ul style="list-style-type: none"> • Reward for the long term so that potential educators are motivated to create learning and innovation opportunities for their staff. • Recognize and reward reflection and experimentation even when they do not necessarily contribute directly to the bottom line (or even directly to the change initiative).

Autocrats must have “practical imagination” — the ability to translate the abstract into tangible sets of behaviors and practices that make sense in the context of the organization and its work.

required (as well as those that need to stop) will certainly help. But such prescriptions often need to be backstopped with authority. Third, authority may be needed to overcome any resistance. New ideas can be threatening, and their implementation can generate tremendous anxiety, especially when they put employees' existing skills and relationships in jeopardy. The result is often resistance, both active and passive. That is not to say that continuous change processes incur continuous resistance; however, they almost inevitably lead to some resistance, often at the point that ideas need to be translated into action.

Take the example of Robert Heath, CEO of Triant Technologies Inc. of Vancouver, British Columbia, a leader in the development of software used in semiconductor manufacturing. For his first months as CEO, Heath spent his time talking with various stakeholders, including employees and the investment community. As he did so, he found that although Triant had significant strengths, it was lacking in key engineering and managerial capacities. For instance, he was shocked to find that the company had no annual budgeting process.⁴ In response, he used his authority to dictate the practice.

First, he worked directly with a few senior managers. They initially resisted, claiming that the uncertainty of their business made budgeting impossible. Heath responded by forcing the group to work with the information they had, for instance, to determine a sales forecast. “If it’s very unpredictable,” he told them, “just . . . start writing stuff down that you know.” After about an hour and a half, the managers had come up with a rough sales forecast of \$4.2 million. They then moved on to the payroll and other expected expenses. As it turned out, their budget came in very close to the actual numbers. “That was really good,” recalls Heath, “because that lent some credibility to the process and procedure.”⁵ The next year, Heath continued to exercise his authority to dictate additional budgeting practices, gradually bringing greater sophistication to the process while also pushing it further down the organization.

To be effective, autocrats need three things. The first is authority and credibility. Although both qualities are tied partly to an individual's position in the organization, they also stem from the respect and loyalty of others. A team that does not trust its leader can undermine the implementation of new practices by shirking them with passive resistance. A board without respect for its CEO can undercut his or her authority by stalling or challenging that

person at every turn. In the case of Triant, Heath was fortunate that he had established his credibility through his work at the company in a number of capacities over several years. It's because of this need for credibility that organizations need to maintain stable cadres of line managers who can gradually establish themselves so that, when those individuals must fulfill the role of autocrat, they will have the ability to lead with authority.

The second key requirement for an autocrat to be successful is good timing. Autocrats need to choose among competing ideas and decide which will be adopted and when. If autocrats act too early, they may compromise the momentum developed by evangelists. It's better to let an idea gain support as widely as possible rather than preempting its acceptance with a sudden directive from above. But if autocrats act too late, they might delay important change. That means that organizations must support employees responsible for translating ideas into action by providing them with sufficient autonomy so that potential autocrats neither rush (because of pressure from above) nor unduly hesitate (because they need authorization to act). In Heath's case, he knew he had to establish budgeting practices early on because those processes would become the foundation for future organizational changes.

Finally, autocrats must have “practical imagination” — the ability to identify and provide the resources necessary to implement new ideas. Someone with practical imagination is able to translate the abstract, metaphorical or conceptual into tangible sets of behaviors and practices that make sense in the context of the organization and its work. Triant's Heath took the goal of improved management systems and translated that into the concrete action of implementing budgeting practices. Employees with practical imagination are often experienced middle and line managers who are steeped in the day-to-day work of the organization. Companies should again ensure that they have stable cadres of such individuals because practical imagination, like credibility, tends to grow with a person's tenure.

Phase 3: Embedding Change in Technology

Autocrats can implement new practices, but making those routines stick requires more than the force of individuals. It typically requires technology. Thus, to institutionalize change, organizations need an architect to design the systems necessary to embed the change in corporate routines, ensuring its maintenance independent of the shifting responsibilities and attentions of the

evangelists and autocrats. The goal is to entrench the desired behaviors and practices so deeply that they become not only routine but taken for granted. That can be accomplished with information, manufacturing and financial systems, as well as with the physical work space — the floors, walls and areas that bring people together, keep them apart and channel their movement through the organization. In each case, technology is critical because it can rapidly and effectively eliminate undesirable options and facilitate collective behavior. That said, phase 3 of the change cycle is a precarious one that needs to happen quickly, efficiently and visibly; if it doesn't, enthusiasm could dissipate, frustrating those invested in the process.

Consider Toronto-based TD Bank Financial Group's acquisition of Canada Trust Financial Services Inc. in February 2000. At the time, the deal was the largest financial services merger in Canadian history, bringing together two companies with 1,500 branches, 44,000 employees, 10 million customers and \$256 billion in assets. The goal was not only to gain scale but also to draw on the best practices of each bank to improve the newly formed organization's business and service model. Given its size and ambitious aims, the merger went surprisingly smoothly. That was largely attributable to the way in which it was managed, not as an isolated event but as part of a process of continuous change necessary for the bank to achieve its goal of becoming the leading Canadian-based financial institution in North America.

The first set of architectural decisions required the choice of platform for the core systems. According to Fred Tomczyk, vice chair of TD, the decision was hardly a no-brainer: Canada Trust had the better retail banking platform, but TD had a large commercial banking system. After some consideration, the TD system was selected with certain added Canada Trust functionality. "We [decided] to go backwards on the retail platform in order to have a viable commercial platform," says Tomczyk.⁶

A second set of systems focused on the monitoring and managing of two key stakeholder groups: customers and employees. "Because employee and customer satisfaction is initially going to go down in a merger," explains Tomczyk, "what you want to do is make sure the dip is as shallow as it can be and that you come out of it as quickly as you can." The installed systems allowed the bank to identify any potential problems and address them quickly. "We were religious in our measurement of how employees were feeling," says Tomczyk. In turn, employees were focused on maintaining good customer service because that measure was used to determine bonuses throughout the organization. The

uncertainty and upheaval of any merger can overwhelm both customers and employees. The satisfaction-monitoring systems used at TD Canada Trust helped ensure that the merger's strategic aim of building a better bank did not get lost in the noise.

To be effective, architects must have the ability to envision the changed organization — with new and transformed spaces and walls that ensure employees work, interact and move in the direction of the change. In doing so, architects sometimes have to make tough decisions. In the TD Canada Trust case, Tomczyk made the choice to abandon Canada Trust's advanced retail banking platform because the TD system fit better with the strategy of the new organization. Architects like Tomczyk typically have a breadth of experience in the organization, that allows them to understand the strategic purpose of its different elements and how everything fits together to accomplish corporate goals.

Architects also need technical expertise — the skills and knowledge to understand exactly what can be built so that they can translate inspiration into processes and structures. Often this expertise is in areas such as information systems or organizational design, but it can also be more specialized or industry specific. Tomczyk was able to deal with the technical complexities thrown his way by the size and scope of the TD Canada Trust merger because of his experience in the banking and financial sector, including his extensive background in accounting.

For organizations to develop successful architects, they will want to encourage senior executives to build multidisciplinary career paths. The combination of vision and expertise essential to an architect is likely to stem from a significant tenure within the organization, including positions spanning different departments or divisions and high enough up the corporate ladder to gain an awareness of the overall operational and competitive landscape. Finding someone with that kind of background will be difficult when narrow career paths are the only way to a company's corner offices.

Organizations should also ensure that a range of technical experts have the opportunity to reach the senior levels of management. That means both creating executive-level positions in technical areas, such as information technology as well as legitimating senior promotions to those whose technical backgrounds might not necessarily fit with the pattern of others who have made it to the top at the organization. Companies that have traditionally looked only to finance or marketing for their leaders, for instance, need to broaden their scope to those with expertise in other areas.

Continuous change requires a cultural component that is forward-looking with a focus on helping employees gain the expertise and motivation not only to enact change but also to extend it.

Phase 4: Managing Culture to Fuel the Cycle of Change

The final phase is perhaps the most critical but, in our experience, the most neglected — ensuring that the change process leaves a legacy that surpasses its original objectives. Doing so requires a culture for fostering innovation that extends and elaborates the initial ideas and practices. Although traditional change efforts often include a cultural component, the emphasis is typically on instilling a new set of values, such as quality, that relate to the program's initial aims. In contrast, the cultural component of continuous change processes is forward-looking with a focus on helping employees gain the expertise and motivation not only to enact the change but also to extend and elaborate it. The goal is an environment that fosters innovation and strategic thinking, setting the stage for the birth of new ideas that can then be picked up, evangelized and integrated. Practically speaking, that involves implementing routines and practices that help establish a cycle of improvement, learning and strategic adaptation that is self-perpetuating.

The key to phase 4 is fostering “strategic intuition”: insights that connect employees' work to the strategic direction of the company. Strategic intuition is not some magical process. Instead, it's a cognitive one that involves the recognition of patterns that others can't see. Intuition typically arises from employees' expertise in particular domains — their sophisticated understanding of markets, processes and customers that are built on deep experience. What makes intuition strategic is when employees can connect recognized patterns with ways in which their organizations add — or could add — value for customers.

The change agent in phase 4 is an educator, not simply a teacher but an individual with the ability to illuminate the work experiences of employees so that they gain expertise in ways that foster their own strategic intuitions. Like the architect, the educator is concerned with the development of organizational systems and structures, but the focus is on creating the right environment. It might include formal training with experiential learning, but just as often it involves establishing an organizational setting in which employees are able to gain a mastery of their work, are publicly acknowledged for that mastery and are given the time and resources necessary for experimentation.

Triant's Heath understood the role of educator. A critical part of the change effort at his company focused on improving engineering capacity and aligning it more closely to customers. Thus, Heath promoted work experiences for engineering personnel

that would provide them with an ongoing education in the needs of their customers and their roles in addressing those needs. For example, instead of separating engineering from customer management (a common practice in many high-tech companies), Heath began to integrate the two. “All our engineers visit customers,” says Heath. “They go to Korea, they go to Japan . . . they go to Ireland. . . . They sometimes go and install new releases.”

That practice has dramatically shaped the engineers' understanding of customer problems, and it has deepened their appreciation of the value of different technological solutions. For Triant, such knowledge has enhanced the company's ability to create new products that exactly match customer needs. Moreover, the process has also nurtured the engineers' capacity to participate in Triant's continuous change cycle in ways they couldn't if they had been spending all their time in the lab or office. Triant engineers now view themselves as key to their customers' ability to compete in the marketplace. The result: Engineering solutions have become customer-focused, and engineers have become customer advocates.

The work of educators is perhaps the most overlooked. Evangelists, autocrats and architects all tend to attract significant attention as highly visible proponents of change. In contrast, educators often depend on subtlety, leading others to work in ways that indirectly shift their perceptions and understandings. To accomplish that, educators need a combination of two key skills.

First is the ability to assess the relationship between the strategic importance of the changes — specifically, how the changes will add value for customers — and the day-to-day work of front-line employees. It was Heath's appreciation of that relationship that led him to realize that Triant's engineers were going to be the key to generating the ideas that could fuel the next cycles of innovation and change.

The second critical skill is the ability to create work experiences for employees that will enable them to acquire an understanding of the company's strategic direction and gain the expertise necessary to extend that direction through product, process and organizational innovations. Heath, for instance, understood that no amount of talk about getting customer-focused would be as effective as having the Triant engineers on site working with customers.

Supporting the work of educators requires a long-term outlook on the part of senior managers. It is a critical issue for

organizations that are undergoing change when there is almost always pressure to finish the process: complete the merger, finalize the restructuring, nail down the new marketing strategy. But such short-term pressures should not be allowed to override the subtle, slow work of educators, which must be evaluated and rewarded over long-time horizons with plenty of room for experimentation and false starts. In particular, companies must recognize that important educator processes do not necessarily contribute directly to the bottom line (or even directly to the change initiative). Nevertheless, a key difference between organizations that successfully manage continuous change and those that don't is employees who both understand why change is necessary and have the ability to do the sort of double-takes required to understand how and why current practices differ from previous ones, and why and when alternative practices might be more appropriate. Getting employees to that point is the work of an educator.

The Pathologies of Change

Initiating and maintaining continuous change in an organization requires a foundation of stability. Understanding that paradoxical statement is crucial. Put another way, managing continuous change is not the same as managing a project or an individual change program; it is a capacity that gets built into organizations over the long term, allowing them to deal on an ongoing basis with environmental shifts, new competitors and disruptive technologies. To establish such a foundation, companies must provide the necessary conditions for each of the four roles — evangelist, autocrat, architect and educator — to flourish.

The lack of any of those important champions can easily disrupt the process of continuous change. To understand this better,

note that the underlying structure of continuous change is associated with two key balancing points: one that falls between individuals and systems as instruments of change, and the other between cognition and behavior as the target of change efforts. Imbalances at those points can easily lead to certain organizational pathologies. (See “The Pathologies of Change.”)

Balancing Individuals and Systems Recall that phases 1 and 2 rely on the ability of individuals to affect the thinking and behavior of others: Evangelists influence the beliefs of other employees, and autocrats dictate their behaviors. In contrast, phases 3 and 4 rely on organizational systems as the levers of change: Architects use technological systems to institutionalize new practices, and educators employ organizational culture to shape employees’ sense of mastery. Unfortunately, many organizations are unable to balance these two sides of the continuous change cycle, fostering pathologies that lead to flawed outcomes.

Many companies take pride in their belief in individuals. Such an organization will work hard to ensure that employees understand their importance, providing them with the resources, training and connections needed to spark change. In that type of environment, influential evangelists and decisive autocrats can easily leverage the intuition and insights of others, establishing a hotbed of creativity: New ideas for products, processes and strategies are in the air as evangelists excite and enroll others in their causes; new practices are regularly tried out as autocrats direct their employees toward different ways of doing things. But organizations that are overly reliant on individual initiative — while failing to invest sufficiently in organizational systems — can create serious problems. In short, individual initiative without systemic institutionalization breeds creativity without learning.

The Pathologies of Change

The cycle of continuous change can be disrupted by several types of imbalances, leading to certain organizational pathologies.

Organizational Imbalance	Change Pathology
<ul style="list-style-type: none"> • Overreliance on individuals <ul style="list-style-type: none"> - too many evangelists and autocrats - too few architects and educators 	Creativity without learning
<ul style="list-style-type: none"> • Overreliance on systems <ul style="list-style-type: none"> - too many architects and educators - too few evangelists and autocrats 	Institutionalization without creativity
<ul style="list-style-type: none"> • Overemphasis on thinking <ul style="list-style-type: none"> - too many evangelists and educators - too few autocrats and architects 	Ideas without implementation
<ul style="list-style-type: none"> • Overemphasis on doing <ul style="list-style-type: none"> - too many autocrats and architects - too few evangelists and educators 	Change without strategy

In contrast, other companies have bestowed tremendous power to organizational systems. Automated manufacturing systems, information technologies, systematized training and socialization schemes, and formalized product-planning processes all ensure that the current wisdom of the organization is embedded in its routines and practices, and in employees' self-understandings. These companies manage phases 3 and 4 with skill. But if those systems are not balanced by equally strong individuals, these organizations will create the pathological condition of institutionalization without creativity: Ideas and practices are efficiently embedded in the organization, but they tend only to extend (or, at best, refine) the status quo, rather than present new opportunities for growth, development and innovation.

Balancing Doing and Thinking The second critical point of equilibrium is between cognition and behavior. This balance between thinking and doing is reflected in the focus of a company's change efforts. Some efforts are directed at the hearts and minds of the company — swaying employees so that they buy into new ideas or shaping the formation of employees' identities so that their intuitions become consistent with the corporate strategic direction. Including such a cognitive aspect in change processes is critical to success, but once again balance is the key.

For many organizations, especially those that promote the importance of corporate values and beliefs, an emphasis on cognition can sometimes lead to a neglect of behaviors and practices. Executives and managers spend significant time ensuring that employees understand the company's mission and its relationship to their own work but fail to make sure that those concepts are translated into action. In short, a focus on thinking at the expense of doing leads to enthusiasm for new ideas but a failure to implement them.

This balance can, of course, also tip the other way toward an emphasis on behavioral change and a neglect of its cognitive foundations. For every conceptually oriented organization, there is another that has a "Just do it" attitude. These companies are often bottom-line oriented: Managers understand that all the talk in the world doesn't mean a thing unless it's translated into action. So employees excel at rapidly adapting to customer demands and other external shocks, as autocrats are only too ready to dictate new behaviors and architects find ways to make sure those behaviors stick.

Of course, those capacities can be essential for companies operating in the age of Internet time and diverse, demanding stakeholders, but problems arise when a company loses sight of the importance of employees' attitudes, beliefs, values and identities. Without a balanced emphasis on cognition, continuous change is stunted: Instead of powerful, cumulative cycles of change, these organizations experience adaptation without the energy that comes from employees buying into different

approaches and perspectives and reformulating their identities in ways that match the new direction.

THE ABILITY TO EFFECT CHANGE continuously has become an increasingly necessary core competency. As we see it, the companies that succeed today and survive tomorrow will be those that can radically reshape themselves with the same regular ease that they develop and introduce new products. For these organizations, devising and disseminating new practices will be a routine affair, as will institutionalizing and extending those practices. And that will best be achieved by addressing each of the four phases of continuous change. In practice, what this amounts to is a need for companies to ensure that their ranks include evangelists, autocrats, architects and educators. That might involve reformed hiring practices that bring such people into the organization as well as developing organizational training and reward systems that motivate and enable employees to fill those roles. However it happens, what's clear is that, for change to be both formulated and effectively implemented, all four kinds of champions must be present. Without those individuals, companies will have difficulty managing the continuous change necessary to stimulate innovation, implement new practices, leverage creativity and institutionalize learning on a continuing, unyielding basis.

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