Managing Organizational Culture Change: The Case of Long-Term Care

Donald E. Gibson
Sigal G. Barsade

SUMMARY. Recent research has focused on organizations as continuously confronted by forces for change. These forces may cause organizations to rethink their deeply held cultural values and beliefs in order to survive in the changing landscape. Using the long-term care industry as an exemplar, we argue that effective change requires understanding what organizational culture means, and understanding how organizational change typically occurs. Though some scholars emphasize that change is largely out of the control of organization leaders and primarily the result of evolutionary and revolutionary forces, we argue that culture change can be effectively managed. We conclude with implementation strategies for effective culture change management. *[Article copies available for a fee from The Haworth Document Delivery Service: 1-800-HAWORTH. E-mail address: <docdelivery@haworthpress.com> Website: <http://www.HaworthPress.com> © 2003 by The Haworth Press, Inc. All rights reserved.]*

Donald E. Gibson, PhD, is Associate Professor of Management, Fairfield University, Dolan School of Business.

Sigal G. Barsade, PhD, is Associate Professor, Yale School of Management.

Address correspondence to: Donald E. Gibson, PhD, Fairfield University, Dolan School of Business, North Benson Road, Fairfield, CT 06430-5195 (E-mail: dgibson@mail.fairfield.edu).

Recently, managers and management theorists alike have become concerned about understanding and implementing organizational change (Kanter, Stein, & Jick, 1992; Kotter, 1995; Nadler & Tushman, 1990; Weick & Quinn, 1999). The urgency to understand change processes is well warranted: uncertainty and instability abound in the current environment facing organizations. In examining these trends, long-term care organizations make a particularly apt exemplar; they are undergoing dramatic changes as a result of upheavals in health care specifically and the worldwide economy more generally. They are changing in response to market forces. They are changing in the nature of their relationship to residents, offering new levels of choice and freedom (Guagliardo, 2001). They are changing in their simultaneous attention to dramatically reducing costs and dramatically enhancing services. They are changing in the direction of operating larger and larger facilities, yet trying to offer more and more personalized care. Social work professionals are faced with an increasing rate and complexity of change, and how they respond to that change will determine their role in the changing health care marketplace and the degree to which they will remain a "core discipline" in long-term care organizations (Gordon, 2002). Given this setting, it is not surprising that professionals in long-term care organizations may feel like pawns in a game over which they have little control.

Drawing on current research in organizational behavior, in this article we offer a framework for conceptualizing organizational change and organizational culture and a set of themes essential to understanding how organizational change comes about and how to more effectively manage that change. Taking an "organizational behavior" perspective means that as researchers we are concerned with the social and psychological responses individuals have to their organizations. We draw on social science research to help us understand how individuals tend to act in complex organizations, and we attempt to use that understanding to increase the effectiveness of managers confronted by turbulent organizational change. The lessons we provide here are drawn from empirical studies in a variety of organizational settings, across private and not-for-profit sectors.

Using the long-term care industry as an exemplar, we first address some of the causes for change in current systems, and show why culture change is often necessary. We next define organizational culture, and outline research that has depicted culture as a means to solve organizational problems, as comprised of multiple sub-cultures, and as effective to the extent that it "fits" or is congruent

with environmental forces and internal strategy and structure. We then analyze how organizational change occurs, whether as survival of the fittest, as an evolutionary, revolutionary, or a managed process, and advocate approaching it as the latter as the most effective route for managers in long-term care organizations. We then conclude with key themes in managing organizational culture change that help to ensure achievement of change goals.

OVERVIEW

Why the Concern About Change and Culture in Long-Term Care?

Organizational changes are departures from the status quo or from smooth trends (Huber & Glick, 1995). Forces for change in organizations come from two primary sources: externally, or from the organization's environment–including regulatory and market forces, changing styles and preferences, and political and legal trends–and internally, including initiatives of the organization's management, and political forces (Kanter et al., 1992). In the health care environment, external forces are often the ones emphasized: More attention is typically placed on how health care organizations are being buffeted by turbulent environmental forces rather than on how health care professionals can effect change within their organizations (Moore, 1996). As we have noted, however, environmental change and its increasing complexity is a constant, and a given. The deciding factor in whether environmental change hurts, destroys, or strengthens an organization is how managers *respond* to changes from the inside. While we will briefly address the key ways that the environment is changing for long-term care in the U.S. the primary focus of this article is an organizational behavior perspective on how to approach culture change.

There is little argument that long-term care organizations are facing a range of daunting environmental changes. As Thomas (2001) describes, underfunding of Medicare and Medicaid relative to need, along with increasing liability insurance costs and an increasing gap between those most able and those least able to pay has created a financial crisis for long-term care providers. Within long-term care facilities, there is a workforce crisis characterized by high staff turnover and absenteeism, low morale, and difficulty in recruiting skilled professionals. And there is a liability crisis looming from the conflicting trends of rising expectations of family members of what long-term care facilities should provide, admitted shortcomings in resident quality of life, and the increasing likelihood that litigation may be used to correct the discrepancy in expectations and quality.

To determine how organizations might respond to these external forces for change, we first draw a distinction between organizational structure and culture. Organizational structure refers to the formal roles and responsibilities of people within an organization, and the control and coordination mechanisms in place to ensure that the goals and mission of the organization are carried out (Katz & Kahn, 1978). The organization chart is one representation of this structure, though this chart is typically more symbolic than actual, representing an ideal vision of how people might relate to each other rather than how they actually do. Organizational culture, as we will detail in the next section, is the informal aspect of organizations. It is the value-laden glue that can bind people to each other and to the organization; it is made up of deeply held values, like respect and integrity, and held in place by behavioral norms–the often unspoken expectations for how people ought to behave (Martin, 1992).

A typical response to the complex external forces currently buffeting long-term care providers is to make structural changes–to hire different kinds of professionals to respond to business or market forces, for example, or to enlarge the organization by adding new facilities. However, there is also a call in some quarters, for a deeper response to the changing environmental landscape, a change involving culture and values. Some long-term care professionals argue that rather than reacting to external forces, long-term care organizations should fundamentally change the way they conceive of long-term care and address alternative models of long-term care. They argue that the "medical model" which has guided the thinking in long-term care for decades–characterized by large hierarchical institutions in which the frail and elderly are "placed" for ongoing clinical care–needs to be replaced with a new "person-centered" or "human habitats" or "social model" characterized by increased elder choice and personalized service (Gold, 2002; Stevens, 2001).

These kinds of changes, often termed "transformational" or "paradigmatic" change, involve much more than structural shifts; they involve changes in the underlying beliefs and values of an organization. At first blush, professionals may be tempted to assume that these deeply held cultural ideas are impossible to change. We would be the first to agree that change at the cultural level is difficult and fraught with potential barriers. At the same time, recent organizational research has suggested important ways in which professionals can understand and actually *manage* cultural change.

THEORETICAL PERSPECTIVES

Defining Organizational Culture

Organizational culture is "the glue that holds an organization together through a sharing of patterns of meaning. The culture focuses on the values, beliefs, and expectations that members come to share" (Siehl & Martin, 1984: 227). These shared values and beliefs tend to operate unconsciously and

> define in a basic 'taken-for-granted' fashion an organization's view of it-self and its environment. These assumptions and beliefs are learned re-sponses to a group's problems of survival in its external environment and its problems of internal integration. (Schein, 1991: 6)

One might think of culture as a set of layers. Representing the top layer are "artifacts," or visible aspects of an organization's culture. These are the behaviors and attributes of an organization that are apparent as soon as one walks through the door: informal versus formal dress, the presence or absence of personal objects in work spaces, the presence or absence of visible symbols characterizing the organization. These visible cultural aspects indicate and reinforce the non-visible layers that lie below.

At the second layer are norms for behavior in an organization, that is, expectations that are shared by the group about what is and is not appropriate behavior. These unspoken rules can apply to all aspects of behavior, including norms about conflict—the degree to which participants openly air their differences, or cloak them behind "politeness" norms (O'Reilly, 1989), the appropriateness of emotional expression (Hochschild, 1983; Morris & Feldman, 1996), and the degree of emphasis on professionalism (Smith & Kleinman, 1989). It is critical to note that norms develop and maintain the culture through informal rewards and sanctions; that is, behavior that is seen as appropriate to the culture is encouraged, and behavior that is seen as incongruous is punished. Norms set the boundaries for how people are expected to act in their organization, and are thus a strong form of social control (O'Reilly & Chatman, 1996). Cultural norms actually tend to be more pervasive and effective than formal control systems, such as written policies and procedures or supervisory monitoring, because of the motivation behind compliance. That is, participants conform to cultural norms because they care about the expectations of the people around them and like the certainty and stability of guidelines for behavior (O'Reilly, 1989). This is a stronger, more pervasive motivator than conforming to formal policies and procedures, because it comes from inside ("intrinsic" motiva-

tion–Deci & Ryan, 1985) rather than from external sources, such as a supervisor or policy ("extrinsic" motivation–Deci & Ryan, 1985; Herzberg, 1966).

At the third, and deepest layer, culture is constructed of values, beliefs and assumptions about how the world works. Values represent the organization's ideas about what *ought to be*. Typical organizational values may emphasize teamwork over individual autonomy, respect for individual differences, innovation and flexibility, or stability and tradition (Chatman, 1991). The value layer is the most important aspect of culture. It provides the foundation and guiding elements for the other two layers. At the same time, it is difficult to observe and gains some of its impact from the fact that it is taken for granted; employees may not even think about these values, and may not be able to put them into words, but they implicitly believe in them, and the outcomes of these values can have a dramatic impact on how the organization operates and how employees relate to it (Schein, 1991). Several empirical studies have documented links between cultural values and organizational outcomes. For example, organizational cultural values emphasizing ethical values have been shown to influence nurses' job satisfaction (Joseph & Deshpande, 1997), with differing attitudinal outcomes depending on the degree to which the culture emphasized rules, efficiency, and caring. Strong organizational cultural values have been related to innovation (O'Reilly, 1989); commitment (O'Reilly & Chatman, 1986); effectiveness and cohesion (Ouchi & Wilkins, 1985); and increased organizational performance (Kotter & Heskett, 1992); though some researchers caution that these associations are difficult to support, given the inherent complexity of accurately measuring either culture or outcomes such as performance (see critique in Martin, 1992).

Outlining these three layers helps to understand why it is difficult to change a culture. Truly changing a culture–as opposed to merely changing its superficial aspects–means changing elements of the organization at all three levels, including the deepest one, which involves employees' deeply held values and beliefs. Based on this analysis, we are not arguing that changing a culture is easy. Rather, we are arguing that organizational leaders can *manage* their cultures–they can begin by understanding why people behave the way they do, and seek to shape that behavior based on an understanding of the norms, values and beliefs. Before we present our ideas on managing cultural change, however, we emphasize three additional critical aspects of culture.

Culture emerges in an organization by solving critical organizational problems. Why do unique organizational cultures develop? Cultures emerge because they help to solve a group's basic problems, which include: (1) survival in and adaptation to forces in the external environment; and (2) coordination of its internal processes to ensure the capacity to survive in the environment and adapt to its changes (Homans, 1950; Merton, 1957; Schein, 1991). A group or

organization faces an environment that provides resources and opportunities, but also presents challenges and threats. For long-term care organizations, the environment presents opportunities in the increasing demand for quality elder care; it presents threats in the limitation of resources and increasing regulation and litigation surrounding care of the elderly. As noted, some organizations are responding by increasing the homelike aspects of their facilities by allowing, for example, residents to eat and bathe whenever they want (Guagliardo, 2001). But this structural response implies a cultural one: New cultural norms must develop that encourage a value of staff flexibility, such that increasing resident control over surroundings and schedule is not perceived by the staff as a loss of control.

Cultures also solve the problem of how to organize internally–how different professional groups in the organization, for example, will deal with each other. How much autonomy will social workers, for example, be allowed in making decisions surrounding resident care? How much impact will clinical staff have in the admissions process, as opposed to marketing or finance departments? How much emphasis will there be on forming a team of professionals to manage care, versus emphasizing separate functional departments responsible for specific resident needs? These are examples of the problems long-term care organizations might face in terms of how to organize internally–how to develop rules and norms for how employees deal with each other. Internal norms thus develop to respond to unique problems facing the organization, and represent how leaders and professionals have dealt with critical issues. This is why to understand a current culture, one needs to understand aspects of its history–important leaders, important events and crises, and the solutions the organization took to address its past problems.

Organizations are comprised of multiple cultures and sub-cultures. It is important to recognize that organizations are rarely made up of one, homogenous culture, but are better thought of as multicultural. Though organizational leaders may attempt to foster a monolithic culture, subgroups within the organization–based on occupational, departmental, ethnic or other divides–inevitably generate their own expectations, means, and clear senses of priorities (Martin, 1992). Leaders may attempt to bring organizations together by emphasizing images and values of a "family," for example, but subcultures may develop which are at odds with the organization-wide culture, and may be at odds with each other. In hospitals, for example, the clinical culture of emphasizing quality care without necessarily considering costs may clash with a more cost-centered emphasis of business- and market-oriented professionals intentionally brought in to think about cost-control in their marketing, admissions, and administrative positions. The clash of sub-cultures is exemplified in this quote

from a nurse in a hospital that was carrying out cost-reduction restructuring, who refers to administrators as "they":

> Well, they're trying to run it like a business now instead of a hospital. I mean they say they are caring for the community and that people matter but it really boils down to dollars and cents. That's what matters! (Blythe et al., 2001)

O'Reilly (1989) has argued that cultural norms and values may vary depending on one's location in the organization: Top managers may have guiding beliefs and visions that are quite different from the "daily" beliefs and norms held by those at lower levels in the organization. As O'Reilly (1989: 12) notes, "the former reflect top managements' beliefs about how things ought to be. The latter define how things actually are." Further, he argues that norms vary on two primary dimensions: the *intensity* or amount of approval or disapproval attached to an expectation; and the *crystallization*, or degree of consensus or consistency with which a norm or value is shared. For example, an organization could have a high degree of consensus around some shared values ("we're a family here"; "we value innovation"), but with little intensity; that is, the values are stated and talked about, but they aren't really meaningful, and don't actually shape everyday behavior. On the other hand, an organization could have a value intensely believed in by one occupational group (social workers who emphasize resident autonomy and freedom) that is at odds with the values of another group (administrative managers who emphasize efficiency and control). This is a setting with high intensity but little crystallization–a setting with a high potential for cultural conflict.

There has been much attention raised in organizational research on organizations with "strong" cultures–that is, organizations who have clear-cut values that differentiate the organization and help employees to feel actively committed (Collins & Porras, 1994). IBM, for example, is often cited as a strong culture firm that deeply values "respect for the individual," and professional codes of conduct, and these values help develop very high employee loyalty and motivation to achieve for the company. Strong cultures only exist when there is both high intensity of belief in cultural values and high consensus about what the values are (O'Reilly, 1989).

The manager seeking to manage cultural change, then, must understand the extent of the culture's value intensity and crystallization. Strong cultures may be especially difficult to change, because values are widely and deeply held. On the other hand, if there is little crystallization, the lack of agreement across levels or between occupational groups about what the central values are may also contribute to a difficult task. In this case, the leaders may have to create

new organization-wide values that have not been in place before. They must recognize the multicultural aspect of organizations, but creatively seek ways to tie together their diverse sub-cultures.

There is no "perfect" culture. An unfortunate by-product of the recent interest in organizational culture by both academic and popular writers is the notion that there is one kind of strong culture that should work in all organizations. This orientation tends to foster an effort by organizations to emulate those companies with successful strong cultures and to try to adopt their values. For example, department stores have been drawn to emulating Nordstrom's emphasis on superior customer quality and service "heroics" by salespeople; airlines have tried to mimic Southwest Airlines' emphasis on low-cost, high efficiency service; and long-term care facilities may be drawn to emulate the success of the Eden model or Pioneer Network values emphasizing "person-centered" resident freedom and autonomy (see related articles in this volume).

It can be helpful to benchmark the actions of successful organizations. As in viewing successful personal role models, examining successful organizational models can introduce new ideas of how to operate and challenge the organization to achieve at a higher level. At the same time, organizational research emphasizes that the successful culture for a particular organization will not necessarily be one that another organization has adopted; rather, the successful culture will be one that "fits"–fits the organization's environmental factors, fits its long-term strategy, and fits its people. As Schein (1991: 315) notes,

> Do not assume that there is a 'correct' or 'better' culture, and do not assume that 'strong' cultures are better than weak cultures. What is correct or whether strength is good or bad depends on the match between cultural assumptions and environmental realities.

This approach, also seen in the "congruence" model (Nadler & Tushman, 1980) or the "alignment" model (Pfeffer, 1998), emphasizes that organizations will be effective to the degree that their internal components–the way tasks are coordinated, the informal ways that people deal with each other (e.g., culture), formal structure, policies and practices, and the characteristics of the organization's employees–are congruent with each other, the organization's strategy, the resources available, the organization's history, and address the threats and opportunities in the organization's environment. For example, Blythe et al. (2001) describe a restructuring process in which a hospital responded to economic threats in the healthcare environment by experimenting with changing the mix of functional backgrounds of nursing teams, adding healthcare aids and adjusting the proportion of RNs to RPNs. This

structural change then caused a change in how tasks were done, given the new and different skill levels of employees now doing the work, which then led to feelings of uncertainty around roles and responsibilities. We posit that had there been an explicit, accompanying, congruent shift in values to complement this structural shift, it may well have helped to ameliorate the ensuing uncertainty and anxiety.

Types of Organizational Change

Finding a good fit between the organization's internal culture and external environment sounds like a logical imperative and one that could be resolved with analytical management tools, strategic thinking, and good intentions by organizational leadership. But this matching process is made infinitely more complicated by the fact that both the figure and ground are changing–there are continual forces, both inside and outside the organization, for alterations in the availability of resources, and the legitimacy of common ways of operating and current ways of thinking. Culture may be the social glue binding organizational members, but there are continuous forces striving to tear the glue apart. At the same time, cultures can be quite resilient: Particularly in intense and crystallized cultures there can be strong resistance to change–a strongly-held culture can prevent needed change despite substantial pressure from the external environment (Kotter & Heskitt, 1992).

Traditional models of organizational change suggest a pattern in which organizational leaders should: (1) recognize the need for change; (2) "unfreeze" the current systems by pointing out inadequacies in current practices and by breaking open the "shell of complacency and self-righteousness" inherent in the status quo way of operating (Lewin, 1997: 330); and (3) "re-freeze" the group or system at a new, more desired level of operating. The problem with this "ice cube"–unfreezing and refreezing–view of change is that it implies that a leader's task is to upset a relatively stable system, effect change, and return the system to a new, but still stable, trajectory. Newer models of change recognize that there is little stability before or after changes; that in fact change is constantly happening and is multifaceted. Also, there is no guarantee that people respond as ice cubes, being easily melted and then refrozen, thus maintaining the identical underlying atomic structure. The metaphor for organizational change is probably better seen as a moving car, as Kanter et al. (1992: 10) suggest,

> Deliberate change is a matter of grabbing hold of some aspect of the motion and steering it in a particular direction that will be perceived by key players as a new method of operating or as a reason to reorient one's rela-

tionship and responsibility to the organization itself, while creating conditions that facilitate and assist that reorientation.

Recognizing that change is constantly happening and that the ice cube model may not be a sufficient guide to scholars and managers does not, however, mean that change cannot be deliberate, planned, or managed. In order to conceptualize the change management process, we draw on scholars who have presented organizational change typologies to describe how organizational change comes about (see Kanter et al., 1992; Schein, 1991; Tushman & Romanelli, 1985). We label their approaches as survival of the fittest, evolutionary, and revolutionary models, then describe research supporting a "management of organizational culture" model–a model describing how managers can help to control this process.

Change as "survival of the fittest." The first source of change, as we have discussed, is change brought about by environmental demands. Organization theorists depict this kind of change through natural selection models, suggesting that a successful response to change is shown by organizational survival. This view asserts that there are limited resources in the environment to support a limited population of organizations. Those that adapt to the changing levels of resources and are creative in securing scarce resources will survive; those that do not respond or respond too slowly, will die out (Katz & Kahn, 1978; March & Simon, 1958; Quinn, 1981). Unfortunately, this model is not terribly helpful in recognizing how to go about the successful adaptation process. In fact, survival may be the result of organizations that are efficient and respond rapidly to change; but it may also be the result of luck, of being in the right market with the right product at the right time. Organizations may also survive because they gain institutional legitimacy–that is, stakeholders such as employees and the public may *want* certain organizations to exist, even if they are not well-suited to the current environment (Meyer & Zucker, 1989). Government agencies and programs that have outlived their objective usefulness are examples of this pattern. Finally, organizations may survive by being innovators–that is, they may seek to reshape their environment rather than merely reacting to it (Kanter et al., 1992).

Change as an evolutionary process. A second force for change comes from within the organization itself. Change may come about from the "natural" process of an organization growing and learning. Evolutionary process models emphasize that organizations tend to progress through relatively concrete "stages" as they grow and mature, and that the possibility and success of change must be viewed from the vantage point of the organization's stage of growth, with stages typically a function of age and size (Greiner, 1972;

Normann, 1977; Schein, 1991). Schein (1991) has described three major life stages for organizations, which we outline below:

Birth and early growth stages tend to be characterized by the dominance of a founder or a small founding group; communication processes and structures are informal and fast moving. This early growth stage is critical in articulating the organization's unique culture; the organization seeks to differentiate itself from other organizations, and the culture is typically strong and generates high commitment from motivated early members, who feel like they are "part of something."

Assuming the organization survives this early stage (and many do not), the organization enters a *growth or development* phase as it reaches the limit of the founder's small group and begins to emphasize professional management, more rationalized operations and more formalized procedures. At this stage, organization leaders must explicitly encourage aspects of the culture and keep the founder's values alive through intentional socialization. Otherwise, the cultural fragments as new groups enter and individuals bring in the cultures of their professions, or prior organizations, rather than the unique cultural values of the organization. Finally, in *maturity* stages, organizations expand further and foster internal stability in terms of set structures and norms, but may face stagnation in their markets and a lack of motivation to change. At this point, the "traditional" culture may become a constraint to change. Now, any proposed change to current ways of operating may meet with substantial resistance. The evolutionary model suggests that any change effort must take into account the age, size, and state of the organization's culture if it has any hope of succeeding.

Though this life cycle model of change has found support in the literature, one challenge to its dominance is the "punctuated equilibrium" model of change (Gersick, 1991; Tushman & Romanelli, 1985). This approach argues that organizations tend to progress through alternating stages of *convergence*, punctuated by *reorientation*. During convergent periods, organizations change as the life cycle model would predict, incrementally altering their structures, systems, culture, and resources to adapt to changes in the environment. These relatively long periods are characterized by stability, elaboration of current structures, and slow, small changes. Periodically, however, when organizations are confronted by exogenous "shocks" such as a substantial competitive threat, a change in the legal environment, or a change in technology, organizations may reorient themselves, a period involving a series of "rapid and discontinuous change in the organization which fundamentally alters its character and fabric," which may include key strategies, power distribution and its core cultural values (Tushman & Romanelli, 1985: 179). The punctuated equilib-

rium model would suggest to leaders of change that there are likely to be opportune moments for reorienting the organization, that managers may use the pressures for change that arise–often suddenly–in the environment as an opportunity to substantially change the direction and values of the organization. Apart from these tumultuous periods, however, this model would predict that change will be slow and likely to encounter strong resistance from people with an interest in preserving the status quo.

Change as a revolutionary process. A third force for change is through revolutionary forces within the organization (Kanter et al., 1992). Change from this perspective is based on shifting levels of power. Power within organizations is typically based on control of valued organizational resources, the ability to reward or punish, and the possession of critical pieces of information (Pfeffer, 1992). Revolutionary change is often the result of new people entering organizational positions with new sets of assumptions about the strategic direction of the organization or how people ought to be managed. If new people with new assumptions assume key power positions in an organization, they can foster dramatic organizational change. Leaders' understanding the levels of power held by various individuals and groups (often termed "coalitions") within an organization is essential to initiating and sustaining change efforts. Without the support of key powerful individuals in the organization, no change will result, and depending on their power, the very ability of the leader to lead may be threatened.

Change as a managed process. The previous three models suggest that from the leader's perspective, there are many aspects of the organizational setting that are "out of control." The environment makes substantial demands on organizations, and coldly rewards those that adapt and punishes those who don't. The culture is an emergent, multifaceted process that arises to solve central organizational problems, but over time becomes resistant to change and may be a constraining factor. Individuals within the organization have differing priorities and goals, and often act on their political self-interest rather than for the "good" of the organization. At the same time, we are optimistic that leaders *can* change their organizations and their cultures. In fact, the best leaders are arguably the ones who are continuously monitoring their external and internal environments so that they understand what needs to be changed and how they should go about it. Culture has the effect of reducing anxiety for group members because it provides some guidelines (informally determined, but no less concrete than more "formal" policies and procedures) for appropriate behavior (Schein, 1991). But it is also leaders who must recognize that management of the culture is an essential part of their job. As Schein (1991: 317) urges, "the unique and essential function of leadership is the manipulation of culture." Leaders and professionals need to be aware of and understand

their own culture *and* the shifting trends in the environment so that they can continuously seek opportunities for change that will help to enhance fit. When a leader realizes that a cultural change is needed to adapt to changing circumstances, he or she needs to consider several critical elements in the culture change.

IMPLEMENTING CHANGE

Key Themes in Effective Organizational Culture Change

Implementing culture change involves "moving an organization to some desired future state" (Nadler, 1983: 361). This movement implies (1) understanding the current state of the organization–that is, the dominant cultural norms and underlying beliefs and values, (2) an image or vision of a desired future state–how you envision a culture that better meets needs; and (3) a transition period between these two states (Beckhard & Harris, 1977). In the current environment of long-term care, many providers are contemplating a change from the dominant medical model with its emphasis on acute care, to a patient-centered model focusing on elders' holistic well-being (Gold, 2002). The critical first step in this process is to envision specifically what that different future state would look like–how the facilities would look, what kinds of people will need to staff it, and what kind of leadership will be necessary to lead it. Without a clear vision of what the future state will look like, participants may lack the motivation to change long-held patterns, and leaders will lack guidelines to assess progress toward a different state or indeed, knowledge of whether the change has successfully taken place or not.

This does not mean to imply that managers should expect that all plans will turn out exactly as envisioned. In fact, being flexible during the change effort is critical (as we discuss below). However, having a clear direction about where one would like the organization to go (even if it changes) gives managers a better chance for "grabbing hold of some aspect of the motion and steering it in a particular direction," as Kanter et al. (1992: 10) suggest. Based on studies of organizational change in a variety of environments, the following elements are essential to successfully managing the direction of organizational change.

Leadership from the top. Effective leadership is essential to driving cultural change. Though culture change may be the result of environmental forces or political upheaval, as shown above, *managed* change implies active and intentional leadership in all aspects of the change process. To successfully manage change, leaders must create and sustain a vision of the future state; role model

appropriate behaviors; manage shifting political coalitions; and manage the anxiety that naturally results from change (Nadler, 1983).

Through the use of symbols, including language, pictures, and symbolic acts, leaders must demonstrate the desirability of the potential future state, and provide a vivid image of what the future state will look and feel like. Using language, for example, to show the difference between a facility as an "institution" versus a facility as a collection of "neighborhoods" or "houses" (Gold, 2002), is critical to help participants envision what the future could look like. Even small gestures of change, such as the words used in public statements, can send potent signals during the transition time. During times of uncertainty and change, people will be acutely observing the leader's actions and words to note the seriousness and importance of change.

These changes in language, however, will be perceived as mere rhetoric if they are not also accompanied by leader behavior that accentuates and illustrates real change. The leader must recognize that he or she is a role model for participants in illustrating behaviorally what the change should look like. If the change is toward "empowerment"–that is, giving lower-level staff more decision-making and autonomy, for example, the leader must demonstrate that risk taking by empowered staff members is acceptable and that first-time failures will not be punished. Identification of the leader as a role model can be a powerful force for change. Role modeling has been shown to be an effective way to promote social and technical learning in observers (Bandura, 1977). Moreover, having role models for change also may promote a positive emotional response: Participants may be reassured by observing a leader who illustrates that change is possible, and inspired by the example (Lockwood & Kunda, 1997).

Leaders must also be attuned to the shifting power dynamics during the transition period. Leaders must marshal support for the change among key power groups, including key opinion leaders within the organization, but also key stakeholder groups, including community leaders, funding agencies, regulatory agencies, customer or client groups and families. At the same time, leaders must also build in points of stability during the transition period. Too much uncertainty about the change can promote defensive reactions, excess anxiety, and political conflict (Nadler, 1983). Providing substantial information about the change process, assuring job security where appropriate, and taking clear, consistent actions can assuage some of the natural anxiety associated with creating change.

Intentionally align structure, systems, and policies with the new culture. Organizational research consistently emphasizes that effective change and overall performance will be enhanced to the extent that the culture is consistent with organizational structure and human resource policies (Chatman, 1989;

Nadler & Tushman, 1980; Pfeffer, 1998). As noted, structure includes formal reporting relationships (who reports to whom in the organizational chart), and job descriptions (how will jobs change as a result of this change?). Human resource policies include selection and recruiting practices, performance appraisal, reward or compensation structures, and training and development. Ensuring congruence between these areas with the organization's culture is essential to creating and maintaining change. Change to a patient-centered culture, for example, will require changes to a range of HR practices. Managers will want to carefully recruit and select people who are willing and able to provide care in the new settings, using a variety of selection methods, including structured and unstructured interviews, on-the-job previews, behavioral simulations, and matching values and personality to ensure "fit" between the employee and the culture. The approach emphasizing testing to ensure fit between the employee and the firm's culture has shown that a better fit is associated with a person's future satisfaction and performance in the firm (O'Reilly et al., 1991). In line with the congruence perspective, performance appraisal and feedback processes will then need to be adjusted to reflect the new understanding of what constitutes high performance in the new culture. Where before, focus on achieving only the tasks, duties and responsibilities listed in one's job description led to successful performance, in the new setting, performance may be defined as flexibility in meeting new challenges and providing superlative elder care which includes relationships with elders, not just task completion. The reward structure will need to change to reflect more flexible job descriptions and new definitions of performance. Training will need to be re-focused to ensure that staff have the skills necessary to meet the new changes.

It is important to recognize that in some cases, the decision to create a new culture may bring about these structural and procedural changes, and in some cases, structural and procedural changes may precipitate culture change. For example, the shift from staff focusing on completing the duties as listed in a concrete, specific job description to staff focusing on taking responsibility for a range of duties that flow from their own autonomous decision-making and resident wishes requires a dramatic shift in the cultural values of an organization. Similarly, eliminating middle managerial oversight positions in favor of team-based responsibility implies a substantial change in culture, from top-down authoritarian emphasis to a bottom-up, participative structure.

Ensuring staff and stakeholder participation. It has become a cliché to argue that people believe most in those things they have a hand in creating. However, cultural change cannot succeed without involvement of many people at all levels of the organization. Without involvement, people may feel distanced from the change. Some researchers note that this can lead to employees feeling

disempowered, with its associated feelings of hopelessness, alienation, victimization, loss of control, and dependency, a finding researchers have found in workers responding to change in the health care industry (Baumann & Silverman, 1998; Gibson, 1991).

However, leaders of change must also take a balanced approach to involvement. On one hand, encouraging active participation by employees in the change can help to generate excitement and motivation to change, can ensure effective communication of vision and goals, and can result in better decision-making based on input from a wider array of people. On the other hand, participation has its costs: It is time consuming, needs managers to accept a diminishment of personal control over the change process, and may contribute to a more fuzzy or ambiguous vision. Also, if not all the changes participants would like to see are actually enacted they can feel more frustrated than not participating in the first place. This is why encouraging *appropriate* participation is a balancing act. Different people may be involved in different parts of the process, including assessment and diagnosis of the current state, implementation planning, or actual execution of change. Participating in the change can range from individually offering ideas about concepts, to explicit team-building and participation used to change organizational culture (Harrison & Pietri, 1997). As Nadler (1983: 365) notes,

> Different individuals or groups may participate at different times, depending upon their skills and expertise, the information they have, and their acceptance and ownership of the change. Participation can be direct and widespread, or indirect through representatives.

There will be different levels of participation, then, depending on what different people can contribute. The key point, however, is that participation of some kind, whether direct or through representation in change teams, is essential. The participation must be real, meaningful, and participants should have a clear idea of how their ideas will be used (e.g., will go into brainstorming, but may not necessarily lead to the end product versus actually figuring out how to implement the change). If change is perceived as solely emerging from top management, implementation will be slow at best, and perhaps nonexistent.

A logical extension of the continued deep participation of organizational members in the implementation stage of change is to have this involvement continue past the "formal" change process, and proceed as part of a continuous planning toward future change. One of the most developed models of this continual participation and management of future change is Mohrman and Cummings' (1989) "self-designed change" strategy. This strategy, based on learning theory, is a way to inherently overcome many of the inertial, resis-

tance, and structural problems that we describe above as it involves organizational members as continuously designing and implementing change (Cummings, 1995). Thus it serves as the basis of continuous improvement, which also sets the structural and psychological stage for large scale change when needed.

Criticality of communicating change. Communication is one of the most important aspects of organizational change, yet managers often underestimate how much communication is needed during change processes. Frequent, redundant and copious communication is necessary to ensure that a message, particularly a message that employees are resistant to hearing, will be transferred (Larkin & Larkin, 1994). Communication processes, both cognitive and affective, offer the vehicle through which persuasion, innovation, learning, trust, and emotional comfort occur (Laschinger & Havens, 1996; Rogers & Agarwala-Rogers, 1976), and leads to a lessening of resistance, and greater acceptance of change (Schweiger & DeNisi, 1991; Wanberg & Banas, 2000). Also, to the degree that uncertainty leads to the focus of one's emotional and cognitive resources in trying to find or process information (Bastien et al., 1995), any communication that helps to lessen this uncertainty will be helpful.

Obtain feedback and evaluate progress. It is also essential that communication about change flows in a two-way, rather than a one-way direction (Leavitt & Mueller, 1951). That is, communication needs to flow in all directions, top-down, bottom-up, and horizontally. To make this happen, managers of change must *actively* seek feedback from stakeholders in the change, rather than waiting for problems to arise that force crisis containment. The reason that feedback must actively be sought is based on theories of communication in organizational structures. Hierarchical structures shape the direction and tone of communications. As Rogers and Agarwala-Rogers (1976) note, communication in an organization, like water, tends to run downhill; those who are higher in organizational hierarchies are more likely to initiate communication flows downward to their subordinates, than the other way around. Because communicating negative feedback about organizational activities "upward" to one's superior is potentially threatening, the tendency, in organizational hierarchies, is for positive information to flow upward. As Katz and Kahn (1978: 447) note, "The upward flow of communication in organizations is not noted for spontaneous and full expression, despite attempts to institutionalize the process of feedback up the line." Rather, employees tend to send "sugar-coated" messages from lower levels to higher levels, and "the net result is highly inaccurate feedback to the top about the actual accomplishments at the bottom of an organization" (Rogers & Agarwala-Rogers, 1976: 97). It is critical, then, in the midst of organizational change, for managers to (1) minimize status differences that may attenuate accurate feedback, and (2) engage in active *listening* to the

feedback being provided. Listening, though underemphasized as a component of communication, is critical to receiving and acting effectively on received feedback, particularly negative feedback that is likely to be a part of substantial change efforts (Rogers & Roethlisberger, 1991).

A common, and ironic mistake in participative change management that reflects these structural effects on communication is that once the change plan is in place, participation and feedback on how the change process is going tends to be ignored. There should be structural mechanisms built in throughout the entire implementation process to allow continuous feedback of how the technical and emotional aspects of the change are progressing, and any changes employees see needed to make the change operate more effectively. There should thus be as much participation and communication in the *implementation* of the change as in the planning of the change. Without this type of attention, the change may not work, and managers may well not understand why.

Managing the emotional response. Often forgotten in organizational change processes are the role of emotions. The concept and the reality of change is an inherently emotional one, and predictably elicits both positive and negative feelings in employees and managers alike running the gamut of positive and negative emotions (Huy, 1999; Scheck & Kinicki, 2000). Responses to dramatic cultural change may follow the typical grieving process for other life events: denial, anger, sadness and acceptance (Kubler-Ross, 1970). To truly understand and effectively guide managerial change, organizations need to manage not only the rational "facts" of change, but critically, the "feelings" around change, the need for change, and what will happen when there is no longer the status quo. In fact, sometimes employees may not be capable of really understanding the facts until they have clarified how they feel about them.

Since employee emotions will permeate the entire change process, having a clear and intentional *affective* message is important–possibly more important than the logical argumentation that typically accompanies organizational change. This is particularly important because affect can spread among organizational members in the same way that more cognitively-based rumors spread. This happens both consciously through the social sharing of emotional events among organizational members (Finkenauer & Rime, 1998; Pennebaker et al., 2001) as well as through emotional contagion, or the "catching" of other people's emotions in their work groups (Barsade, 2001). Because emotions are likely to transfer rapidly among participants, leaders need to be particularly aware of the importance of their own expressed emotions and be conscious of their followers' emotions.

During a substantial culture change, there will not be an emotional vacuum–that is, *some* type of emotion will fill the void–and managers of change should strategize as much about their affective or emotional message as they

would their logical, persuasive one. They can do so intentionally by behaving in an emotionally intelligent way; that is, they should (1) pay attention to and read others' emotions, as well as pay attention to the possible effects of their own expressed emotions; (2) use emotional information to help prioritize their thinking; (3) understand emotions, particularly the progression emotions can take (fear to anger), and the existence of complex or ambivalent emotions in change participants; and (4) self-regulate their own emotions (staying open to feelings) and help to regulate the emotions of others (Mayer et al., 2000). Recent research supports the idea that leadership effectiveness, especially during change, is related at least as much to leaders' emotional intelligence as it is to their cognitive and logical/rational abilities (Palmer et al., 2001).

CONCLUSION

In this article we present the fundamentals of organizational culture and change from an organizational behavior viewpoint. In reviewing these concepts and the associated research, we are making a critical assumption: By understanding the phenomena underlying culture and change processes, managers will be better equipped to implement real and lasting change in their organizations. It is our contention that when organizational change is implemented in a well-intentioned but superficial manner, this leads to needlessly disruptive, even possibly psychologically and institutionally harmful change results (e.g., employees becoming cynical and suspicious of any future change efforts). The superficiality of most change efforts is understandable in the sense that cultural values are difficult to fully identify, let alone control or manage. The very taken-for-granted nature of cultural values makes altering them difficult and threatening–it requires surfacing what the values actually are, before change can be implemented (Garfinkel, 1967). As many have noted, it is difficult for the fish to fully appreciate and understand the water in which they swim.

Yet despite this daunting complexity, we are encouraged by the substantial research suggesting that culture change *can* be managed. The survival, evolution-adaptation, and revolutionary models of change are cautionary models: They all assume that change will happen, even if managers are resolutely standing still. They assume that change is largely out of the strategic control of organizational leaders. What the management-of-culture-change model suggests, however, is that leaders can, and must "grab hold" of the inevitable change at opportune moments, and strategically implement it.

The change process we outline requires attention to a variety of variables, including thoughtful cognitive and affective communication, rewarding behaviors, congruence between rhetoric, structures, and practices, and facilitat-

ing active involvement by a wide range of participants. This is a tall order. But if long-term care organizations–as with their counterparts in the corporate environment–wish to survive in their environments on terms that they, rather than the environment dictate, attention to cultural change and its effective implementation are essential.

Moreover, if these organizations wish to thrive in meaningful ways for elders, their families and staff, understanding the dynamics of culture change will be essential to implementing a model or amalgam of models described in this volume.

REFERENCES

Bandura, A. (1977). *Social learning theory*. Englewood Cliffs, NJ: Prentice-Hall.

Barsade, S. G. (2001). *The ripple effect: Emotional contagion in groups*. Unpublished manuscript.

Bastien, D. T., McPhee, R., & Bolton, K. (1995). A study and extended theory of organizational climate: A structural approach. *Communication Monographs, 62*, 135-151.

Baumann, A., & Silverman, B. (1998). Flattening the hierarchy: Deprofessionalization in health care. In L. Groake (Ed.), *The ethics of the new economy*. Waterloo, ON: Wilfred Laurier University Press.

Beckhard, R., & Harris, R. (1977). *Organizational transitions*. Reading, MA: Addison-Wesley.

Blythe, J., Baumann, A., & Giovannetti, P. (2001). Nurses' experiences of restructuring in three Ontario hospitals. *Journal of Nursing Scholarship, 33*, 61-68.

Chatman, J. A. (1989). Improving interactional organizational research: A model of person-organization fit. *Academy of Management Review, 14*, 333-349.

Chatman, J. A. (1991). Matching people and organizations: Selection and socialization in public accounting firms. *Administrative Science Quarterly, 36*, 459-484.

Collins, J. C., & Porras, J. I. (1994). *Built to last: Successful habits of visionary companies*. New York: HarperBusiness.

Cummings, T. G. (1995). From programmed change to self design: Learning how to change organizations. *Organizational Development Journal, 13*, 20-32.

Deci, E. L., & Ryan, R. M. (1985). *Intrinsic motivation and self-determination in human behavior*. New York: Plenum.

Finkenauer, C., & Rime, B. (1998). Keeping emotional memories secret: Health and subjective well-being when emotions are not shared. *Journal of Health Psychology, 3*, 47-58.

Garfinkel, H. (1967). *Studies in ethnomethodology*. Cambridge, UK: Polity Press.

Gersick, C. J. G. (1991). Revolutionary change theories: A multilevel exploration of the punctuated equilibrium paradigm. *Academy of Management Review, 16*(1), 10-36.

Gibson, C. H. (1991). A concept analysis of empowerment. *Journal of Advanced Nursing, 16*, 354-361.

Gold, M. F. (2002, January). Freeing the human spirit. *Provider*, 21-32.

Gordon, N. (2002). The role of social work in the nursing home admissions process: Framing the debate. *Journal of Social Work in Long-Term Care*, *1*(1), 7-10.

Greiner, L. E. (1972, July-August). Evolution and revolution as organizations grow. *Harvard Business Review*, 37-46.

Guagliardo, J. (2001, July 16). Spreading a gospel of freedom. *McKnight's Long-Term Care News*.

Harrison, E. L., & Pietri, P. H. (1997). Using team building to change organizational culture. *Organization Development Journal*, *15*, 71-76.

Herzberg, F. (1966). *Work and the nature of man*. Cleveland, OH: World.

Hochschild, A. R. (1983). *The managed heart: Commercialization of human feeling*. Los Angeles: University of California Press.

Homans, G. (1950). *The human group*. New York: Harcourt Brace Jovanovich.

Huber, G. P., & Glick, W. H. (Eds.). (1995). *Organizational change and redesign: Ideas and insights for improving performance*. New York: Oxford University Press.

Huy, Q. N. (1999). Emotional capability, emotional intelligence, and radical change. *Academy of Management Review*, *24*(2), 325-345.

Joseph, J., & Deshpande, S. P. (1997). The impact of ethical climate on job satisfaction of nurses. *Health Care Management Review*, *22*, 76-81.

Kanter, R. M., Stein, B. A., & Jick, T. D. (1992). *The challenge of organizational change*. New York: The Free Press.

Katz, D., & Kahn, R. L. (1978). *The social psychology of organizations*. New York: John Wiley & Sons.

Kotter, J. P. (1995, March-April). Why transformation efforts fail. *Harvard Business Review*, 59-67.

Kotter, J. P., & Heskett, J. L. (1992). *Corporate culture and performance*. New York: Free Press.

Kubler-Ross, E. (1970). The care of the dying: Whose job is it? *Psychiatry in Medicine*, *1*, 103-107.

Larkin, T. J., & Larkin, S. (1994). *Communicating change*. New York: McGraw-Hill.

Laschinger, H. K., & Havens, D. S. (1996). Staff nurse work empowerment and perceived control over nursing practice: Conditions for work effectiveness. *Journal of Nursing Administration*, *26*, 27-35.

Leavitt, H., & Mueller, R. (1951). Some effects of feedback on communication. *Human Relations*, *4*, 401-410.

Lewin, K. (1997). *Resolving social conflicts & field theory in social science*. Washington, DC: American Psychological Association.

Lockwood, P., & Kunda, Z. (1997). Superstars and me: Predicting the impact of role models on the self. *Journal of Personality and Social Psychology*, *73*, 91-103.

March, J., & Simon, H. (1958). *Organizations*. New York: Wiley.

Martin, J. (1992). *Cultures in organizations*. New York: Oxford University Press.

Mayer, J. D., Caruso, D. R., & Salovey, P. (2000). Emotional intelligence meets traditional standards for an intelligence. *Intelligence*, *27*, 267-298.

Merton, R. K. (1957). *Social theory and social structure* (Rev. ed.). New York: Free Press.

Meyer, M. W., & Zucker, L. G. (1989). *Permanently failing organizations.* Newbury Park, CA: Sage.

Mohrman, S. & Cummings, T. G. (1989). *Self-designing organizations: Learning how to create high performance.* Reading, MA: Addison-Wesley.

Moore, J. D. J. (1996, March 25). Instill a culture of change, hospital consultants advise. *Modern Healthcare, 52.*

Morris, J. A., & Feldman, D. C. (1996). The dimensions, antecedents, and consequences of emotional labor. *Academy of Management Review, 21,* 986-1010.

Nadler, D. A. (1983). The effective management of organizational change. In M. D. Dunnette (Ed.), *Handbook of industrial and organizational psychology* (pp. 358-369). New York: John Wiley & Sons.

Nadler, D. A., & Tushman, M. L. (1980). A model for diagnosing organizational behavior. *Organizational Dynamics* (Autumn), 35-51.

Nadler, D. A., & Tushman, M. L. (1990). Beyond the charismatic leader: Leadership and organizational change. *California Management Review, 32*(2), 77-97.

Normann, R. (1977). *Management for growth.* New York: Wiley.

O'Reilly, C. (1989). Corporations, culture and commitment: Motivation and social control in organizations. *California Management Review, 31*(Summer), 9-25.

O'Reilly, C., & Chatman, J. A. (1986). Organizational commitment and psychological attachment: The effects of compliance, identification and internalization on prosocial behavior. *Journal of Applied Psychology, 71,* 492-499.

O'Reilly, C., & Chatman, J. A. (1996). Culture as social control: Corporations, cults, and commitment. In B. M. Staw & L. L. Cummings (Eds.), *Research in organizational behavior* (Vol. 18, pp. 157-200). Stamford, CT: JAI Press.

O'Reilly, C. I., Chatman, J. A., & Caldwell, D. M. (1991). People and organizational culture: A Q-sort approach to assessing person-organization fit. *Academy of Management Journal, 34,* 487-516.

Ouchi, W., & Wilkins, A. (1985). Organizational culture. *Annual Review of Sociology, 11,* 457-483.

Palmer, B., Walls, M., Burgess, Z., & Stough, C. (2001). Emotional intelligence and effective leadership. *Leadership and Organizational Development Journal, 22*(1), 5-10.

Pennebaker, J. W., Zech, E., & Rime, B. (2001). Disclosing and sharing emotion: Psychological, social, and health consequences. In M. S. Stroebe & R. O. Hansson (Eds.), *Handbook of bereavement research: Consequences, copying, and care* (pp. 517-543). Washington, DC: American Psychological Association.

Pfeffer, J. (1992). *Managing with power: Politics and influence in organizations.* Boston, MA: Harvard Business School Press.

Pfeffer, J. (1998). *The human equation: Building profits by putting people first.* Boston, MA: Harvard Business School Press.

Quinn, J. B. (1981). *Strategies for change: Logical incrementalism.* Homewood, IL: Irwin.

Rogers, C. R., & Roethlisberger, F. J. (1991, November-December). Barriers and gateways to communication. *Harvard Business Review,* 105-111.

Rogers, E. M., & Agarwala-Rogers, R. (1976). *Communication in organizations.* New York: Free Press.

Scheck, C. L., & Kinicki, A. J. (2000). Identifying the antecedents of coping with an organizational acquisition: A structural assessment. *Journal of Organizational Behavior, 21*(6), 627-648.

Schein, E. H. (1991). *Organizational culture and leadership.* San Francisco, CA: Jossey-Bass.

Schweiger, D. M., & DeNisi, A. S. (1991). Communication with employees following a merger: A longitudinal field experiment. *Academy of Management Journal, 34,* 110-135.

Siehl, C., & Martin, J. (1984). The role of symbolic management: How can managers effectively transmit organizational culture? In J. Hunt, D. Hosking, C. Schriesheim & R. Stewart (Eds.), *Leaders and managers: International perspectives on managerial behavior and leadership* (pp. 227-239). Elmsford, NY: Pergamon.

Smith, A. C. I., & Kleinman, S. (1989). Managing emotions in medical school: Student's contacts with the living and the dead. *Social Psychology Quarterly, 52,* 56-69.

Stevens, C. H. (2001, November/December). A timeless dream. *Balance,* 7-7-18.

Thomas, W. (2001). A message from Dr. Thomas. *Eden Alternative Journal, 9*(2), 6-8.

Tushman, M. L., & Romanelli, E. (1985). Organizational evolution: A metamorphosis model of convergence and reorientation. In B. M. Staw & L. L. Cummings (Eds.), *Research in organizational behavior.* Greenwich, CT: JAI.

Wanberg, C. R., & Banas, J. T. (2000). Predictors and outcomes of openness to changes in a reorganizing workplace. *Journal of Applied Psychology, 85,* 132-142.

Weick, K. E., & Quinn, R. E. (1999). Organizational change and development. *Annual Review of Psychology, 50,* 361-386.