Continuity, not change

The next organisational challenge

By Darl G. Kolb

"The lack of continuity here relates to the reliability of institutional and organisational structures. The country had rigid institutions and regulations until the mid-1980s. Now there is the other extreme: change is worshipped as a value itself."

Matthias Hauer, *New Zealand Herald*, July 25, 2001

The quote above captures rising concerns among some organisational development scholars that organisational "change" has become embedded in our assumptions of what a "good" organisation is. We seem to have stopped questioning the trade-offs associated with change to the extent that change has become a fundamental and often over-riding organisational (and personal) value, in and of itself.

The encroaching assumption that change is normally necessary and normally helpful in organisational contexts is being mistaken as an organisational "fact" or, as the quote suggests, a fundamental belief system, where change is worshipped and valued above all other organisational dynamics. As Daniel Bell (cited in Fry and Srivastva, 1997, p1) suggests: "The thing that is so singularly apparent about this emphasis on change, 'the tradition of the new', is that novelty has apparently taken on value in and of itself. The avant-garde has become the cherished and customary way of life."

Most New Zealand organisations have paid a price for rapid and successive waves of change … fatigue, cynicism and a general lack of organisational continuity

The high value placed on change in organisations translates to managers' roles and, indeed, to their sense of identity as "change masters", "transformational leaders" and other variations on this contemporary form of self-identity. But constant change has come with a price, as Fry and Srivastva (1997, p1) suggest:

"In recent years, the images of executives as 'changemasters' and 'pathfinders', as 'gamesmen' and 'entrepreneurs' and as 'visionaries' and 'transformational leaders' have captured the popular imagination. The modernist spirit, as embodied in each of those notions, has predominantly been one of novelty, of chaos, of innovation, of change. Indeed, the idea of change dominates the landscape of modern life, most certainly including life at the workplace. Executives everywhere continue to be called on to envision alternatives that have not yet existed, to break the shackles of conventional notions of what is possible, to ignite the spirit of collective renewal, and to harness turbulent environmental forces to help transform their organisations in new and different ways."

While it is no doubt fashionable for managers to promote themselves as change agents and to spur on change in their organisations (Abrahamson, 1996; Kolb and Wolk, 2000; Mickelthwait and Wooldridge, 1997), most New Zealand organisations have paid a price for rapid and successive waves of change. That price has been change fatigue, cynicism and a general lack of organisational continuity.

WHAT IS MEANT BY "MANAGING CONTINUITY"?

The organisational dynamic I would like to discuss here is that of *organisational continuity*. Suresh Srivastva, Ron Fry and associates' edited volume (1992, p2) devoted to this topic suggests that *novelty* and *transition* are two key agendas of today's social systems, while managing *continuity* is an emerging and critical third agenda. They define continuity as "the connectedness over time among organisational efforts and a sense or experience of ongoingness that links the past to the present and the present to future hopes and ideals". I define managing organisational continuity as the management of change where the desired state of newness is developed with a conscious recognition and, to the extent possible, incorporation of salient aspects of the "old" or existing organisation, in particular, its core values, traditions and shared meaning from the past.

In some ways, managing continuity is about recognising stabilising forces within a changing environment. The notion of organisational stasis in conjunction with change is not new. Lewin's (1947) classic model of change identified the coexistence of forces of resistance with forces for change. Weick (1969) has described "organisation" and "change" as two sides of the same coin, wherein human systems are always simultaneously stabilising and destabilising. There are also punctuated equilibrium models of change (Gersick, 1991; Leanna and Barry, 2000) and adaptive/maintenance models of organisational culture (Burchell, in progress). In short, there seems to be a human tendency to destabilise stable situations and seek stability in unstable environments. Fundamental as it may seem, in the past few decades, with the exception of Fry, Srivastva and associates, few academic writers have focused on organisational continuity. More recently, however, Bouwen and Overlaet (2001) have described the way in which a multi-national merger in the pharmaceutical industry was managed with an eye to preserving continuity in a European subsidiary. And, summarising the organisational change and development literature, Pettigrew, Woodman and Cameron (2001, p700) call for more attention to be paid to continuity:

"This emphasis on continuity and change in organisations is under-represented in the change literature. Any adequate theory of change should account for continuity, and this minimally requires the empirical exposure of change and continuity and the relationship between the two."

Pettigrew et al do not go on to offer a theoretical model of continuity and neither does this article. A case example, however, is offered below to illustrate how managing continuity might look in organisational change and development practice.

Managing continuity is not just about recognising resistance and stabilising forces in organisational change. It is about connecting the past to the future and consciously nurturing elements of stability within a changing environment. It is about taking the permanence of organisational culture seriously. Why is continuity important? As Gergen (1991, cited in Fry and Srivastva, 1992, p2) points out, people are seeking continuity, in part, because change has been "exhausting":

"As people in all walks of life have been both dazzled and exhausted by novelty, they (we) are beginning to express a hidden hunger for continuity and community, for responsiveness and dependability, and for the strength of identity that comes from a true sense that today's life experience is integrally connected to the wisdom of the past and promise for the future."

Organisational change agents, including managers and executives in New Zealand, will no doubt recognise some of this sentiment, if not within themselves and their organisations, certainly among their peers and subordinates within many, if not most, New Zealand organisations.

MANAGING CONTINUITY AT AMCOR FOOD CANS

After nearly two decades of rapid and severe organisational change, the concept of managing continuity seems both infinitely relevant to New Zealand organisations and, at the same time, perhaps daunting to initiate. The question could be asked, "How might one go about managing continuity in a real organisational context?" With this in mind, a real-case example might be helpful to further our discussion on managing change and continuity.

Case study

Senior employees of Amcor Food Cans in Hastings recall the days when Sir James Wattie would appear in their midst, walking through the plant, greeting people by name as he checked the plant that made the cans for his canned food empire. In those days, the plant, which is situated just across the street from Wattie's, was owned and operated by the Wattie family company. Years later, the can-maker is still across the road from its sole customer, but a lot has changed.

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First, and perhaps foremost, the company is no longer owned by Wattie's or by Heinz Wattie's, the current owner of the Wattie family business. The can-making side of the business was sold by J. Wattie Foods Ltd in June 1990 and was purchased by Containers Packaging, a subsidiary of Amcor, an Australian-based international packaging company, which produces plastic, glass and metal packaging for the Australasian market.

Amcor Food Cans Hastings still makes cans, and lots of them – nearly 300 million a year. And can-making is still a loud and fast business, with machines capable of forming, welding and seaming as many as 500 cans a minute on the production line. Not only speed, but precision and quality are also essential in this business. Margins on a commodity item such as a can are razor- thin, so any waste can mean the difference between profit and loss. The majority of these millions of cans travel via conveyor bridge across the street and into the Heinz Wattie's plant for immediate filling. Quality tolerances and standards for cans come not only from Heinz Wattie's, but directly from its customers. The Japanese market, in which Heinz competes, is notoriously selective. A scratch mark of near-microscopic proportion can mean customer rejection, so Heinz and Amcor must get it right or New Zealand produce will not be sold into the Japanese market.

Two major commercial challenges faced Richard Stedman when he arrived at Amcor early in 2000. First, the plant needed to expand to match Heinz Wattie's' expansion projections. Second, operational efficiency needed to be improved. These two objectives are often seen as mutually exclusive in that growing plants usually focus on growth, while shrinking plants worry about efficiency. Amcor wanted both when it recruited Stedman from Pretoria, South Africa. Stedman, who says he's been in the food and packaging business "all my life", came to Hastings after a brief orientation tour of other Amcor facilities in Australia.

Arriving in Hastings, he recalls that his first impressions were of a sound plant, but one in which some of the housekeeping disciplines and statistical feedback systems were either not in place or had become "stale". His personal belief is that, "You'll never have a world-class operation that is slovenly." And, "a tidy and safe environment is one of the building blocks to improving operational efficiency. You need to create an environment that staff are proud of, especially if you are expecting them to go the extra mile". In his early talks with staff, Stedman used the metaphor of the dashboard of a car, where a driver gets the information necessary to make the car manoeuvre and perform at its best. Without such controls visible, it is near impossible to keep on track at optimum performance.

Stedman understood that as a new plant manager, he and his ideas were on trial. Using a participative style of management (his title is "Business Co-ordinator" rather than "General Manager"), he recognised the need for everyone in the plant to buy in to and support the changes. It took some time for others to trust him, but ultimately, he says, it was a "team of 100" (the whole plant) who made the changes happen. He also relied heavily on his management team and team leaders to build support and to communicate the need for change within the plant.

Several simultaneous changes were introduced at Amcor within one year. First came workflow and safety changes ("tidying-up" operations). Second, in order to support operational improvements, statistical data were made more readily available around the plant, so everyone had more feedback on operational key performance indicators. Third, plant efficiency was linked to a gain share incentive programme, where employees received bonuses for plant efficiency rates over a certain target percentage. Importantly, the first targets were attainable. This facilitated "early wins" for everyone, rather than frustration with overly ambitious benchmarks. Fourth, with expanded capacity needs, new staff had to be recruited. For Stedman, two threats existed to expanding the plant. One was losing the skills and talent of the staff he had and the other was attracting enough skilled workers to the Hawke's Bay in order to fill positions as the plant's workforce expanded. Amcor was so committed to finding the "right" people, it took almost a year to fill 15 positions. Fifth, a new shift pattern was introduced, from a five-day, eight-hour, three-shifts arrangement to a four-day-on/four-day-off 12-hour shift system. Finally, staff development was required to orient new staff, increase communication processes and manage continuity from the "old" ways of doing things to the "new" ways. This process needed to reinforce the team concept that had been successfully introduced and had become entrenched in the plant culture.

Organisational development exercises included each member of the Amcor staff telling his or her "story" of joining the plant, what it was like in those days and how things have changed over the years. As mentioned earlier, staff retention has been high at the plant over the years and several members had worked under Sir James Wattie. Some families had worked at the plant for generations, i.e. mothers/fathers and daughters/sons. Humour and laughter accompanied many of the stories. The stories connected older workers with younger ones, where the senior staff's experience was clear, just as the newer staff's enthusiasm was equally clear. One fact that surfaced was that the shift changes, which at one level seemed dramatic, were, in "retrospect" (as viewed through the stories told), a return to similar shift patterns that some employees remembered from the past. The "new" was, in fact, not "new" at all. Gaining perspective on the proposed changes not only reduced resistance to the current circumstances, but also provided a link between staff members across the years of experience and differences in their respective backgrounds.

Shiftwork is an extra dimension to work itself. Working "shifts", which generally rotate, means a certain type of lifestyle, one that impacts on one's social and family life. Indeed, a major employer's work shift arrangements can affect an entire community. Not surprisingly, Amcor's change to four-days-on/four-days-off 12-hour shifts represented a major lifestyle change for its employees, their families and, to some extent, the community-at-large. For some employees, being out of sync with school and community sports and other social agendas is a serious interruption to family life. Within a year, however, when asked, the vast majority of workers preferred

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the four-days-on/four-days-off arrangement. Stedman was pleasantly surprised to discover that, rather than resisting the new shifts, older workers in particular liked the changes. For many, the period of four days off offered opportunities for hobbies, travel and other pursuits outside of work. For them and many of their younger counterparts, the new shift set-up is a lifestyle enhancement, especially in the beautiful outdoor environment of Hawke's Bay.

Stedman is pleased to have met the dual objectives set for the plant in one year's time. The process has been a good one, though not flawless. "We did as much planning as possible, but we couldn't plan for everything. When things went wrong, we (managers) had to react quickly." A few issues that arose included the interpretation of the union's collective agreement in regard to training and making sure that shift changeovers were smooth, with enough overlap to ensure communication. But, he adds: "The work ethic here is good and we have a very good relationship with the union. We (management and the union) do act in good faith." Though his office is next to the production floor, his personal management challenge is to remain visible to staff who have come to expect it. He notes: "I still get criticised for not spending enough time on the floor. People remember Sir James on the floor and they like to personally see managers.

"Although the two-pronged objectives of improving operational efficiency while expanding capacity were challenging, they were not mutually exclusive. The change has rejuvenated people."[1]

[1]Source: Inkson, K., and Kolb, D. (2002). *Management: Perspectives for New Zealand, Third Edition.* Auckland: Prentice Hall, pp 426-429. Reprinted with permission.

WHAT CAN BE LEARNED FROM THE AMCOR CASE?

The change intervention used at Amcor was not developed by the author. In fact, I learned this technique from my colleague, Dr Judith McMorland, a Senior Lecturer at The University of Auckland Business School, and implemented it with my consulting partner, Joline Francoeur. Together, we learned quite a lot from the experience.

First, and perhaps most importantly, the intervention was not overly complicated. Indeed, the storytelling activity, like many good organisational development initiatives, was extremely straightforward. The key ingredient was the participants' stories, which they could access with little preparation and relatively little prompting. The key ingredient for the facilitators was simply the courage and confidence to get groups to do what seems initially to be almost too simple. In fact, it did seem incredibly simplistic at first. We soon discovered this technique to be nothing short of profound! It helped link the past to the present to the future, but without the high levels of anxiety and apprehension normally experienced by organisational members in similar situations. For further reflections on the use of storytelling at Amcor, see Kolb (in press) and/or see Snowden's work (2000a, 2000b, 2001) for other reflections on storytelling in organisational settings. Besides storytelling, this intervention might also serve as a useful New Zealand example of "appreciative inquiry" (e.g. Cooperrider, 2000), that is focusing on "what works", rather than employing a problem-focused approach to organisational development.

Second, we (including the OD practitioners, the managers of the organisation and, I suspect, many participants) discovered an unexpected and important fact from the organisation's history that had direct bearing on the current organisational change. This was the fact that equally radical, if not identical, shift changes were part of the organisation's history. And, in that light, those who had lived that history gained, rather than lost, power in the change process being suggested. This direct experience, and the reminder of it through the exercise, gave senior workers a shift in the experiential power base, because they had literally "been there, done that" and their bosses had not. As the circle of stories unfolded, the proposed changes seemed to lose some status. It was a change, but probably not as significant as changes of the past. It thereby seemed less radical, more "do-able".

Third, it seems that change which is managed or facilitated with continuity in mind may have surprising results. For example, in the Amcor case, we expected older workers to resist the change in shift patterns and younger workers to adjust more readily. In reality, while the change was generally successful among the majority of the plant's workers, in retrospect one year on it was the older workers who were more likely to use the shift change to develop positive lifestyle changes (hobbies, sports, retreats to second properties, etc), while some members of the younger cohort struggled to meet the social needs of their younger families around the four-days-on/four-days-off work shift pattern.

Other accounts of the relevance and importance of continuity can be found. For example, Collins and Porras' study (1998) of long-lived companies demonstrates that those who survived many rounds of change did so, in part, because they were able to maintain a sense of continuity and stability over the years. Collins and Porras use the yin/yang symbol to indicate how they see these highly successful companies "preserving the core" while "stimulating progress", which highlights the inter-relatedness of change and continuity.

IMPLICATIONS FOR MANAGING CONTINUITY

Srivastva, Fry and associates (1992) have made some suggestions for executives regarding the management of continuity. They include the search within the organisation for:

- Core logic
- Core tasks
- Primary practices
- Values, attitudes shared by older members
- Persona of the founders, leaders as embodiment of organisational values

Finding the core of an organisation may bring about a desire or need to change certain things in light of what is found. Such changes may be different from what management might come up with on its own and changes may reflect fundamental contradictory values. Whatever arises, changes proposed for the future that acknowledge the past are more likely to meet with success (Srivastva and Wishart, 1992).

A few more cautionary comments might be in order for managers and organisational change practitioners attempting to manage continuity. Managers should no longer be allowed to wave the "wand" of change over bad management practice. Given the high (almost religious) value

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placed on "change", it is easy for managers to justify and rationalise almost any action as a requirement of the new sacred cow that is organisational change. Secrecy, power plays, administrative short-cuts, positive "spin" and outright unethical behaviour are often justified under the guise of organisational change (McKendall, 1993).

In New Zealand, even if change initiatives are ethical, rational, well-designed and necessary, managers often encounter cynicism and resistance, not because the change initiative is faulty, but because managers and change agents expect organisational members to feign amnesia, to forget or deny their experience of the past, which often includes cyclic, failed or half-baked attempts at change. Merely acknowledging (without necessarily blaming one's predecessors) the reality of the past would be a good starting point in the management of continuity.

Managers who take the history of their organisations seriously are likely to discover that what they consider a "radical" or "revolutionary transformation" may not be that at all, when compared with changes in the past. In general, managers should reconsider how they describe and initiate change, more consciously linking today's changes with yesterday's change efforts, rather than attempting to achieve recognition by asserting the unique nature of the changes they are proposing.

The ability to develop a narrative or "story" of organisational change, rather than a directive, may not come naturally to some managers, but with practice, most effective communicators could learn to link the future ideal state to an honest account of the present and the past. It has been found (McGregor et al, 2001) that entrepreneurs tend to be good at constructing coherent and sensible organisational stories, which serve to weave together otherwise disparate and spurious events into the fabric of a young company's culture.

During the technology boom, the story often told was one of discontinuous, uncharted, unprecedented, radical change. Now, post-boom, there seems to be evolving a story with considerably more "continuity", i.e. that the new technology-based economy is not essentially different from "old"-economy business. The two are linked, connected and more similar than different (e.g. Porter, 2001).

Continuity may be challenging, but is not insurmountable and may even require less of managers than the ambitious roles listed at the beginning of this article. In describing "change leaders", Katzenbach et al (1996, p106) suggest that what is often described in hindsight as bold risk-taking on the part of managers, is often taking one reasonable step at a time. And the steps represent a "series of connected actions" described as follows:

"Change leaders gain the self-confidence – as well as the credibility – they will need for change by taking a series of connected actions that, once started, play out in series. Some may not seem inherently courageous, but each requires additional levels of risk and boldness on their part. These actions do not necessarily represent one big leap of faith, but rather a set of on-going and interconnected choices that often appear in retrospect to have been one big leap."

Writing on change at the personal level, Paul Watzlawick (1974) suggested we need a theory, not of change "or" persistence, but rather what was needed was a theory of change "and" persistence. If individual and organisational change requires both change and persistence, then managers need to be able to facilitate both.

On the one hand, the management of continuity will be, no doubt, more challenging for managers than managing change with no consideration for continuity. On the other hand, managing change with continuity in mind can relieve managers from the enormous pressures of attempting to be "changemasters" or "transformational leaders".

CONCLUSIONS

"If we can't plough the fields of our past, we can't sow the seeds of our future"

– Sheldon Kaupf

Organisational change is often focused on present problems or future goals and aspirations. There is a danger, however, in separating the present and future from the past. A modern focus and infatuation with "newness" can lead managers to deny the past of their organisations. But organisational members don't forget the past and, as humans, we all need some connection between the past, present and future. In many organisations, change has become so taken for granted that managing it no longer requires substantial courage or leadership. In contrast, managing continuity – linking the past, present and future in order to help others make sense of current changes and/or future aspirations – requires patient, insightful and enlightened leadership. When faced with risk and uncertainty, it is no longer sufficient for leaders, managers and change agents to proclaim the need for change, but rather to foster and develop continuity in an ever-changing world.

EVER	EVER
PRESENT	CHANGING
NEVER	NEVER
TWICE	LESS
THE	THAN
SAME	WHOLE

– from a garden plaque,
Getty Centre, Los Angeles

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