ORGANIZATIONAL CHANGE
CREATING CHANGE THROUGH STRATEGIC COMMUNICATION
Organizational Change
Foundations of Communication Theory

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Organizational Change
Creating Change Through Strategic Communication

Laurie K. Lewis
This book is dedicated to Mikyla, Parker, and Craig, whose patience, encouragement, and love made this book possible, and to Pat, Bob, and Mark who taught me to love ideas.
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Change is a prominent feature of organizational, civic, and personal life. Change is something we sometimes seek, sometimes resist, and often have thrust upon us. It would not be an overstatement to suggest that society is rife with change and questions about how, when, and in what ways change ought to occur. Goal achievement, progress, and even the avoidance of crisis very often involve implementing planned changes. Change can serve as means to address many important challenges such as those related to policy, governance, rule of law, philosophy, and distribution of information, rights, and resources; challenges of efficiency, effectiveness, quality, and competitiveness; and challenges hinged on shared values, understanding, and cooperation. These challenges span across many sectors of society including private sector organizations upon which we depend for goods, services, and the basis of our economy; public sector organizations that run our community,
state, national, and international governance; and non-governmental or non-profit organizations that promote community and leisure activity as well as provide for numerous humanitarian, scientific, professional, cultural, and social services.

Change is sometimes necessary to correct past failures and accomplish learning and improvement. And, although decision-makers can often agree on problems to be solved, the principles involved in solving them, and even the specific changes to be made in a given situation, making the change happen – through implementing ideas and improvements – can be incredibly challenging. For example, in the aftermath of Hurricanes Katrina and Rita or after the 9/11 tragedy, hindsight produced many ideas and suggestions for improvement in preventive measures, security measures, and procedures of first responders among others. In order to realize those changes in time to be prepared for the next hurricane or attack, leaders needed to not only vet the ideas, but figure out how to install changes, deal with conflicting opinions about the changes, provide for necessary adjustments to the ideas as they were introduced, and cope with the unexpected consequences of changes made. These are all tasks of implementation. Failure to implement change as a result of organizational learning can result in repeated failure. One could argue that failure to implement change as a result of what was learned from the Exxon Valdez oil spill in Alaska may have led to the BP oil spill disaster in the Gulf of Mexico years later.

Change is sometimes important because it provides opportunities for growth, development, increasing resources, and seizing a moment that if missed may have negative consequences. Leaders who are frozen in the process of implementing change, who are not able to act efficiently and effectively in bringing an innovative idea into practice soon enough, may be unable to realize the benefits of even the best of ideas. In some cases, being second or third with a great idea is worthless; in some cases resources are so scarce and timing so critical that delays in getting innovation up and running can mean a missed opportunity. If companies, governments, and other collectives who are trying to innovate are not able to swiftly and smoothly bring new ideas into the marketplace or operations the window for innovation may close. Successful implementation is key to realizing the potential of most great ideas.

Alternatively, change processes are sometimes wrong-headed, faddish, unnecessary, and potentially disastrous in their consequences. Huge investments in time, money, physical resources, and social and
political capital can be wasted if spent on flawed, misguided changes that have little value or high negative consequences. The period of implementation is the last stopgap period where poor decisions to adopt changes can be recognized and corrected before lasting damage results.

Many factors give rise to change processes in organizations. Organizations seek to be innovative; give in to pressures to follow the “pack” or an industry or sector leader; or are coerced by forces of public opinion, regulatory force, or marketplace mechanisms to attempt change. The success of change in organizations can be measured by a variety of perspectives – those who seek the change; those who are asked to alter their practice; those whose stakes are most impacted by old and new ways of doing; and bystanders of the process among others. However we come to those assessments, the process of implementing change – of putting ideas into practice – is a major determinant of outcomes. This book is about that process.

State of the Art

Many theorists, researchers, and consultants have written about the implementation process. Expertise from many disciplines and sub-disciplines has been offered to explain implementation, including management, psychology, sociology, social work, technology transfer, and communication, to name a few. Important insights into implementation and important components of change are often isolated within disciplines or sub-disciplines. Sometimes similar ideas crop up across disciplines and occasionally researchers have built upon work across disciplinary lines. However, too often, each approach to change has ignored important contributions of those writing in other fields or sub-fields representing different approaches. Even in our isolation, much has been accomplished in furthering our understanding of the implementation process. Since an earlier review I conducted over twelve years ago (Lewis and Seibold, 1998), the study of change implementation has grown considerably in scope, sophistication, and depth. Despite the relative isolation of some of our research on implementation processes, one is struck in a thorough review of the literature that several central themes continue to emerge in the ways that we think, write and research about this process. Some of these themes emphasize some important limitations to our most common approaches to change implementation.
Weaknesses in Current Approaches to Change Implementation

First, we have been overly focused on implementers’ strategies and recipients’ responses. Implementers are those people in organizations who take on a formal role in bringing about the change effort and translating the idea of change into practice. An overemphasis on implementers suggests by our very questions and research approaches that initiators of change play a strategic and central role in communication but other stakeholders are passive and peripheral. Stakeholders are those who have a stake in an organization’s process and or outputs. The popular press books that provide advice for practitioners nearly exclusively provide instruction for those who will implement change while completely ignoring the role of stakeholders on how to become meaningfully engaged in change or even on how to forestall or alter a change initiative (which at times may be an incredibly valuable role). Even in the books for implementers there is little acknowledgment that other stakeholders will often strategically attempt to derail or re-direct a change effort. We ascribe “resistance” behaviors or attitudes as a mere reaction rather than as an affirmative, principled perspective of stakeholders who care about their organizations and a wide array of stakes held by various stakeholders, and whom in their resistance can bring much to enhance and inform change processes. By thinking of non-implementer stakeholders as mere audiences for implementers’ messages about change but not as actors who have stakes, insight, and valuable perspective, which they are asserting in organizations, we miss a critically important source of explanation of how change processes unfold in organizations.

Second, and related to the first point, too often we have ascribed the reactions stakeholders (primarily employees) have to change efforts as being due to: (1) emotional response (e.g., stress, anxiety, fear), (2) misunderstanding communication of implementers, (3) direct experience engaging the change in some material way, and/or (4) individual cognitive framing of the change and what it “means” to individuals in their own heads. In doing so we have often overlooked any consideration of the very social aspects of sensemaking and sensegiving relative to change initiatives. We have assumed that individuals react to change for a host of individual reasons – many of them rooted in irrational anxieties, personal interests, and personality flaws. Again, this approach portrays stakeholders as reactionary and not as strategic; as individual-
istic and not collective; as focused on self-interest and not on shared interests. It implies that we need to deal with recipients of change programs one-by-one in a paternal or therapeutic manner.

Thus, in viewing stakeholders as autonomous individuals who come to understand change only in relation to what they are being told by implementers or through direct experience with change, we’ve missed altogether or underplayed the influence multiple stakeholders have on one another. In this misplaced focus we miss the strategic attempts among stakeholders to influence each others’ sensemaking and the products of that joint sensemaking – including the formation of powerful coalitions, rivalries, and schisms. We also miss the processes by which sense is made – that is the “ing” in sensemaking. Too often we’ve only examined the various understandings stakeholders have of a change at a single point in time – the “sense made.” In doing so we gain no understanding of how those “senses” of the change evolve and the important social dynamics that create them.

Third, we’ve assumed too often that “success” in implementation of change means getting what implementers initially desire. Very little in the popular press literature or even much of the academic literature allows for the possibility that the original idea for change is flawed. The assumption is often made that “success” will be achieved when the change, as originally envisioned by decision-makers, is up and running and institutionalized into practice. Much of the research tradition in implementation of change is focused on figuring out how to make that happen. This approach leaves out important consideration of the processes by which organizations self-correct; avoid groupthink (i.e., insulating themselves from critical voices, disconfirming evidence, or reconsideration of goals); and maximize use of available resources in maintaining vigilance in decision-making. For researchers, as well as consultants, starting with the assumption that any specific change is a good idea is dangerous for making conclusions about best practice as well as for developing strong theory to explain processes of change.

In an effort to address the weaknesses in the state of the art literature in implementation of change as well as build on its strengths, this book provides an integration of theory and research across disciplines. In ranging across a number of theoretical literatures that address institutionalization, persuasion, message design, socialization, identification, roles, participatory practice, knowledge, networks, power, resistance, sensemaking, framing, among others, this book connects pockets of strong theoretical and research traditions to inform important social
dynamics of implementation of change. The book embraces a version of Stakeholder Theory and adopts a centrally communicative approach in accomplishing that integration.

Stakeholder Theory has been used to help account for how organizations manage the competing stakes stemming from divergent interests of stakeholders (Freeman, 1984; Jones and Wicks, 1999; Phillips, Freeman, and Wicks, 2003). This collection of theoretical perspectives helps direct attention of scholars and practitioners to the means of identifying important stakeholders; tools to monitor changing stakeholders or stakeholder demands; and issues surrounding balancing bottom-line considerations and ethical considerations in addressing stakeholder demands. More modern approaches to stakeholder theory also have begun to address the tactics of influence that stakeholders use to influence organizations and one another.

A communication perspective on organizing provides a lens by which we can examine and explain organizing activity. Organizations are socially constructed largely through the communicative interactions of internal and external stakeholders. Stakeholders enact the organization as the embodiment of their own purposes, their sense of how activities are related; how people are known; how outcomes arise and how processes unfold. So, we enact the “leader” by engaging with her/him as someone who is deserving of more floor time, whose opinions are turned into policy, and whose requests become mandates. We enact a “club” in a different way than we enact a “business.” By emphasizing fun over profit and personal relationships and enjoyable activities over customer satisfaction and market share we create the organizing activity known as a “club.” It is more than an exercise of labeling. It involves highly complex ways of interacting and the sense that is given to those interactions.

Thus, by combining a stakeholder perspective that calls attention to the many perspectives and stakes of actors in and around organizations with a communication perspective that highlights enacted reality through interaction, this book hopes to bring a heightened awareness of a host of complex dynamics during change implementation that have thus far received too little attention. This book (a) highlights the strategic behavior of all potential stakeholders, (b) addresses the interaction among stakeholders who are not implementers, (c) focuses on the sensemaking and sensegiving activities of all participants in change as they evolve and change over the course of an implementation effort, and (d) threads together many components of the process of implementation of planned organizational change into a holistic model that helps
us to explain how various sub-processes and activities influence the outcomes of change.

The next sections of this introduction will lay out more specifics about Stakeholder Theory perspective as well as the general outlines of what a communication perspective brings to the understanding of implementation processes. Finally, I will introduce three case studies that will be used throughout the book to help illustrate various dynamics discussed in each chapter.

**A Stakeholder Theory Perspective**

Allen went to work on Monday. He stored his lunch in his locker and reported to his line to begin work. His shift supervisor was calling everyone over for an announcement. Allen felt a knot in his stomach. He was told the “news” that everyone had been talking about for months, but the CEO of the company had denied. The company was being merged with another company in the mid-west. The supervisor made the announcement and handed out a sheet with a set of questions and answers on it and then told everyone to get back to work. Allen didn’t know what this would mean for his job, his pay, or who he was really working for. He felt anxious the rest of the day.

On a busy day at state university, Allison was preparing for classes and glanced at the clock to realize that she was late for a faculty meeting. After rushing to get there, she sat down as a discussion about “The Commission” was taking place. One of the University business officers was briefing the faculty on the important potential implications of some report issued out of the Department of Higher Education. Allison was irritated that she had to listen to all this when she had piles of work waiting for her in her office. Geesh, couldn’t someone in central administration deal with all of this? What did it have to do with her anyway? The business officer said that if changes didn’t come from higher education, they’d likely be imposed – and they wouldn’t be ones we want. Allison wondered what that might entail. Surely if this was a big deal more of her colleagues would have been talking about it. It must be the usual bureaucratic nonsense that will blow over.

Letisha and Raul were working on the inter-agency document for application for federal funding for the homeless services in their city. They were very hopeful that the city would get more funding since in the recent years they had been getting small increases. However, they both knew that even though they were rank-ordering ten projects – all
Introduction

critically needed in the city—only two would receive federal support. The reality of scarce funding for homeless services was huge. Competition for grant and private foundation money was fierce, but the people who worked in the service organizations in their city were all committed and trying hard to serve homeless individuals and families. Leaders of the smaller agencies were feeling increasingly jaded and hesitant to participate given their low chances of receiving funding. This year might be different though.

Two university professors had offered to help the local service providers to communicate better. They had provided many organizations with computers, high-speed Internet connections, and some other tools and had given them technical support and training. Letisha hadn’t really got a chance to look at any of the tools—she was just too swamped with work. Raul was very comfortable with technology though and was really into using the new listserv set up for the group. He’d been one of the first to subscribe and was a frequent poster. He even used the instant messaging feature—although few in the network were ever on.

Allen, Allison, Letisha, and Raul are all stakeholders in organizational change. Anyone reading this introduction is a stakeholder in organizations, and likely, in organizational change as well. As noted earlier, stakeholders are those who have a stake in an organization’s process and or outputs. Stakes can come in many forms (e.g., financial, environmental, physical, symbolic). Stakeholders like employees, community members, customers/clients, and suppliers have a variety of different stakes in organizations. Some rely on an organization for products and services. Others provide raw materials and depend on the business as revenue to run their own organization. Others are affected by the organization indirectly in terms of experiencing effects of organizational outputs including pollution, tax revenue, congestion, donations to local causes, advertising, and/or impacts on the economy and culture of the city or country where the organization operates.

We often think of the internal change processes of organizations as something that only impacts those who work there. However, if we start to really think about how organizations affect us, we can better appreciate how the ripple effects of change processes also impact us. Organizations can have many ripple effects in communities in which they operate. Ripple effects are the impacts that organizational actions and presence brings to stakeholders within and surrounding the organization. Hershey, PA is an excellent, if extreme, example of the potential of ripple effects of an organization (see Highlight Box 1). In the early 1900s Milton Hershey created a whole town around his chocolate
company. Even today, in addition to the world famous chocolate factory, the town boasts multiple Hershey entertainment venues (Hershey Park, Chocolate World, Zoo America, Hershey Golf courses), the Hershey Medical Center, Hershey botanical gardens, Milton Hershey School, and The Milton Hershey Foundation among many other legacies of Milton Hershey’s vision. Local stakeholders of this organization experience many ripple effects of the actions of the Hershey company. Hershey created infrastructure, community resources, a tourism trade, and schools among other tangibles. He also created an identity for the town known by his name and forever tied to his chocolate confections and the culture of his company and family. Any significant changes that the company makes have the potential to further impact the local community as well as worldwide customers, suppliers, competitors, and even governments (who rely on Hershey tax revenue, employment of citizens, contributions to local economy, etc.).

All organizations create ripple effects by their actions on both large and small scales. The failure of major industry can crush the economy of a region. As I write this book the automakers in the mid-west United States are struggling to survive an economic crisis. The dire projected ripple effects of their demise hang in the balance. Employees without work cannot pay mortgages, buy goods and services, support local merchants, or pay taxes that support schools. Unemployed families put a strain on health care systems, food pantries, low-income housing options, and a whole string of social support nonprofits. On a smaller scale just the widening of a roadway to make room for a new Walmart can create ripple effects of increased traffic, costs of roadway repair, and the diversion of traffic patterns away from other businesses. Ripple effects can be planned or unplanned, anticipated or unanticipated, positive or negative, but they are a major part of the reason that organizations have such diverse sets of stakeholders – some of whom can be hard to identify until an organization takes a new action, changes the way it operates, or experiences an unexpected event or crisis. For example, in the BP Gulf oil spill in the United States, some individuals who never considered themselves stakeholders of BP were suddenly impacted in tremendously important ways. Business owners in the affected states, Parish governments, fishermen in the Gulf, tourists planning trips to the region, among many others likely never felt they had a stake in BP’s actions until the spill occurred. Others may have had their stakes in BP’s actions raised due to the crisis. Environmentalists doubtlessly have a heightened sense that BP’s current and future actions are even more critical to meeting their goals.
Highlight Box 1: Hershey Builds a Community

Milton Hershey picked rural Derry Township to establish his company. Mr. Hershey envisioned a complete, new community after workmen started digging the foundation for the Hershey chocolate factory in early 1903. Mr. Hershey used other manufacturing communities as a model for his town.

Like other “model towns” Hershey provided its residents with modern educational facilities, and affordable housing. A unique feature of Hershey’s town was that he wanted to promote it as a destination for tourists.

By 1905 electric, water, and telephone service were provided. The McKinley School was built and it provided a modern, centralized educational system for grades one through twelve. A bank, general store, post office, and boarding rooms for men, were all located in the Cocoa House. Hershey connected other towns to his town through rail and trolley lines.

Through his encouragement, the town’s residents also helped add to the services provided. They established a volunteer fire company, YMCA, and YWCA. A variety of literary and social clubs, the Hershey Band, and local sports teams were also formed. Mr. Hershey supported the local organizations by providing meeting halls, uniforms, and equipment.

The centerpiece of Milton Hershey’s provisions for recreation and culture was the Community Building. Originally designed in 1914, the building was finally started in 1929 and completed in 1933. It housed the men’s club, a gymnasium and pool, a library, bowling alley, and public meeting rooms. The local hospital (1932–45) and the Hershey Junior College (1938–65) were also housed here. For years the building served as the focal point of community activity.

Source: Adapted from Pamela Cassidy and Eliza Harrison, One Man’s Vision: Hershey, A Model Town, Hershey Museum, 1988 (http://www.mhs-pa.org/about/history/hershey-pennsylvania-chocolatetown-is-born/).
Stakeholders often make demands on organizations. Employees ask for better benefits, pay, and working conditions. Clients/customers demand more efficiency, better or different products and services. Suppliers demand smooth working relationships. Watchdog groups, professional associations, and advocacy organizations demand that organizations operate within acceptable standards of ethics, cultural norms, and values of those stakeholders. Demands on organizations to monitor and respond to all those stakeholder demands are critical and tremendous. Also, demands are continually changing as circumstances with stakeholders change. For example, the economic downturn in the United States and around the globe has caused customers to begin to alter their demands for certain products and services. High-end fashion is beginning to be replaced by desire for bargains and affordable necessities. Businesses like Home Depot’s home design stores EXPO, Starbucks, and even Macy’s are laying off workers and closing stores. As high-end products and services are becoming less desirable and affordable for customers, organizations have to change both the way they represent and market their image as well as, in some cases, what they offer.

As we begin to think about different types of organizations other stakeholders and other sorts of demands can be illustrated. Governmental organizations are expected to provide services (e.g., fire protection, police protection, environmental protection and regulation, road quality, defense); social service organizations are relied upon to address many of society’s major problems (e.g., poverty, hunger, homelessness, disaster recovery); other nonprofits provide guidance and leadership around the globe on numerous fronts such as health, peace, international cooperation, and science. Still others are centers for art, history, and culture (e.g., museums, cultural centers, art festivals). When thinking of the processes involved in these organizations and the expected and actual things they produce, many diverse stakeholders come into play.

Many times stakeholders make divergent and conflicting demands on organizations. Employees want more pay and customers want cheaper products. Clients of nonprofits want faster and more comprehensive services, and government funders want more accountability and record-keeping. Many such conflicts occur for organizations. As we noted in the introduction to this chapter, Stakeholder Theory can help us to understand how organizations manage these divergent demands and how stakeholders attempt to influence organizations to meet their demands.
Stakeholder Theory also can be used to help us understand how organizations introduce change. Stakeholders, like Allen, Allison, Letisha, and Raul in the stories opening this introduction, have reactions to changes in their organizational lives. Those changes impact how they feel, how they relate to the organization, what they think they can get from and give to the organization among many other reactions. Further, as discussed next, stakeholders communicate with one another as they confront change in organizations. Those interactions help them to make sense of the change, orient to the possibilities the change may bring, and sometimes show how they will jointly or individually mobilize to accept, support, resist or alter the path of the change efforts.

**A Communication Perspective**

This book embraces a communication perspective on change implementation and examines how organizational change is accomplished or not accomplished through implementers’ interactions with stakeholders, and stakeholders’ interactions with each other. As we work through the various chapters of this book I will argue how change processes, as most other organizing activities, are rooted in and enacted through communication.

As discussed in Chapter 1, the very triggers of change stem from communication of key stakeholders who “notice” features of the internal or external environment that then lead them to make a case for a change. As decision-makers work through the adoption of a change (those steps that precede the introduction of it into practice), communication is the means by which they compare their understandings and senses of “what is going on” with competitors, regulators, customers, industry partners, and internal stakeholders such as employees, volunteers, and affiliated national organizations. That input will accommodate various interpretations that serves as the basis of decisions to implement and the manner, timing, and form of implementation. In fact, the ways in which implementers and other stakeholders talk about the change will form the basis of what the change becomes for that organization. For example, just as a group can make a “club” different from a “business,” in another organization a change to a new technology can be framed as a new philosophy of who we are (e.g., we are now “modern”). Enacting the reality of becoming “modern” is accomplished through the interaction of stakeholders around the change initiative. In another organization the
same new technology could be constructed as just “doing business as usual with a modest update.”

In Chapter 2 I will begin to examine the ways in which communication processes and roles within and around organizations are central to how stakeholders influence the course of change implementation. Three general processes of information dissemination, soliciting input, and socialization will be introduced and discussed to show the complexity of how social interaction gives rise to both process and outcomes during change implementation. Social actors strategically participate through formal and informal channels in ways that have a powerful influence on outcomes. These communication processes come to shape the ways in which stakeholders understand and interpret what the change is; how it effects their stakes in organizations; as well as inform their own strategic participation in change.

Implementers play a key stakeholder role in any organizational change effort. Implementers are those people in organizations who take on a formal role in bringing about the change effort and translating the idea of change into practice. Implementers design many aspects of the change effort including decision-making; authorization of timing, participation, purchases, procedures, and policy; making official proclamations; and communicating about the change to and with stakeholders. Although implementers are themselves “stakeholders” in change, for clarity we will refer to them as implementers and all others with a stake in the change and the organization as stakeholders.

In Chapter 3 an overview of the stakeholder perspective and a model of the change process in the context of stakeholder interaction is presented. This chapter will further explore Stakeholder Theory and show how it helps us to elaborate a more complex and dynamic picture of implementing change than much of our current literature has done. The model and the use of Stakeholder Theory expands our understanding of the multiple relationships that stakeholders have with one another and ascribes more meaningful, focused, and strategic action to stakeholders than have other approaches that treat stakeholders as mere audiences for change.

Chapters 4 through 8 develop portions of the model and add to explanation of how change implementation unfolds through communication with and among stakeholders. In Chapter 4, I discuss the ways in which we can conceptualize the outcomes of change processes and put that discussion in the context of how organizational outcomes and concepts of “success” and “failure” are developed. Chapters 5 through 8 highlight the strategic messages developed and framed by
various participants in change; examine the ways in which resistance and power are constructed in interaction during change and the results those constructions bring to change processes and outcomes; explore the antecedents to stakeholders’ and implementers’ selections of communication strategies and approaches to change; and assess the critical processes of storying, sensemaking, and framing that serve as the key means by which organizational changes come to exist and be transformed within social contexts. Finally, Chapter 9 will complete the discussion of implementation of planned change by focusing specifically on practice. This final chapter provides both implementers and stakeholders with ideas about how to monitor and strategically communicate across the topics, dynamics, and processes that are discussed throughout the book.

**Cases of Organizational Change**

As we further explore dimensions of implementation of organizational change throughout this book, we will make use of three extended case studies of organizational change. Each will now be introduced to give some critical background to the organizational and environmental context in which these changes were introduced. These are real-life examples of changes that have been introduced and studied by communication scholars.

Our first case concerns a merger (Laster, 2008). Ingredients Inc. is a food ingredients corporation. It was the result of a merger between two significant players in the industry. The second case (Ruben, Lewis, and Sandmeyer, 2008; Lewis, Ruben, Sandmeyer, Russ, and Smulowitz, unpublished) follows the Spellings Commission on Higher Education and its attempts to create change in institutions of higher education across the United States. The third case (Lewis, Scott, and D’Urso, unpublished; Scott, Lewis, and D’Urso, 2010; Scott, Lewis, Davis, and D’Urso, 2009) describes the implementation of communication technologies in a network of homeless service providers in a major city in the southwest United States. Next, basic background about each case is provided.

**Ingredients Incorporated**

Midwest Company (MC) and Eastern Company (EC) were high profile mid-sized companies (each employing approximately 300 employees)
that merged into Ingredients Inc. As leaders in baking ingredients, food ingredients, and specialty chemicals and equipment MC and EC together generated annual sales upwards of $330 million. In an effort to maximize control of the market, these two organizations merged in January 2007, forming a new organization. MC was located in two large midwestern metropolitan areas while EC was located in several smaller cities near New York City. Both legacy companies included a team of sales representatives dispersed across the United States. MC’s corporate office was downtown near the center of the city. EC was located in four physical locations near NYC. Since the merger, Ingredients Inc. has procured a new location in a suburb of Midwest City, where the corporate offices are now located; this location also includes the Research and Development lab for the organization. The entire executive team for the newly formed organization, including the former EC chief executive officer (CEO) and vice presidents are now corporately located in Midwest City. The former MC downtown corporate office is now vacant, and the EC corporate office has been reduced to a small team of administrative personnel; all other (eight in total) production and distribution locations remained unchanged.

The merger took place in the context described by inside stakeholders as friendly and cooperative. It took approximately six months to complete. As a result of negotiations between the two CEOs of the original companies, it was decided that the CEO of MC would become the CEO of the combined firm, and the CEO of EC would become its president and chief operating officer (COO). However, about six months after these decisions were made and about two weeks after the official merger, the CEO of the new organization (the former MC CEO), announced that he would be stepping down to accept a position with another (noncompeting, but industry compliant) company. Other staffing decisions included offering those back-office position-holders (Human Resources, Customer Service, Accounting) in the EC corporate office an opportunity to relocate to Midwest City in a comparable position. EC employees who held duplicated positions and were unwilling to relocate were provided with exit packages.

Spellings Commission on Higher Education

In September 2005 the Department of Education’s Spellings Commission began a process that after twelve months resulted in the publication of a 55-page report entitled, “A Test of Leadership: Charting the Future of US Higher Education” outlining an “action plan” for the future of higher
education in the United States. In part the Report raised concerns about the state of higher education and the need for change:

As we enter the 21st century, it is no slight to the success of American colleges and universities thus far in our history to note the unfulfilled promise that remains. Our yearlong examination of the challenges facing higher education has brought us to the uneasy conclusion that the sector’s past attainments have led our nation to unwarranted complacency about its future. It is time to be frank. Among the vast and varied institutions that make up US higher education, we have found much to applaud, but also much that requires urgent reform. (US Department of Education, 2006)

The Department’s website served as a hub for dissemination of the Report which was widely read. As of January 2008 the Department of Education had distributed nearly 20,000 copies of the Report to stakeholders including states, institutions, governing boards, associations, US college presidents, participants at national and regional higher education summits and town hall meetings, as well as to students and parents (Ruben et al., 2008). According to the Department of Education records, there were nearly 75,000 visits to the Spellings Commission website in 2006 and more than 95,000 in 2007 (Ruben et al., 2008). There was widespread and sustained interest in the Commission’s Report.

Reactions to the Report varied and created an impetus to many follow-on interactions and discussions among key stakeholder groups. Faculty, boards, administrators, alumni, students, parents, Congress, state governments, business community, national higher education association, accrediting associations, and media all weighed in on the discussion of how the Report ought be interpreted, the level of its accuracy, its importance and relevance, and the appropriate responses to its recommendations. The Report and the subsequent reactions to it may account for much of the current wave of reform in higher education. As Ruben et al. (2008) argue the commission attracted attention and fostered a large national conversation about the challenges and needs of higher education. For example, national and regional accrediting associations intensified their focus on issues of assessment and transparency, hundreds of US colleges are adopting standards templates for reporting institution outcomes, and many of these are enacting recommendations of the report in the form of increasing use of standardized student-achievement tests, allowing comparisons between institutions and making performance-related data more readily available for public scrutiny (Ruben et al., 2008; NASULGC, 2008).