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# Managing Strategic Change—Strategy, Culture and Action

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*One of the major problems facing senior executives is that of effecting significant strategic change in their organizations. This paper develops a number of explanatory frameworks which address the links between the development of strategy in organizations, dimensions of corporate culture and managerial action. In considering such linkages, and by illustrating them with examples from work undertaken in companies, the paper also seeks to advance our understanding of the problems and means of managing strategic change.*

A good deal has been written in the last decade about the links between organizational strategy and culture, the problems of strategic inertia in firms, and the need for managers to manage the cultural context of the organization so as to achieve strategic change and an adaptive organization to sustain the change for long term success. However much of what has been written, whilst striking chords of reality for managers is frustrating because it lacks precision in explaining links between organizational culture, strategy and managerial behaviour. This paper seeks to help remedy this situation. It does so by clarifying the links between the development of strategy in organizations and organizational culture, so as to provide quite precise frameworks and explanations by which managers can discern reasons for strategic inertia and barriers to strategic change. It goes on to consider the implications for managerial action in the process of managing strategic change. In so doing the paper builds on developing concepts and research, and also the application of tools of analysis and intervention that have been employed within companies.

## Explaining Strategy Development in Organizations

### *An Incremental Perspective*

There are discernible patterns of strategic development in organizations. Organizations go through long periods when strategies develop incrementally; that is, decisions build one upon another, so that past decisions mould future strategy. There may occur more fundamental shifts in strategy as major readjustment of the strategic direction of the firm takes place but this is infrequent. Some writers, have argued that such incremental development in organizations is consciously and logically managed by executives as a means of coping with the complexity and uncertainty of strategy development. Managers are aware that it is not possible to 'know' about all the influences that could conceivably affect the future of the organization. They are also aware that the organization is a political entity in which trade-offs between the interests of different groups are inevitable: it is therefore not possible to arrive at an optimal goal or an optimal strategy; strategies must be compromises which allow the organization to go forward. To cope with this uncertainty and such compromise, strategies must be developed gradually so that new ideas and experiments can be tested and commitment within the organization can be achieved whilst maintaining continual, if low scale change. This is what has become known as 'logical incrementalism'.[1] It is a view of the management of strategy which is often espoused by managers themselves, although of course they may not use the same terminology.

However we need to be careful about building too much upon what managers espouse: because they espouse the idea of logical incrementalism does not necessarily mean they behave in such ways. Still less does it mean that we can confidently build guidelines about strategic management upon such views. There is no denial here that an incremental development of strategy takes place in many organizations. There are, however, other explanations as to how such patterns come about. Indeed, the whole idea of 'logical incrementalism' can be seen as a rationalization of processes which can be accounted for in quite different ways; and which

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shows the important links between strategy and organizational culture.

There is a good deal of difference between the rational handling of a messy organizational situation in an uncertain environmental context and the building of a strategy. The notion of strategy is to do with the long term direction of the organization and not just the response to difficulties. If some discernible patterns of strategic direction emerge in an organization then it must be because there is some guidance to that strategy. This guidance may, of course, not be explicit and conscious as is assumed in much strategic planning literature. However, strategies do not arise by pure chance. The evidence from research which has looked at the decision processes which give rise to strategic decisions and the development of strategy in organizations,[2] show that the decisions arise through the application of managerial experience as a filter of external and internal stimuli, within a politicized social setting. The 'guidance' that gives rise to strategy is, then, most likely to be to do with the taken for granted assumptions, beliefs and values that are encapsulated within the idea of managerial experience and organizational culture. The observed patterns of incremental change that occur can as readily be understood in this way.

*A Cultural Perspective*

Strategy has long been associated with logical systems of analysis and planning. However, such frameworks have been rather more based on what writers say managers *should* do rather than observations about how strategies actually come about. If managerial processes which give rise to the development of strategy are examined and understood in cultural, political and cognitive terms then it becomes clear that the strategic complexity that managers face cannot readily be analysed objectively and continually within the managerial task. Managers have a set of core beliefs and assumptions which are specific and relevant to the organization in which they work and which are learned over time. Whilst individual managers may hold quite varying sets of beliefs about many different aspects of that organizational world, there is likely to exist at some level a core set of beliefs and assumptions held relatively commonly by the managers. This has variously been called ideational culture, a mind set, an interpretative scheme, a recipe, or the term used here, a paradigm. This paradigm is essentially cultural in nature in so far as it is the 'deeper level of basic *assumptions and beliefs* that are shared by members of an organization, that operate unconsciously and define in a basic "taken for granted" fashion an organization's view of itself and its environment'.[3] It is likely to evolve over time, might embrace assumptions about the nature of the organizational environment, the managerial style in the organization, the nature of its leaders, managerial style and the operational routines seen as important to ensure the success of the organization. It may also be more easily perceived by outsiders than those inside the organization, to whom its constructs are likely to be self evident. The paradigm is, then, a cognitive structure likely to be found to a greater or lesser extent in all firms.

*It is this paradigm which, in many organizations, creates a relatively homogeneous approach to the interpretation of the complexity that the organization faces.* The various and often confusing signals that the organization faces are made sense of, and are filtered, in terms of this paradigm. Moreover, since it evolves over time and is reinforced through the history and perhaps the success of the organization, it also provides a repertoire of actions and responses to the interpretations of signals, which are experienced by managers and seen by them as demonstrably relevant. It is at one and the same time, a device for interpretation and a formula for action. At its most beneficial, it encapsulates the unique or special competences and skills of that organization and therefore the bases by which the firm might expect to achieve real competitive advantage. However, it can also lead to significant strategic problems.

*The Paradigm as a Filter*

Environmental forces and organizational capabilities undoubtedly affect the performance of an organization but do not in themselves create organizational strategy: people create strategy, and one mechanism by which this occurs at the cognitive, cultural level is the paradigm. Figure 1 is a representation of this process. The strategies that managers advocate and those that emerge through the social and political processes previously described are typically configured within the bounds of this paradigm. Changes going on within or without the organization will affect organizational performance; however even if managers, as individuals, perceive such changes they may not necessarily acknowledge them as impinging on the strategy or performance of their organization.

*The examples of this are common. Executive teams who discount competitor activity or changes in buyer behaviour as aberrations; who persist with outmoded practices or dying products, successful in the past, but now facing declining markets or competitor substitution; management teams that choose to ignore or minimize the evidence of market research, the implications of which question tried and tested ways of doing things. Any manager who has found it frustrating to use apparently objective evidence to persuade a management team of the need to change their way of thinking or their behaviour will be familiar with the problem.*

The likelihood of the paradigm dominating the development of strategy and causing resistance to significant change becomes clearer when the wider cultural context in which it is embedded is considered. The paradigm is a cognitive structure or mechanism: however, this set of taken for granted assumptions and beliefs, which is more or less

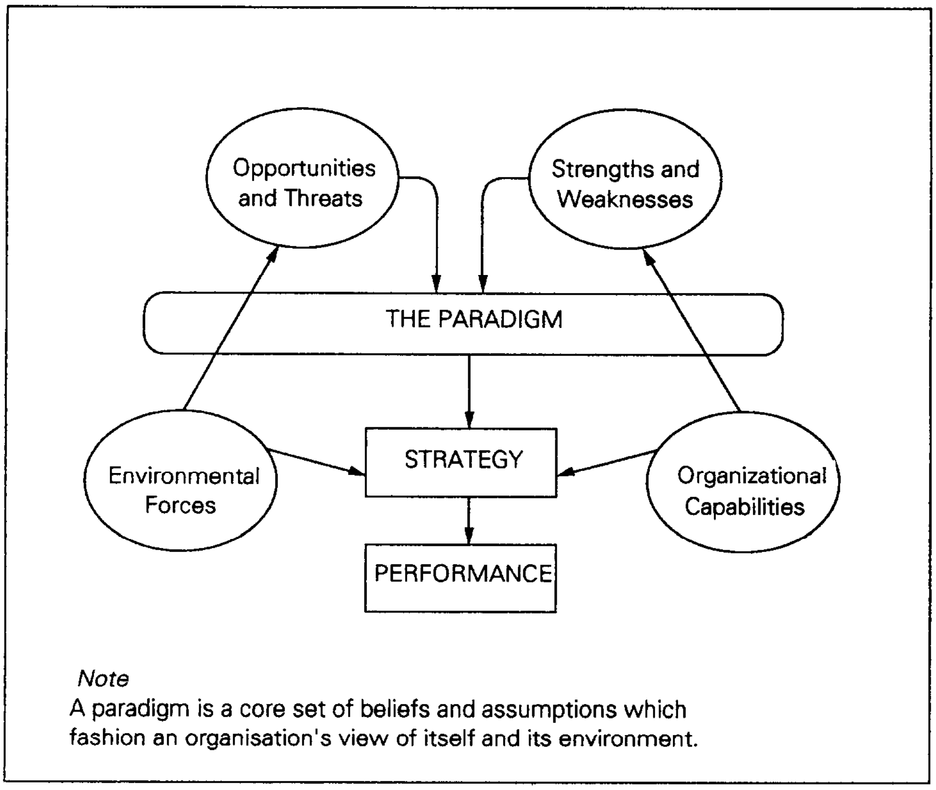


Figure 1. Strategy development—a cultural perspective

collectively owned, is likely to be hedged about and protected by a web of cultural artefacts. The routinized ways that members of the organization behave towards each other, and between parts of the organization; the rituals of organizational life which provide a programme for the way members respond to given situations and prescribe 'the way we do things around here'. The more formalized control systems and rewards which delineate the important areas of activity focus. The stories told which embed the present in organizational history; the type of language and expressions commonly used and the organizational symbols such as logos, offices, cars and titles which become a short-hand representation of the nature of the organization. Moreover it is likely that the most powerful managerial grouping in the organization are those most closely associated with the key constructs of the paradigm. It would therefore be a mistake to conceive of the paradigm as merely a set of beliefs removed from organizational action. It lies within a cultural web which bonds it to the action of organizational life. It is therefore continually, if gradually, evolving. This notion of the paradigm and the cultural web is shown in Figure 2 and the company cases shown in Table 1.

*Culture Audits by Managers*
The cultural web itself can be used as a convenient device for a culture audit. The company cases shown in Table 1 are drawn up on the basis of work undertaken by managers themselves on the culture of their organizations. It is an exercise which is used frequently by the author to allow managers to 'discover' the nature of their organization in cultural terms, the way it impacts on the strategy they are following, and the difficulties of changing it.

*Case A. A menswear retailer.* Company A is a menswear clothing retailer. The culture audit was carried out by the managers in the mid to late 1980s. This company had a highly successful decade in the 1970s. As a menswear outfitter it had benefited from the relatively poor performance of the menswear tailors as they tried to adjust their strategies: its tried and tested down market, low price, 'reasonable value' merchandise offer also fitted the customer requirements of a substantial market segment at that time. However, with the revitalization of competitive retailers in the early 1980s its performance suffered badly. Attempts to shift the strategy towards a fashion offering were painfully slow in the face of a paradigm that assumed a low cost, high volume buying driven approach, heavily emphasizing sourcing from the Far East. Shops had always been seen as places to dispose of the merchandise which had been bought: there was little comprehension of marketing and the wider concepts of merchandising. Outsiders who had been brought in to effect such changes did not last for very long; and market research reports were re-interpreted to make sense in terms of the taken for granted assumptions of how to trade. Even when the managers intellectually recognized the cultural constraints under which they were labouring, the political and ritualized behaviour, controls on costs, hierarchical organization, managerial in-breeding and symbolic connections with hierarchy and the past, militated against questioning behaviour or significant changes.

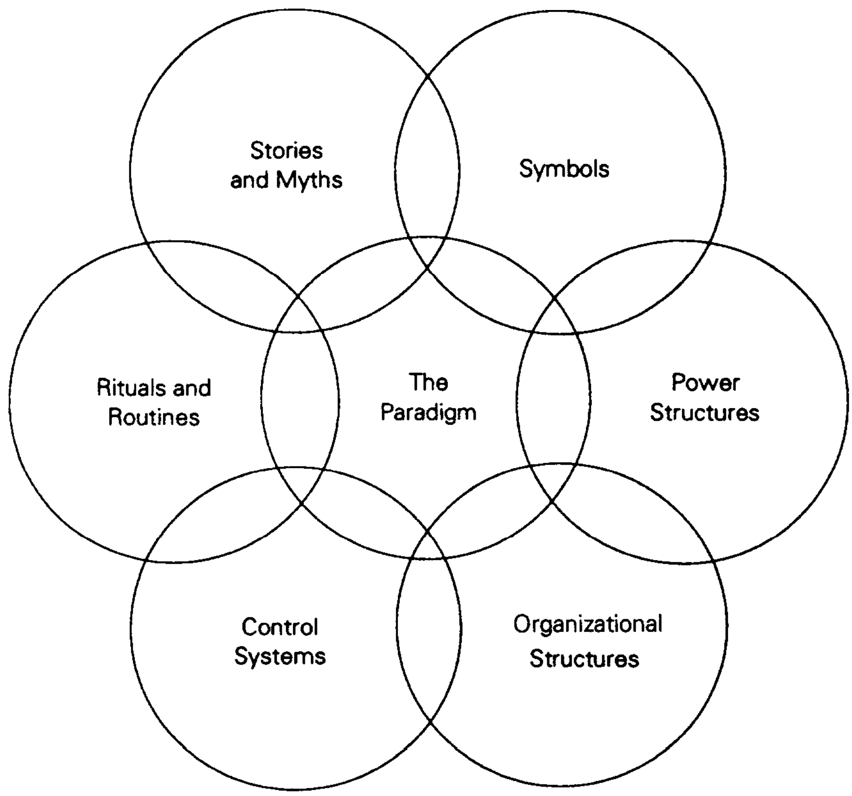


Figure 2. The 'cultural web' of an organization

*Case B. A consultancy partnership.* Company B is a consultancy partnership linked to an accountancy firm. Here the emphasis had always been on providing a broad general service to meet client needs in a professional manner, under the close scrutiny of partners. The result was a service to customers which was reliable but avoided risk; and a belief within the firm that it could turn its hand to anything. Since the 'product' was seen by many as the report at the end of the assignment, close supervision of the assignment and especially report writing was seen as essential, and was mirrored by close attention to monitoring consultancy activities, as a way of ensuring professional service, the utilization of consultants' time and the control of costs. This was supported by a super-structure of partners, many of whom were chartered accountants, whose role was not always very clear but who jealously guarded a fragmented and informal organization structure, and cultural trappings, preserving of their influence, autonomy and power. By the late 1980s, new senior partners believed that the consultancy lacked focus in the face of more targetted competitors, but it was an organization with any number of ways to frustrate the change agent.

*Case C. A regional newspaper.* Company C is a regional newspaper business operating in a market in which it had enjoyed long-standing dominance with its local evening newspaper. It now faced increasing competitor pressure from free newspapers and entry by competitors historically based elsewhere. Moreover a changing local population meant less traditional loyalty to the newspaper: and longer term developments of media alternatives for the public raised both strategic opportunities and possible threats. The need was for a substantial short term re-think of competitive strategy and longer term re-think of the direction of the business. Yet the culture audit undertaken by the managers revealed a taken for granted view that their paid for daily newspaper 'would always be around', and that the local community somehow needed them. Moreover the technology, structure and routines of the business did little to promote strategic thinking: the business was necessarily run on short term deadlines—hours, not days,—the 'macho' self-image of those running the business, and the vertical, hierarchical ways of doing business, prevented a free flow of ideas across management boundaries. Suggestions by some younger

Table 1. How managers define the cultural web—three cases

| A<br>A menswear clothing retailer | B<br>A consultancy partnership | C<br>A regional newspaper |
|---|---|---|
| *Paradigm*<br>We sell to 'the working lad's market'<br>Retailing skills (as they define them) centrally important<br>Retailing is about buying: 'we sell what we buy'<br>Volume is vital<br>Staff experience and loyalty important<br>Low cost operations (e.g. distribution channels) important<br>A 'big-man' view of management<br>(Note what is not here: retailing is not about shop ambience, service etc.) | *Paradigm*<br>We are the biggest, the best, certainly the safest<br>Client satisfaction at all costs<br>Any job is worth doing—and we can do it<br>Professionalism is important<br>Avoid risks<br>(The implication is that this consultancy is concerned to provide a very wide range of services, but is unlikely to provide services which are contentious or risky) | *Paradigm*<br>We are in the newspaper business<br>Our paid-for daily will always be there<br>Readers will pay for news<br>Advertisers need newspapers |
| *Power*<br>The Chairman regarded as all powerful—'but nicely'<br>Divisions of power significant: the major menswear business, vs ('peripheral') businesses: head office operations vs field retail operations<br>Insiders with experience traditionally powerful: outsiders without company experience not powerful and do not last long | *Power*<br>Diffuse and unclear power base in a partnership structure<br>However an external power base clearly important in the parent audit firm | *Power*<br>The parent company—a newspaper group<br>The autocratic CEO<br>Departmental rivalry between production, commercial and editorial departments |
| *Organization*<br>Highly compartmentalized operations with vertical reporting relationships (e.g. buying distinct from store operations)<br>Every department with a Director leading to a heavy super structure<br>Top down decision making with board 'fingers in every pie'<br>Paternalistic | *Organization*<br>The regional partnership structure of the organization giving a flat if complex matrix<br>Decision making through a networking system loose and flexible but based on 'who you know' | *Organization*<br>Vertical, hierarchical system with little lateral communication and much vertical referral.<br>Autocratic management style |
| *Control Systems*<br>Margin control<br>Long established 'proven' rigid and complex systems<br>Paper-based control systems | *Control Systems*<br>Emphasis on time control and utilization of consultants | *Control Systems*<br>Emphasis on targetting and budgetting<br>To achieve a low cost operation |
| *Rituals and Routines*<br>Long established merchandise sourcing in the Far East<br>Induction into the company way of doing things through attrition and training: 'outsiders serve an apprenticeship until they conform'<br>Emphasis on pragmatic rather than analytic decisions<br>Lack of questioning or forcing: 'you can challenge provided I feel comfortable'<br>Heavy emphasis on grading systems<br>Promotions only within functions | *Rituals and Routines*<br>Writing and re-writing of reports—'the product of the firm'<br>Partners signatures on anything that goes to clients<br>Gentlemanly behaviour—particularly with clients and partners | *Rituals and Routines*<br>'Slaves to time' to meet deadlines for publication<br>'Product' developed in hours and minutes, not days and months<br>Long working hours common<br>Ritualized executive meetings at senior level |
| *Stories*<br>Big buying deals of the past<br>Paternalistic leaders (usually chairman) of the past<br>More recent 'villainous' leaders who helped cause problems<br>'The Mafia' who excluded outsiders and achieved their exit | *Stories*<br>Big fee assignments<br>Big disasters and failures<br>Stories of the dominance of the audit practice<br>Mavericks who would not follow the systems | *Stories*<br>Macho personalities and behaviour<br>Scoops and coverage of major events<br>Stories of the past<br>Major errors in print<br>The defeat of the unions |
| *Symbols*<br>The separate Executive Directors' corridor<br>Use of initials to designate Senior Executives and 'Sir' for the Chairman<br>The dining room for Directors and selected Senior Executives—but against what criteria?<br>Named and numbered car parking spaces rigidly adhered to | *Symbols*<br>The partnership structure itself<br>The symbols of partnership—the tea service, the office size, partners' secretaries', partners dining rooms<br>One regional partnership that had always refused to integrate with other partnerships | *Symbols*<br>Symbols of hierarchy: the MD's Jaguar, portable phones, car-parking spaces etc.<br>The 'press'<br>Technical production jargon<br>The street vendors |

managers that the prime purpose of the business was to create an effective advertising medium (the main source of revenue) were set aside given the dominant belief that 'we are a *news*paper'; a view reinforced by the symbolic significance of the presses, the associated technical jargon, street distribution system and the stories linked to news gathering and coverage.

## Problems of Strategic Change

If we view the process of strategic management in such ways, the phenomenon of incremental strategic development in organizations is also explained rather differently. Rather than being a logical testing out of strategies in action, *strategic management can be seen as an organizational response over time to a business environment which is essentially internally constructed rather than objectively understood.* The idea that external events have a self evident reality is clearly not so for us as individuals: two spectators from opposing sides watching a sports event will interpret reasons for success and failure quite differently and quite partially. We should not expect it to be very different for groups of managers.

*Resistance to Change*

This explanation of resistance to change also helps us understand how strategies come about in organizations. Faced with pressures for change, managers are likely to deal with the situation in ways which are in line with the paradigm and the cultural, social and political norms of organizational life. This raises difficulties when managing strategic change for it may be that the action required is outside the scope of the paradigm and the constraints of the cultural web—that members of the organization would be required to change substantially their core beliefs or 'the way we do things around here'. Desirable as this may be, the evidence is that this does not occur easily. Managers are much more likely to attempt to deal with the situation by searching for what they can understand and cope with in terms of the existing paradigm. In other words, they will attempt to minimize the extent to which they are faced with ambiguity and uncertainty by looking for that which is familiar. Faced with a stimulus for action, for example declining performance, managers first seek for means of improving the implementation of existing strategy, perhaps through the tightening of controls. In effect, they will tighten up their accepted way of operating. If this is not effective, then a change of strategy may occur, but a change which is in line with the existing paradigm.

For example in the menswear clothing example (case A) the early attempts to the company to be 'more fashionable' took the form of trying to copy fashionable merchandise from U.K. boutiques, have it cheapened in the Far East and distributed through their low cost distribution channels in order to sell it below competitive prices. It was a merchandise and buying driven response, rather than anything to do with the expectations of customers; nor did it address the ambience of stores, the service of the staff, the behaviour of managers in Head Office, or indeed the fundamental quality of the product range. The evidence is that strategic management is, in the main, the predominant application of the familiar and that a fundamental change to the paradigm is unlikely until the attempt to reconstruct strategy in the image of the existing paradigm is demonstrably unsuccessful.

It is difficult to change aspects of the paradigm unless such changes are evolutionary. Challenges to the legitimacy of constructs within that paradigm are not only likely to be disturbing because they attack those beliefs which are central to managerial life, they will also be interpreted as threatening by political elites in the organization whose roles are likely to be closely associated with the constructs of the paradigm. Those who believe that an objective, analytical assessment of, for example, a changing environment can yield knowledge which managers should interpret intellectually and objectively, and assimilate in such a way as to change strategy, neglect the understanding that such analysis may well achieve a political rather than intellectual response and might well lead to heavy resistance. For example the change agent who attempted to introduce a revised strategy in the consultancy firm (B) was faced with resistance from some of the most senior and powerful partners trying to preserve the potential threats to partnership structure and the professional nature of the consultancy.

*Strategic Drift*

In these circumstances it is likely that, over time, the phenomenon of 'strategic drift'[4] will occur: that is gradually, perhaps imperceptibly, the strategy of the organization will become less and less in line with the environment in which the organization operates. This may be a process which takes very many years may not be discerned by the managers until the drift becomes so marked that performance decline results. It is then that more fundamental changes in strategy are likely to occur. The reasons for this drift arise out of the explanations given above. Managers are likely to discount evidence contrary to the paradigm but readily absorb that which is in line with the paradigm. Change which is within the paradigm is therefore likely to be more comfortable. Moreover, radical challenges to the paradigm are likely to give rise to political resistance and reaction which further embeds the organization in its existing strategy: and since the organization is likely to be making changes of an incremental nature anyway, managers can point to the extent that change is occurring.

The outcome of processes of decision making of this kind is not likely to be the careful, logical, adaptive strategy making which keeps in line with environmental change. Rather it is likely to be an adaptation in line with the perceived management wisdom as enshrined in the paradigm. Nonetheless the forces in the environment will have an effect on performance. Over time this may well give rise to the sort of drift shown in Figure 3 (Mode 1) in which the organization's strategy gradually, if imperceptively, moves away from the environmental forces at work. This pattern of drift is made more difficult to detect and reverse because not only are changes being made in strategy—albeit within the parameters of the paradigm—but, since such changes are the application of the familiar, they may achieve some short term improvement in performance, thus tending to legitimize the action taken. As this drift becomes recognized the strategy of the organization is likely to enter a period of flux (Figure 3, Mode 2) in which there is no clear direction and a good deal of disquiet and counter-argument about the strategic direction of the organization. This will be likely to affect performance negatively and, perhaps, be followed by a more radical change in strategy (Figure 3, Mode 3).[5]

## Implications for Managing Strategic Change

The main aim of discussing these links between the development of strategy, organizational culture and the social, political and symbolic behaviour of managers has been to provide explanations of the reasons for the pattern of strategic development observed in organizations, and in particular the strategic inertia and problems of managing strategic change experienced by managers. However, the explanations do help in providing some guide-lines in the management of strategic change.

*Traditional Planning Approaches*

Views on strategic management espoused by managers tend to be rooted in traditional planning models of strategy. Strategic change may be seen as equivalent to the planning of strategy implementation. Managing strategic change becomes a matter of planning how the systems and structures of the organization can be employed to achieve behaviour in line with the logic of the strategy.

The rationale for this view is clear enough, if dubious. If managers are clear about the aims and objectives of the business in the long term, and they have carried out an analysis of the factors affecting the strategy of the business, then they can make logical choices from strategic options. If the resulting decision on strategy is logical, then it is capable of being planned in detail and systematized in terms of implementation: and because it is logical and planned, it will work. The problem with this notion of planned change is that it neglects many of the processes that we have seen to be central in actual processes of strategy formulation and change: namely the socio-cultural and symbolic processes which preserve current ways of doing things; the cognitive bounds of those who take and influence decisions; and the importance of political processes, including the potential of analysis to be politically threatening. There is nothing wrong with analytic, planning approaches as *thinking* devices for strategic management: they do not, however, address the *process* of managing strategic choice or strategic change. Issues relating to the planning of strategic change need to take account of the socio-political

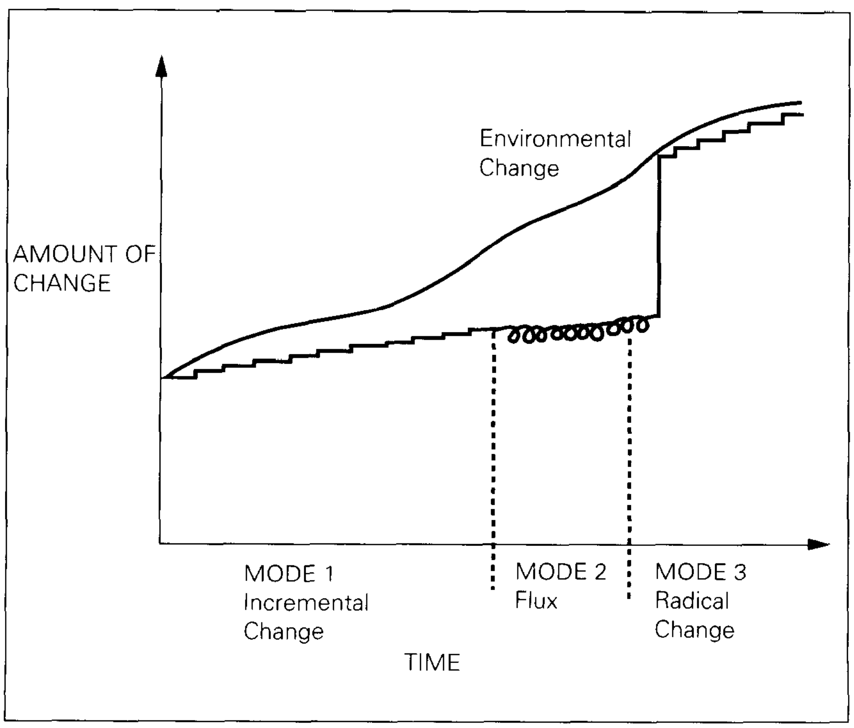


Figure 3. Patterns of strategic development—drift, flux and radical change

and cultural realities of management described in this article. They also need to recognize that, certainly when it comes to major strategic change, paradigm shifts are likely to be important, and they are obviously the most difficult of all to achieve.

For such planning systems to be useful, there already needs to exist a climate capable of embracing and promoting strategic change: and the developments of this by managers needs to be understood and managed in ways which address the cultural constraints on strategy discussed earlier.

*Managing Strategic Change*

This article has not set out to deal primarily with mechanisms of strategic change. However, there are some guidelines on such mechanisms that are informed by the frameworks which have been discussed.

If strategy development in organizations is driven by the taken for granted assumptions that have been called the paradigm, and the aspects of organizational culture that surround and protect it, the first implication is the importance of surfacing that which is taken for granted. One way in which this might be facilitated is to undertake the sort of culture audit described above, which helps to make explicit that which is taken for granted, and to generate managerial debate about the cultural barriers to change that exist. These might be political in nature, to do with the organizational or control systems in the organization; or they may be more symbolic in nature, manifested in the stories or symbols of tradition and history that exist, or in the everyday routines that people take for granted. The important point is that such aspects of culture cannot be challenged or changed unless they are explicit and they will not necessarily become explicit through the debates on strategy that may take place within the planning agenda.

*Creating a Climate for Change*

Even where a clear direction of strategy has been established, the likelihood of achieving fundamental strategic change is low unless the climate for change exists. The acceptance of such change is likely to depend either on a widely accepted perceived need for it, or a significant trigger for change such as crisis or major threat. Such threat may typically result from a major downturn in performance, perhaps resulting from the sort of strategic drift discussed in this paper, or from major competitive moves in the market place. There is however, evidence that some chief executives 'fabricate' or 'enhance' organizational stimuli to create a climate suited to more fundamental questioning of that which is taken for granted. This may include inflating internal negative performance indicators or external threats; setting up internal devices for challenging the status quo; or visibly signalling the need for change by political manoeuvres. Such activity may take on both political and symbolic significance; for example by the removal of the 'old guard', or the visible passing over of ideas from traditional power elites; and the encouragement of 'young turks' in the organization, or the adoption of recommendations of those advocating more substantial change.

Such political activity is common but, in isolation, can be counter-productive unless members of the organization see the opportunity to contribute to organizational revitalization. Yet in many organizations hierarchical structures, autocratic leadership or unwritten rules about deference and delicacy in questioning may militate against such opportunities. Although there has been a good deal of advocacy of the need for more open 'organic management systems' to replace traditional hierarchies where change is required, senior management may still not understand the responsibility they hold as role models and builders of structures which encourage challenge and questioning.

*Interventions by Outsiders*

Fundamental strategic change may also be associated with the intervention of 'outsiders'. By outsiders is meant those who either physically come from outside the organization, for example as a new chief executive, or those who are not, by origin or inclination, part of the mainstream culture. Such individuals bring different perspectives to the organizations, perhaps rooted in the paradigm of there previous organizational experience; they see the context of the organization afresh; and are less linked to the political systems and traditions of the organization. Yet the value of outsiders as agents of questioning and change is often overlooked in firms: non-executive directors are too infrequently encouraged to question the taken-for-granted; consultants may feel their recommendations have to be within the current paradigm in order to stand any chance of being implemented; and boards, whilst ready to condone, even encourage, strategic management development for middle or senior executives, often argue that they personally are too busy to step outside the task of running the business.

*Providing Signals and Symbols*

Managing change is often conceived by executives as control systems and structural changes; however these are typically thought of as means of monitoring change rather than signalling change. In fact they should be seen as both. For example a change in emphasis from control of costs to a emphasis on monitoring effective customer service, is not simply a means of monitoring the progress of a changed strategy, it is also a major signal of a change in corporate culture. The example can be taken further. Too few executives conceive of strategic change in terms of the symbols and routines which underpin orgnaizational life. The executive who is planning change needs to ensure that the routines of the organization are changed in ways which affect the every day behaviour of those in the organization. For example in the menswear retailer described earlier, it was not written plans or the words of managers that had the most significant affect on staff; it was when staff were, for example, required to wear clothes sold in the shops in which they worked that the changes became meaningful to them. As one executive put it, it was then 'they began to wear the new strategy' that had been developed.

Symbols of change are important for they signal change at the level of mundane reality for those operating in the organization. There are countless examples from changes in company logos, the expensive withdrawal from the market of old stocks, the closure of privileged dining facilities for executives, or factories associated with the traditions of a business, to changes in language and terminology employed in a firm, or changes to informal forms of address, or clothing by senior executives, to dramatic signalling of change such as the smashing of old equipment associated with the past of a business in front of the workforce.

## Conclusions

This article provides a framework for the consideration of strategic management in terms of the social and cultural processes in organizations: it has proposed explanations for the strategic inertia that exists in organizations and the consequent strategic drift that can occur; and also proposed ways to consider the sorts of managerial change processes in cultural terms that can help achieve strategic change in organizations.

The core of the argument is that it is the social, political, cultural and cognitive dimensions of managerial activities which both give rise to the sort of incremental strategic change typical in organizations: but which can also be employed to galvanize more fundamental strategic change. These aspects of management are employed by managers in their everyday working lives: managers behave in ways which are political and symbolic: such approaches provide familiar, if not explicit, tools of management. Managers also recognize the powerful influence of cultural and political systems. What they lack is an explicit framework to make sense of the links between strategy, culture and managerial processes of strategic change. This paper has set out to provide this framework and thus of better considering problems and means of strategic change in such terms.

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### *Further Reading*

For readers who wish to follow-up the links between the processual issues raised in this paper and other concepts and techniques of strategic management, see *'Exploring Corporate Strategy'* by Gerry Johnson and Kevan Scholes (2nd edition), Prentice Hall (1988).