銘傳大學八十七學年度管理科學研究所博士班招生考試

管理科學文獻評論 試題

請詳細閱讀所附論文，逐次回答下列問題：

1. 試就本篇論文中之 Transitional Structures(page47-51)一節，以不超過 1000 字為限，說明其主要內容。(本題佔 30 分)
2. 試就本篇論文內容提出最重要的五個主要論點，並指出其出處及您認為重要的理由。(本題佔 35 分)
3. 就上述第 2.題您所提出之論點，依據您的學術專長建構一研究問題，然後提出如何對該研究問題進行研究，以達到符合學術論文之要求。(本題佔 35 分)

Shifting Organizational Paradigms：

Transitional Management

RICHARD TERSINE, Baldwin Projector of Management, University of Oklahoma;
MICHAEL HARVER, Puterbaugh Chair of American Free Enterprise, University of Oklahoma;
MICHAEL BUCKLEY, Projector of Management, University of Oklahoma

Organizations of all shapes, sizes, and locations are being faced with changes not experienced since the industrial revolution. The globalization of business, increasing competition for a sophisticated workforce, advances in technology, the customer's demand for products better, faster, and cheaper as well as other trends translate into opportunity for those who embrace it, and shrinking market share and potential difficulties for those that resist it. The primary issue is the context under which change will be endorsed. This article outlines the shifting organizational paradigms and recommends solutions that may mitigate the pitfalls of transitional management.

Introduction

In the past decade, the business world has been changing at a faster rate than at any time in history. Walls have come down, mew countries have been formed, communism is in decline, democracy or at least free markets are spreading worldwide, new trading blocs have formed, trade agreements have been reached, and information travels freely across borders at the speed of light. Organizations are undergoing a global realization, while customers are demanding even greater value. Every enterprise is expected to deliver quality, service, and low price. Organizations have been downsized or reengineered, and all activities that do not add value are being questioned. With lifetime employment no longer assured, people are seeking training, employability, and continuous learning. Change has joined death and taxes as life certainties. Some businesses have been quick to accept and adopt change; others are struggling to cope with it. Specialists and individualism are being replaced by teams and cooperation. People are being asked to do more with less on a regular basis from a litany of change, innovate, reengineer, continuously improve, and then change again.

Rapid relentless, and uncertain change is an unsettling reality that organizations must cope with today. The pace of innovation continues to quicken and product variety has proliferated to a bewildering degree. We appear to be changing from an environment of mass produced products (high volume, low variety) based on economies of scope. This transition bring with it a new mindset and an adaptability to a degree never before experienced. With increasing competition and rapidly evolving technology, entities are faced with an almost infinite range of renewal options. Many fall victim to the most popular management fad and follow a ‘copy’ strategy with an almost religious fervor.

The notion of competitiveness is a complex concept that includes many dissensions. Not only is it multidimensional, but it is temporally dynamic. Typical dimensions include price (cost), quality (conformance quality and product reliability), delivery (on-time delivery and delivery speed), service capability (after-sales service and product customization), and new product development speed. Because of the widespread practice of benchmarking, firms are more aware of performance gaps. Interestingly, as firms disprove their performance, the requirements for being competitive also change (running twice as fast merely to stay in place). Future requirements for competitiveness appear to be growing.

Quality alone does not satisfy customers any longer. Conformance quality and dependable delivery are basic minimum requirements for anyone who wants to compete in any market. What was successful in the past may not be successful in the future. Continuous improvement (CI) programs are widespread and supported by cross-functional teams, worker training, and employee (Morton, 1995). When every member in a competitive battle makes continuous improvements, it becomes a necessary condition to sustain the same relative position. CI has ceased to be a sufficient condition for market leadership, but is merely a necessary condition for staying in business (Yearout, 1996). Thus, improvement targets must be at a higher level than in the past with increased emphasis on introducing new products quickly.

To overcome gridlock and foster comparative advantage, there is a need to sharpen the strategic poise (Harass, 1996). Increased investments in training workers in basic skills and strategic perspectives appears to be quite necessary and timely (Nevis et al. 1995). Organizational improvement focus seems to be shifting from only the factory to other choking bottlenecks found elsewhere. The factory is only one component in a larger scheme, the value-delivery chain, which includes front end processes (supply and new product development) and back end processes (demand and order fulfillment). When opportunities for improvement shrink within the factory, there still exists many additional opportunities in the processes for developing products and procuring materials.

Senior management should 'have a dear and honest assessment of the strengths and weaknesses of the existing business processes to set the strategic course (Barney, 1995). They must do their must do their homework to understand the spectrum of technology and human resource management alternatives to layout a cohesive blueprint for transitions (Hamel and Prahalad, 1994. Napier, 1996). Creativity and innovations are keys to building a positive future. Organizational culture must be nourished to facilitate risk-taking, innovation, and experimentation. These mechanisms retard stagnation and form the groundwork for revitalization.

Environmental Transitions

Realignment of Global Markets

Charles Dickens' novel, A Tale of Two Cities, about revolutionary political change, begins, 7t was the best of times, it was the worst of 'times'. This phrase describes the feelings of a growing number of business leaders about present economic conditions. Shifts in the global balance of economic power have proven beneficial to some and disastrous for others. Throughout the world, there is a growing realization that many of the concepts that have served as standard practices in the past will no longer be effective in meeting challenges in the 21st century.

The demise of the Soviet Union replaced the ‘cold war’ based on superpower politics with a ‘hot war’ based on global economics. With an almost universal emphasis on free-markers, a new era of global competition is enveloping business organizations. Time, distance, and political constraints are being transcended by technology. A limited market orientation is a precarious strategy. Business partner alliances, joint ventures, licensing agreements, and virtual organizations are being formed and mutated to capitalize on unique opportunities. National organizational identity is becoming blurred due to multinational operations.

The GATT (General Agreement on Tariffs and Trade) and its successor, World Trade Organization (WTO) have reduced tariffs and trade barriers while providing a mechanism for dispute resolution. With national borders becoming less sacrosanct, numerous trading blocs have emerged to provide additional economic benefits to its members. Some of the more notable entities are the European Union (EU) with its expanding sixteen nation membership; North American Free Trade Agreement (NAFTA) with the United States, Canada, and Mexico; Asian Pacific Economic Cooperation (APEC) with over 17 Pacific rim nations; Association for South East Asian Nations (ASEAN) with seven members; and the Southern Common Market (MERCOSUR) with Brazil, Argentina, Paraguay, Uruguay, and Chile. World bodies, trading blocs, governments, and regulatory agencies are creating/responding to open market initiatives. Legislated monopolies, protected firms, and national entities are being exposed to a new wave of competition from many new and non-traditional sources. The economic landscape of the world and organizations is dearly under reconstruction (Nohria and Berkley, 1994).

A subtle but significant change induced by the global competition of free markets has been the transition from seller's markets to buyer's markets. A seller's market is a supply-driven market Where What can be produced will be sold, Whereas a buyer's market is a demand-driven market where it is no longer true that whatever can be produced can be sold. Table 1 differentiates the market types based on order qualifiers and order winners. Order qualifiers are What are necessary for customers to consider a product for purchase, while order winners are the bacteria the customers use in deciding Which product to purchase. In a seller's market, price is usually the order qualifier and quality is the order winner. However, in a buyer's market both price and quality are the order qualifier and responsiveness becomes the order winner. Responsiveness, a customer service dimension, goes beyond the product itself and indicates when (timing) and how (size, quantity, and location) the product is desired. It is no longer incidental to the product but is an integral part of the total product. With multiple competitive product offerings, the customer simply elevates the threshold of their minimum expectations.

Table 1 Differentiation

	Order qualifier	Order winner
Seller’s market	Price	Quality
Buyer’s market	Price&Quality	Responsiveness

Table 2 Responsiveness

Excite Customers -- what they want -- when they want it -- where they want it -- how they want it
Fast-To-Market -- anticipate customer needs -- create new products quickly -- redesign existing products swiftly -- offer broad product line -- accept unique customer requests
Fast-To- Produce -- change product mix quickly -- make volume changes rapidly -- detect/correct errors instantly -- adjust to input changes promptly
Fast-To-Deliver -- convenient geographic locations -- instant order entry -- instant avail ability -- next day receipt
Fast-To-Service -- quick response to inquiries -- after s al e support -- instant response to complains -- rapid problem solving -- convenient payment terms

Responsiveness is frequently an internal flexibility issue that is related to cycle time or time-based competition. Quality and price in this environment are necessary but not sufficient conditions for comparative advantage. Responsiveness, as depicted in Table 2, is the fulcrum for competitiveness that differentiates among competitors. Firms that respond to customers fastest have a clear advantage and tend to be dominant.

Customer-Centric Focus

The realignment of global markets has brought about a renewed emphasis on the customer as being the focal point of business activity. In a buyer's market, a customer-centric orientation is paramount. The concept of a customer has been extended into external or internal customers. External customers are the buyers of a firm's products. Without them, there is no existence or future. Internal customers are co-workers or supply chain members that are involved in creation and delivery of products to external customers. Each member of the organization has at least one and usually several internal customers. Any member of the organization that receives the output from another member’s activities is an internal customer. To effectively satisfy external customers, usually presupposes acceptable levels of satisfaction of all internal customers.

Customers buy more than a product, they buy perceived value. When there are positive customer relationships, work is more pleasant, there are fewer disagreements, feedback is obtained that is helpful in making product and process improvements, and the customer is loyal during difficult times. It has been said that it takes a long table to gain a customer, but only seconds to lose one. If customer relations are good, you have to fail badly (and often) to lose them. If customer relations are weak it does not tulle much to lose a customer.

Good service/responsiveness is fulfilling more than customer expectations. Doing what was supposed to be done is not good seduce (it may be good quality, good take, and good price, but it is not good seduce). Service is something extra in the customer's perception of value. Service is subjective and frequently hard to measure but it is very real to the customer. It is building a relationship based on the nebulous terms such as trust, honesty faith, reputation, and loyalty. Customer service is an attitude, not a department. The strategic battleground for the new millennium is customer service/responsiveness/customer delight (Jones and Sasser, 1995)

It costs more to attract new customers than to keep old ones, and continuing customers purchase more products on a regular basis. Repeat customers are willing to pay premium prices, are less expensive to service, and are excellent references for attracting new customers. Based on these observations, an important objective is to do anything necessary to maintain a positive ongoing from a lifetime value perspective and not from the value of any single transaction (Prokesch, 1995)

Relationships with customers (internal and external) and suppliers promises mutual benefits. Internal customer satisfaction is a precondition to being able to delight external customers. The entire organization needs to work as a team with communication at all functional levels and across supply chain boundaries (Morton, 1995; Muzyka, 1995). Understanding customers requires getting to know them. An organizational structure and culture that promotes seamless activities, quality, and continuous improvement contributes to customer delight. This customer-driven attitude is based on responsiveness to customer needs and internal flexibility to constantly changing demands. The values and requirements of customers must take precedence and become the drivingforce behind the way an organization is managed. Superior customer service results in repeat and expanded business.

Transitional Structures

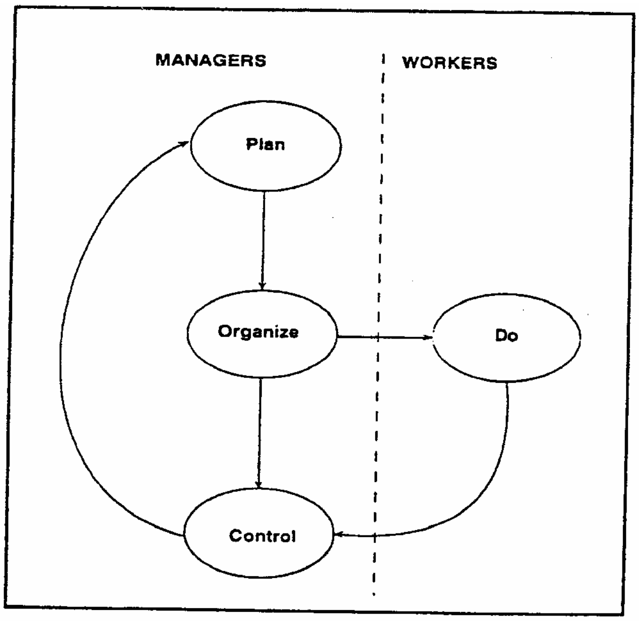
A migration from vertical hierarchial structures to flatter horizonal structures has been gaining momentum (Hurwitz, 1996) Evolving environmental conditions (economic, social, political, and technological) frequently necessitate some transformation in structure as a necessary condition for efficiency and effectiveness. While change is not a new phenomenon, its character, rate, and level of endorsement is achieving a new crescendo. Organizations are experimenting with new measures of performance that foster teamwork global results, speed, flexibility, and entrepreneurship (Ghoshal and Bartlett, 1996; Stop ford and Baden-Fuller, 1994). Undoubtedly, shifting environmental conditions and globalism are the impetus for proactive attitudes towards the legitimization of the change process.

Flattening the structure means cutting coddle management positions (staffs and reducing the layers in the hierarchy. Management has been cutting middle managers for decades only to add them back when times improved. The information age has dramatically changed the style and structure of operations. Buyer's markets are revolutionizing the nature of products and how they are developed, marketed, produced, and sold. Rigid hierarchical structures based on artificial boundary functions are perceived as anachronistic behemoths unsuitable in a dynamic global milieu.

Traditional mechanisms as depicted in Figure 1 are being modified more towards the logic shown in Figure 2. The basic changes are from workers to teams, from managers to leaders, the addition of continuous improvement, and the transferral of some of the traditional managerial responsibilities to teams (depicted by the dashed line in both figures). The past emphasis (traditional structures with functional functional departments) has been to control operations and costs, whereas the new emphasis is to improve operations. In an evolving world where change is a constant, revitalization and renewal are cooperatives. Yesterday's successes are not necessarily that relevant to tomorrow's challenges (Harari, 1996). Change requires more speed, agility, and flexibility that are manifested in newer ways of thinking, working, and competing.

The heartbeat of sustained competitive advantage springs primarily from 'peopleware', not hardware or software. A cultural transition is needed to move from a traditional command and control mentality to a style that features leadership, teamwork, empowerment, entrepreneurship, and risk-taking. To pursue excellence (improvement) requires a realization that any or all processes can attain higher performance. Negative work habits and dislike of change can be modified to a creative discomfort with the status quo (Piore, 1995). The startling rapidity of change confronts every business with unexpected opportunities or consequences. The global spread of free markets with fewer trade barriers has created intensified competition and it is unlikely that it will soon subside.

Employee involvement results in a committed workforce that both performs and approves the way a job done. It facilitates a culture that marshals the creative energies for problem-solving and new process improvements (Spector, 1995). It leads to local ownership of processes and hence ownership of process outputs focused on customer gratification and genuine pride in satisfying the customers. A culture of involvement is a prerequisite to sustaining an ongoing improvement process.



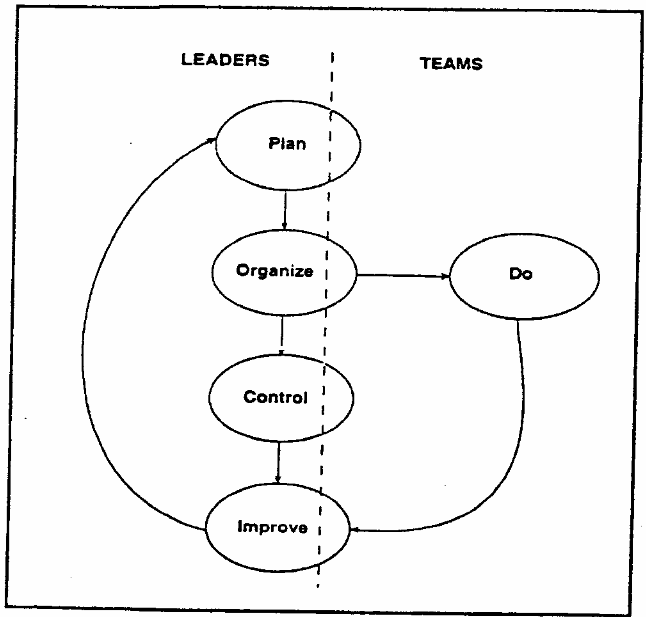


Figure 1 Traditional Organization **Figure 2 World Class Organization**

Workers to Teams

Perhaps the most dramatic transition is in the role of human resource management. Tasks traditionally dictated by supervisors are being delegated to empowered between blue/white collar and management/workers is blurring. The individual's role in a organization is being broadened from specialist to multi-functional to cross-functional. It is beneficial to remove barriers that impede communications and create structures that promote working together. It is no longer effective to perform tasks sequentially or to wait for information to be 'passed down '. Information technology allows customized approaches built on local capabilities. The combined knowledge of many people is needed to achieve organizational purpose. Business processes require integration, appropriate interactions, understanding another's functional perspective, and recognition of integration mechanisms. (Glazer et al., 1992).

Teams can be harnessed to effectively cope with the pace of change. Team-based efforts foster continuous improvement and new measurements are needed that encourage and reward these behaviors. Many internal performance criteria are short-sighed and frequently ignore customer service. Measurements must include linkages to customer and team members. Worker empowerment or cross-functional teams work effectively when participants understand what their role is and how it contributes to business goals (Ford and Fottler, 1995). Increased investment in basic skills and strategic perspectives are necessary and timely. Without teams be plagued by barriers and channels that delay the ability to respond to customers.

Teams can focus on day-to –day operations, quality improvements, new product developments, cycle time reductions, safety, and quality of life issues. Teams that are customer, product, process, and logistics focused are established into a network for accomplishment. Functions and activities are analyzed as to their contribution to customer value. Teams identify problems and opportunities for improvements, analyze situations, and recommend practical action plans (Spector, 1995; Morton, 1995). Teams can make change happen by creating it, influencing it, supporting it, implementing it, and managing it. Integration, responsiveness, and excellence all imply teamwork.

Managers to Leaders

Traditional managers were planners and budgeters who made decisions and subordinates were expected to execute plans. Any variance was reported back for any needed managerial intervention or remedial action. Subordinates were not trusted to resolve discrepancies or make decisions concerning their activities. This master/servant mentality stifled the talents, creativity, and ingenuity of subordinates. Subordinates were not trusted with improvements or efficiency. This approach worked relatively well in seller's markets with stable environmental conditions. However, it was a tremendous waste of human resources, since it squandered potential improvements that support a sustained competitive advantage.

Team-based activities are an attempt to utilize the capabilities of human resources in an organization. The all-knowledgeable manager was a myth and the use of teams changes the orientation to leaders. Leaders create a vision of the future to team members and attempt to motivate and inspire people to break barriers and aspire to higher levels of performance (Ford and Fottler, 1995). Instead of bosses, abed are more like coaches, Teachers, mentors, and conveyors of possibilities. The leader's role is to orchestrate talents in the same direction (shared vision) at the same table. Leaders facilitate change by creating awareness and understanding, providing hope through a vision, aligning people through direction and encouragement, and communicating in a way that stimulates progress by enhancing people's capabilities through freedom and self-direction. Leaders emphasize leading and competency, and instil excitement in task accomplishment.

Leaders create opportunities and facilitate team synergy based on trust, respect, dignity, and risk-taking. The key characteristics of leaders for addressing the issues associated with organizational transitions are：

1. search for unique opportunities;
2. encourage cooperation With key stakeholders;
3. recognize that change is a major process;
4. communicate with internal and external constituents;
5. provide a vision; and
6. support others in reaching the goals of the organization during transition.

Leaders have to lead their subordinates through the murky climate of organizational transitions.

Continuous Improvement

George Bernard Shaw opined that progress relied upon the unreasonable person. The reasonable person adapts to the world, while the unreasonable person adapts the world to themselves, creating new opportunities. Continuous improvement (CI) is an endorsement of the unreasonable person doctrine, except it expands it into an organizational context (Bowman and Carter, 1995).’Nothing is so good that it cannot be made better’ gives recognition to th e notion that there is always some potential competitor out there that has a better product or process on the drawing board. It may operate faster, have more features, be more pleasing, be simpler to operate, of be less expensive. If firms do not plan to make their own products and processes obsolete by improving them, their competitors surely will.

Table 3 Change Attitudes

Attitude	Mode	Prognosis
Ignore it	Status quo	Terminally ill
React to it	Reactive	May survive
Predict it	Proactive	Fairly healthy
Create it	innovative	Very healthy

CI is a culture of continuously approving customer satisfaction and organizational effectiveness. Credit for its origination is usually given to the Japanese Who refer to it as 'kaizen'. The 'Just-in-Time' philosophy developed by Toyota incorporates this logic. It plans for the elimination of all waste (in table and resources) and the continuous improvement in productivity (do more with less). It focuses on small, incremental changes in existing processes on a continual basis. Small improvements period to take are cumulative (compounded) and can become quite sizeable. It is the endorsement of change with the status quo as the enemy. Several change attitudes are depicted in Table 3. The ideas for improvements come from people and teams within the organization with technology being a secondary consideration.

The status quo is a form of time-delayed organizational cancer. Unrevealed to the victims are the hidden costs associated with slow service, poor quality, and process variability. This added expense is the result of not doing things right or better the first table because improvements are not considered. The status quo is equivalent to the effect of the frog submerged in lukewarm water that is slowly heated until the frog fails to take action and dies. Yesterday's successes do not translate into tomorrow's victories.

It all starts with a vision. Not a vision of Continuous improvement, but what the firm would line to be in the future. It becomes the basis for all actions. The vision statement is supported by a mission statement. Functions or departments can then develop their own vision and mission statement in support of the firm. Activities such as continuous improvement should be encouraged as one of the approaches for helping firms achieve their vision. Improvements should center on those changes that make things better for customers. Vision is an excellent starting point for introducing continuous improvement.

Continuous improvement is a widespread global phenomenon in manufacturing that is spreading rapidly to services. In many ways, continuous improvement in organization is like sex in society—we have to have it; we cannot get along without it; everyone is doing it, one way or another; but nobody is sure they doing it the best way. It is unlikely that this ambiguity will subside any time soon.

Reengineering

Reengineering, also known as business process reengineering or business process redesign, is the fundamental redesign of business processes to achieve dramatic improvements in performance (Hammer and Champy, 1993; Mitroff et al., 1994). Whereas continuous improvement (linear quantitative change) takes something that exists and makes it better in an evolutionary manner, reengineering (non-linear qualitative change) creates something entirely new in a revolutionary manner. It is an approach for identifying and implementing radical changes in the core processes of a business, rather than just improvements in products or isolated activities. A change of this order of magnitude in an organization must be accompanied by a coordinated change in all aspects of the organization including the business strategy (Morton, 1995). The goal is to attain leadership in a pique, difficult, or impossible-to-duplicate customer value proposition. The right strategy allows reengineering to reinvent the industry and redefine the markets.

Restructuring is not reengineering. Restructuring tends to be focused primarily on the short term with a goal of cutting cost. Other common terms for restructuring include layoffs, delayering, decluttering, reorganization, demassification, downsizing, and rightsizing. Many businesses are over-staffed and as a result not competitive. They are characteristically slow, non-responsive, inflexible, and usually believe customers are unrealistic in their expectations. When falling market share, declining margins, and stagnant growth finally become inescapable, the brutal work of restructuring ensues. The goal is to remove the layers of fat that have led to under-performance and to try to raise asset productivity, but it is not about creating new market or growing the business. Restructuring is no more than corporate anorexia, since the emphasis is on costs rather than revenue generation. It does make the business thinner, but not necessarily any healthier (McKinley et al., 1995).

Reengineering is radical redesign that emphasizes customer satisfaction rather than cost reduction. It takes into account everything from the business processes to people's jobs and skills, organizational structure, management systems and measurements, values, and beliefs (Mitroff et al., 1994). It is a creative process with an uncertain outcome. The primary aim is to root out needless waste or non-valued added activities in core processes to make quantum strategic progress. It requires the ability to use insight and imagination to challenge the rules and assumptions of the entire business. As depicted in Table 4, it involves a large number of 're' words in analyzing an organization's vision, direction, and purpose. Firms that are unable or unwilling to reengineer their processes are more likely to find themselves in a declining business spiral.

Table 4 The ’Re’ Impact of the Reengineering

REFOCUS	-- customers
RECREATE	-- mission
REDEFINE	-- strategies
RESTRUCTURE	-- organization
RETHINK	-- markets
REINVENT	-- markets
REDESIGN	-- products
REEVALUATE	-- processes
RELAYOUT	-- plants
RELACATE	-- plants
RETRAIN	-- employees
REEDUCATE	-- employees
REEMPOWER	-- employees
REWARE	-- employees
REINTEGRATE	-- operations
REINVEST	-- technology

The way to provide a creative environment for developing effective solutions is to remove barriers and create structures that promote working together. This means an elastic (learning) organization that can grow or shrink according to market forces that it helps to create (Dess et al., 1995). Small step (continuous) improvements and big step (innovation and breakthrough) improvements are inextricably interwoven. The conventional incremental (linear) process improvements will seldom sustain competitive advantage for extended periods of time. Sometimes radical (non-linear) change is necessary' Once it is done, continuous improvements can become the operating strategy. Figure 3 highlights graphically more significant change alternatives.

Benchmarking is a mechanism for evaluating improvement possibilities. It emphasizes best-in-class or best practices of other firms. It analyzes the best products and processes of leading competitors in the same industry or leading organizations in other industries using similar processes. This knowledge is used to improve products and processes. Benchmarking sometimes is more about catching up than getting ahead. Although catching up is essential, it will not turn a follower into a leader. To be a leader, it is necessary to create solutions to problems customers do not even know they have. Discovering new solutions means going beyond the old ones by challenging the fundamental rules of business and redrawing the boundaries to create new markets and industries.

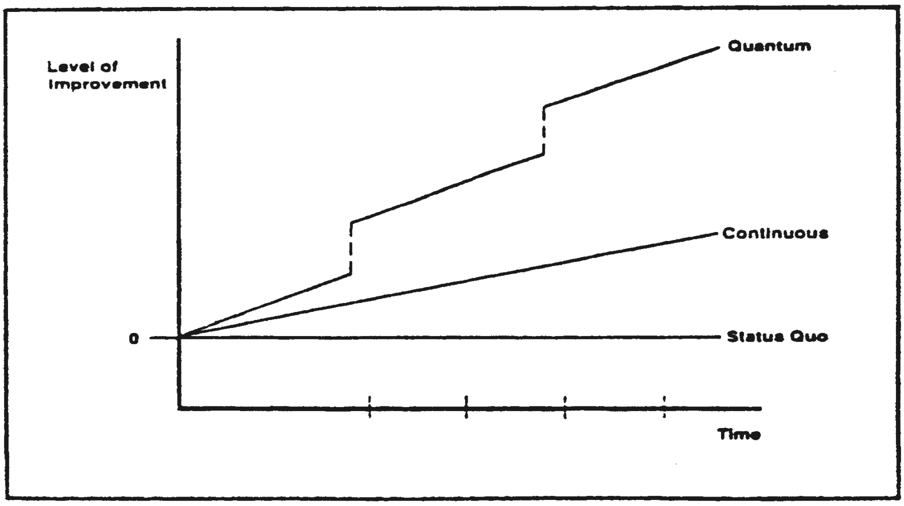


Figure 3 Magnitude of Change Options

Pitfalls Created by Transitional States

The magnitude of external environmental change has necessitated unprecedented modification. While changes in management philosophies are proactive respond to the turmoil in the business environment, they may negative consequences. A number of these problems are identified and briefly discussed to underscore their importance and impact on organizations in transition.

Brownout, burnout, and blowout of personnel
Due to the level of change taking place in organizations in transition, managers experience higher levels of stress. The stress will be caused by the rate and magnitude of change during transition but is also due to the ambiguity in a manager's role. The basic fabric of the managerial position and the culture of the organization will be flux. Without the historic 'touch stones', the managers in transition will had it difficult to make the necessary adjustments to their new role. Just as managers begin to feel comfortable in their new roles, the organizations will likely institute additional change.

Another reason to expect brownout, burnout, blowout of managers is the level of downsizing experienced in many organizations. While many companies have attempted to reduce the excesses personnel build-up, many are going to recognize they have cut beyond the critical mass. As performance of the company is expected to improve (efficiency), the effectiveness may decline due to brownout of personnel who survived the downsizing. Downsizing has a dramatic effect upon those who stay with an organization.

Less qualified/trained personnel to address more complex problems
Unfortunately, it has almost become an axiom contemporary business: 'as times get more difficult budgets are cut, one of the areas first to be reduce is training and development programs'. The complexity of transitions demands highly trained and motivated managers. If the training of these managers is accelerated, the likelihood of being able to address the new environments is dramatically reduced. Due to the inability of management to demonstrate the immediate impact of managerial development, such programs are typically candidates for the chopping block. The less qualified the managers, the less likely they will contribute to the successful transition of the company into the new competitive posture.

Difficulty in attracting/retaining highly qualified managers
One of the consequences of corporate transitions has been the negative goodwill associated with downsizing. The employees and managers that made the 'cut' develop a survivor's mentality of 'why me and am I next'. The level of commitment and loyalty is strained due to the uncertainty created by the recent past (downsizing) and the ~own of what is going to take place in the fuddle (Cascio, 1993). Another reaction of managers who survived the latest round of cuts will be to assess alternatives to their present position. It would be a logical conclusion for many of these managers to attempt to increase stability in their careers by actually changing them. They explore starting their own business, early retirement, or refusing to undertake new assignments to further their careers because of the risk associated with such opportunities. If the managers that remain after the downsizing are the 'best' the organization had, the aftermath of the transition is to encourage managers to flee or reduce internal risk-taking to protect their position (innovation anaemia). Without risk-taking and innovation in organizations in transition, the probability of successful competition in the future is diminished. In addition, if managers leave because of the uncertainty of their future, their influence ends.

A concomitant issue associated with the public's image of corporate downsizing is attracting new, high potential managers. Lost talent must be replaced. But, if the public option of a company is negatively impacted by their corporate policies relative to employees, it is very difficult to encourage the 'best and brightest' to join the company. Just as the stock market is influenced by the negative images or expectations of a company's earnings, so too are potential employees influenced by the negative image of how a company has treated its employees. Without the new infusion of talented managers, the organizational transition is problematic.

Acceleration of outsourcing as a mean of competing

One of the more popular contemporary strategies to address downsizing has been to encourage the outsourcing of activities whenever possible. This would appear to be a logical extension of reduced internal capabilities due to eliminating positions. While personnel can be reduced, the functions they were performing frequently cannot. Therefore, shifting the responsibility to perform these functions to outsiders, reduces the tendency to overload a smaller workforce.

One of the potential negative consequences of outsourcing is that, in essence, the company is shifting the control of their reputation to outsiders. The outsourcing phenomena may have come into vogue to offset the rate and magnitude of corporate downsizing. But, if critical components of the company's core competency have been outsourced, their competitive resiliency is compromised. As the external environment continues to place pressure on companies, the ability to control outsource suppliers is diminished.

Ignoring the future to produce immediate results

The press to satisfy short-term goals frequently comes at the expense of long-term benefits. The influence of outside stakeholders, i.e., investors, bankers, the stock market, has a potential negative influence on the strategic orientation of management. In an effort to bolster immediate performance indicators, long-term projects may be reduced or abandoned. The support of research and development, new product development, public relations, nurturing relationships with suppliers, channel of distribution members, or customers may be curtailed to reduce expenses in the short-run. The value of these relationships frequently does not accrue immediately.

Lock of attention to intangible assets

True value is not contained in the hard assets held on the balance sheet. Most of the intrinsic value of a company comes from intangible assets, i.e., corporate culture, quality of workforce/management, customer loyalty, relationship with vendors, stockholders, and the like. The things that are typically neglected during organizational transitions. The real value or long-run attractiveness of organization, to investors is tied to the ability to outperform others in the market Place (Anti and Schoemaker, 1993). This intangible edge comes from the synergy between tangible and intangible assets and the unique competitive positional which occurs.

As organizations reduce cost, one of the outcomes could be nonsupport for intangible assets and therefore a resulting decline in corporate culture of 'looking over your shoulder' or ‘reducing your visibility to limit risk' is not conducive to building a viable corporate environment. The culture in an organization influences the way in which the company will approach transition periods. In the long-run, the organization may be less valuable due to reduced harmony and risk-taking avoidance.

Lack of attention to building core competency

Just as intangible assets need attention, so does building and/or maintaining a corporate core competency. If organizations reduce cost by eliminating supporting staff, i.e., environmental scanners, planners, and customer service, their ability to competitively position themselves is impaired. Differentiation of corporate offerings are needed to attract loyal customers, strengthen ties with key channels of distribution members, and ultimately investors attracted to a successful company. There are costs associated with core competencies that organizations need to be willing to invest with the strategic intention of reaping disproportionate returns from having a unique competitive position (Drucker, 1992). If management is not willing to devote time, capital, and personnel to their core competency, the long-run consequences can be the growing ‘sameness’ of competitors. The ‘herd mentality’ can be perceived as a safe strategy when resources are limited and risk-taking behavior is not encouraged.

Inadequate attention to benefits and costs of transition strategies

As companies explore means to address the unprecedented changes required to navigate through organizational transitions, the cost of their strategies are not fully understood. There is a point where the benefits of strategies are more than offset by accelerating costs. Reducing personnel initially reduces cost with little negative impact on the ability' of the organization to perform. But, at some point, the requirements on the remaining employees/managers are beyond their capabilities and the quality of their performances decline with a negative compact on the company. The problem with the cost/benefit assessment is accurately measuring each key component. The intangible nature of benefits make the calculation of the crossover point on cost/benefit analysis is to be alert to the point of diminishing return.

Environmental chaos creates the need for organizations to make radical changes. The transition stage of management, i.e., going from a traditional to a future orientation, has to be undertaken, but there are implicit and explicit costs. The pitfalls of transitional states in organizations are exemplified by the preceding topics. The question becomes how to mitigate the consequences of the negative attributes of change in transitional organizations.

Addressing Negative Outcomes of Transitions

The speed and magnitude of change required for organizations to meet the challenges of the next century will necessitate a shift in perspective. Since World War II, the transitions from one state to another were relatively orderly. Management was provided with data on the changing environment, table was provided for developing strategic alternatives, and implementation of change was undertaken in an orderly mariner. Managers have become accustomed to such an orderly process and have learned to manage transitions in this fashion.

As organizations enter into the next millennium, the luxury of having the table to analyze the environment and to develop new strategies will be radically altered. Constant change will become a common denominator. The ability to navigate transitions will become the hallmark of the most successful organizations. Change will become the essence of organizations. Therefore, managers will have to effectively manage change during organizational transitions.

The following process exemplifies the need for a structure for addressing. The process is based upon recognizing transitions in the environment and developing an effective internal process to control it (Mileti and Sorenson, 1987; Pauchant and Mitroff, 1992; Pearson and Mitroff, 1993; Mitroff et al.,1994)

Step One: Wading Awareness and Willingness to Take Action
One critical dimension relative to transitional management is mowing What information is important. Frequently, when managers are overloaded with information they have a tendency to omit or simplify the data in order to manage the overload situation (Glazer at al., 1992) The basic parameters of data (historic vs. future, qualitative vs. quantitative, and internal vs. external) need to be examined to determine four key decisions relative to the environment.

First, what does the need to know (on a real time basis) to avoid delaying other decisions that could have a detrimental short-run impact on the organization? Warning awareness indicators that aught have an immediate impact need to be identified, monitored, and accurately processed. Second, what information does the manager need to blow in order to resolve the issue or other short-term problems that aught compact the organization? The knowledge generation process requires a learning infrastructure and in many cases a formalized development process to follow. As information overload is compounded, the need for learning is accelerated. However, without a system in place, the tendency is to ignore personal development.

The third decision is what information would be 'nice' to know to enrich the capabilities of the manager. Rather than just leading what is needed to make decisions, the manager must also determine how to embellish the basic knowledge to make better decisions. This qualitative dimension with information overload is challenging because this data may be considered a luxury by the manager. Augmenting or refining knowledge when one is overloaded with information is a challenge. The goal must go beyond processing the right information to understanding the data better so as to make superior decisions.

The last decision of the information assessment process is determining what information can'/should be ignored (Drucker, 1992). The difficult aspect of this decision is abandoning information or scanning processes that were used successfully in the past. The data analyzed must be directed at understanding the future, not the past. Managers may had it difficult to escape the familiar reports and environmental information. To effectively take-on new information, they may have to give up some of what they presently use to manage their function. Therefore, a key to managing information acquisition and analysis for change is eliminating redundant information of low value.

The next phase of the warning awareness is providing the motivation for the manager to take action. Overload and constant change has a debilitating impact on managers if they are not adequately prepared to address change (Glazer et al., 1992). In organizations that have used downsizing to cope with transition, managers may avoid taking action because they could draw attention to themselves. The tendency to 'hunker down' and 'keep out of the line of fire' becomes an operating style that ill equips them to effectively address transitions. To assist these managers in taking on the responsibility for transforming information into action, the organization must provide for the collection, assessment, dissemination of information that is timely and relevant. To insure that this function is being performed in a proactive fashion some organizations have added chief knowledge officers (CKOs). Their primary responsibility is to pick up where information systems technology ends and mastermind what information should be distributed, to whom, and in what format to facilitate decisionmaking. These CKOs generally come from one of three backgrounds: 1) a strategist, who uses knowledge for strategic advantage; 2) an information technologist whose primal interests have been systems architecture and how information is collected and disseminated; or 3) a human resource expert, who capitalizes on collective experiences as a corporate asset (Smith, 1996).

Step Two: Developing An Adaptive Decision Making Structure

Constant change necessitates an organizational structure that is fluid and boundary spanning. The ability of the organization to reduce functional 'silos' and assemble cross-functional teams is paramount. The flexible organization structure is not to be confused with matrix organizations which brought about paralysis or organizational gridlock in the 1980s to many entities (Bowman and drier, 1995). The flexibility needed for successful organizational transitions requires assembling managers who have the knowledge to address specific issues and are given the authority to do so (Ghoshal and Bartlett, 1996). Some organizations are referring to their management orientation as customer-based management, since they push decisionmaking down in the organization and empower the closest manager or team to make the decision.

Step Three: Role Specification in the Absence of Experience

The effectiveness of addressing decisions during transitions can be enhanced through refining the role of decisionmakers. The probability of accomplishing the changes required during transition is heightened if authority to perform is dearly defined for individuals and teams. The ability to set a management mission is improved if priorities among tasks and decisionmaking clearly establish roles for managers, specific tasks to be performed prior, during, and after decisions are made, decisionmhog domains are specified, and there is agreement on the legitimacy of making changes throughout the organization (Mileti & Sorensen, 1987; Mitroff et al., 1994).

The Unprecedented change that organizations will face necessitates managers taking action in the absence of experience with change. The ability to effectively respond to continuous, frame-breaking change may be optimized when four categories of decisions are determined prior to the need to make changes: 1) domain consensus and role specification for managers the agreement on these issues will reduce the tendency for managers to avoid preparing for decisionmaking and actually make decisions; 2) network definitions and integration -- how to collect and analyze appropriate data and develop formats to make information actionable: 3) communication -- provide the information network to elicit enact from others who have been provided the data. Additional information loops must inform appropriate individuals in the organization of action taken and the outcome of decisions in which they participated; and 4) individual and unit autonomy – the clarity of responsibility to identify, individuals and work groups who contribute to and actually made the decisions relative to changes in the organization. Without delineation of these issues, change can become a prison of uncertain and unspecified authority/responsibility roles.

Step Four: Establishing Parameters on the Magnitude of Change

There is an old adage when playing Poker, 'never bet more than you can afford to lose'. Managers in transition can attempt to make too large a change that cannot be absorbed by the organization. This is particularly true of continuous changes. Not only the level of change must be understood but the rate of change must also be anticipated. It is difficult to set limits on change when it is expected that it will become commonplace. The incremental absorption must be measured to allow change to move at a pace that can be absorbed by the organization and yet at a rate that meets the demands of the environment for it.

A series of mental maps relative to changes in the organization as illustrated in

Figure 4 can help to establish the basic parameters of acceptable change. The magnitude and the rate of the change should be measured from normal to severe relative to technical economic and human/social issues. While severe change might be absorbed on one or the other dimension it may not be integrated in both at the same time. The set of mental maps would provide change managers with valuable insights into what they are asking the organization and employees to go through and if likelihood of not overloading them.

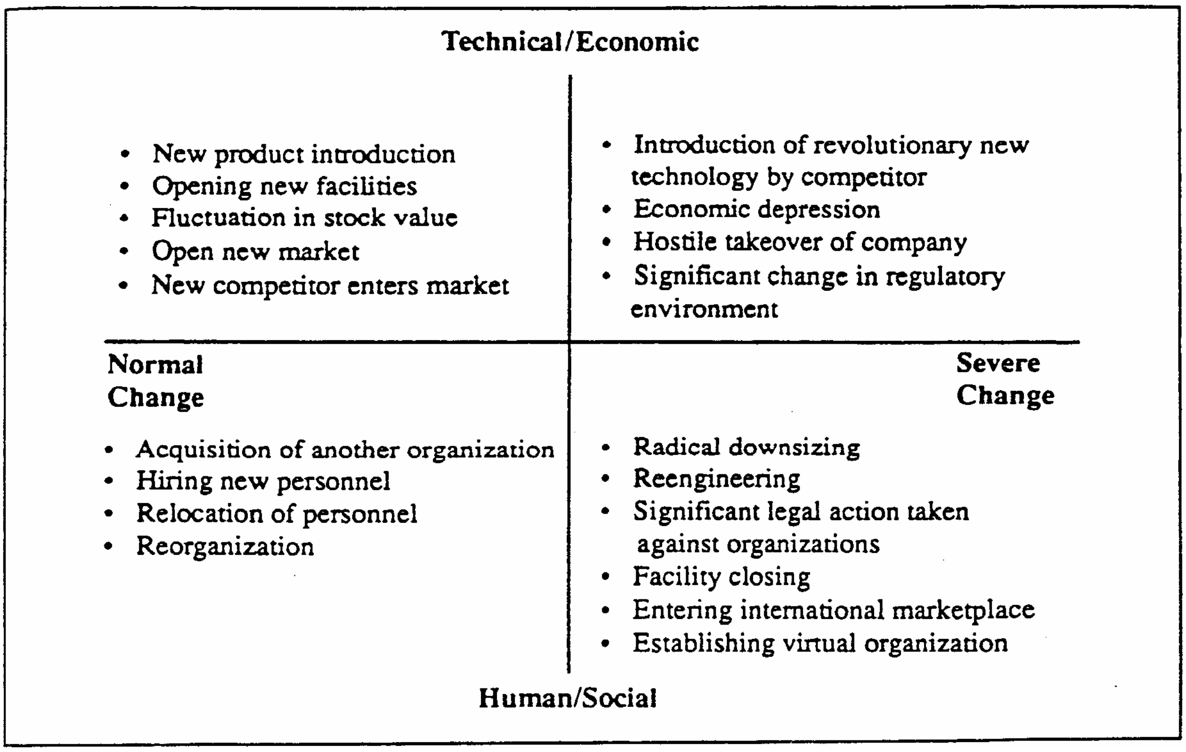


Figure 4 Mental Map of Anticipated Change

Step Five: Allowing Adequate Time to Bring About Change

A corollary to the magnitude of change is understanding the dimension of time in the process of moving organizations through transition periods. The sequence of change must be well understood and he amount of table to accomplish each phase of change must be predetermined. The allocation of time is difficult due to the lack of experience managers will face due to the nature of the changes being made. In addition, acceptance of change by individuals and divisions within he organization will vary significantly based upon the nature of the change and how well the organization/manager has prepared for the change. The more clearly roles, domains, networks, and communications have been defined the more rapid its consumption.

An important dimension is to monitor the rate of change relative to the anticipated rate of change by the change agent. Prescribing change and having change take place are two radically different things. The actual change may be more difficult to accomplish and therefore the length of time for change to take place must be clearly analyzed by those initiating the change.

Step Six: Providing Appropriate/Adequate Channels of Communication

Communications are the key to bringing about change in an organization. The specific issues that must be addressed relative to communication channels during organizations in transition are: 1) normativeness of the communication -- will the communication during the change violate the normal bounds if communications in the organization; 2) who should receive the communications at each phase in the change process; 3) to what degree is feedback expected and facilitated in the organization by the communication channels; 4) to what degree are other resources linked to the communication channel to facilitate integration of information into decisionmaking: 5) how much noise/interference is normally found in the information channel and will this level of disruption be exacerbated by the Change being made; 6) the legitimate of the channel of communication in a historic context and the value of this 'reputation' on the change being facilitated/hindered by the communication channel; 7) the level of security and control over the communication internally (intranet) and externally (internet) if some of the change information is shared with external stakeholders. Without an adequate communication infrastructure to collect as well as disseminate information to the appropriate members in the organization change may not happen.

Conclusion

Many useful and meaningful measures of yesterday are counterproductive today. What is innovative today will probably become standard tomorrow. What took months yesterday now only takes weeks; what once was measured in days is now accomplished in hours. As velocity increases, so does customer service and cost reductions. The 'voice of the customer' must be amplified so it is much more than a glimmer. Significant improvements start with the first step and subsequently multiply with gained experience and confidence. Innovative ideas never lack for reasons Why they cannot be done. Unfortunately' today's 'tried and tested' are frequently tomorrow's 'bred and disavowed'.

Table 5 Transitional Logic

Traditional (Old)	Transitional (New)
Domestic markets	Global markets
Get new customers	Keep existing customers
Tell the customer	Ask the customer
Company driven	Customer driven
Tall structures	Flat structures
Reduce variable costs	Reduce fixed costs
Independent functions	Integrated functions
Managers	Leaders
Detect errors	Prevent errors
Inspect rejects out	Design quality in
Product quality	Process quality
Correct problems	Prevent problems
Breakdown	
Maintenance	Preventive maintenance
High quality/high cost	High quality/low cost
Technology focus	People focus
Specialists	Multi-functional workers
Individual-based	Team-based
Managers solve	
Problems	Workers solve problems
Large lot sizes	Small lot sizes
Process layouts	Workflow layouts
Resource utilization	Throughput
Local databases	Shared databases
Cost minimization	Value maximization
Status quo	Continuous improvements
Restructuring	Reengineering

There is greater emphasis on understanding processes rather than functions or specialties. It has been realized that the products supplied and their associated quality, lead take, cost, and flexibility attributes are largely determined by the various processes used in designing, building, and delivering them. The relevant supply chain extends beyond the organization to include suppliers and customers. Similarly, it is impossible to be all things to all customers because enterprises do not do everything equally well. Core competencies have real significance for most entities.

To span the hazardous rivers of transitional change requires a learning progression (bridge) to inculcate the change process into the organizational mindset so it becomes a habit, a second nature, and a well-practised art. Change should become the standard expectation since there Will always be new rivers of change to bridge. Not only should change be endorsed but it should be embraced. The direction can come from the top-doc but the details of 'how to do it' should come from the mid-to-lower levels of the organization. Table 5 summarizes many of the transitions that appear to be in progress with many world class organizations.

We are approaching a future where all jobs will have an inherent service component. The best way to prepare is a commitment to a process of learning. More education and training is needed, but there does not appear to be sufficient resources to devote to it. This is comparable to a drowning person saying ‘I do not have time for lessons'. Maybe it is because of the measurement system that looks at education/training as a cost instead of an investment necessary to maintain an asset base. People can actually appreciate it when they are treated like a valuable asset. Education and training can become a catalyst for change when it is driven throughout the organization.

Technology is an enabler and is seldom the solution. Management problems, in most instances, require management solutions, not software and hardware solutions. Technology is important not because of what is new, but because of the capabilities it offers. Enterprises must create vibrant basic structures before they can exploit technology to its fullest potential. Technology makes, powerful tools, available, but those tools cannot mend a mismanaged organization. Bad management Practice often creates a bottleneck that no amount of technology can resolve. Those who rely on technology at the expense of management may one day have a bank of computers which remain after the organization folds. Those who rely on management will be more prepared to face the exigencies of the current revolution.

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RICHARD TERSINE, *University of Oklahoma, College of Business Administration, Norman, Oklahoma 73019.*

Richard Tersine is Baldwin Professor of Management at the University of Oklahoma. He holds a BS from Pennsylvania State University and MS and DBA degrees from Florida State University. He has written several books and published over 100 articles in professional journals. His most recent book, Principles of Inventory and Materials Management *(1994), is published by Prentice-Hall. Current research interests are focused on global class operations.*

MICHAEL HARVEY, *University of Oklahoma, College of Business Administration, Norman, Oklahoma 73019.*

Michael Harvey is the Puterbaugh Chair of American Free Enterprise, Professor of Global Business Strategy, and Director of the Management Division at the University of Oklahoma. With a PhD from the University of Arizona, his teaching/research interests are related to global business strategy and international human resources. He has published over 100 articles in professional journals and proceedings. In addition, he serves on the editorial review boards of the Columbia Journal of World Business, Journal of International Business Studies, *and others.*

MICHAEL BUCKLEY, *University of Oklahoma, College of Business Administration, Norman, Oklahoma 73019.*

Michael Buckley is Professor of Management at the University of Oklahoma. He holds a BA from Lasalle College, MS from Virginia Polytechnic Institute and State University, and PhD from Auburn University. He has written numerous articles and textbooks in the area of human resources management. His current interests are business ethics, international human resources management, and construct validation issues.