

SAMENESS, OTHERNESS? ENRICHING ORGANIZATIONAL CHANGE THEORIES WITH PHILOSOPHICAL CONSIDERATIONS ON THE SAME AND THE OTHER

RODOLPHE DURAND
HEC School of Management, Paris

ROLAND CALORI[†]

Our objective is to discuss, in the organizational change literature, the recurring use of what we call the "sameness principle," along with another principle, inspired by contemporary philosophy and somehow present in the organizational ethics literature, called "otherness." We review four classic organizational change approaches, underscore the limitations of the sameness principle, and position otherness relative to current organizational ethics literature. We then emphasize the role of powerful agents within the organization as potential conveyors of otherness and deduce propositions that relate these agents' posture to the observable type of organizational change processes.

If another were not counting on me, would I be capable of keeping my word, of maintaining myself? (Ricoeur, 1992: 341)

Over the last two decades, in much of the research on organizational change (OC), scholars have assumed that organizations remain partially unchanged even when certain changes are undertaken. This fundamental organizational continuity is based on the "sameness principle"—that is, that despite successive changes, significant and enduring organizational traits and characteristics continue to persist. "Sameness," as a key assumption, has undeniably favored the development of such OC theories as entrepreneurship theory, design school, evolutionary economics, and even population ecology. These various approaches toward change required a stable basis for developing and test-

ing propositions around typical questions such as the following. How can an entrepreneur develop and sustain an identifiable and durable proprietary advantage? How can top managers help diffuse a strategic vision and fix long-term objectives while having to integrate the need for short-term adaptations? How can an organization arbitrate between exploration and exploitation in its routines while responding to environmental constraints? How can an organization survive in populations torn apart by the contradiction between inertia and action? Undeniably, responses to these questions have contributed to our understanding of OC processes.

However, many limitations stem from the recurrent use of sameness and constrain the quality of future contributions in OC-related fields. First, the depiction of organizational and individual behavior is restricted to a limited range of possibilities, such as aggressiveness, opportunism, and compliance. Second, the conception of the "other" mimics the conception of the same—that is, the other is "another me." Third, contradictory studies indicate that OC should simultaneously target conformity to institutional norms and distinction from competitors (Deephouse, 1999; Greve, 1999), which leaves decision makers in a void in terms of practical discretion. Moreover, there is no normative guidance regarding why one change might be preferable to another. All these limitations hinge on

[†] Deceased. Professor at EM-Lyon.

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the absence of a clear conceptualization of others in OC theories.

What we offer in this article is a renewed conception of the sameness principle in its relationships to others. We therefore introduce "otherness" as a complementary principle to sameness—one which can rejuvenate the research on OC. Otherness corresponds to what derives from the encounter with others and induces changes in an entity. Nonetheless, we acknowledge that the organizational ethics (OE) literature has already envisaged the inclusion of others in business ethics or stakeholder theory (Donaldson & Dunfee, 1994; Donaldson & Preston, 1995; Jones, 1995; Jones & Ryan, 1997). However, this paper draws on a different, but complementary, current of philosophy than those commonly used in the OE literature.¹ Instead of reviving the ideologically marked division between egoism and altruism (Barry & Stephens, 1998; Becker, 1998), we use the distinction between sameness and otherness, predicated on the contemporary philosophical works of Levinas (1969), Foucault (1977, 1980), and Deleuze (1994). Our intuition is that a system of dialectics regarding the same and the other might generate interesting debates in OC and OE (Ford & Ford, 1994).

Inspired by this dialectical construction of the same, we base our propositions mainly on the concept of practical wisdom (Aristotle, 1976; Ricoeur, 1992, 2000) and relate the presence of "practically wise powerful actors" to the occurrence of two distinct types of OC processes: evolutionary and revolutionary (e.g., Greenwood & Hinings, 1996). We concentrate on powerful agents inside the organization, those who influence the organization's behavior and changes (Jones, 1995). In this paper we therefore use an underlying assumption: *powerful agents influence OC processes*.

By bridging the literature on OC with a renewed OE conception, we hope to provide (1) a theoretical schema that supersedes the limitations implied by the reference to the sole sameness principle in OC theories, (2) a novel response as to why a firm adopts an evolutionary or revolutionary change process (beyond the simpler question of the consequences of a firm's changes on its performance), (3) original in-

sights into four important veins of current research in the organization and strategic change literature, (4) tentative responses to the problem of sameness also present in the OE literature (exemplified, for instance, in OE by the self-represented communities [Donaldson & Dunfee, 1994] that enunciate and promulgate durable ethical norms), and (5) a dynamic perspective for OE, a rather ignored angle of that research domain.

In the first section we define sameness and illustrate with four representative examples of OC theories its two main dimensions: the pursuit of self-centered goals (what we call the "end prevalence" of sameness) and the domination of self-references over references emanating from other entities ("unbalanced relationships" as the second dimension of sameness). We also show the limitations of OC theories implied by the sameness principle. In the second section we briefly review the contributions of the OE literature and show how our position dovetails with this body of literature. In the third, we introduce otherness and its dialectical relationship with sameness and with practical wisdom. We develop propositions centered on powerful agents, the process of change (evolutionary versus revolutionary), and organizational moderating factors (exemplary narratives and conversation places). In the fourth section we discuss the theoretical contributions and implications of the dialectic between sameness and otherness for both the OC and OE literature. Finally, we acknowledge some limitations of that research.

SAMENESS IN OC THEORIES

Definition and Illustration of Sameness in OC Theories

As a pivotal dimension of this paper, the sameness principle needs a definition. As with many other change theories, OC theories assume the unfolding of an enduring entity over time. There must be commonalities between two observed stages to ascertain that "something has changed," implying that other portions of reality have remained identical. This falsely paradoxical continuity-versus-disruption nature of change has been acknowledged and studied both by organization theorists (see "what is an event?" in Poole, Van de Ven, Dooley, & Holmes, 2000: 104) and philosophers (Deleuze, 1994;

¹ See Hosmer (1995) for a useful review of the ten most common ethical principles.

Ricoeur, 1992). Change does not transmute organizations to such an extent that they will no longer be identifiable. Some traits that remain constant over time characterize an organization's existence, bracketed between its onset and its termination.

Therefore, sameness corresponds to what remains intact—unchanged in the change process (i.e., the intrinsic dimensions that define the organizational self as recognizable before and after the change). For instance, Vivendi Universal was once a telecom behemoth and has been dismantled into its components: Universal Studios in the United States and mobile phones and TV channels in Europe. Vivendi, in its U.S. and European divisions, is still recognizable in its products, technology, and employees' skills and competencies. Despite the dramatic changes, Vivendi has remained Vivendi. By the same token, Universal Studios has remained the same despite the ephemeral (but recurrent) ownership transfers.

Sameness expresses itself through two behavioral aspects, in theory as well as in practice. First, what we call the "end prevalence" dimension of sameness emphasizes an entity's self-centered ends (like survival or above-average performance) over both the deployed means and pursued goals of other entities (Parker, 1998). Second, sameness manifests itself through the propensity of a change not to alter the core traits of an entity, regardless of the change's consequences for others. We call this preeminent concern for an entity's self over concern for other entities the "unbalanced relationship" dimension of sameness. "Unbalanced relationship" means an unequal treatment of others in an agent's relationships: (1) self-concern naturally takes precedence over the concern for others, and (2) there is a hierarchy between the attention and respect devoted to others that is a function of their proximity with the focal agent.

In the Appendix we illustrate both dimensions through four examples of change theories: entrepreneurship theory, theories of strategic objective formulation, evolutionary theories (from the resource-based view and evolutionary economics), and population ecology. Of course, we do not pretend that the illustrative dimensions of sameness reduce or exhaust all the richness of the various theories. Nor do we take a normative or ethical posture on these theories under the guise of bridging OC with OE.

Limitations of OC Theories Entailed by the Use of Sameness

In the examples of OC theories, the end prevalence dimension of sameness is illustrated by opportunism (entrepreneurship theory uses others as the means to reach an objective) and goal compliance (theories of strategic objective formulation assume that some individuals determine a vision that must be accepted, followed, and enacted by others). The unbalanced relationship dimension of sameness is expressed by continual self-improvement (evolutionary theory emphasizes the individual differences that provide one with a survival advantage over others) and resource appropriation (population ecology stresses the importance of ecological niches wherein organizational forms exclusively appropriate the available resources). The use of the sameness principle in the OC literature has been very fruitful for research, yet the recurrent use of sameness involves intrinsic limitations for OC theories.

First, in sameness-based OC theories, the scope of agents' behavior is limited to a few reductive principles, such as opportunism and compliance. Human agents and, by extension, organizations seem to base their behavior, in OC theories, mainly on aggressiveness and subordination. Without pretending that a theory must replicate what is empirically observable, we can see that many examples of alternative behavior exist for agents in life; sympathy, empathy, generosity, charity, collective creation, and so forth are examples of such behavior, underlying principles of which appeal more to otherness than to sameness (Huy, 1999).

Second, and closely related to the first point, the nature of change in most OC theories obeys the precepts of self-improvement and appropriation, which is only a portion of the observable reality. Changes directed toward bettering communities or groups (such as the well-publicized actions of Ben & Jerry's in the 1990s) constitute other ways of considering the relationships of an organization with its environment, as theorized, for instance, in the stakeholder approach (Freeman, 1984; Jones, 1995).

Third, OC theories do not ignore the issue of others. Rather, they integrate others (competitors and partners) under the sameness banner. Identifiable others have their own goals and idiosyncratic traits. The focal organization may

or may not integrate in its utility function other organizations' goals and traits. Symbiotic relationships may unfold where benefits accrue to the partnering entities. However, that presentation of mutually beneficial relationships implies that each organization remains the same in its traits and goals, before and after the relationship. Nash models abound to represent these situations (Camerer, 1991; Kauffman, 1993; Lippman & Rumelt, 2003). They are respectful of the selves of the characters at play, but in a static and repetitive manner, where ends matter more than means and the relationships between actors are oversimplified. The "prisoner's dilemma" evokes not only the rationally ambiguous and interdependent choices of blind decision makers but also the dilemma of game theory models. The latter tend to remain prisoners of the end prevalence and unbalanced relationship dimensions of sameness for reasons of calculability and practicability, and they remain silent about the otherness dimension of decision making and unfolding changes.

Fourth, the importance given to sameness leaves decision makers in the dark in terms of changes they should undertake. They have no clear guidance as to whether change should tap into extant knowledge (exploitation) or research within adjacent contexts (exploration). They are also unsure whether goal compliance overrides appropriation and opportunism equals self-improvement—that is, whether or not the principle of sameness is helpful in the conduct of organizational change (Deephouse, 1996; March, 1991). The literature glosses over the merits of adaptation and preemption, but conformity and inertia have their advocates (Greve, 1999; Hannan & Freeman, 1989). First movers outperform followers, but second movers and late movers also benefit from strategic advantages (Lieberman & Montgomery, 1998; Shamsie, Phelps, & Kuperman, 2004). In a sense, you must be the same and different at the same time (Deephouse, 1999).

Fifth, differences are established among organizational members vis-à-vis their relationship with others (e.g., depending on their hierarchical position inside the company or their identification processes). Despite these differences, a unique model of organizational behavior, reflecting the sameness principle and common to all the organizational members, is often used to explain OC. There is a need for integrat-

ing adapted models of organizational behavior not only on the basis of the sameness principle but depending on general organizational traits, such as ownership or strategic positioning, and on their consequences for various categories of agents. For instance, family firms frequently rely on some altruistic principles that render agency theory inappropriate for understanding their performance and development (Schulze, Lubatkin, Dino, & Buchholtz, 2001).

Finally, OC research is limited to descriptive and instrumental studies, where the respective benefits of diverse types of changes affect performance or intermediary outcomes differently (which is not very helpful to the decision maker, as mentioned earlier). Hence, there is an unclear set of guiding principles for practical action and little normative guidance for undertaking change. The OC literature keeps decision makers single-handedly confronted with the moral and ethical consequences of their choices that entail changes.

These limitations severely constrain the future of OC research, not so much in terms of upcoming new empirical evidence, pro or con, but, rather, in future theoretical developments. The main reason for this is the dominant but unnoticed conception of organizational sameness. Our presentation has mainly illustrated the presence of sameness as a base in representative OC theories. Our contention in this article is that we might open new research avenues for OC should we introduce an other-oriented stance as a missing block in the base of OC theories.

In the next section we present the major contributions of OE, including consideration for otherness, but emphasize their limited relevance for OC processes up to now. Our point is not to replace sameness with otherness but to build a different theory of OC that dialectically meshes sameness and otherness, does not suffer from the limitations explained above, and helps us to revisit some of the extant OE contributions.

OTHERS INCLUDED: OE AND CHANGE

In the OE literature, broadly defined as the literature concerned with ethical principles and behavior at the organizational and individual levels, there is consideration of the other. A brief review of that literature may be in order so as to

present its contributions, as well as the differences brought about by our propositions.

Over the last few decades, OE has greatly contributed to our understanding of how ethical and unethical behaviors occur, how organizations ought to behave, and why they should respect normative principles (Arthur, 1984; Brass, Butterfield, & Skaggs, 1998; Cavanagh, Moberg, & Velasquez, 1981; Kahn, 1990). There exist exemplary studies on business ethics (Donaldson & Dunfee, 1994; Jones & Ryan, 1997) and on the stakeholder theory (Donaldson & Preston, 1995; Jones, 1995). However, most of this literature has not yet addressed the problem of organizational plasticity and changes.

The first major contribution of the OE literature was reconciling a descriptive and instrumental view of ethics with a normative conception of ethics. Evocative of this effort, Donaldson and Dunfee's (1994) goal was not to eradicate the differences between the "is" and the "ought," nor to derive prescriptions from descriptions, but "to allow a more detailed normative assessment of particular ethical problems in economic life" (Donaldson & Dunfee, 1994: 279). Bounded moral rationality and macrosocial contracts form the basis of their integrative social contract theory (ISCT). Macrosocial contracts rely on: (1) a moral free space where microsocioal contracting is possible, (2) the contractors' permission to consent or exit, (3) the existence of authentic and authoritative norms (hypernorms), and (4) the possibility of setting priority rules among these norms. At the level of an organization and its organizational communities, microsocioal contracting must be compatible with the hypernorms, leading to the enunciation of particular ethical, transaction-specific micronorms that are respectful of fundamental principles of morality (rooted in cultural, religious, and philosophical traditions).

Other efforts have concerned the reconceptualization of relating concepts between the same and the other for the mutual benefits of the engaged parties. For instance, Hosmer (1995) delineates the contours of a renewed conception of trust, based on moral duty, where trust is the expectation by stakeholders of various genres of ethically justifiable behavior in a joint endeavor or economic exchange (Hosmer, 1995: 399). More recent work suggests that we add a focus on the relationships among actors (Brass et al., 1998) and consider the processes by which the moral

reasoning capacity of leaders constructs the moral capacity of the organization (Snell, 2000; Treviño & Weaver, 1999).

Finally, another major thrust of research has dealt with the stakeholder theory (Freeman, 1984), where others (different stakeholders) must be taken into account as much as the shareholders who share the same rights and same goals (Mitchell, Agle, & Wood, 1997). Jones (1995) defends an instrumental stakeholder theory where the implementation of a subset of ethical principles (trust, trustworthiness, and cooperativeness) results in a significant competitive advantage. Moreover, Donaldson and Preston (1995) demonstrate that the proposition of a positive relationship between an attitude respectful of stakeholder theory principles and superior performance is not sufficient. The underlying reasons why such a proposition may hold true are to be found in the normative arguments that support its ideas. Serving only shareholders is morally untenable. Jones and Wicks defend a convergent view of the stakeholder theory, "normatively sound and practically viable" (1999: 206).

The noticeable contributions of OE research still have not emphasized the OC question and therefore have not shed sufficient light on OC's related issues, for three major reasons.

1. *Dependent variable*: Most of the papers dealing with ethical and moral agents' behavior define the outcome of the agents' actions as "fair/unfair," "right/wrong," or "just/unjust" (Brass et al., 1998; Cavanagh et al., 1981; Hosmer, 1994; Jones, 1991; Soule, 2002; Treviño & Youngblood, 1990). Another dependent variable can be performance via direct or indirect links with ethical behavior. The classical argument relates moral behavior of key corporate representatives to the corporate reputation and associated benefits (long-standing relationships, fewer incentive problems, lower monitoring costs, and so forth) resulting in performance advantages (e.g., Jones, 1995). Indeed, an ethical approach to strategic management benefits companies "by ensuring a cooperative, innovative, and directed effort on the part of all of the stakeholders of the firm" (Hosmer, 1994: 29).

In this article we focus neither on the avoidance of harmful actions nor on how ethical management relates to performance. Another outcome deserves our attention: OC processes.

2. *Sameness*: As with OC theories, the sameness principle applies in OE. Not to harm others implies the *ex ante* recognition of an enduring organizational self accountable for the consequences of its actions, as well as the recognition of others' persisting sameness—the others remain identifiable. For instance, Donaldson and Dunfee's ISCT defines community as a "self-defined, self-circumscribed group of people" (1994: 273) who logically require consistency (i.e., sameness) in order to interact and be capable of establishing norms of ethical behavior for themselves.

In this article we offer a compatible but different relationship between the same and the other by introducing a dialectical construction between sameness and otherness borrowed from contemporary philosophers.

3. *Ethos cohesiveness*: An underlying assumption in OE is that there is a profound association between an organization's ethos and that of its members. As detailed by Jones (1995), it is likely that organizational morality will coincide with managers' morality. A self-selection process occurs inasmuch as moral people will tend to leave or avoid being associated with opportunistic people and organizations (Lee & Mitchell, 1994). There exists a strong alignment between organizational and individual values (Brass et al., 1998).

This paper stands out against *ethos cohesiveness*, since we do not strictly associate the organization's and the individuals' ethos. Particularly, powerful actors might develop a diverging approach to their sameness relative to organizational sameness.

Before moving to the presentation of otherness as a different principle that may tie OC and OE, and to be as complete as possible in the limited space of an article, we note that prior efforts to connect OE and OC exist. However, they do not share the three pillars of our current investigation. For instance, in the OE literature Jones and Ryan (1997) propose a model wherein organizational designs influence moral action. They defend a version of moral action in which the difference between the expected moral approbation and the desired moral approbation leads to moral intent and behavior. Their moral approbation model is another attempt to fill the gap between moral judgment (normative ethics) and moral action (instrumental ethics). However, the dependent variable of their model is

moral action and not change. Also, moral approbation depends on the moral actor's referent group—that is, those people (including the individual) that the person looks to for moral example or feedback (Jones & Ryan, 1997: 664)—but their moral approbation model does not integrate a dialectical construction for how the referent group (the same) may interact with others. Finally, their model is mostly silent about the power asymmetries inside organizations.

On the side of OC theories, Greenwood and Hinings (1996) state that OC, under various guises (convergent versus radical and evolutionary versus revolutionary), proceeds from discrepancies in values—that is, commitment relative to an institutional and market context. Interestingly, even though they consider "interest dissatisfaction" among the organizational subgroups and their respective value commitment, they do not consider ethical dimensions *per se* as influential on OC processes. Yet they recognize the moderating influence of power dependencies and capacity for action on the relationship between value commitments and OC processes but do not focus particularly on a powerful agent's available range of actions.

OTHERNESS, PRACTICAL WISDOM, AND OC

In the remaining sections of this paper, we draw both on the assumption that powerful agents influence the OC process and on a dialectical relationship between sameness and otherness. This enables us to advance some research propositions about the influence of powerful agents on the process of OC. We base our reflections on the works of contemporary philosophers on the relationships between the same and the other. Such works include those of Levinas (1969, 1989), Foucault (1977), and Ricoeur (1991, 2000), particularly a pivotal notion developed in Ricoeur's late works (1992, 2000)—practical wisdom.

Sameness, Selfhood, and Otherness

Levinas's thought of the same/other relationship hinges on the distinction between totality and infinity. The other cannot be captured in an abstract concept of a man—another man—but must be grounded in the practical or mundane encounter with the other as a unique face, whose eyes are a window to the other's unat-

tainable proximity and, indirectly, to one's own sameness (Levinas, 1969). "Despite myself for the others" would be Levinas's ethical norm. I am in the presence of the other who has his/her own sameness, recognizable by me as being human, but different from mine as being infinitely unknowable.

Foucault illustrates the possibility of being other than what we are through a scrupulous genealogical inquiry about what makes us what we are and an understanding of the structures of domination and legitimation in society that make us an other (e.g., what renders a man a prisoner, a convert, a worker, or a body-builder). Powerful agents are a pivotal element of the articulation of power (relative to others) and an effect of power: "The individual which power has constituted is at the same time its vehicle" (Foucault, 1980: 98). Foucault emphasizes the primacy of the power *to* in contrast to the power *over*.

Ricoeur also defines the self as constituted of permanent characters (self as "sameness" over time) and of contextual experiences (self as "selfhood"). From the encounter with the other, what remains the same in ourselves must adjust and resolve the paradoxical consciousness of remaining oneself (Ricoeur, 1992). Sameness corresponds to the preservation through time of fundamental intrinsic traits that characterize someone or something. By contrast, selfhood results from the continued experience of life for which the self engages in encounters and actions with others that construe a dynamic of the self. In the relationships between the self and the other, sameness posits itself against otherness in clear terms—that is, based on their intrinsically different characteristics. However, it is selfhood that, through commitment and promise, reconciles and ties the self to the other. Otherness is not added to selfhood "from the outside," but it "belongs instead to the tenor of meaning and to the ontological constitution of selfhood" (Ricoeur, 1992: 317). Therefore, otherness introduces a "paradox of the self" between sameness and selfhood; the former tends to enact universal principles of actions and being, while the latter strives to find a way between the historical and contextual situations one faces. Solving this paradox implies the use of *practical wisdom*.

Practically Wise Powerful Agents and OC

Practical wisdom represents the ability of an agent to comprehend the distinctive nature of the other and adjust his or her conduct by potentially breaking the rule to satisfy the exception (Ricoeur, 1992). Practical wisdom is first and foremost an individual characteristic that manifests itself at the organizational level through the design and legitimization of both moral exemplarity and reciprocity. Moral exemplarity characterizes an agent who subsumes his or her goals and actions under others' capacity to accept them. By integrating otherness into an agent's behavior and attitude, moral exemplarity opposes itself to the "end prevalence" dimension of sameness.

A practically wise agent not only epitomizes moral exemplarity but also furthers the practice of reciprocity. Reciprocity opposes itself to the "unbalanced relationship" dimension of sameness. A practically wise agent recognizes that, a priori (before experience and action), other opinions and judgments are of value and interest. Reciprocity consecrates the equal nature of the other in his or her constitutive traits. Whereas duty and justice appear as moral obligations, practical wisdom appears as a moral attraction (in philosophy [Aristotle, 1976; Levinas, 1989; Ricoeur, 2000] and in organization theory [e.g., Ford & Ford, 1994]).

The reactions of two American airline companies in the aftermath of September 11 constitute an illustrative example of how practical wisdom extols moral exemplarity and reciprocity. Southwest Airlines president and COO, Colleen Barrett, following in the footsteps of former CEO Herb Kelleher, declared that "Southwest has not had a layoff in its thirty-year history and was not contemplating one now." Employees collectively organized an internal giveback effort, called "Pledge your Luv," offering up to thirty-two hours of pay during the last quarter of 2001.² In contrast, US Airways paid \$35 million in lump-sum retirement benefits to its former top three executives, while 12,000 employees were laid off and pilots agreed to \$565 million in con-

² Giving an explanation for this attitude, Barrett declared that Southwest has always been looking for "employees who want to join a cause, not get a paycheck." To develop that culture, she said, "You have a lot of mentoring going on, a lot of coaching, and a lot of storytelling" (Rasmussen, 2001: 55).

cessions on their own retirement plans. Rakesh Gangwal, briefly chairman and CEO of the company, who alone received \$15 million of the \$35 million, declared at a conference in November 2001, a few days before resigning, that the September 11 attacks had allowed the airline to restructure and downsize in ways that would have been impossible otherwise. Southwest's employees stuck with their practically wise leadership, and the company recovered in less than a year. US Airways management did not convince either the angered employees or the doubtful shareholders, and it filed for bankruptcy in 2003.

Foucault and Ricoeur insist on the role of powerful agents in framing the relationship between the same and the other. Such agents have the power to define orientations, make strategic decisions, require implementation by other organizational members, shape the organizational identity, and speak for the organization. Powerful actors have the capacity and responsibility to design and legitimize strategies, structures, and processes. In the OC literature, defenders of the evolutionary and ecological frameworks view powerful agents as either undifferentiated elements of organizational routines or as reflectors of environmental trends and institutional logics, with a slim range of action but the critical task of positioning the organization and building its legitimacy. By contrast, tenets of the entrepreneurship view and theories of strategic objective formulation consider that powerful agents design the missions and determine the objectives, which cascade down to executives, operators, and employees. In the OE literature, powerful agents play a crucial role in promoting organizational values and morality (Hosmer, 1994; Jones, 1991; Weaver, Treviño, & Cochran, 1999).

Our first proposition relates the presence of practically wise powerful agents to the type of observed OC processes. Organizational changes have often been described under several bipolar categories (Weick & Quinn, 1999). Examples of such dichotomies are first-order versus second-order changes (Fox-Wolgram et al., 1998), incremental versus radical changes (Cohen & Levinthal, 1990), and core versus non-core changes (Greve, 1999), among others. In this article we are more interested in the process of OC than its content. Based on the former literature, we therefore distinguish two types of OC

processes, which condition but do not fully determine the OC outcome³:

1. An evolutionary OC is progressive, respectful of internal constituents, and coherent with past orientations. Economies of scope, exploitation of extant capabilities, and exploration of adjacent competencies drive the evolutionary process of change, both in value and space.
2. A revolutionary OC represents a process with episodic but brutal switches in an organization's size, structure, competence, and product portfolios. Strategic reorientations, numerous changes in corporate governance and ownership, or dramatic downsizing may accompany revolutionary OC.

Practically wise powerful agents dialectically define their sameness through encounters with others, devoid of prejudice toward their intrinsic traits. This enables them to better define their role, to gain a deeper understanding of their organization's strengths and weaknesses, to be more alert, and to gather more relevant information useful for conducting change, compared to other powerful agents. Practically wise powerful agents are conscious of the power they possess and do not embark their team and organization on a quest for unrealistic goals. They are more likely to avoid the traps of illusion of control. They are also apt to be more open to others and to novelty, and less susceptible to cognitive bias and information pruning. They have a decreased likelihood of (bad) surprises, opportunistic behavior, and strategic errors, compared to powerful agents who are self-centered and mainly preoccupied with ends over means.

Moreover, by engaging in a dialectical elaboration of their identity and role as powerful agents in an organization, practically wise powerful agents are likely to help develop respect and consideration from their team members, and even from competitors. Promoting, by their behavior and attitude, a "balanced relationship" with others, practically wise powerful agents are respectful of the dialectic between others' sameness and others' own self-construc-

³ This definition differs only slightly from that of Greenwood and Hinings: "Revolutionary and evolutionary changes are defined by the scale and pace of upheaval and adjustment. Whereas evolutionary change occurs slowly and gradually, revolutionary change happens swiftly and affects virtually all parts of the organization simultaneously" (1996: 1024).

tion. They will be inclined not to disturb organizational members' dialectical sameness/otherness edification, be respectful of the time required for them to absorb novelty, and encourage cohesiveness between the prompted change and the others' individual and collective identity construction.

Consequently, for these reasons, practically wise powerful agents' conduct of change is likely to be fluid and not to require brusque reorientations. They are likely to engage their organizations in an evolutionary process of change. Conversely, organizations directed by powerful agents whose principles of action belong mainly to the sameness dimensions (end prevalence and unbalanced relationships) will be inclined to engage their organizations in brusque and more recurrent movements, such as mergers, acquisitions, and large divestments, leading to a revolutionary process of change.

An example of the influence of powerful agents on the process of change is the different integration patterns two European car companies followed in their internationalization strategies. Renault, with a wealth of former experience (in particular, the failed acquisition of Volvo in 1993), approached Nissan, which was racked by inertia and debt, and was very respectful of the Japanese company and its culture. Nissan's executive committee intimately appreciated the promoted balanced relationships and the poised and comprehensive proposed integration. While Renault's results contributed to the alliance in the first years, it is now Nissan's amazing recovery that represents more than half of Renault's profits. In contrast, once referred to as a merger between equals, Daimler's merger with Chrysler has failed to meet its ambitious objectives. De facto, Daimler has taken the leadership in a succession of erratic changes resulting in deteriorated performance.

Our first proposition follows.

Proposition 1: The presence of practically wise powerful agents in an organization is positively (negatively) associated with an evolutionary (revolutionary) OC process.

According to Levinas and Ricoeur, practical wisdom can manifest itself in two forms: moral exemplarity and reciprocity. However, as such, the presence and influence of both forms in an

organization remain difficult to prove. There are two intraorganizational conditions that favor the effectiveness of moral exemplarity and reciprocity in the OC process: exemplary narratives and conversation spaces.

Powerful Agents, Exemplary Narratives, and the Process of OC

Narratives have been identified as critical to the organizational processes of change and development (Pentland, 1999; Weick, 1995). As Pentland asserts, "Narrative is more than just data" (1999: 716). In processes of change, agents unravel a story in which they are key characters who may or may not keep their own word.

Ricoeur is prominently known for his works on hermeneutics and the study of narratives and texts (Ricoeur, 1981, 1991). He has elaborated on the notion of *narrative identity* in his study of the relationship between individual sameness/selfhood and otherness (Ricoeur, 1992). As mentioned, Ricoeur asserts that, depending on occasions and situations, sameness and selfhood may or may not coincide. This interstice between sameness and selfhood constitutes the history of the self, accessible through the narrative identity. Narrative identity reconciles the permanence of identity with its dynamics. Narrative identity is a "specific mediator between the pole of character . . . and the pole of the self-maintenance, where selfhood frees itself from sameness" (Ricoeur, 1992: 119).

The content of the narrative identities elaborated by organizational members indicates whether or not there exists a context in which the influence of practically wise powerful agents can operate on OC process. We call the narrative identities that convey moral exemplarity "exemplary narratives." Following Levinas and Ricoeur, we mention at least four types of characteristics that exemplify moral exemplarity in narratives⁴:

1. Projects and promises engage the self in a future definition of the self and correspond to a situation of divergence between sameness and selfhood. Exemplary narratives evoke characters and heroes who use prom-

⁴ In disciplines other than philosophy, the idea of exemplarity exists—criminology (Sutherland & Cressey, 1970), leadership (Bennis & Nanus, 1985), social identity theory (Ashforth & Mael, 1989), social contagion, and so forth.

ises parsimoniously. Practically wise agents engage neither themselves nor their organizations if they believe the promise is far beyond their potential.

2. In narratives, endogenous and exogenous forces explain changes. Narratives extolling moral exemplarity are likely to refer more to endogenous traits and values as justifications for decisions (principle of responsibility) than to exogenous forces and extrinsic events as justifications for what compelled the choices.
3. Exemplary narratives also employ less ex post rationalization and exonerating reasons for unmet objectives than nonexemplary narratives.
4. Finally, exemplary narratives do not contain intentional error omissions.

Organizations for which members (powerful or not) elaborate narrative identities extolling moral exemplarity are likely to be organizations in which practically wise powerful agents face lower resistance to change than otherwise. This is because the actions for change initiated by practically wise agents are more attractive to other members than the same actions involving nonpractically wise powerful agents (Ford & Ford, 1994). Agents who behave according to practical wisdom influence others through social contagion (Brass et al., 1998). One tends to value the people who use promises in moderation and are respectful both of their commitments and of others in interindividual relationships. The decision-making role of practically wise powerful agents is relayed by other members who can construct their own sameness/selfhood account in accordance with the moral examples at hand.

Philip Morris's name change to Altria represents an attempt to rebuild a narrative identity as a diversified group. We would argue that Philip Morris does not possess an exemplary narrative. The concealment of medical information on the dangers of tobacco since the 1950s, the ex post rationalization of the reasons why this information was concealed, the "shame" publicly expressed by former CEO Geoffrey Bible about internal reports encouraging teenagers' addiction, the dubious analyses offered to opening Eastern European countries showing the macroeconomic benefits represented by a high consumption of cigarettes due to the reduction of life expectancy and thereby lower pension funding, and the collective actions against the tobacco companies in the United States forced Philip Morris to rebuild an identity via acquisitions as a group involved in

other businesses (like food and beer). We do not comment on the resulting performance of this company but, rather, focus on the process of change for companies possessing or lacking exemplary narratives.

In more economic terms, the cost of information and of enforcement is reduced in a context of exemplary narratives. The encounter with the other (a new role, a new product, a new process, a new ally, etc.) is rendered less problematic for individuals who have the opportunity to integrate into their narrative identities examples of peers and powerful agents who were able to cope with the otherness and integrate the otherness into their own proper identity story. Trust and cohesiveness can also be stronger in such situations (Hosmer, 1994).

Finally, from a network perspective, the possibility that "one bad apple spoils the barrel" (Brass et al., 1998) is limited when exemplary narratives exist. Exemplary narratives collectively help to resist siren songs. They serve as insightful references and help censor deviant behavior. Overall, narrative identities extolling moral exemplarity are likely to reinforce the relationship between the presence of practically wise powerful agents and evolutionary OC processes.

Proposition 2a: The presence (absence) of exemplary narratives in an organization reinforces (reduces) the positive association between practically wise powerful agents and an evolutionary OC.

Proposition 2b: The presence (absence) of exemplary narratives in an organization reinforces (reduces) the negative association between practically wise powerful agents and a revolutionary OC.

Powerful Agents, Conversation Spaces, and Processes of OC

Reciprocity is the second major manifestation of practical wisdom. Reciprocity is a principle of interpersonal relationships that privileges balanced relationships anchored on the recognition of the other's sameness (a mutual abandonment of self-certitudes). On this basis, Ricoeur's dialectical framework includes reflections on the difference between domination and power

asymmetries. Power is a political arrangement sustaining the maintenance of a community. Domination exaggerates principal-agent asymmetries inherent in every action and corresponds to an abuse of power. According to Ricoeur, domination impedes the development of a social entity and should be corrected; the powerful agent should restrain him/herself from the tendency to dominate the other.

Reciprocity can be achieved in a context of relative power asymmetries, but it is blocked by domination. The principle of reciprocity implies that the asymmetrical relationship between a principal and an agent would be corrected by "mutual solicitude," which is derived from the intrinsic reversibility of the roles of agent and principal. The principal could theoretically or in actuality be the agent's agent under certain circumstances. This innate attribute of human relationships should transcend any organizational rule. Power and authority are consubstantial to organizations but, according to Ricoeur, the powerful agent should initiate solicitude in order to correct the initial dissymmetry between individuals involved in a relationship. "In this regard, one of the faces of practical wisdom is the art of conversation, in which the ethics of argumentation is put to the test in the conflict of convictions" (Ricoeur, 1992: 290). Conversations are therefore crucial for preventing situations where power exerts its influence to turn to domination.

As a matter of fact, Kahn (1990) cites conversation as the first guiding image of OE in research and business practice. Ford and Ford (1995) have proposed a path analysis relating conversations to change. Four types of conversations exist and must be achieved in the processes of intentional change: initiative conversations, conversations for understanding, conversations for performance, and, eventually, conversations for closure. These authors identify five major breakdowns in changes that are due to problems in the phasing of conversation types. Initiation fails because enrolled people are powerless. Understanding fails in the absence of a shared language. Length of conversation for understanding can demobilize people and block movement to conversation for performance. Lack of rigor threatens the conversation for performance. Finally, absence of a comprehensive conversation for closure can jeopardize the change process. The gist of Ford and Ford's argument is that change occurs in the context of

conversations—not that conversations occur in the context of change, as usually proposed.

From these bases, we may conjecture that the practice of reciprocity in organizations depends on a conversation space—that is, an organizational space (physical space such as a room, cognitive space such as the freedom to speak, or technological space as exemplified by uncontrolled intranets) where opinions, doubts, or issues can be expressed (Ford & Ford, 1995). Conversation spaces can support two broad types of conversations: deliberations and dialogues.⁵ Deliberations are formalized applications of the dialectical method of judgment (since Aristotle, 1976). In a deliberation, opposite views are discussed on the way to decision making. This process allows the expression and possible integration of arguments from different others.⁶ Proper deliberation presupposes that each agent knows the conversation space and the formalized procedure, and each understands what the others are saying and asking. Mutual understanding is a key step in reciprocal formalized relationships (Ford & Ford, 1995; Searle, 1969).

Dialogue is another form of conversation in which procedure is less formalized than in the case of deliberations. In dialogues, agents suspend their assumptions; they communicate meanings to each other in order to mutually enhance their understanding of a situation. Such "thinking together" increases the diversity of meanings and the emergence of new ideas (Bohm, 1996). Deliberations and dialogues take more time than usual business communication; they presuppose that the most powerful agent

⁵ Kahn (1990) mentions a third type of conversation where people discuss ethical issues. Senge (1990) and Liedtka and Rosenblum (1996) use that distinction between deliberations and dialogues in more practitioner-oriented publications. See also the notion of "moral free space" in Donaldson and Dunfee (1994) as a necessary condition for social contracts to occur.

⁶ This deliberation is not an information-seeking behavior intended to characterize the potential of an exchange partner (as in Rangan, 2000, for instance). It is a philosophical posture manifested in the structuring of the organization. Is there a constructed manner of making decisions that enables the expression of diverging opinions? Conversely, is the mode of decision making authoritative or antagonistic? Deliberation offers a means to instruct the cases, where pros and cons are expressed. However, the outcome of a deliberation is not necessarily a consensus; it is a well-argued decision.

will correct power asymmetries and show solicitude toward others.

Ubisoft, one of the leading worldwide videogame companies (today having 1,900 employees and 16 subsidiaries), suffered for years from a total absence of conversation spaces. In December 1998, a website, UbiFree, was created by five Ubisoft employees; here they compared their salaries, bonuses, and packages and uncovered the fundamental inequalities of human resource treatment between young and old employees, male and female employees, and employees having a close or distant relationship with the five brothers who run the company. On the UbiFree website, Ubisoft's human resources were described "as mobile, adaptive, and disposable as software programs." Ubisoft's managers had to react immediately and generated organizational conversation places in order to preserve organizational cohesiveness.

The presence (absence) of conversation spaces is likely to impact the relationship between the decisions and actions of practically wise powerful agents and the type of change process occurring. First, in conversation spaces, "voice" can be heard before "exit" happens. Uneasiness, discomfort, and malaise—voice—lead to exit (i.e., turnover) and competency loss, revealing problems in the practice of power. Conversation spaces enable powerful agents to measure the possible disconnection between their representations of the organization's capabilities and the current representations of organizational members. Conversation spaces allow room to practice reciprocity in the form of "putting oneself in the other's shoes," in an effort to comprehend the distance between different representations of the same (i.e., the current state of the organization) and the other—an intended change.

Second, conversation spaces help to avoid the recurrent use of domination. In conversation spaces (notably, in deliberations), decision makers exert their power but must be respectful of established procedures and of others and their "otherness." Deliberations enable powerful agents to be accountable and take responsibility. In a sense, deliberations correspond to a governance mechanism that clarifies the process of decision making and the arguments used to defend a decision. Practically wise powerful agents are likely to be more sensitive to others' feelings and arguments, and more responsive to obvious contrary forces that could compromise the implemen-

tation of their decisions. Hence, conversation spaces, by avoiding myopia and irresponsibility, generally support the occurrence of decisions in coherence with an organization's past and available capabilities.

Third, conversation spaces facilitate the sameness/selfhood-otherness elaboration. Many organizational events make alien members collaborate in the course of an action. Conversation spaces (notably, dialogues) render more practicable those contingent encounters and increase the *ex ante* propensity of members to cooperate. This is not because an organizational identity would crush individuals' personal identities and impose "normal" behavior but, rather, because each individual has the possibility, through diverse dialogues, to broaden his or her acceptability of the other.

In summary, conversation spaces (via deliberation and dialogue) help agents to (1) connect sameness-otherness representations of the powerful and the other agents, (2) avoid biased and irresponsible decisions based on domination, and (3) contribute to the acceptability of novelty. Overall, the presence of conversation spaces is a necessary condition for reciprocity to manifest concretely in an organization and is likely to enhance the positive association between the presence of practically wise powerful agents and a resulting evolutionary OC:

Proposition 3a: The presence (absence) of conversation spaces in an organization reinforces (reduces) the positive association between practically wise powerful agents and an evolutionary OC.

Proposition 3b: The presence (absence) of conversation spaces in an organization reinforces (reduces) the negative association between practically wise powerful agents and a revolutionary OC.

THEORETICAL CONSEQUENCES IN THE OC AND OE LITERATURE

In the preceding section, we transformed the originally polarized opposition between sameness and otherness into a dialectic relationship that connects sameness to selfhood and sameness/selfhood to otherness. Levinas's, Foucault's, and Ricoeur's philosophies have encouraged us to

consider the effect of the practical wisdom of powerful organizational actors on the OC process. The presence of practically wise powerful agents is likely to coincide with an evolutionary OC. In addition, exemplary narratives and conversation places are moderating conditions that further the occurrence of an evolutionary OC, via the manifestation of moral exemplarity and the practice of reciprocity.

We derive three theoretical consequences based on the crossover of the sameness/otherness dialectic in the OC and OE literature. First, we position the contributions of the paper relative to the OC literature and briefly point out a core consequence of each of the four examples of sameness-based OC theories used in the first section of this research (see the Appendix). Second, we comment on the contributions of this article for the OE literature. Third, we consider the questions of both outcomes of OC and organizational performance.

Otherness and OC

The preservation of an agent's sameness (via opportunism, appropriation, and so forth) underpins many theories of change used in strategic and organizational management. Many criticisms converge on this base, with the intention of disqualifying this literature. The goal in this paper is not to add another such criticism but, rather, to offer another way to consider OC as proceeding from a dialectic construction of organizational members' selves. We have developed propositions for which the dependent variable is the OC process, classifying it into two general types: evolutionary and revolutionary. Three new insights into OC research are thus brought about:

1. While some research tackles the consequences of a change process on reputation or performance, few efforts have been devoted to theorizing the sources of the change process itself (Rao, Monin, & Durand, 2003; Weick & Quinn, 1999). We offer a tentative response to the issue by relating the process of change to powerful agents' individual characteristics (practical wisdom) and organizational settings (exemplary narratives and conversation spaces). By so doing, we can reposition the confrontation between isomorphism and adaptation explanations of change in a broader framework where (hyper)norms,

moral principles, institutions, professional deontology, and personal identity traits would better explain the process of intended changes than do these two rigid and opposing views.

2. Instead of concentrating on the end prevalence or unbalanced relationships dimensions of sameness to explain organizational behavior and change, we base the OC process on a twofold constructive and subtle opposition (sameness-otherness and sameness/selfhood-otherness). In so doing, we provide a way to limit the recurrent use of restrictive accounts of human and organizational behavior (centered on opportunism, obeisance, self-improvement, and appropriation).

Practical wisdom emerges from the recognition both of others' otherness and of others' sameness/selfhood identity construction, and it manifests itself by moral exemplarity and reciprocity. When moral exemplarity predominates over end-seeking behavior, change comes from openness (encounter with different others) rather than circumscribed exploitation, and an opportunity can be turned down if it conveys inappropriate values (such as end prevalence over the means that are mobilized in the course of action). When reciprocity predominates over unbalanced relationship, change may come from collective improvement (rather than self-improvement) and information and resource sharing (rather than appropriation). Therefore, other objects are of interest for future studies on OC processes: encounters in top managers' lives with "moral creators" that are determinant for them (Bergson, 1977; Weaver & Agle, 2002)⁷; abandonment of opportunity as a foundation for decision-making principles; powerful agents' representations of communities and collective actions; and powerful agents' representations of the exchange, the gift, and the sharing.

3. Instead of conceiving the other as another me—a "me too"—we have proposed a richer

⁷ Bergson writes:

Only those who have come in touch with a great moral personality have fully realized the nature of this appeal. But we all, at those momentous hours when our usual maxims of conduct strike us as inadequate, have wondered what such or such a one would have expected of us under these circumstances. It might have been a relative or a friend whom we thus evoked in thought. But it might quite as well have been a man we never met, whose life story had merely been told us, and to whose judgement we in imagination submitted our conduct, fearful of his censure, proud of his approval (1977: 35).

Such "moral creators" invent ethical behavior in the course of their action, and inspire the progress of many others.

presentation of the relationships between the same and the other. Sameness/selfhood-otherness relationships do not suppose that others behave mimetically; indeed, they are different by nature. The process of change is dependent on the powerful agents' philosophy of the other, their moral exemplarity, and the space they devote to establishing conversations. These variables should be introduced in future models of OC. In future studies, the presence of practically wise powerful agent needs to be controlled, exemplary narratives should be accounted for (number, richness, salience, or other properties of such narratives), and conversation spaces qualified (breadth, frequency, nature).

Beyond these general insights, this paper suggests feedback on the four illustrative sameness-based OC theories used in the first part of the paper. The following comments are tentative suggestions that integrate otherness into extant theories and do not pretend to revolutionize them. They may even appear theoretically disconcerting. However, at second sight, these paths might reveal a deeper rationale for OC processes than do more obvious patterns or apparently well-grounded explanations of change (see Van de Ven & Poole's [1995] explanation types and, particularly, life-cycle and teleological explanations of OC and development.)

First, entrepreneurship stresses the agent's opportunism as a critical factor for OC. Perceiving, generating, and seizing opportunities require the self to be alert, vigilant, and aware of the potentialities of organizational and environmental resources. The application of practical wisdom to entrepreneurship theory may inspire different attitudes in actors, such as renunciation of some opportunities. Renouncing means leaving opportunities to others and defending a view where renouncement benefits the construction of the self, but differently from opportunism (with a greater openness and a richer experience of being). There would be a benefit of opportunity renunciation that might outweigh the cost. We could connect this renunciation benefit to other concepts, such as the respect of long-term versus short-term objectives (e.g., sustainable development), cunning strategic positioning (e.g., avoiding first mover disadvantages), or the practice of a balanced approach to stakeholders' interests. Therefore, the field of entrepreneurship would find, in the study of opportu-

nity renunciation, important new results to enrich our understanding of OC.

To illustrate this point, we mention the formation of a start-up company in the optical industry, in which one of the authors of this paper participated. The founder developed advanced relationships with Canon for the utilization of a revolutionary lens technology in disposable cameras. However, dialogues and conversations about the philosophy of his project and his own personal ambition led the entrepreneur to renounce a continuation of this promising industrial relationship. He orientated his production toward optical equipment niche devices and won several industrial and innovation awards.

Second, theories of strategic objective formulation hinge on organizational members' goal compliance. Search for anticipation and control of consequences denotes the closure of the self and its relative fear of the other.⁸ Strategy as a "guided evolution" (Lovas & Ghoshal, 2000) focuses on the moments of choice, the decision making, and determinant options. Adopting the otherness dimensions in this vein of OC theories would lead to emphasizing different moments of organizational life, potentially as important as those commonly referenced, such as organizational silences, calm periods, and times for privacy. These times correspond to the construction of organizational cohesiveness, the reception of divergent messages, and the formation of personal and professional identity. All of these elements help to constitute organizational adaptability. Organizations that work on comprehending otherness, integrating new rules and new people, and forming a collective identity require privacy and peace. Therefore, the study of calm, passive, and apparently unoccupied periods of time (i.e., periods of narrative identity elaboration and of deliberations and dialogues) would correct a selection bias for "the sound and the fury" of strategy formulation.

As an example, Essilor, the world leader in the eyeglass industry, decided in 2003 to create an advanced research team, its task being to generate a new image for the future of eyeglass products. This team is located far away from the traditional Essilor R&D centers (United States,

⁸ Many theories of the (individual) self defend this view: psychoanalysis (Freud, 1984), idealist philosophy (Hegel, 1977), and phenomenology (as denounced by Levinas, 1989).

Japan, and France), in a region specializing in biotechnology, nanotechnology, and computer sciences. Via discussions, informal meetings, project management, and new labs and labels, the team exchanges with its environment ideas, knowledge, and concepts about technologies, processes, and products. This two-year unruffled phase has no direct assigned financial objectives but informs the company's representation on its current sameness and future.

Third, evolutionary theories promote self-improvement as the major lever for survival in relationships with others. In evolutionary theories, an organization accumulates positive differences for itself and counts on selection for eliminating others that are unable to "fill the gap" to survive. Introducing otherness into these theories would imply integrating collective improvement as much as self-improvement or vicarious learning. Mutualism and symbiosis are examples of collective improvements that can help to reconceptualize OC processes on different bases (specifically, considering the other not as a "me too" but as an ontologically different other [Levinas, 1989]). Additional variables should therefore be integrated into evolutionary models, such as professions, legitimizing agencies, and social movements, among others—that is, organized collective entities in which the same meets the same and the other, evolves, and continues elaborating on exemplary narratives and (interorganizational) conversation spaces (Durand 2006).

The reconfiguration of French haute cuisine during the last three decades is a good illustration of this phenomenon. Openness to new sources of inspiration, locally (*terroir*) and internationally, has led to the new principles of the "nouvelle cuisine," which belongs to the sacred club of "three star" chefs in the Michelin guide. The creation of new professional associations and the use of media to elaborate and diffuse this new logic contributed to the establishment of an entirely new industry where the frontiers of the same (classical cuisine) and the other (nouvelle cuisine) have been displaced (Rao et al., 2003).

Finally, population ecology relies on resource appropriation and regards OC as part of the legitimizing process of an organizational form. However, based on practical wisdom, moral exemplarity, and reciprocity, instead of appropriating the resources in the environment and

fighting for niches, resources could be shared and distributed among members of the population. Sharing is a different approach to resource appropriation. The use by others of some resources could benefit more agents than the appropriation of these resources by few members (independently of the long-term calculation of each agent's interests). Moral exemplarity mediated in exemplary narratives constitutes as strong an isomorphic force as traditional coercive, normative, or mimetic pressures. Theoretical implications, as well as empirical issues (taking into account that resource coownership or common exemplary narratives in population and survival analyses raise many methodological problems), deserve further scrutiny.

For instance, the virtuous image of Italian districts, present in several industries (silk, textile, etc.) has inspired a lot of other regions in many countries to develop their economic activity. This activity is centred around new definitions of organizational spaces, peculiar governance structures, social capital exchanges, and moral qualities of the companies and people involved in the districts.

Otherness, the OC Process, and OE

The model we have presented has three characteristics that distinguish it from prior OE literature: its dependent variable is OC, it integrates a dialectic between sameness and otherness, and it does not assume a perfect ethos cohesiveness within the organization. It emphasizes the role of powerful agents and stresses the importance of practical wisdom in the process of change. Importantly enough, our research hypotheses differ from classical OE literature involving fair versus unfair behavior, moral awareness, or issue recognition. Our hypotheses contend that OE needs models to complement "threshold models" or "rational models" in order to demonstrate the connections between OE and OC. Threshold and rational models proceed stepwise, from moral awareness to moral decision to outcome (e.g., moral behavior, trust, or long-term performance) but mostly ignore the influence of powerful agents on the OC process. Furthermore, the moderating influences of exemplary narratives and conversation spaces on the relationship between practically wise powerful agents and the OC process remain unexplored.

Practical wisdom stresses the role of powerful agents, the importance of means relative to ends, and the a priori recognition of otherness in human interactions. These dimensions are congruent with contractual views of OE, interindividual concepts (trust, promises), and stakeholder theory literature. The presence of practically wise powerful agents within an organization reduces the observed variance of moral behaviors. Otherness, consideration for the means relative to the end (moral exemplarity), and magnanimity for the other (reciprocity) are potentially strong conveyors of moral behaviors, even if we have not focused on these aspects but on the OC process. Practical wisdom acts as a moral attractor when powerful agents exhibit moral exemplarity and practice reciprocity. Interesting findings may emerge from the conjunction of our approach with the literature on the emotional capability of organizations in the presence of radical (or not) changes, for top and middle managers (Huy, 1999).

Our approach contributes to the OE literature by emphasizing the OC process as potentially influenced by OE dimensions. Further, we mean to pave the way for research on the effect of the process of change (evolutionary versus revolutionary) on moral dimensions (like ethical behavior or moral approbation, in Jones's [1991, 1995] work, for instance) or performance. Interesting connections may likely be deduced from how organizations change and the consequences of the change process for powerful agents, moral exemplarity, and reciprocity on outcomes like ethical behavior or performance. That other "face of the coin" would complement more traditional views of the dynamics of OE generation (Donaldson & Dunfee, 1994; Soule, 2002).

Outcome of OC and the Performance Issue

In this article we have focused more on the process of OC than on its outcome. Greenwood and Hinings (1996) proceed in a similar manner and separate radical versus convergent changes (outcome) from evolutionary versus revolutionary ones (process). They show that there is not necessarily a perfect link between process and outcome: an evolutionary change process can lead to a radical change outcome. Furthermore, an evolutionary process does not necessarily guarantee that the decisions made are the

most appropriate, since success depends on the competitiveness of the firm relative to its competitors in the market. Indeed, there might be situations where radical changes are required (outcome). The point of this paper is that practically wise powerful agents are more likely to conduct evolutionary changes (process). However, if their strategic analysis is erroneous, an evolutionary process of change may not enhance the firm's potential to survive. Therefore, it seems difficult to derive from our propositions additional hypotheses about the presence and influence of practically wise powerful agents and the type of future outcomes. There exists an avenue of research concerning the influence of practically wise powerful agents and the moderating impact (positive or negative) of exemplary narratives and conversation spaces on the outcome of OC and short-term versus long-term organizational performance.

Most OC theories aim to explain the performance of firms in terms of rents or long-term survival. However, critics of ethical or socioeconomic frameworks that include a moral dimension often reject the coexistence of multiple, equally important sets of interests. They are also suspicious about the naive tendency to generalize some particular relationships between moral behavior and competitive advantage (Gioia, 1999). In this article we accept the economic and market logic of competition and we propose a model of OC process that integrates consideration for otherness but remains congruent with the dominant view of performance and strategizing (Etzioni, 2003). We do not replace the sameness principle by the otherness principle; rather, we offer a dialogical construction of the same and the other in the context of changing organizations.

Practically wise powerful agents are not driven primarily by a moral "ought" at the organizational level but by the search for improving development capabilities. Arguably, the performance of organizations proceeds from the organizational ability to create and maintain competitive advantages. An organization owns and controls resources and capabilities. Resources contain potential services. Capabilities activate and enact some of these services. Resources and capabilities unfold over time along trajectories, tied to the past by path dependency and disconnected from it via investments and learning. Investment and learning enhance the

resources' service and capability properties. In turn, these dynamic properties maintain or increase an organization's competitive advantage. The underlying principles of practical wisdom, exemplary narratives, and conversation spaces are perfectly compatible with rent-seeking behavior. Practically wise powerful agents (1) receive, accept, and integrate newness from the outside; (2) refuse to engage resources and capabilities for profit with no consideration of alternative uses; (3) readily mutualize investments in resources and capabilities on behalf of a collective improvement of service and performance; and (4) are likely to share their organization's knowledge with other organizations. To a certain extent, one might even conceive of powerful agents' practical wisdom and associated organizational notions (e.g., exemplary narratives, conversation spaces) as fundamental organizational capabilities.

Altogether, this dialectical relationship between the same and the other does not suffer from the shortcomings of the sameness principle. First, the behavioral consequences of a dialectical conception of the organizational self are more diverse and complex than classical opportunism and compliance. Second, such a conception may help account for observable other-oriented strategies like the one followed by Ben & Jerry's in the 1990s, for instance. Third, the others are not considered from the outside but become part of the identity elaboration of an organization. Fourth, some guiding principles for action can be derived from this conception. Practical wisdom recommends the abandonment of domination, the practice of openness to others, and the reference to exemplarity. Fifth, powerful agents appear to be responsible not only for financial returns but also for both the type of processes of change undertaken and the moral bearing of their organization. Finally, some normative guidance could derive from a model of OC process based on dialectical relationships between the same and the other.

In practice, several questions arise from the aforementioned first five remarks. (1) Do I know why others behave differently from me? Why? Does it matter? Why? (2) Are different business models accessible to me? Can I open my company/division to other agents in order to reinforce everyone? Do I want openness? Why? (3) To what extent should my company's identity (or

mine) be defined by encounters with other actors (collective or individual)? What are the stories and narratives associated with these encounters? What are the intended consequences or required changes for me, my subordinates, my peers, and my superiors? (4) In my division/company, what logic of power prevails according to me and others? Why? What examples have been used to justify decisions (either openness to others or exclusion)? Who is exemplary in my company? Is this debatable? Why? (5) Who is responsible for poor behavior? Is this an important question? Why? Are there conversation spaces where I can discuss problematic situations? Why?

These questions are the first steps to open discussion, but by no means are they exhaustive.

LIMITATIONS

As a tentative elaboration of a more comprehensive theory of OC-OE interplay, the analysis, in this paper, has had to be simplified at several stages. We mention four limitations. First, the use of four illustrative sameness-based OC theories might be criticized as being partial or superficial in our presentation. To such a criticism, our response is twofold. On the one hand, we agree with it. Our presentation is rapid and focuses only on one dimension for each of these examples. On the other hand, these theories are simply illustrations of our arguments, and we believe that other sameness-based OC theories would be amenable to the two dimensions—that is, end prevalence (illustrated by opportunism and compliance) and unbalanced relationship (expressed by continual self-improvement and resource appropriation). However, despite this intrinsic limitation, the feedback on these four illustrative OC theories opens new possibilities of research for them from an "otherness perspective."

Second, for reasons of brevity, we limited our propositions to the influence of exemplary narratives and conversation spaces as factors moderating the direct relationship of practically wise powerful agents in the OC process. However, other moderating factors exist that can impact that relationship. For instance, exogenous selective forces may negatively influence the relationship between the presence of practically wise powerful agents and evolutionary change

(e.g., see Fox-Wolfgramm, Boal, & Hunt, 1998, for institutional changes, or Durand, 2001, for a review of firm selection). Also, strong competitive positions or strategic resourcefulness would facilitate the actions and performance of practically wise powerful agents and their effect on evolutionary change. Furthermore, organizational identity traits can influence the representations of sameness/selfhood-otherness both internally (nested identities and identity negotiation) and externally (social identity and cross-cutting identities) and can interact with the influence of practically wise powerful agents on change (Ashforth & Johnson, 2001). Nevertheless, we believe we have provided some primary building blocks and readily acknowledge that further efforts are required to connect our propositions with existing literature on institutional and competitive evolutions, as well as with the organizational identity literature.

Third, we have developed a model whose dependent variable is the type of OC process, and we have mentioned that the reciprocal effect of the types of change process on the presence and influence of practically wise powerful agents should be added to our propositions to complete the framework. That complementary relationship stresses a third limitation of the current work—that is, the absence of a discussion of the sources of practical wisdom. Indeed, we anchored that notion on individual self-construction and self-maintenance (Levinas, 1969, 1989; Ricoeur, 1992, 2000). However, other factors can broaden the scope of the potential explanations of the emergence of practical wisdom. The OE literature indicates religious, cultural, and philosophical beliefs as sources of acceptance of moral norms (Donaldson & Dunfee, 1994), while philosophy, religion, biology, socialization, and cognitive development (Jones & Ryan, 1997) are shown as motives to behave morally. Therefore, further research should anchor practical wisdom in a more general context and connect it to a higher level of analysis than a mere individual phenomenological unfolding of a sameness/selfhood story.

Finally, our contribution lies at the descriptive and instrumental level. With few exceptions, we have not explored the normative rationales and/or consequences of our propositions, as Donaldson and Preston (1995) do, for instance, for stakeholder theory. There might be a further avenue of research that will associate the OE

and OC literature even more firmly, and that could correspond to a bolder reflection of the underlying conditions of strategic decision making and managerial action.

A last remark deserves mention. While we have not devoted a full section to empirical operationalization, we have made efforts to connect our propositions to potential empirical variables. Evolutionary and revolutionary OC can be operationalized via an event analysis. Practically wise powerful agents can be identified by a content analysis of either interviews or secondary documentary sources. Narratives extolling moral exemplarity are likely to contain scarce use of impersonal reasons, promises, *ex post* rationalization, and error omission. Intraorganizational research settings must be deployed to determine whether conversation spaces exist and are accessible, and whether deliberation procedures are in place and dialogues are frequent, accepted, and institutionalized in the organization. Overall, despite its inherent limitations, we believe this research can bring fresh life to the current and future OC and OE debates.

CONCLUSION

In this article we questioned the sameness-otherness relationship, a central concern in OC theories and OE literature, and debated the role of powerful agents in the OC process. We proposed a dialectical construction of the same in its relationship with others, and we introduced the notion of practical wisdom as a distinctive ability to comprehend such dialectics. Inspired by contemporary philosophers, such as Levinas and Ricoeur, we applied this notion of practical wisdom to powerful agents in organizations. Practically wise powerful agents are attracted by differences in others, do not misuse their power, and contribute to promoting evolutionary OC. The sameness/selfhood-otherness dialectic seems to be compatible with extant theories in the OC and OE literature to the extent that it does not deny the dynamics of self-development, the economic considerations of managerial life, the irreducible power asymmetries, and the normative foundations of OE. It entails promising future research avenues both in the OC literature (new variables and new research

objects) and in the OE literature (coevolutionary OC-OE theory and normative aspects of OC).

APPENDIX OC THEORIES AND SAMENESS

As Van de Ven and Poole (1995) have mentioned, there is a plethora of literature on OC and development. We followed their method and have identified in the literature four major research orientations that constitute core theoretical bodies for OC: entrepreneurship theory, theories of strategic objective formulation, evolutionary theories (from a resource-based view and evolutionary economics), and population ecology. We illustrate how the sameness principle manifests itself in each of these OC theories.

First, in entrepreneurship theory, the idea of a materialization of possible advantages drives the behavior and change of an organization. Shane (2000) and Shane and Venkataraman (2000) "define the field of entrepreneurship as the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited" (Shane & Venkataraman, 2000: 218). For their part, Zahra and Dess (2001) and Hitt, Ireland, Camp, & Sexton (2001) define strategic entrepreneurship as "the integration of entrepreneurial (i.e. opportunity-seeking behavior) and strategic (i.e. advantage-seeking) perspectives in developing and taking actions designed to create wealth" (Hitt et al., 2001: 481).

The key themes in these definitions are opportunity and exploitation. To be entrepreneurial is to seize opportunities, to be *opportunist*, and to realize the potentialities contained in the opportunity. The goal is to "make it happen" for the benefit of the entrepreneur. In this perspective, sameness concerns the recognition of an opportunity as something identical to oneself, as a prolongation of one's own self (in terms of one's knowledge, social capital, and so forth). The entrepreneurial agent rushes to accomplish the hardly recognizable end inherent in the opportunity, with no particular consideration for others—except the will to recognize the opportunity before others do or to compensate others for their (in)direct participation (i.e., considering others as means).

Second, the "design" school (Andrews, 1960, where the CEO is viewed as the "architect of

strategy"), the "planning" school (Ansoff, 1965), the "positioning" school (Porter, 1980), and the "intent" and "vision" school (Hamel & Prahalad, 1994) all assume that a supreme end (profit vision, mission, etc.), mediated by an individual or a coalition, drives and explains organizational change. For these theories of strategic objective formulation,

through a clearly articulated strategic intent, top management communicates what they see as the preferred future position of the firm, and this preference is assumed to guide the actions by the sources of variations and the agents of selection and retention (Lovas & Ghoshal, 2000: 885).

In this teleological view of change, the change of the organization occurs via organizational members whose actions conform to leaders' views to achieve the strategic intent (Hamel & Prahalad, 1989). The organization's integrity and future are designed and modeled by top executives: "Deciding and articulating a strategic intent is essentially a top-down process" (Lovas & Ghoshal, 2000: 886). *Goal compliance* is the remaining share left to organizational members, who are used as means to reach ambitious collective objectives.

Third, evolutionary economists defend their view against the neoclassical orthodox economic assumptions of rational and optimizing actors' behavior (Nelson & Winter, 1982). In this respect, one might consider that they avoid the egoism that plagues every economic agent. However, in their view, firms cannot grow without incremental or radical advantages over competitors. Firms selfishly develop the sources of their own domination over other firms and provoke changes to destroy other companies' competencies through misfit, obsolescence, or decay (Henderson & Clark, 1990; Leonard-Barton, 1992). In evolutionary models a successful innovation generates profits for the initiating firm—profits used to accentuate the firm's relative advantage over competitors (Dosi & Nelson, 1994: 163). In evolutionary theories an organization seeks to impose its nature—its sameness—on others. Evolutionary sameness takes the form of a quest for perpetual *self-improvement* to generate unequal relationships with others. In contrast with a biological perspective, where a mutation must be replicated in a population, "the continued uniqueness of a positive trait enhances the competitive viability of the particular organization possessing it" (Levinthal, 1995: 36).

Finally, ecological approaches to OC focus on relationships between organizations, inside and across populations that derive from environmental resources and forces. Selection drives OC, screening out inappropriate and maladaptive organizations and fostering the emergence of new populations (Durand, 2001). Ecological speciation accounts for populations wherein the same organizational forms are adopted (Have-man & Rao, 1997). Sameness resides in the necessary *appropriation* of environmental resources on behalf of a given population, in a quest for survival (Hannan & Freeman, 1989). The relationships with other populations are always mediated by the protection of vital spaces and positions in the environment (Carroll, 1985). Legitimacy accrues to organizations that conform (isomorphism) to extol sameness and reflects the unequal relationships among living populations. Entire populations die from an inability to access preempted spaces and resources—that is, from being different or illegitimate.

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Rodolphe Durand is associate professor of management at the HEC School of Management, Paris. He received his Ph.D. from the HEC School of Management, Paris. He studies how philosophical and evolutionary theories pervade the fields of organizational change and strategic management.

Roland Calori was professor of management at EM-Lyon, France. His research dealt with top managers' cognition and organizational development.

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