

## **The Role of Metaphors in Organization Transformation**

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*Transformation is inevitable for the survival of some organizations. It is argued that metaphors may be a helpful tool for a successful transformation if carefully chosen. Two kinds of metaphors are discussed which describe different transformation processes and outcomes. Illustrations are given for both kinds of metaphors, and the argument is substantiated with examples from a case study about an organization transformation. The use of multiple and adaptive metaphors allowed a wide range for action in that particular case.*

### **INTRODUCTION**

Why should a company go through the effort of a transformation or change? Any change takes energy, energy in the form of financial resources, manpower, time, as well as emotional commitment and strain. Changes involve uncertainties and provoke anxieties. The more drastic and large-scale the change is, the more energy is needed and the more anxieties are provoked. Why change then? One compelling reason for change is survival. The firm may see no other choice but to transform in order to survive in the face of external pressures. Or, even if the company is successful now, management may realize that a transformation is required to ensure success in the future.

How can such a drastic change be accomplished? It is suggested here that metaphors, the mental pictures which are used to conceptualize, understand, and explain vague or unfamiliar phenomena such as a transforma-

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tion, are helpful tools for communication in this process. First, metaphors can refocus the familiar and show it in a new light which is a necessary first step of a transformation process. Second, metaphors provoke a vivid image which make future actions more tangible. And third, depending on the choice and field of origin, metaphors connote meanings on a cognitive, emotional, and behavioral level in a holistic way. These influence one's construction of reality and may lead to activities and outcomes which are experienced differently than the ones associated with a different metaphor.

But what kind of metaphors are appropriate for a transformation? Two kinds of metaphors will be presented here: (1) those that suggest a transformation process toward pre-specified goals, and (2) those which include the search for a direction since the outcome of the transformation cannot be clearly specified. The first group of metaphors conveys a more mechanistic and targeted transformation process, in contrast with the more adaptive nature of the second group of metaphors. The first group will therefore be labeled "targeted" metaphors, and the second group "adaptive" metaphors.

The following discussion will include the nature of organizational transformation, the role of metaphors as communication devices, and the underlying assumptions and implications of targeted and of adaptive metaphors. Illustrative examples and data from a case study about the choice and use of adaptive metaphors in a successful transformation process will be presented.

## THE NATURE OF ORGANIZATIONAL TRANSFORMATION

Transformation is defined as a "change in character or condition" (Webster's New Collegiate Dictionary, 1977, p. 1220). A transformation goes beyond an incremental change, e.g., the step-wise improvement of existing conditions, such as adding more people or reorganizing a department. A transformation goes beyond an amplification of the existing state, such as adding a new product line or a management information system. It is revolutionary rather than evolutionary in the sense that its outcome differs essentially from the organization's prior state (Greiner, 1972). After a transformation, people think, behave, feel, and relate to each other in different ways. Their outlook, perspective, basic assumptions, or paradigm (Kuhn, 1962) have changed. It is an entirely different "ball game" with new rules.

A true transformation implies, therefore, a change in the commonly-held belief systems which influence collective perceptions, feelings, and actions in a company, that is, a change in culture (Bennis, 1969; Burke, 1982; Margulies & Raia, 1978; Sackmann, 1983; Schein, 1985). This makes it difficult to accomplish an organization transformation. Not being able to do

so was found to be a source for most organizational crisis (Nystrom & Starbuck, 1984). How can basic assumptions or beliefs be changed that are collectively held and taken for granted in an organization? How can such a change be accomplished throughout the entire organization? How can daily reality be seen from a different angle, in a new light? How can new mechanisms for interpreting events be made available? One suggestion is with the help of metaphors.

### THE NATURE OF METAPHORS

A metaphor is a figure of speech in which a term or phrase with a literal meaning is applied to a different context in order to suggest a resemblance, such as "the head of the family." The figurative comparison provides additional information about the structure, content, and meaning of the particular situation. It can suggest a functional analogy between the two situations, render an abstract idea concrete, emphasize a particular facet of the situation, give meaning to a new and unfamiliar idea and render it more tangible. Depending on its origin, a metaphor can provide vivid images on a cognitive, emotional, and behavioral level, and suggest a certain course of action without determining, however, the actual behavior. The specific use of a metaphor in its new context may legitimize behaviors, and its attributed meanings may make certain behaviors more attractive or unattractive.

#### *Rendering Vague and Abstract Ideas Concrete*

Lakoff and Johnson (1982, p. 112) who consider metaphors as *the* structuring and sense-making device in our daily life, suggest that "we tend to structure the less concrete and inherently vaguer concepts in terms of more concrete concepts, which are more clearly delineated in our experience." The authors believe that the need for clear understanding leads to metaphorical definitions in people's conceptual system. Every change involves unsettling the status quo which is known and which introduces uncertainties. These can be reduced by using metaphors which relate the changes to known experiences.

Successful executives seem to make effective use of the power of metaphors in rendering abstract and vague ideas more tangible.<sup>2</sup> The chairman and chief executive officer of a large U.S. bank tried to convey, for example, relevant parts of the bank's new strategy to its tellers by comparing it

<sup>2</sup>This is one of the "accidental" findings in a study conducted by the author about how executives deal with unprogrammed situations (Pelton, Sackmann, & Boguslaw, 1989).

with “McDonald’s.” Everybody in the U.S. knows what one can expect by going to a McDonald’s: instant service, consistent quality, and a limited choice of food. The chairman and chief executive officer used this “McDonald’s” metaphor to emphasize these three aspects and it helped to make such a vague concept as strategy tangible to the bank’s tellers. Bennis (1984) observed in his study of successful leaders that one of four commonalities was their ability to “manage meaning” by giving concrete meaning to new ideas. Bennis concludes that effective leaders must use metaphors (as mental images) to make their vision clear to others.

### *Transmitting a Large Amount of Information Holistically*

Metaphors involve *entire systems or domains of meanings* rather than individual, isolated concepts. As such, metaphors are mental pictures which transmit information in a *holistic* way, thus providing a coherent whole for the topic (Ortony, 1975). One metaphor alone may convey a multitude of interconnected meanings. Like a picture, a metaphor may substitute for a thousand words because it draws upon the experience with an entire situation rather than with a single variable. This experience includes knowledge, activities, and emotions as well as the atmosphere of that situation. The use of a specific metaphor suggests certain courses of actions and certain feelings that one associates with those actions on the basis of the original context. If “gardening,” for example, is used as a metaphor in a managerial context, a series of activities which one associates with gardening is transferred to the new context as well. A good gardener makes sure that the soil is fertilized, and s/he creates optimal conditions for plants to grow and develop in a healthy way. Those seeds are planted which can grow and develop in a certain climate, and they are planted in such a manner that they do not prevent each other from growing. Even though young plants grow by themselves, they need regular watering and nourishment. They need to be protected from weeds and animals. And at times, they need to be pruned so that they can use their strength in focused development and not get lost in wild growth. In summary, the image of “gardening” suggests several activities of nurturing, care-taking, and often more radical actions in the pursuit of healthy growth. In contrast, the image “going to war” implies activities which are accomplished by distinctly different connotative meanings (Pondy, 1983), even if the actual behavior may be quite similar (see in this regard the discussion by Potter & Wetherell, 1987).

Metaphors refer to meaning systems and they can be used to influence meaning systems regardless of the espoused behavior. The connotative meanings associated with a particular metaphor influence the *perception* of and *feelings* about particular actions. The same espoused behaviors may be

experienced quite differently depending on the metaphor of choice. A chief executive officer, for example, synthesized his approach to work in “the play’s the thing,” even though he referred to a job when he had to work from 4 p.m. until after midnight, five nights a week at minimum wage, and being rushed all the time:

Have fun in the work you do. . . . ‘The play’s the thing.’ I often repeat that line to myself to help focus on the action at hand. No literary reference is intended. I simply take the words and give them my own meaning. When I was working in a (pizza) store, “the play” to me meant the rush (telephone order for pizza), and handling it was the only thing, the all-important thing (Raspa, 1987, p. 1).

A different employee may experience the exact same situation and activities quite differently and refer to them as “treadmill.”

However, the use of different metaphors may also lead to different behaviors. The results of a study by Sapienza (1985) found that metaphorical language not only influences perceptions but also subsequent actions. Faced with the same environmental change, the top management of one organization took “caring” actions based on their metaphor “suffering and pain,” whereas the others took “giving-up” actions based on their “box” metaphor for the change.

### *Triggering a Perceptual Shift*

The choice of a metaphor emphasizes one particular perspective of the situation to which it is applied. Morgan (1980, 1986) shows that each metaphor implies a different perspective of organizations highlighting specific attributes and ways of functioning. A comparison of organizations with machines stresses efficiency, planning, control, and “smooth running,” an organism metaphor emphasizes organic functioning and relations with the environments, a brain metaphor highlights aspects of information processing, decision making, and learning, a culture metaphor points out the importance of creating and negotiating meaning, whereas the pursuit of interests is stressed using political systems as a metaphor for organizations. The same job and work activities can be experienced as “play” or as “treadmill” depending on one’s focus. Metaphors structure complex situations due to their particular emphasis (Schon, 1979).

This quality of selective emphasis can be used to *shift* established figure-ground relationships, such as the way to perceive certain problems and to interpret information and events (Ortony, 1975; Petrie, 1979). An unusual comparison attracts novel attention to the familiar and can trigger a perceptual shift regarding everyday processes that are taken for granted. The direction of this perceptual shift is influenced by the choice of the metaphor, its experiential context. Morgan suggests that the most powerful use

of metaphors arises when the differences between the two situations involved are perceived to be significant with some areas of overlap (1980, pp. 611-612). If the situations are experienced as being too different, the metaphor may threaten individuals with its implied meaning, or it may be irrelevant to them.

The combination of a metaphor's high content of information on a cognitive, behavioral, and emotional level with its concrete, picture-like nature makes a metaphor a powerful tool in communication. Metaphors transmit an entire story visually using only one image. Research has shown that stories have a stronger impact on people than mere facts (Martin, 1982). Despite their high information content, metaphors are easily remembered because they are succinct. They involve the audience and trigger conscious effort to separate figure from ground. In addition, metaphors not only structure complex situations by highlighting certain issues, they may also convey one course of action as more likely than another and influence associated feelings and perceptions.

One may therefore hypothesize that, if metaphors are carefully selected, they can influence employees' thinking, feelings, and their construction of reality in ways that facilitate organizational transformation. They can initiate the process by triggering a perceptual shift, the choice of metaphors influencing the direction, interpretations of, and feelings about the shift.

Several questions arise now: What kind of metaphor(s) can be used for organization transformation? Which are most appropriate? Under which circumstances? Two kinds of metaphors will be discussed: "targeted" metaphors such as "engineering" and "adaptive" metaphors such as "philosophizing" or others used from "gardening." It will be suggested that the latter is most appropriate under the more usual circumstances of a transformation when the future is unknown and conditions are likely to change.

### **"ENGINEERING": A TARGETED METAPHOR FOR TRANSFORMATION**

#### *The Nature and Implications of "Engineering" as a Targeted Metaphor*

A possible, and often used metaphor for organization transformation is "engineering." The noun "engineering" has been defined as "the art and science of designing, constructing, and operating" (Funk & Wagnalls, 1980, p. 255). This definition implies the accomplishment of prespecified goals and objectives in a uni-directional, expertise manner. The reactions of the manipulated materials are known under a wide range of circumstances and recorded. They can be calculated and predicted for different conditions so

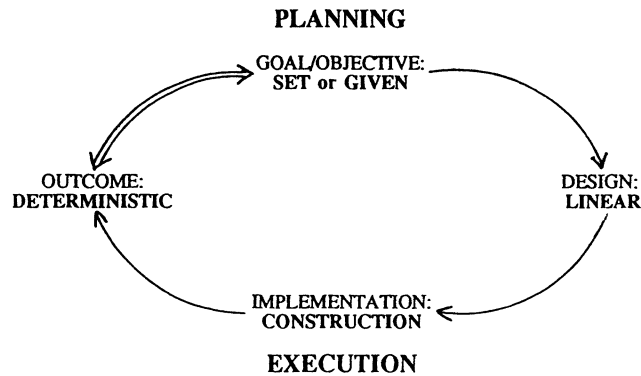


Fig. 1. The cybernetic nature of the engineering metaphor.

that the given goal can be reached. “Engineering” is linked to the view of organizations as machines. From this perspective, organizations are rational devices to achieve pre-specified ends.

The mechanistic view of the world can be traced back to Isaac Newton. His ideas of cause and effect led to the view of the world as one large machine. Once in motion, the position of every part of that machine seemed ultimately determinable. Human beings were considered part of this machine and their actions could therefore also be specified and predicted.

Classical management theory, especially Taylorism, applied “engineering” and other mechanistic equivalents to organizations. Within this perspective, it is assumed that organizations are composed of replaceable parts, including people, and that every function can and should be dissected and reduced to its smallest components. The functional analogy of the “engineering” metaphor for transformation is cybernetic in nature as illustrated in Fig. 1.

The goal or objective for the transformation process is set or given, such as “15% return on investment.” The goal is considered an endstate which is attainable if the plan is carried out correctly. Subsequent actions are based on the analysis of available knowledge and experience by experts. The implementation of the design resembles a construction. Prior knowledge and experience dictate what needs to be done to fit the various pieces together and to make the transformation happen. The obtained result is then evaluated against the set goal. Variances are corrected to make the outcome congruent with the originally set goal.

The connotative meaning of the “engineering” metaphor suggests a very focused approach to reaching the specified target. This approach is designed by experts and executed by nonquestioning employees. The experts know what they want to accomplish, they plan the system accordingly, they

select strategies and tactics which seem most appropriate to reach the specified goal, and "non-experts" are expected to implement the plans as specified.

This "engineering" analogy works if the desired outcome of the transformation can actually be specified in advance, if the environment does not change, if the necessary knowledge is available, and if people are there to execute the plans. This transformation process describes a "single-loop" learning situation in which the organization reaches a different state without learning additional skills about the process (Argyris & Schon, 1978). If these conditions do not exist, the "engineering" metaphor presents several limitations. These limitations become apparent if one plans for an unpredictable future or if one has to manage today's employees. In a changing environment, the outcome of a transformation is not entirely predictable, nor should it be, since the goal(s) cannot be exactly specified for dynamic organizations and their environments. And fixed goals are prone to become obsolete quickly. In addition, the planners' expert knowledge is based on past experience, and the result of them drawing on this knowledge is the extrapolation of the past into the future. In the rare instance that the relevant environment remains stable, this approach works, but if fundamental changes occur, the transformation is obsolete before its completion.

The top-down strategy and directive approach underlying the expert model are problematic with today's employees. In general, the reactions of the material "human being" are not as predictable as innate material. One can never be 100% sure, or deterministic, about the result of one's influence. Human beings do not only have "structural qualities," such as needed and desired skills or knowledge to accomplish certain tasks. They have also interests of their own (Culbert & McDonough, 1980), a brain, memory, and emotions. These are neither left at home in the morning nor are they completely controllable by an organization, not even a totalitarian one. As the sociologist Buckley (1967) has pointed out, human systems are multi-brain systems; this implies a wide range of interactions on cognitive, behavioral, and emotional levels.

Compounding this situation is the fact today's younger workforce has seen a change in social values, needs, and expectations (Flamholtz, Randle, & Sackmann, 1986; Yankelovich, 1981). The "new breed" of workers do not like to be told, pushed, or pulled. They want to be involved, asked, and be able to contribute. Organizational change is accomplished with the least resistance if those who have to live with changes are involved in the process as early as possible so that they identify with the new reality and are committed to the change process (Coch & French, 1948). The same can be applied to a transformation process. But not only does involvement reduce resistance, it may also generate both new ideas to better prepare for an uncertain future and the commitment to implement these ideas.



An additional consideration is that one metaphor may not be sufficiently descriptive for an entire transformation process because it involves a whole series of activities. Morgan (1980, 1986) argues, for example, that no one metaphor can capture organizational life. This argument is supported by Krefting and Frost (1985) who suggest that multiple metaphors are needed in managing organizational culture.

To summarize, in a case where the future is not exactly known, where not all of the changes which will influence a company's business can be anticipated, an "engineering" analogy has serious limitations. What is needed are multiple metaphors which allow for continuing exploration and for organizational adaptation and learning.

## ADAPTIVE METAPHORS FOR ORGANIZATION-WIDE TRANSFORMATION

### *The Nature of Adaptive Metaphors*

Adaptive metaphors describe a transformation process whose outcome cannot be specified at the outset. They connote a continuing process of search, taking action, and adjustments toward "fuzzy" goals which may change during the process. The underlying process of adaptive metaphors for organization-wide transformation is iterative, evolutionary, emergent, and experimental in nature. It can accommodate random variation and changing conditions without becoming obsolete. It represents a double-loop learning process in which the system knows how to learn when faced with unknowns (see Fig. 2).

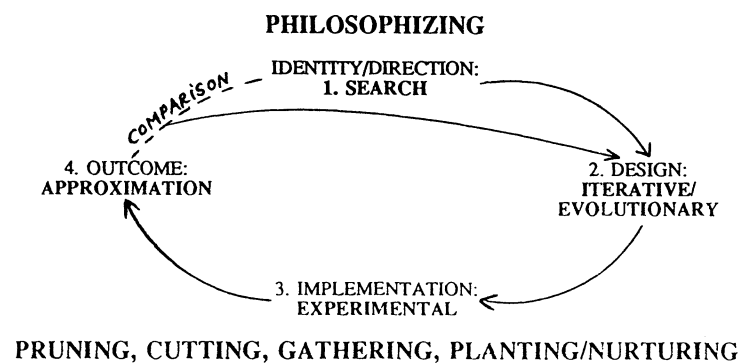


Fig. 2. The nature of adaptive metaphors.

In the first stage of the transformation process, the goal is *sought* rather than pre-specified. It is no longer seen as a tangible endstate which can be reached. Instead, it has a process nature and can better be characterized as a search for the route to take because it can only be approximated. It is a search for a company's identity ("Who are we?") and a constant questioning of its direction ("When do we want to go?"). The design for action which follows the search process is experimental rather than linear. Action steps are planned and taken one by one. Each step is then implemented in an iterative fashion. Outcomes of the implemented steps are evaluated and compared with the original search process. Unexpected variations may be accepted as the outset for a new cycle which starts with the design for new actions or even a new search. The outcome of one cycle of action/implementation/evaluation is only an approximation of the identity and direction established in the stage of search. It is all but one step toward that direction and its outcome is not as predictable as the shape of a road or a building.

Adaptive metaphors imply a double-loop rather than a single-loop learning process (Argyris & Schon, 1978) for organization transformation. The outcome of each step is discussed and evaluated before the next step is developed and taken. The iterative progression allows learning to take place between each action step. The actors only know, however, one step at a time since they have to evaluate the outcome of each step and assess the new situation before deciding about the next step and taking action.

Such an iterative and questioning process requires active participation of people who are willing to question, who know what to do in a particular situation, and who do not just execute what they are told to do. Hence, different experts may *evolve* in the process. One does not have to merely rely on pre-specified experts which is the case in an "engineered" transformation.

The iterative nature, the ongoing learning process, and the active participation of those people concerned reflect human systems rather than mechanical systems (Buckley, 1967). Needs of the "new breed" of workers and employees are taken into consideration. They can contribute their ideas and personal strengths rather than merely execute a pre-specified plan. In addition, synergistic effects can come to bear in the process of interacting with each other. Hence, adaptive metaphors are appropriate if the outcome of a transformation process is not known, if the environment of the organization in question changes, if one does not know in advance what kind of knowledge and skills will be required, if synergistic effects are desired, or if the people concerned should "own" the changes. As such, adaptive metaphors seem to be suited for a wide range of organizations operating in the Western world.

These arguments about adaptive metaphors will be substantiated with information obtained in a case study of an organization transformation.

The first stage of search was referred to as "philosophizing" or "philosophical discussion." "Philosophizing" as a metaphor was used to describe a traditional strategic planning process which is usually not characterized by the qualities that the team at the top transmitted. "Gardening" metaphors were used for the design, implementation, and evaluation to illustrate and explain actions taken during and after the transformation process. They influenced top management's thinking about the company's present and future as well as their actions and resultant feelings. The metaphors related to this "gardening" process were "pruning," "cutting," "gathering," and "planting/nurturing."

Together, the metaphors denoted a reality of exploration, interaction, collaboration, and joint efforts in an ongoing process to adapt to changes and to anticipate future changes in the business environment of the company. The metaphors were expressed in both verbal and behavioral terms at the top management level. At lower levels, they were present in actions such as the way management treated employees and how management was perceived by employees, the way in which work was accomplished, and the way in which insiders and outsiders were treated.

The organization-wide transformation process involved a cultural change: a change in their ways of collective thinking, feeling, and acting in regard to people and their work. It involved basic changes in the company's structure and strategy. All divisions of the company were involved in the transformation process, and subsequently acquired subsidiaries have had to conform to the newly created reality.

### *Research Procedure*

The company under study was a Los Angeles-based conglomerate (BIND) with 29 divisions located predominantly in the Western part of the U.S. with a total of 2500 employees in 1984. At the time of the study, top management was proud to show their accomplishments to an outsider who gathered data for her doctoral dissertation. Over the period of 12 years, they had successfully transformed and consolidated their company into four major product groups: electronics which accounted for 65% of sales and 72% of operating income for fiscal year 1984; building products, accounting for 16% of sales and 15.3% of operating income, Motor Vehicle Parts and Accessories with 8% of sales and 5.7% in operating income, and Graphic Arts with 11% of company's sales and 7% of operating income. Net sales in 1984 were \$312 million with \$22 million income before taxes and \$11.25 million net income. Twenty-five people worked at the corporate office and each division consisted of approximately 80-100 employees except one division which employed 500 people at the time of the study. The

study was designed to investigate aspects of the company's culture. Top management's interest in the study was to learn from an outsider to what extent their ideas were reflected at different hierarchical levels. They left it up to the researcher whom she wanted to contact and interview within the organization. In this process, the role of metaphors was "discovered" and pursued.

Fifty-two focused, in-depth interviews were conducted with top management and a random sample of employees taken from three different divisions of the company across hierarchical levels. Two of the divisions delivered different kinds of services. The third division was a job shop producing precision components. All interviews were transcribed verbatim and analyzed using a thematic content analysis (Carney, 1972). The resulting information was validated in four different ways: through observations conducted in the three sites, through the analysis of written documents, through a feedback session with top management, and through ongoing in-depth discussions of the emerging findings with two colleagues.<sup>3</sup> After completion of the interview phase, the researcher sporadically contacted the company over a period of 1½ years to follow up on its developments. The following analysis will be illustrated with selected excerpts from some of the interviews which typify the issue in question.

#### *The Metaphor "Philosophizing": Search for Identity/Direction*

"Philosophizing" was used as a metaphor for searching out an identity and direction for the company, the first step in the transformation process. It described a strategic planning process which started at the very basics. The process of "philosophizing" included the search for an identity (or a new identity), for a mission which gives direction, and for means to approximate it. These are issues of strategy. However, in the company under investigation, they were not addressed as such. In the process of "philosophizing," five major strategic issues were explored and discussed by top management: (1) Who are we? Where do we go from here? (2) How do we keep score? (3) How do we organize ourselves? (4) How do we manage our internal and external environment? and (5) To whom are we responsible?

For the top management of the company, these issues were more fundamental than "strategic planning" (which implied to them strategic positioning in a marketplace). The particular impetus for the exploration, dis-

<sup>3</sup>The methodology is described in more detail in Sackmann (1985, 1986). The author would like to thank Maggi Phillips and Richard Goodman for their interest in her work and for the stimulating discussions.

cussion, and negotiation of these issues using “philosophizing” as the frame rather than “strategic planning” was a combination of external and internal problems and pressures. Top management had a high personal, psychological, and financial investment in the company. A failure would imply personal failure and would jeopardize their families’ future. The particular background for the exploration, discussion, and negotiation of these issues was a combination of perceived external and internal problems and pressures.

Within a period of 5 years, the company had acquired 20 diverse companies without adjusting management, and without developing any kind of managerial systems. The president’s intended centralization at the top did not work with the newly-acquired diverse group of companies. This was reflected in the plummeting value of the company’s stock and problems of internal integration. The major individual shareholders who had been acquired for stock and who had stayed as general managers formed a new top management group. They decided that major changes had to happen if the company was going to survive in the longterm. The members of this group became participants in the “philosophizing” phase which set the stage and tone for the organization-wide transformation.

The (former) president of the company had acquired about 25 companies within a period of two or three years and then he didn’t know what to do with them. I sold my company for stock to BIND. I didn’t have anything except stock which I was practically depreciated in value as a result of what was happening over the stock market as well as within the company. So when the president resigned I assumed presidency and had some philosophical discussions with other people who were in the same situation as I was. We all had been acquired for stock . . . and it was all that most of the management had. It was a piece of paper. And so we had to devise some management that made sense. So we sat down . . . How would we decide what was acceptable, what wasn’t acceptable? . . . How should we manage this diverse group of companies?

*Who are we?* In the philosophizing stage, top management agreed on four product groups within their conglomerate to define their identity. The newly developed identity gave the company a direction for conducting their business, and a direction for their internal and external growth orientation. “Making progress” was the president’s intention rather than accomplishing a certain endstate. Once set, this identity was, however, not considered a fixed entity. Variations occurred over time. They were possible due to the iterative and evolutionary nature of the transformation process. It concluded frequent evaluations, adjustments, and corrections, both of the means to create the new identity and of its components. Adjustment that were made over the years based on growing experience will be described later.

*Keeping Score.* To be able to evaluate actions taken and their outcomes, it is necessary to have a measure. This was the second issue which was

explored in the “philosophizing” stage. Prior to this stage, the measure used to evaluate actions taken and performance was gross sales. No difference was made between subsidiaries located in different industries. The new president and the vice presidents realized that this way of keeping score did not allow comparisons across their diverse group of business. In addition, the prior sales orientation had led to increasing sales volumes accompanied by decreasing profit margins.

In long debates, the top management group agreed upon return on investment as a comparative measure for evaluating the performance of their subsidiaries and divisions. This new score card was to be the basis for making decisions about reinvestments, about managerial recommendations, and about consolidations.

We had to decide on a common measure for this diverse group of companies. The graphic arts division, for example, made maybe 2 or 3% on sales, the electronic division made 25% on sales, electronic distribution made 10% on sales. So there was a wide disparity between those figures and we had to devise some way to measure and decide whether they were worth retaining or not worth retaining.

*How to Organize.* A new identity and score card was, however, not enough to accomplish an organization-wide transformation. A new organization structure or design was seen to be needed to support and facilitate the new reality created by top management. Prior to the “philosophizing” stage, the company as a growing conglomerate was centralized. The new president and vice presidents felt that this was inappropriate for several reasons. First, they felt that they did not have the detailed technical knowledge to manage such a diverse group of companies on a daily basis even though each one of them had operational experience in one particular area of business.<sup>4</sup> They no longer had the close relationships with the customers, nor were they familiar with the specific indicators for changing conditions in a given geographic area.

Second, the conglomerate had acquired small family businesses of 80–100 employees founded by entrepreneurs. The new president wanted to retain this entrepreneurial spirit. He felt that they only could do so by giving the subsidiary as much managerial responsibility as possible. The top management group decided to retain financial control. All other functions were decentralized and delegated to the divisions.

We decided that if they had been worthy enough to have been acquired by BIND in the first place, then they must have had enough managements skills to manage their own business as they had done before. So we decided to turn back all the accounting

<sup>4</sup>All the companies had been acquired for stock. After their acquisition, the former owners stayed on as general managers with a major financial investment in the conglomerate. The new top management group was composed of people who had such a financial stake in the company.

to them, and to put back everybody in business for themselves—with certain limitations. And one limitation was on the reinvestment of the profits...if they needed money for reinvestment, they would have to get our permission. We would give them permission based on what kind of return they were giving to us. If they were making enough to warrant, then why shouldn't we put more money in there? So we established these guidelines and made clear that they had to be honest with us if they wanted to run their own business. And most of them were entrepreneurs and would have left at the completion of the contract if we didn't change the environment.

In a next step, more specific issues of managing on a daily basis need to be discussed to accomplish a successful transformation.

*How to Manage.* In addition to these structural aspects, top management negotiated managerial processes regarding relationships within their internal and external environments. Internally, they intended to facilitate a maximum flow of information and co-operation within each division, and between the divisions and the corporate office. "Avoid any kind of bottlenecks" became a slogan of concern. They also decided that the corporate office had the role of a service division to the companies of the conglomerate. They assigned to each of the vice presidents several divisions in which they had operational experience. Their function was to act as liaison and information link between divisions and the corporate office, as consultants to the divisions, and as the subsidiary's devil's advocate in critical decision making.

We shortened the lines of communications, broke the company up in a group of vice-presidents who were skilled in each of these groups of companies. We looked at ourselves as portfolio managers with a bunch of investments and to be realistic about it... But we were more than just the typical portfolio manager. We could give them advice, we could help them and guide them and direct them but not take the responsibility of management.

Customers and suppliers were to be seen as business partners. The needs and expectations of all people involved with the company were to be met to the largest extent possible.

*Corporate Responsibilities.* The president felt that as a public company, top management had a dual obligation. One was to the stockholders to reward and keep their trust by giving them an appropriate return on their investments. The other was to their employees who contributed to the success of the company and who should be assured a secure workplace in return.

I think I'm an asset manager and a people manager. I manage the assets of stockholders and I manage the employees. Each of us at the corporate office has that kind of dual responsibility which is difficult at times... We try to do something so that we don't either favor one or the other, or one at the expense of the other...and I think people recognize it.

All these issues which were explored, discussed, and negotiated are of strategic concern. Yet, they were broader and more fundamental to the new

president and the vice presidents than the term “strategic” conveyed to them. Their philosophical discussions went beyond the traditional strategic planning process regarding concerns of survival, of finding a niche, or of positioning the company vis-à-vis its competitors. It was a search for meaning, direction, and a different cultural environment for the newly developed conglomerate. The broad and fundamental conception reflected in the metaphor “philosophizing” or “philosophical discussions” allowed top management to explore in depth a wide range of issues without making immediate judgments and without being confined to a specific set of strategic issues. It set the stage for the process and outcome of the company’s transformation. Once top management had come to a consensual understanding of the five strategic issues during the philosophizing stage, their “gardening” activities began implementing the newly negotiated reality.

### *The Metaphors of “Gardening”*

The metaphors related to “gardening” performed a function similar to the “philosophizing” metaphor. These metaphors allowed the top management a way of implementing and maintaining their newly negotiated business reality in a tone that was caring, nurturing, participatory, and exploratory in nature rather than competitive, directive, or aggressive. The two metaphors “pruning” and “cutting” were used to refer to structural changes, whereas the other two metaphors “gathering” and “planting/nurturing” were used to address people-oriented changes.

The metaphors “pruning,” “cutting,” “gathering,” and “planting/nurturing” were used by the president and vice presidents to refer to the processes of implementing and maintaining the reality which they had negotiated in the “philosophizing” stage. These gardening metaphors guided top management’s way of thinking and acting and influenced their related feelings. The tone set by these metaphors was one of giving opportunities, trying, helping each other out, developing, growing, and working together, even if hard decisions had to be made. This tone of cooperation, team spirit, and mutual respect could be found throughout all hierarchical levels of the company’s divisions which were studied. It was not only reflected in the way management treated employees, how employees related to each other, and how work was accomplished, it was also reflected in the relationships with people on the outside such as suppliers, customers, the community, and even the competition. Examples of the use of each of the metaphors follow. All metaphors taken together describe how the organization-wide transformation was accomplished and maintained.

*Cutting.* The metaphor “cutting” was used to refer to the strategy of disposing of subsidiaries and discontinuing the manufacturing of certain



products. With the parameters negotiated in the philosophizing stage as a basis and as guidelines, those subsidiaries were sold which (1) did not fit into the four product groups, (2) were not profitable over a period of 3 consecutive years, and (3) were found to be too difficult to manage. Over time, top management also realized that style-oriented products and subsidiaries in stylish industries were easily susceptible to changing tastes and economic cycles. In short, they considered them too unstable, and therefore adjusted the identity established in the “philosophizing” stage.

Fifteen percent return on equity was set as a desirable guideline for the performance of divisions. In case a division was in trouble, recommendations would be made to its management by the top management team. If the division’s management would not implement these recommendations, or if there was no improvement in performance, a more direct intervention would be developed, including coaching the general manager. If none of the interventions were effective over a period of 3 years, the division would be placed on the market. Or, if the nature of its business would allow it, its unprofitable product line or subdivision would be consolidated, discontinued, or sold.

We had to make some hard decisions about those companies that did not meet the criteria, the return on investment that we established. . . . We just wanted to look at those divisions that would give us a good return on investments. . . . We started to cut, do house-cleaning. I spent many years doing that. A job that I would have thought would take me a couple of years probably took about 8–10 years. We divested ourselves of a large number of companies including a carpet company, a mini-bike company, boat companies, a company that manufactured ink. Some of them we just could not make profitable. We worked very diligently for many years trying to improve those that didn’t meet our criteria. . . . we did think we had sufficient skills to at least make an attempt. Those we couldn’t we cut off. And all the ones we kept are doing much better now.

*Pruning.* The metaphor “pruning” was used to describe the company’s growth strategy as implemented. This shaping into a desirable form was based on the new reality negotiated in the philosophizing stage. Investments were made in divisions which achieved the desirable return on equity. Based on the return on equity across divisions, top management decided to emphasize the distribution of products over their manufacture which was emphasized before the transformation. New acquisitions were made in the area of distribution within the four product groups. Internal growth occurred within the four product groups by spinning off additional locations once a division had substantially grown in size.

We weeded, cut, pruned and added where it was possible to those particular divisions. . . . What we’ve really done is really a pruning job on those divisions (we retained).

The two gardening metaphors “cutting” and “pruning” describe the transformation process of structural parameters. They reflect an evolution-

ary, iterative, and experimental nature. They have been applied continuously since the philosophizing stage in creating the newly developed reality. The structural elements of the transformation process have become a part of daily life in the company, and they have maintained the outcome of the transformation. Both metaphors denoted issues of *external* concerns. They help regulate and specify the company's relationships with the position within its external environment. The next two metaphors refer to issues of *internal* concern to the company. They describe people-oriented issues rather than structural ones.

*Gathering.* The metaphor "gathering" describes the processes of recruitment, selection, and hiring used by the company. It was descriptive of the social control mechanism used to regulate the specific composition of employees and to ensure that the reality envisioned during the philosophizing stage was maintained and perpetuated from one generation to the next keeping those people who displayed and lived by certain characteristics.

There is a management selection process. You keep all the people that are compatible—the way we are thinking in the corporate office and the division level—generally compatible. What we hope is, we gather around friends . . . people who think and feel like you do. I like to think that the company is a reflection of the kind of people we have . . . . Number of times people come in the company and sense the difference, it's pervasive, it doesn't end just with the people you talk to. They find as they go through the company that there is a commonality—philosophically—in the business.

Individuals who were selected and hired had to be willing to take responsibility, to take initiative, to work hard, to ask questions, to be innovative at their work, to help the company save money, and as a result to be or become experts in their fields. Individuals who were known for having these characteristics were contacted by the company, and people who were referred by "friends" of the company were considered first. Selection interviews were used to test if these characteristics were present, and a 3-month trial period was used for a further test.

So usually it clicks or it doesn't click. And a lot of times you know by what you feel . . . You feel if they fit. And every organization has a type of person that fits. Our particular type is self-motivated, initiators, people who are profit-oriented, people who are communicators, people-oriented, people who are willing to take risks.

Once people had been hired and had survived the testing period, they were given opportunities to move around and find the kind of work they liked and through which they could contribute the most to the company. Employees who looked promising for key positions were carefully observed, since key positions were preferably filled from within. Employees who moved up showed the above-mentioned characteristics that were considered to be important. This process ensured the maintenance and perpetuation of the newly created company reality. People in key positions did not only have responsibilities in regard to their work. They were also role mod-

els and coaches for their subordinates. This function of employee development relates to the next metaphor.

*Planning/Nurturing.* “Planning/nurturing” referred to the special care that was given to those individuals who were seen as potential successors for key positions. The next higher person with managerial responsibilities was the first to give this special attention. But his superiors, including vice presidents and the presidents, would give it as well, once the employee was identified. “Planning/nurturing” implied giving the employee exposure to a variety of functions within the division and, at times, across divisions. It implied identifying strengths and weaknesses of employees and “planting” in them those seeds that are needed for the next step in their professional development. In frequent interactions, employees received informal feedback on their performance and progress. New behaviors were periodically reinforced by “watering” and “nourishing” the planted seeds. And these activities were experienced by the recipients as “Our management is super! I get a lot of support.”

It's a lot of like Johnny Appleseed at work. You go in, plant a few seeds. Come back another time, water those seeds and see how they develop. Let's talk about this. What do you think about this? How do you think this would work out? He's tried. Some of it worked out, some didn't. He's coming on nicely, he's developing. Like all managers do, they have certain things to work on. So he's still ways to go, but he's getting there.

These processes ensured that employees with strong potential were identified and given opportunities to develop further. The wide exposure to different parts of the company gave individuals a solid operational background while the continuing, persistent, yet subtle influence by a key executive ensured that the things considered to be important were adopted by employees in their thinking and were reflected in their behaviors. This helped secure succession, as well as maintain and perpetuate important cultural elements from one generation to the next without undesirable shifts.

The two metaphors “gathering” and “planting/nurturing,” which relate to internal concerns, also denote processes that have been perpetuated in the organization. As previously noted, these are people-oriented, rather than structure-oriented, processes. They are iterative, evolutionary, and experimental in nature, allowing for adjustments and adaptation to changing conditions as well as for random variations which may be adopted if they seem to be improvements.

## SUMMARY AND CONCLUSIONS

It was argued in this paper that metaphors, as mental pictures that may substitute for a thousand words, influence the perception of a company's reality, the meanings associated with people's actions, and their related

feelings. Metaphors are powerful means for communication if chosen carefully because they can (1) trigger a perceptual shift, (2) succinctly transmit a large amount of information simultaneously at a cognitive, behavioral, and emotional level, and (3) render vague and abstract ideas concrete, provide a vivid image, and be remembered easily.

Different metaphors for organization-wide transformation imply different processes and outcomes. Two kinds of metaphors were discussed, "targeted" metaphors for a transformation process with a pre-specified outcome, and "adaptive" metaphors for a transformation process with "fuzzy" goals that cannot be clearly specified. The underlying nature of a "targeted" metaphor, for example "engineering," is cybernetic. The goal is pre-specified, the design for the organization-wide transformation is executed in a linear, expertise-based fashion, and the perceived endstate is approached in a deterministic way. A "targeted" metaphor is appropriate only if the envisioned future is known and can be determined.

If the future is not entirely predictable, a "targeted" metaphor such as "engineering" does not depict the kind of transformation needed. What is needed instead are metaphors connoting an organization-wide transformation with an adaptive and evolving nature that allows testing, exploring, searching behaviors, and learning. The data reported from the case study establish that a successful organization transformation was accomplished using "adaptive" metaphors which connote images that are flexible, interactive, and exploring.

During the "philosophizing" stage, the members of the top management team searched for an identity and direction. They explicated, discussed, and negotiated important beliefs and assumptions about their company's identity and about how to best conduct their future business in terms of structure, people, and processes. A *different reality* was being developed. Once these framing beliefs and assumptions were negotiated and agreed upon, top management implemented them and diffused them to the lower levels in the company. These processes of implementation and diffusion can be better characterized with "adaptive" metaphors such as "gardening" than with "targeted" metaphors such as "engineering." Once actions were taken, their results were assessed and evaluated, learning took place. Strategies, processes, and structural parameters were adjusted, refined, and changed on the basis of this ongoing, interactive learning process.

In general, "adaptive" metaphors connote activities and behaviors that are testing, exploring, searching, and tentative. They continue to be applied if further changes are necessary in the process of transformation. In addition, the use of multiple metaphors depicts different kinds of processes during the transformation. They give a more realistic and detailed picture of what occurs than can one single metaphor (see also Morgan, 1980, 1986).

The reality created in the “philosophizing” stage served as an invisible guide for action, a guide that specified the direction for the company rather than stipulated a tangible goal. This direction can only be approximated, such as “making progress.” The underlying process of the adaptive metaphors enables this continuous search, adjustment, and change in approximating the envisioned reality for the company — a reality that may itself shift over time, as is necessary for operating effectively in a changing world.

Some caution is, however, necessary regarding the use of metaphors. Metaphors convey meaning systems without direct causal links between the meanings they convey and the espoused behavior. One of the conclusions that Moore and Beck (1984) draw from their study of bank managers’ behavioral responses and metaphorical imagery is that meaning systems need not coincide directly with specific behavioral choices a manager makes. Different metaphors may be used by two individuals to characterize the same activities or they may be associated with different activities. Metaphors can be used to rationalize former actions, to mythologize activities, or even to justify illegitimate practices. In this study, the use of adaptive metaphors happened within the framework of ethical conduct. Mutually sincere and honest behavior was both expected and shown at all hierarchical levels of the company. It is therefore suggested that ethical conduct should be considered a prerequisite for the use of metaphors.

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### **BIOGRAPHICAL NOTE**

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