

Evolutionary Change versus Revolutionary Change

Change is essential throughout an organization's life cycle in order to maintain a significant advantage over other companies in the environment with competing technologies, innovations, and strategies.. The two most prevalent types of change that occur within organizations are evolutionary change and revolutionary change. To illustrate evolutionary change and revolutionary change, this paper will analyze two organizations, Johnson & Johnson and Sears respectively. Johnson & Johnson fosters gradual, specifically focused evolutionary change through its key management strategy, FrameworkS, while Sears engineered a drastic, organization-wide revolutionary change to break through into new domains and vigorously challenge competitors (Jones, 2007).

Johnson & Johnson's key management strategy, FrameworkS, is a major medium through which the organization cultivates evolutionary change (Johnson & Johnson, 2008). FrameworkS utilizes W. Edwards Deming's total quality management technique (TQM) through its use of quality circles (Jones, 2007). Each quality circle is composed of approximately ten people from each operating division and collaborates with the Executive Committee to discuss ways in which the company can be more innovative and increase performance (Jones, 2007). This process ensures that Johnson & Johnson examines all issues through multiple perspectives with the intention of preserving an environment receptive to innovation and change. Furthermore, Johnson & Johnson gradually modified their structure as a result of their TQM approach. Through FrameworkS, Johnson & Johnson developed the Standards of Leadership model, which focuses on competencies specific to Johnson & Johnson's culture (Laurie, 2002). With this model, Johnson & Johnson communicated the organization's top priorities to the employees: Customer/Marketplace Focus and Innovation (Fulmer & Goldsmith, 2000). Johnson & Johnson reaped the benefits of their incremental change strategy: for the ten years between 1989 and 1999, approximately 40% of its profits came from products and services that had not existed five years earlier (Laurie, 2002).

As exhibited in the development of the Standards of Leadership model, Johnson & Johnson uses its culture as a guiding force in decision-making; however, this has the potential to become a barrier for the organization. The emphasis Johnson & Johnson places on connecting each operating division through FrameworkS could slow product development in an industry that is perpetually transforming by slowing decision-making and communication, perhaps keeping Johnson & Johnson divisions from being the first to market new techniques and products. Currently, Johnson & Johnson can rely on its reputation and brand name to gain a competitive advantage in the market; however, as its competitors become increasingly well-known and specialized, Johnson & Johnson needs to readjust its organizational strategy to reflect the underlying dynamics of technological change in their target markets. Johnson & Johnson's evolutionary change is effective in its existing markets, but as these become more dynamic, Johnson & Johnson must be wary of the time it devotes to making decisions about change initiatives.

As a potential lesson to Johnson & Johnson, Sears' strong organizational culture fostered much of its success, but ultimately was a catalyst for the company's downfall. In the mid 1990s when competitors such as Wal-Mart, Kmart, and other low-cost specialty stores entered the

market, Sears' attempt to achieve a competitive advantage by employing revolutionary change within the goals and structure of the organization quickly backfired due to employees' resistance to change (Jones, 2007). To restructure Sears' environment, an initial change occurred in task and authority relationships, which led to the hiring of Edward Brennan. Given the velocity of Sears' downfall, Brennan made radical shifts in the organization through downsizing and lay-off of workers (Tushman & O'Reilly, 2002). Downsizing was a necessary step to increase performance and reduce bureaucratic costs in response to competitive pressure (Jones, 2007). Brennan took additional steps to reduce Sears' bureaucratic costs and raise cash by buying back 10% of its stock and selling the Sears Tower (Tushman & O'Reilly, 2002). Though Brennan wanted Sears to be a stimulus for innovation in the field of retail he was unable to keep up with the specific as well as the demographic forces of the environment. His swift changes caused particular confusion about Sears' target customer-base and market focus, which resulted in an unclear focus of the organization's mission (Jones, 2007). Through a strategy of redesigning the structure and culture of the organization, Brennan generated all of the right moves for a revolutionary change; however, the shared dedication to Sears' culture prevented the company from truly adapting to the changing environment. Brennan overlooked pertinent steps to fostering change such as educating and empowering employees regarding the change. Brennan needed to have facilitated formal group meetings, one-on-one meetings, or videoconferences to inform employees about the happenings of the organization (Jones, 2007). Through clear education and communication, employees become more aware of the benefits of the change and thus more compliant with revolutionary reform. Additionally, Brennan needed to urge employees to participate in the change process (Jones, 2007). The education, communication, and participation of the employees would have fostered a much steadier transformation of Sears' business strategy and long-standing culture. Instead, the employees' dedication to the Sears' culture prohibited Brennan's efforts to restructure and reengineer the organization, which inevitably kept Sears from becoming an innovative organization in a constantly changing market.

Drawing on the examples illustrated in Johnson & Johnson and Sears, it is evident that change of any kind sparks great challenges in an organization; however, introducing revolutionary change presents the greatest difficulty in terms of design and development. As demonstrated in both organizations, a company's culture is a critical component of its success. However, when a company is confronted with an abrupt change in the environment the company's dedication to its culture can be the number one barrier to revolutionary change. Given the extremity of revolutionary change versus evolutionary change, there is a higher risk of causing employees to feel threatened as task and authority relationships inevitably change with great rapidity. If not properly anticipated and managed, resistance to change may even cause employees to rebel against higher management (Jones, 2007). While Sears' efforts for a revolutionary change resulted in an intolerable process for employees to adapt to, while Johnson & Johnson was able to provide employees with an opportunity to anticipate and learn about the organization's change process through evolutionary change.

Work's Cited

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