The 1st MRC Master Journey in Management
The 3rd MRC Doctoral Journey in Management

M R C - MANAGEMENT RESEARCH CENTER
GRADUATE SCHOOL OF MANAGEMENT FEUI

Bisnis Indonesia

PROSIDING

7 August 2008 – Crowne Plaza Hotel

MRC-Management Research Center
Pascasarjana Ilmu Manajemen, Fakultas Ekonomi, Universitas Indonesia.
Gedung PAU Lt..2, Depok, Jawa Barat. Telp:7270164. Fax:7875056
Email: mrc@pascafe.ui.ac.id. Web: http://www.pascafe.ui.ac.id/mrc

Bisnis Indonesia
Wisma Bisnis Indonesia Lt.5-8. Jl. KH Mas Mansyur 12A, Jakarta 11220.
Telp:57901023. Fax: 57901025
Email: promosi@bisnis.co.id. Web: http://www.bisnis.com

HALAMAN PENGESAHAN JURNAL PENELITIAN

1. Judul Tulisan	:	*Integrative View of Strategic Change: A Theoretical Assessment of Antecedents and Consequences.*
2. Penulis	:	
a. Nama	:	Ayi Ahadiat, S.E., M.B.A.
b. NIP	:	19650307.199103.1.001
c. Jabatan	:	Lektor
d. Pangkat/Golongan	:	Ahli Madya/ IIIC
e. Fakultas/Jurusan	:	Ekonomi/Manajemen

Dimuat dalam Prosiding *the 3th Management Research Center Doctoral Journey in Management, FE UI,* 7 August 2008 di Jakarta.

Bandarlampung, 10Maret 2010

Mengetahui,
Dekan Fakultas Ekonomi
Universitas Lampung

Toto Gunarto, S.E., MSi
NIP.131286446

Ketua Jurusan Manajemen
Fakultas Ekonomi Unila

Mahrinasari MS, S.E., MSc
NIP 19661027.199003.2.002

Menyetujui/Mengesahkan,

Ketua
LembagaPenelitianUniversitas Lampung

Prof. Dr. John Hendri, M.S.
NIP 19581021.198703.1.001

Daftar Judul Paper

BANKING AND FINANCE

Agatha Ferijani : KAITAN ANTARA ORIENTASI TANGGUNGJAWAB SOSIAL PERUSAHAAN (Corporate Social Responsibility Orientation / CSRO) DENGAN KETERTARIKAN PERUSAHAAN (Employer Attractiveness)

Budi Purwanto: DISINTERMEDIASI PERBANKAN: Kejutan Pasca-Krisis dan Perilaku Manajerial Perbankan di Indonesia: Suatu Pemikiran Awal

Ferry Novindra Idroes: STRATEGI PENINGKATAN KINERJA KREDIT PRODUKTIF PADA INDUSTRI PERBANKAN DALAM MEMBERIKAN KONTRIBUSI KEPADA PEMBANGUNAN DI INDONESIA

Teddy Oswari: MODEL ANTISIPATIF MANAJEMEN RISIKO KREDIT: PENGARUH VARIABEL KONTIJENSI TERHADAP SISTEM MANAJEMEN RISIKO KREDIT (STUDI PADA BANK UMUM DI INDONESIA)

I Gusti Ketut Agung Ulupui:
KOMPENSASI DIREKSI – KOMISARIS, STRUKTUR KEPEMILIKAN, PRAKTIK GOVERNANCE DAN KINERJA PERUSAHAAN

I.Roni Setyawan, Budi Frensidy, Arrester C.S. Rahayu:
Studi Efisiensi Perbankan Indonesia: Kasus 38 Bank Bermasalah Periode 1991-1997

RUDOLF LUMBANTOBING:
PERUSAHAAN PENANAMAN MODAL ASING DENGAN PERUSAHAAN PENANAMAN MODAL DALAM NEGERI YANG GO PUBLIC DI PASAR MODAL INDONESIA

CAPITAL MARKET

Bona Christanto Siahaan:
Pengaruh Volatilitas Aktivitas Perdagangan Terhadap Return Saham : Weekend Effect Dan Masa Pemerintahan Presiden Sebagai Faktor Pembentuk Volatilitas

Budi Frensidy: DETERMINAN ASK-BID SPREAD SAHAM-SAHAM DALAM KOMPAS 100 DI BURSA EFEK INDONESIA

C. Erna Susilawati: IMPLIKASI MARKET TIMING PADA STRUKTUR MODAL PERUSAHAAN

Dian Indiyati: Human Resources Planning Merupakan Hal Strategis Untuk Keunggulan Bersaing Organisasi

Elok Sri Utami : DETERMINAN DAN IMPLIKASI KEBIJAKAN STRUKTUR MODAL: SEBUAH PENGEMBANGAN MODEL TEORITIK STUDI EMPIRIK PADA PERUSAHAAN PUBLIK DI INDONESIA

Kresno Agus Hendarto: PELAKSANAAN TANGGUNG JAWAB SOSIAL DAN LINGKUNGANPERUSAHAAN (CSR) DI INDONESIA DAN SHAREHOLDER WEALTH,BENARKAH SEBUAH TRADE-OFF? SEBUAH STUDI PENDAHULUAN

Lukas Purwoto: Koneksi Politis dan Sinkronisasi Harga Saham di Indonesia

Suherman & Agung D. Buchdadi: The long-run performance of initial public offerings: comparison between shari'ah and non shari'ah based stocks

HUMAN RESOURCES

Achmad Sudiro: Pengaruh Timbal-Balik Antara Kepuasan Kerja Dengan Kepuasan Keluarga dan Komitmen Kerja Serta Dampaknya Terhadap Prestasi Kerja dan Karier Dosen

Arry Pongtiku: Values of Corporate Social Responsibility (Mobile Health Team) during Gas Exploration Phase: a Grounded Research in Remote Area of Rombebai Block In Papua, Indonesia

Aryana Satrya: STRATEGY FOR UNIONS IN DEVELOPING COUNTRIES: CASE STUDY OF THE INDONESIAN UNIONS IN SERVICES SECTOR

Hastin Umi Anisah: Pengaruh Faktor Environment, Entrepreneurial Skill, dan Budaya Banjar dalam Formulasi Strategi Terhadap Kinerja dan Keunggulan Bersaing pada UMKM yang berorientasi Ekspor (studi pada UMKM yang menghasilkan Perhiasan Batu Mulia di Kalimantan Selatan)

Jusuf Irianto: PENGARUH KARAKTERISTIK INDIVIDU, BUDAYA ORGANISASI, DAN KEPUASAN KERJA TERHADAP KOMITMEN ORGANISASI DAN PERILAKU INOVATIF KARYAWAN (Studi pada Karyawan Sentra Industri Kecil Sepatu di Mojokerto – Jawa Timur)

NOERMIJATI: AKTUALISASI TEORI HERZBERG,SUATU KAJIAN TERHADAP KEPUASAN KERJA DAN KINERJA SPIRITUAL MANAJER OPERASIONAL (Penelitian di Perusahaan Kecil Rokok Sigaret Kretek Tangan Di Wilayah Malang)

R. Bowo Harcahyo, SE., MBA: MEMBANGUN KINERJA ORGANISASI MELALUI HUMAN RESOURCE FLEXIBILITY

Kesi Widjajanti: TRANSFORMASI ENTREPRENEURSHIP MENUJU KEUNGGULAN DAYA SAING DAN KINERJA

Rizal Edy Halim: MARKETING IMPLIKASI PEMBANGUNAN ORIENTASI KEWIRAUSAHAAN DAN ORIENTASI PASAR TERHADAP KINERJA PEMASARAN

Agus Supandi Soegoto: PENERAPAN STRATEGI PASAR DAN BAURAN PEMASARAN JASA DALAM MENCIPTAKAN KEUNGGULAN POSISIONAL DAN KINERJA PEMASARAN (Survei pada PTS di Kopertis Wilayah IV Jawa Barat dan Banten)

Hossein Miladian: End-User Computing (EUC) Satisfaction with Internet Shopping

Asnan Furinto: Designing Competitive Loyalty Programs: How Key Types of Programs Affect Customer Profitability

Hafasnudin: PENGARUH NILAI PELAYANAN, KEPERCAYAAN DAN KOMITMEN TERHADAP LOYALITAS NASABAH BANK SYARIAH (Suatu Studi untuk Menggali Pasar Spiritual dan Konvensional Berdasarkan Perilaku Nasabah Bank Syariah di Daerah DKI Jakarta)

Hasrini Sari: PERAN PESAN EDUKASI PELANGGAN DALAM MENINGKATKAN INTENSI MEMBELI PRODUK HIJAU

Izmi Rajiani: PERSONALITY TRAITS TO PREDICT LOYALTY AND NEGLECT AMONG EMPLOYEES OF BANK JATIM LOCATED IN EAST JAVA MUNICIPALITIES (Test of McCrae's and Hofstede's Models)

Jony Oktavian Haryanto dan Chairy: Model Baru Dalam Migrasi Pelanggan

MASRONI: STIMULI PASAR, STIMULI NON PASAR, BUDAYA, SOSIAL DAN LAYANAN: PENGARUHNYA TERHADAP KEPUTUSAN PEMBELIAN MOBIL KOREA DI INDONESIA

Mokhamad Arwani: BAURAN PEMASARAN, INDIVIDU DAN LINGKUNGAN: PENGARUHNYA TERHADAP STRATEGI PEMASARAN DAN KEPUTUSAN MEMILIH BANK SYARIAH (Studi Empirik Pada Bank Syariah di Jawa Timur)

Royani: Service-Dominant logic dan masa depan pemasaran

Sri Bramantoro Abdinagoro: NAME LETTER BRANDING: Akankah Bekerja Ketika Produk Berkonotasi Negatif?

MRC-Management Research Center
Pascasarjana Ilmu Manajemen, Fakultas Ekonomi, Universitas Indonesia.
Gedung PAU Lt..2, Depok, Jawa Barat. Telp:7270164. Fax:7875056
Email: mrc@pascafe.ui.ac.id. Web: http://www.pascafe.ui.ac.id/mrc

Bisnis Indonesia
Wisma Bisnis Indonesia Lt.5-8. Jl. KH Mas Mansyur 12A, Jakarta 11220.
Telp:57901023. Fax: 57901025
Email: promosi@bisnis.co.id. Web: http://www.bisnis.com

ORGANIZATION

M. Taufiq Amir: Measuring Leader and Employee Innovative Behavior

Maria Merry Marianti Dra., M.Si.:
GURU SEBAGAI PEMIMPIN YANG MELAYANI (TEACHER AS SERVANT LEADER)

Mugi Harsono: STUDI PERILAKU SUKSESI PERUSAHAAN KELUARGA: OPERASIONALISASI DAN PERLUASAN THEORY OF PLANNED BEHAVIOR PADA PERUSAHAAN KECIL DAN MENENGAH DI EKS. KARESIDENAN SURAKARTA

Salamah Wahyuni: PERAN MODERASI JENIS, UKURAN DAN DINAMISASI LINGKUNGAN TERHADAP PENGARUH FLEKSIBILITAS TEMPAT KERJA DAN KINERJA PERUSAHAAN

STRATEGIC

Andy Fahril M: ANALISIS KOLUSI INDUSTRI ASPAL INDONESIA MASA DEPAN DARI SISI SKEMA PERJANJIAN LISENSI

Anita Wasutiningsih: HARMONISASI FAKTOR INTERNAL DAN FAKTOR EKSTERNAL

Ayi Ahadiat : INTEGRATIVE VIEW OF STRATEGIC CHANGE: AN ASSESSMENT OF ANTECEDENTS AND CONSEQUENCES

Bambang Sugiyono AP:
MANAJEMEN STRATEGIK DI DALAM MENGEMBANGKAN INDUSTRI BAHAN BAKAR NABATI (BIO-FUEL) DI INDONESIA

Eddi Suprayitno: PERANAN ORIENTASI PASAR DAN KAPABILITAS INOVASI DALAM MENINGKATKAN NILAI PELANGGAN SERTA PENGARUHNYA TERHADAP KEUNGGULAN BERSAING PERUSAHAAN (Suatu survei pada Industri Batik di D.I.Yogyakarta)

Joewono H., Daryanto A., Harianto dan Kuncoro:
AGRO-BASED INDUSTRY COMPETITIVENESS

MANEREP PASARIBU:
ANTECEDENT CONDITION IN THE IMPLEMENTATION OF BEST PRACTICES SHARING WITHIN PT PLN (PERSERO)

Ni Nyoman Kerti Yasa:
Pengaruh Sumber Daya Perusahaan Dan Lingkungan Persaingan Industri Terhadap Kinerja Melalui Perumusan Strategi Pada Usaha Kecil Menengah (UKM) Sektor Keuangan Di Bali

Ririn Handayani: PENGARUH BUDAYA NASIONAL, KEPRIBADIAN, DAN PARTISIPASI ANGGARAN TERHADAP KESENJANGAN ANGGARAN (Studi Perilaku Eksekutif Dalam Proses Perencanaan Anggaran Kabupaten/Kota di Provinsi Riau)

Dr. Syuhada Sufian, MSIE: Inovasi dan Aset Stratejik dalam Peningkatan Kinerja Perusahaan: Model Empirik Terintegrasi Berjenjang Pada Industri Farmasi Di Indonesia.

Widodo: Model Pengembangan Kualitas Strategi

INTEGRATIVE VIEW OF STRATEGIC CHANGE: AN ASSESSMENT OF ANTECEDENTS AND CONSEQUENCES

(A Disertation Proposal)

Ayi Ahadiat[1,2]
ayi_ahadiat@yahoo.com

Abstract

This paper discusses the antecedents of strategic change in multi-lens perspective which consists of rational-lens, cognitive-lens and learning-lens with the consequences in content of strategic change and subsequently in performance. The multi perspective-lens is applied with combination of Rajagopalan and Spritzer (1996) and Pettigrew (1978) frame-works of strategic change: change process, context and content. The hypotheses in general argue that the change and context process, play a role as antecedents, influence the content of change. Subsequently, content of change, functions as consequence, influences performance as organizational outcome.

Keywords: strategic change, multi-lens perspectives, antecedent, consequence.

CHAPTER ONE
INTRODUCTION

Rationale of Study

The research on strategic change in last two decades has emerged in various perspectives, which are idiosyncratic one to another. The researches on strategic changes had been dominated by environmental resources approach (Dess & Beard, 1984; Campbell, 1969; Aldrich & Pfeffer, 1976; Aldrich & Reiss, 1976; Nielsen & Hannan, 1977; Pfeffer & Salancik, 1978). Strategic changes take place in various forms, which include selective divestment, movement of capital and other resources from home market to overseas, acquisition, organic growth, joint venture, and also in the form of structural change (e.g. reduced number of employee or set the fixed cost down). In term of content, major strategic change can also take place in term of business strategy, structure, culture and people. Most of these change are mainly aimed for business survival and sustainability.

Thomas, Pettigrew, and Rubashow (1985) conducted research with UK setting, had identified factors influencing changes are commonly as environmental such as general recession and changing in market structure. The methods of change that take place are by intensifying market and sales effort, reorganizing the entity, developing a new product, or by tightening the financial control. The radical change or large scale change much exists in the form of organizational change or in rationalization of strategy. Severance and Passino (1986) identified the strategic change in US used quality improvement and cost reduction through elimination of inventory and slashing direct labor content as dominant influencing strategy.

As a lot of students of strategic change conduct their works with various definition of strategic change, Petigrew (1987b) summarized the definition of strategic change as a descriptive magnitude of alteration in, for example, the culture, structure, product market and geographical positioning of the firms, recognizing the second order effects or multiple consequences, of any such changes and, of course, the transparent linkages between firms and sectoral, market and economic context.

The strategic change in general is as a difference in the form, quality, or state over time (Van de Ven and Poole, 1995) in an organization's alignment with its external environment. An organization's alignment with its external environment is defined as the "fundamental pattern of present and planned resource

---

[1] Doctoral Student in Strategic Management, Faculty of Economics and Business, Gajah Mada University. Ayi Ahadiat has received sandwich program with Gatton College of Business and Economics, The University of Kentucky in 2004 funded by TPSDP Dikti. He currently works as lecturer at Department of Management, Faculty of Economics, The University of Lampung.
[2] Author would like to extent deepest gratitudes and appreciations to Prof. Dr. Basu Swastha Dharmmesta, MBA, Dr. T. Hani Handoko, MBA, Dr. B.M. Purwanto, MBA and Prof. Walter J. Ferrier, Ph.D. of The University of Kentucky, USA for their comments, reviews and corrections.

occur at different levels. Strategic change can occur at two levels, i.e., the conceptual level and the concrete level. Conceptual change involves the vision and positioning of the organization, whereas concrete change involves the programs and facilities/products (Figure 2.10).

Change at the conceptual level may not be accompanied by changes at the concrete level. However, for strategic change to be effective, changes should take place at both levels. Where conceptual change is accompanied by concrete change, a deductive change has occurred. If the change is initiated at the concrete level leading to changes at the conceptual level, an inductive change has occurred. This framework does not, however, discount the influence of the state of the organization, e.g., culture and structure, on the strategy.

Some organizational theorists argue that all the components of strategy may not change uniformly. For example, Laughlin (1991) suggests that if change involves only the physical aspects, i.e., programs and facilities of the organization, then little change has occurred, while if change occurs to the paradigm, i.e., vision and position of the organization, then more fundamental change has taken place. These changes are referred to as first order and second order changes, respectively.

The characterization of change as either first order or second order may be likened to what organizational learning theorists classify as single loop or double loop learning, respectively (Argyris & Schon, 1978; Argyris, 1977). In single loop learning, the organization is able to correct its mistakes and hence restore itself to prevailing norms and values. Organizations engage in double loop learning when the knowledge obtained from the organization's environment generates not only understanding but also a base for questioning current norms and assumptions with the possibility of reinventing the organization (Crossan, et al., 1999). Members of the organization are required to develop key competencies as well as a deep understanding of the philosophy and operations of the organization. The double loop process is "...a process that mobilizes disagreement to create consensus" (Morgan, 1986). Senge (1990), on the other hand, coined two terms, adaptive learning and generative learning which are likened to single loop and double loop learning, respectively.

Changes to strategy may be planned, involving the collection and analysis of all the data available, and considering all scenarios. The planning process may lead to an intended strategy, which incorporates patterns of decisions that organizations plan to execute. The strategy that is ultimately realized may be what was planned, i.e., deliberate strategy, or it could be what was not initially intended, i.e., emergent strategy (Mintzberg & Waters, 1985). The planning perspective adopts a rational approach to strategic change on the grounds that this gives organizations a sense of direction, enabling the allocation of resources to the most promising courses of action and encouraging long term thinking and commitment (De Wit & Meyer, 1998).

Contrary to the planning perspective, the incrementalist perspective posits that planning is not suitable for non-routine activities, and that new strategies emerge over time as managers proactively piece together a viable course of action or reactively adapt to unfolding circumstances. Strategists under this perspective are inventors or innovators (Ohmae, 1998) who question the current paradigm and explicate a learning orientation. The strategy formation process is an iterative process of action, where strategies are considered and reconsidered on the basis of emerging evidence. Two types of incrementalism are identified, muddling through (which is reactive and ad hoc) and logical incrementalism (which is a reasonable, well considered, proactive approach to strategy formation).

Strategic change content can be in restructuring format or change in market segment (Smith & Grimm, 1987; Zajac & Kraatz, 1993) which follows three modes of change, i.e., offering new and different product to traditional customer, offering a new product to a new customer, and offering same products to a new customer. These changes are viewed basically from rational perspective. From learning lens perspective, managers appear to shape the content of strategies through a variety of actions, i.e., articulating a mission and specific goals (e.g., Greiner & Bhambri, 1989), changing resource allocations and various functional strategies (e.g., Grinyer & McKiernan, 1990; Koberg, 1987; Meyer, 1982; Mintzberg & McHugh, 1985; Mintzberg & Waters, 1982), and acquisitions and divestitures (Meyer et al., 1990; Schendel et al., 1976). The relationship between managerial actions and changes in the content of strategies is not unidirectional (i.e., managers appear to learn from ongoing changes and use this knowledge to modify or reinforce their subsequent actions).

Hypothesis 5a: Inner organizational environment positively influences the content of strategic change.
Hypothesis 5b: Managerial action positively influences the content of strategic change.
Hypothesis 5c: Outer organizational environment positively influences the content of strategic change.
Hypothesis 6: Managerial action, inner, and outer organizational environment simultaneously and positively influences the content of strategic change.

Strategic Change Outcome: Performance

The subsequent consequence of strategic content change is whether performance becomes better or worse. Performance, as an outcome or a impact of strategic change, rationally, can be classified into economic and non economic outcome. The relationship between strategic change and organizational outcomes in a non-economic measure examined TMT turnover (Wiersema & Bantel, 1993) and organizational survival (Haveman, 1992; Singh et al., 1986). Based on compilation done by Rajagopalan and Spreitzers (1996), rational lens studies have been focused almost exclusively on financial performance (measures included operating ratio, return on assets, return on investment, growth, productivity, production time, etc.) or organizational survival. In spite of the large samples and statistical methods used in these studies, findings were also equivocal. In some studies, strategic change enhanced financial performance (Hambrick & Schecter, 1983; Haveman, 1992; Zajac & Kraatz, 1993) and the likelihood of firm survival (Haveman, 1992). In other studies, similar strategic changes reduced financial performance (Graham & Richards, 1979; Jauch, Osborne, & Glueck, 1980) and the likelihood of firm survival (Singh et al., 1986). Yet in another set of studies, either no relationship was found (Kelly & Amburgey, 1991; Zajac & Shortell, 1989) or mixed relationships (Smith & Grimm, 1987) were found between the direction of strategic change and firm profitability. Finally, Hambrick and Schecter (1983) found that the relationship between changes in strategy and improved financial performance was contingent on the type of change and the type of industry environment. From the learning lens point of view, economic performance improved if they are accompanied by executive successions and personnel changes (Meyer, 1982; Tushman et al., 1985) and changes in organizational structures and processes (Barr et al., 1992; Greiner & Bhambri, 1989; Miller & Friesen, 1980; Nutt, 1987; Schendel et al., 1976; Simons, 1994). Strategic change related to non-economic outcomes such as perceived managerial effectiveness (Simons, 1994), commitment and morale (Greiner & Bhambri, 1989), and perceived quality of change (Nutt, 1987), and enduring changes in ideology (Meyer, 1982).

Hypothesis 7a: Inner organizational environment positively influences the strategic change outcome.
Hypothesis 7b Content of strategic change positively influences the strategic change outcome.
Hypothesis 7c: Outer organizational environment positively influences the strategic change outcome.
Hypothesis 8: Content of strategic change, inner, and outer organizational environment simultaneously and positively influences the strategic change outcome.

CHAPTER THREE
RESEARCH METHOD

Research Design

Strategic change theory, classified into dynamic theory, makes predictions on how given outcome variables change over time contingent on processes described by independent variables. Since dynamic propositions or theories concern change over time. They compare variables over time under different conditions, either growth or contraction. It is a clear cut, the necessity of using longitudinal data to test dynamic theory. However, many researchers sometimes underestimate biases from cross-sectional tests of dynamic theory (Greve & Golding, 2003).

Key characteristic of dynamic propositions is their unsuitability to cross-sectional testing. Except under ceteris paribus conditions, the cross-sectional analysis do not provide prediction of difference among firms, and therefore, any research that testing the dynamic proposition has to depend on longitudinal test. By definition, cross-sectional data contain multiple actors in a single period and time-series data contain a single actor over multiple periods, while panels contain multiple actors over multiple periods of time, which can be viewed as a temporal sequence of cross sections or as side-by-side time series. Since strategic management researchers tend to call for cross-actor comparisons, and the use of panel data is preferable compare to time series data only (Greve & Golding, 2003).

Longitudinal analysis, in strategic management becomes prominent research trend lately, is a part of a recent movement in strategic management towards greater specialization of topics, greater variety in methodologies, and increased emphasis on showing causality (Greve & Golding, 2003; Hitt, Gimeno, & Hoskisson, 1998). The panel data analysis will be used in this study is the one which can be apply for latent variables. Therefore, technically the study will use structural equation modeling (SEM) for longitudinal, so called latent growth modeling (LGM).

Latent Growth Modeling (LGM) as a longitudinal research design. Williams et al. (2004) explain that latent growth model is one of advanced application of latent variable techniques involves designs with longitudinal data collection, in which the same indicators are available from multiple points in time, and where the interest is in change in a latent variable across time but the indicators do not directly address change. Cohen et al. (2003) describe that there are three overarching reasons for gathering longitudinal data: Firstly, the researchers are interested in change over time. Secondly, one need to know what variables may account for individual or group differences in change over time. The third reason for measuring variables at multiple time periods is clarification of the sequencing variables and changes in variables as a way of bolstering causal inferences or the analyses focus on vaiiables that influence change in other variables.

The longitudinal design which involves latent or unobserved variables can utilize structural equation modeling (SEM) model that appropriate for repeated measure. SEM for longitudinal design is called by Latent Growth Model. Cohen et al. (2003) provide judgment whenever there are individual differences in slopes there are also changes in variance and covariances overtime. Therefore, the model can not only be analysized by multilevel model programs, but also by structural equation model (SEM) programs. A more explicit specification of the hypotheses about the causal structure can be seen as the central feature of the SEM longitudinal models and as well as one can estimate subject "true" latent variable score on the change parameters (Cohen et al., 2003; Willet and Sayer, 1994; McArdle, 1988; Little et al., 2007).

Cohen et al. (2003) further describe that growth model focus on both changes in mean over time and covariance, with mean vector and covariance matrices used to provide information that can be used to generate estimates of change functions in error-free constructs (latent variables). In longitudinal data the error free aspects of each individual's scores are usually represented by two latent variables. One variable represents individual differences in level (mean and intercept) acrros time and the other varible represents individual differences in linear slope over time. Exracting from Aber & McArdle (1991), Cohen et al. (2003) explain that the "true" portion of each individual growth trajectory is defined as the (linear or othe slope or B_T) overall trend over time, made up of the individual's "random" variation from the overalll average effect weigthed by the "fixed" effect at each time point, that is, the effect common to the sample as a whole. The contribution of error at each time point added to this "true" ot latent score comprises the observed score.

Latent growth modeling (LGM) is also called as latent trajectory modeling (Chan & Schmitt, 2000; Lance et al., 2000a; Lance et al., 2000b; Williams et al., 2003), provides an approach which allows for assessing parameters that relate directly to change. In this LGM, the same latent variable at several time periods are measured by same indicators obtained from the same observational units at time periods that equally spaced intervals in time. In this model, a consequence variable of both the initial status of the latent variable and change in this latent variable, both of which are determined as second-order factors that influence the latent variable at each of the time point of periods. Since the data includes repeated measures of the indicators, their disturbance terms are allowed to covary across time to account for any biases associated with autocorrelated error (Williams, et al., 2004).

Kilne (1998) mentions that there are three general requirements for the analysis of a latent growth model in SEM: (1) the repeated measures variable is continuous, at the interval level of measurement, and measured on at least three occasions; (2) the scores have comparable units across time (e.g., percent correct), can be said to measure the same construct at each assessment, and are not standardized; and (3) the data are *time structured*, which means that the subjects are all tested at the same intervals.

Research Context and Sample Selection

Indonesian banking industry is chosen as research context based on following reasons: (1) Banking industry in Indonesia had been very dynamic. Economic down turn in late 1990s is due to monetary crisis. Since economic reform took place, the banking firms are forced to various fundamental changes in their organizational structure and core features of business. (2) Banking firms are believed to be one of the most responsible institutions in driving the economy of Indonesia. As a highly regulated industry, banking sector is facing continuing change in government regulation that should be accommodated for its sustainability of the business. (3) The quality of banking sector, in its role as financial intermediary, is still under the expected level. For the purpose of this study, all data for panel creation were collected from archival or secondary data, such as Indonesian Banking Directory (Direktori Perbankan Indonesia) which published by Bank Indonesia.

Sample of research will be selected from the population of Indonesian Bank: government owned banks, private banks, regional development banks, mixed banks, and foreign banks. Out of 130 total populations of Indonesian Banks, the non-survived will be excluded. The mechanism in selecting samples will also be based on the survivability of the banks, due to the event of merger and acquisition or regulation and deregulation. It is merely because this study relies on the archival sources of data and information. The prospective samples can be seen in the appendix for list of bank samples. The data will be collected from sample banks for 10 year-periods from 1997-2006.

Unit and Level of Analysis

Strategic change actually takes place within an organization. Therefore, the unit of analysis in this study is organization or banking firm. The appropriate level of analysis of strategic change research is individual firm level. Because, on one hand, environmental antecedents that are typically measured in industry level encountering aggregation problem, while strategic change occur in firm level. On the other hand, the studies using cognitive and learning perspectives operationalize the variable measurement at the level of individual manager (Rajagopalan & Spreitzer, 1996). In term strategic process, change can take place either in single unit of change or in multiple units of change (Van de Ven & Poole, 1995). Thus, to reconcile the difference in measuring both antecedents and consequences of strategic change, using individual firm level of analysis is good compromise.

Operationalization of Variables

Strategic change variables can be categorized into antecedent and consequence constructs. Variables that are included in antecedent construct, strategic change process and strategic change context, represent each perspective (cognitive, learning and rational) as independent and control variables, while in consequence constructs (strategic change content and organizational outcome or performance), variables represent an integrated multi-lens perspective as dependent variables. Variables and dimensions are shown in Table 1.

Table 1: Strategy Perspectives, Variables and Dimension Measures

No	Strategy Perspectives, Variables and Dimensions	Measures
A	**Strategic Change Context**	
I	***Inner Environment***	
1	Organizational size	Total assets
2	Technological change	Number of ATM
II	***Outer Environment***	
1	Environmental shift or event	Deregulation & re-regulation
2	Market share	$[(MS_{t+1} - MS_t)/MS_t]$ x 100
3	Munificence: Uncertainty or instability	Interest rate
B	**Strategic Change Process**	
III	***Managerial Cognition***	

1	Governance structures: Tenure	Average time length of TMT career
2	Organizational complexity	Number of branch offices
V	***Managerial Action***	
1	Leadership change	CEO succession
2	Shareholder change	Change or not change
IV	***Prior Managerial Action***	
1	Prior leadership change	CEO succession
2	Prior shareholder change	Change or not change
C	**Strategic Change Content**	
VI	***Strategic Change Content***	
1	Portfolio restructuring	Decrease/increase in employee number
2	Resources allocation changes	Changes in fixed of assets
3	Change in strategy typology	Change from one type of strategy to another
VII	***Prior Strategic Change Content***	
1	Prior portfolio restructuring	Decrease/increase in employee number
2	Prior resources allocation changes	Changes in fixed of assets
3	Prior change in strategy typology	Change from one type of strategy to another
D	**Strategic Change Outcome**	
VIII	***Organizational Outcome:***	
1	Return on assets (ROA)	[Net income$_{t+1}$ / Total assets$_{t+1}$]
2	Growth	Total sales $_{t+1}$ - Total sales $_{t}$
3	Productive capacity	Total sales/Total assets
4	Organizational survival	Age of the firm
IX	***Prior Organizational Outcome***	
1	Prior return on assets (ROA) $_{t-1}$	Net profit/Total assets
2	Prior growth $_{t-1}$	Total sales$_{(n)}$ - Total sales$_{(n-1)}$
3	Prior productive capacity $_{t-1}$	Total sales $_{t-1}$/Total assets $_{t-1}$
4	Prior organizational survival $_{t-1}$	Age of the firm

Testable Models of the Research

Based on the integrative framework of strategic change shown in figure 2.6 following models are formulated to test the hypotheses with the Indonesian banking samples. The models will be tested with dynamic panel data analysis.

Technique of Analysis

Kline (1998) describes that latent growth models are evaluated in two steps. The first step features the specification and evaluation of a basic change model that involves just the repeated measures variable. The goals of the first step are to model the measurement errors and determine the necessity for factors that represent nonlinear change over time. For example, the relative fits of a change model with and without measurement error correlations could be compared using the Chi-square difference test and Bentler-Bonett Normed Fit Index (NFI). If the fit of the constrained model is significantly worse, then the measurement errors are not independent. The relative fits of a change model with and without a quadratic term could also be compared in the same way. Estimates of the parameters of a latent growth model of change include the means, variances, and co-variances of the initial status, linear, or higher-order rate of change factors. These estimates provide information about change from the perspective of groups and individuals. For example, the mean of the linear factor is the average slope of the growth equations of the individual subjects. The variance of this factor, on the other hand, indicates the range of individual differences in rates of change around the sample average (Kline, 1998). Based on the recommendations of Vandenberg and Lance (2000), the paper uses TLI, CFI, and RMSEA in addition to the CMIN/df to evaluate fit of individual models. Values at or under 3.0 for CMIN/df, .90 or greater for TLI and CFI, and deployments and environmental interactions that indicate how the organization will achieve its objectives" (Hofer and Schendel, 1978). While Smith and Grim (1987) define strategic change is as the changing of strategic group from one to another in different time. Looking from the divergence of strategic change definitions, it implies there is a need for integration of strategic change concepts by integrating each perspective from which definition is based. To fulfill the aim of conceptual integration, the following section present elaboration of conceptual and methodological issue on strategic change under the topic of research scope.

Issues of the Research

The main issue of current research is to face the challenge of how theoretical diversity of strategic change can be integrated. This effort of integration will be based on the prevailing issues of strategic change conceptually and methodologically.

Conceptual issue of study. The classes of variables as organized by Pettigrew (1987b) consist of three broad classes: content, process, and outer- or inner-context of strategic change. The content refer to 'what' of change, the 'why' of change is referred to the analysis of inner and outer context, and the 'how' of change can be recognized from an analysis of process. The researches that fall into content-outer context and substantially ignore the inner-context of the firm, while involving the implicit theory of process which is rational in character are done by Hofer and Schendel (1978), Caves (1980) and Porter (1980). Those researchers persistently treat strategy in term of formulation and implementation in discrete and linear manner. The researchers (Mintzberg, 1978; Quinn, 1980; and Pettigrew, 1987a) that fall into process criticized the content-outer context group by accusing not to consider process as an important aspect of strategic change. However, the process researchers can also have weaknesses for de-emphasizing the explanatory role outer context variables and the analytical exploration of the alternative content area for strategic change. Under domination of environmental resources approach, strategic change research that are already conducted only utilized single or at most two broad classes variables (i.e. strategic change content and context), in the sense that there is no single study has used integrative approach of these three variables (i.e. content, process, and outer- or inner-context of strategic change).

Rajagopalan and Spreitzers (1996) recognized there are three different perspectives that can be found in research of strategic change, namely, rational, learning and cognitive perspective. Strategic change is defined according to those three perspectives. Rational lens perspective defines strategic change as a unitary concept measured through discrete changes in a firm's business, corporate, or collective strategies. According to the learning lens perspective, strategic change is viewed as an iterative process; managers effect changes through a series of relatively small steps designed to probe the environment and the organization. And in the cognitive lens perspective, the same definition of strategic change used in the learning lens perspective (i.e., a combination of changes in the content of strategy as well as accompanying organizational and environmental conditions) is generally employed. These three perspectives are integrated into a comprehensive perspective (Rajagopalan and Spreitzers, 1996).

Therefore, according to Pettigrew to be theoretically sound and practically useful research on strategic change should involve interplay among constructs of the context, the process and the content of change, bundle with the skill in establishing the relation among the three (Pettigrew, 1985a). The issue addressed by Pettigrew is an integration of existing classes of constructs or variables of strategic change.

The methodological issue of the study. In spite of classic works done by Chandler (1962, 1977), Mintzberg (1978), Lawrence and Dyer (1983), Pettigrew (1987a), Johnson (1987), Zajac and Bownman (1985) that were done by mostly using case method, the longitudinal research on the transformation of firms, industries, and market is not yet well established. The characteristic of strategic change theory is dynamic or path-dependent, in which temporal aspect become main feature of the theory. Utilization of cross-sectional type of research method has been found to have difficulties in testing the processes of change overtime. Therefore, this dynamic theory is preferably to be tested by using the longitudinal method (Greve and Goldeng, 2003).

The central mode of analysis in this current research is the exploration of content, process and context linkage throughout certain time period. Even though, practical and challenging problem may occur in methodological issue of collecting time-series data simultaneously in historical time in the level of analysis of the study, but it will still be doable.

But for this study purpose, in order to come out with robust theory of change, the theory has also to explain the stability and change simultaneously, include exogenous and endogenous sources of change, link phenomena at micro- and macro-level of analysis and deal with issues concerning the rate, pace and direction of change. However, in order to handle the theoretical or hypothesis testing the uniform level of analysis will provide more consistent methodological process, such as data collection and analysis.

Research Questions

By integrating the three perspectives of strategic change, it is expected to raise a theoretical synergy that can eliminate theoretical limitations of each perspective. Based on this integrative framework, two research questions are proposed as they are proposed by Rajagopalan and Spreitzer (1996). First, to what extent are variations in changes in the content of strategy explained by variations in organizational and environmental antecedents and variations in managerial cognitions and managerial actions? Second, to what extent are variations in organizational outcomes (economic and non-economic), as consequences, explained by variations in changes in the content of strategies, managerial actions, and changes in organizational and environmental conditions that occur during the strategic change process?

Potential contribution of the research

The study is expected to have three important potential contributions for knowledge accumulation in strategic management field. First, theoretically, the study has main objective to conduct empirical test in multi perspectives of strategic change based on the theoretical review in Pettigrew (1978b) and Rajagopalan and Spreitzer (1996). The theoretical model which will be tested is the integration of rational lens, cognitive lens and learning lens, within the framework of strategic change context, process, and content. Second, methodologically, the study is expected to contribute in two aspects. The first methodological contribution is in the utilization of longitudinal analysis using LGM in strategic management field, specifically for empirical testing with secondary data of rational lens and the other contribution is to utilize cognitive mapping technique for cognitive lens and content analysis for learning lens. The implementation of methodology will be in sequential manner, the learning and cognitive lens will be tested before rational lens is examined. Third, practically, the study is expected to assist CEOs in assessing the causes and effects of strategic change in their companies and helping them to be proactively change the organization strategy. Since the study is conducted with banking industry setting, the bank management can capture better nuance of the finding in this study.

CHAPTER TWO
THEORETICAL BACKGAROUND AND HYPOTHESES

Conceptualizing Strategic Change

Conceptualization of strategic change will cover the definition, schools of thoughs or perspective and research that follows each of perspectives. As metioned in previous chapter that strategic change theories are classified into three schools those are: rational lens perpective is considered as context school, cognitive and learning lens are classified into process school, and the consequence of strategic change, content of strategic change and organizational outcome, is classified into content school. The context school in this study, is defferent from what Rajagopalan dan Spritzer (1996) have defined, considered all strategic change phenomena that take place whether driven by forces from within organization or driven by outer forces in the environment. In rational lens perspective, the environmental condition and change and organizational conditions and change take roles as drivers of change in content of strategy. Factors or variables that included in the environmental conditions are Specific shift or event: deregulation (Kelly & Amburgey, 1991); New Competitor (Webb & Dawson, 1991; Taylor, 2000); Market Share Deterioration (Webb & Dawson, 1991); Market Sophistication Sparrow & Pettigrew, 1988); Economic downturn i.e. exchange rate (Webb & Dawson, 1991); Munificence (Ginsberg & Buchholtz, 1990; Wiersema & Bantel, 1993; Harrigan, 1981; Zajac & Kraatz, 1993); Munificence: market saturation (Ginsberg & Buchholtz, 1990); Munificence: industry growth rates (Zajac & Kraatz, 1993); Munificence: future demand (Harrigan, 1981); Munificence: degree of competition (Goodstein & Boeker, 1991); Munificence:

capacity, growth/decline, and opportunity/threat (Castrogiovanni, 1991); Uncertainty or Instability (Wiersema & Bantel, 1993); Birnbaum, 1984; Boyd et al., 1993); Specific shift or event: deregulation (Corsi, Grimm, Smith, & Smith, 1991; Ginn, 1990; Ginsberg & Buchholtz, 1990; Goodstein & Boeker, 1991; Haveman, 1992; Smith & Grimm, 1987; Zajac & Shortell, 1989); Deregulation and re-regulation (Taylor, 2000); Globalization (Taylor, 2000).

The content of strategic change can also enact the environmental condition since the firm strategy has sufficient power to influence the condition of enviroment, market leader usually has such power that drive the competitive map to certain direction. Factors or variables that included in the organizational conditions are Firm Size (Birnbaum , 1984; Zajac & Kraatz , 1993; Fombrun & Ginsberg , 1990; Ginsberg & Buchholtz, 1990; Grimm, Corsi, and Smith, 1993); Firm age (Kelly & Amburgey, 1991; Ginsberg & Buchholtz , 1990; Boeker, 1989; Singh et al., 1986); Prior strategy (Boeker, 1989; Fombrun & Ginsberg, 1990; Haveman, 1992; Ginn, 1990; Grimm et al., 1993; Kelly & Amburgey, 1991; Zajac & Shortell, 1989); Financial Resources (Zazo & Vicente, 2003); Prior Investment: Physical Resources & Human Capital (Boeker, 1989; Zazo & Vicente, 2003); Reputation (Zazo & Vicente, 2003); Prior Performance (Zazo & Vicente, 2003); Technological Assets (Zazo & Vicente ,2003); Organizational Structure (Chandler ,1962; Rumelt , 1974); Management ownership (Boeker, 1989); Distribution of influence (Boeker ,1989); Prior Performance (Boeker, 1989; Graham & Richard, 1979; Zajac & Kraatz, 1993; Zazo & Vicente, 2003); Top management team (Grimm & Smith, 1991; Wiersema & Bantel, 1992; Graham & Richards, 1979; Goodstein & Boeker , 1991; Wiersema ,1992); Governance structures: e.g., board diversity and ownership structures (Goodstein & Boeker , 1991; Goodstein, Gautam, & Boeker , 1994; Gibbs ,1993; Bethel & Lieberskind ,1993; Boeker ,1989); Attempt to build new customer relationship (Taylor ,2000); Restructuring and downsizing (Taylor ,2000); New technology or technological change (Sparrow & Pettigrew ,1988; Taylor ,2000); New distribution channel (Taylor, 2000); and New recipe for production (Child & Smith, 1987). The content of strategic change, in certain situation, can influence and format a pattern of organizational condition and changes in subsequence period. All these factor will be as driver of change or even as inhibitor of change in certain occasions. The strategic change content will influence that organizational outcome as a final consequence of strategic change content.

One hand managerial action, as core of learning-lens perspective, is influenced by the environmental and organizational condition and changes. In another hand, managerial action can cause change or create condition in enviroment and organization. The managerial action will take a role as mediator that influence the content of strategic change which subsequently influence the organizational outcomes. The managerial actions which influence strategic change content are identified in various studies are Negotiations with external stakeholders (Gioia & Chittipeddi , 1991; Whipp et al. , 1989); Managers attributed performance declines to internal factors (Barr et al., 1992: Lant et al., 1992); Shifts in top managers` belief structures (Child & Smith, 1987; Pettigrew, 1987; Webb & Dawson, 1991); Top managers reshape organizational belief structures and ideologies (Child & Smith, 1987; Gioia & Chittipeddi, 1991; Greiner & Bhambri, 1989; Smart & Vertinsky, 1984; Webb & Dawson, 1991); Strategic attack (MacMillan, McCaffery & Van Wijk, 1985); Information gathering (Simons, 1994); Information monitoring (Gersick, 1994; Huff et al., 1992); The use of internal task forces (Miller & Friesen, 1980); Change in organizational structures and systems (Meyer et al., 1990; Miller & Friesen, 1980; Mintzberg & McHugh, 1985; Mintzberg & Waters, 1982; Nutt, 1987; Tushman et al., 1985; Yetton et al., 1994); Monitoring of the environment (Gersick, 1994; Gathering of information (Calori & Atamer, 1990; Simons, 1994; Yetton et al., 1994); Employment of comprehensive search mechanisms (Lant & Mezias, 1992)

Managerial cognition become focal concept of cognitive-lens perspective, which is influenced by both environmental and organizational conditions and changes and drive the managerial action which cause the change content of strategic change subsequently. The strategic change content again will influence the organizational outcomes. The managerial cognition variables which influence strategic change content through managerial actions are identified in various studies are TMT Tenure (Boeker, 1989); Complexity (Hannan & Freeman, 1984; Simon, 1962; MacMillan, McCaffery & Van Wijk, 1985); Radicality (MacMillan, McCaffery & Van Wijk, 1985); Organization Misfit (MacMillan, McCaffery & Van Wijk, 1985); New Vision development incl. mission, philosophy, and new scenario (Child & Smith, 1987); Perceived Potential (MacMillan, McCaffery & Van Wijk, 1985); Increase in top managers' awareness (Barr et al., 1992; Child & Smith, 1987; Grinyer & McKiernan, 1990; Lant et al., 1992; Meyer, 1982;

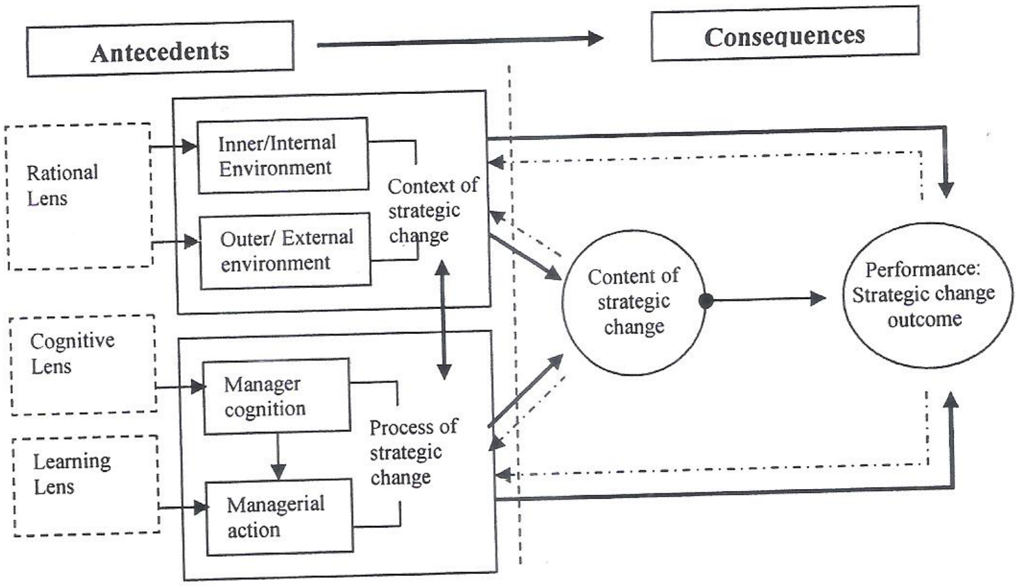
Pettigrew, 1987; Webb & Dawson, 1991; Whipp et al., 1989); Changes in the composition of the TMT (Child & Smith, 1987; Grinyer & McKiernan, 1990; Lant et al., 1992; Pettigrew, 1987).

Schools of Strategic Change

Some strategic management scholars consider strategic change research as a part of emerging issues in strategic process (Dess & Lumpkin, 2001; Van de Ven, 1992). Change, one type of event, is an empirical observation of difference in form, quality, or state over time in an organizational entity. To understand the management of change, Rajagopalan and Spreitzer (1996) classify the strategic change in two schools, namely content and process school, while Pettigrew (1987b) proposes a framework of analysis interlinking between the content, context and process of strategic change, as shown in figure 2.6. The framework formulates management of strategic change involving consideration of not only context of a chosen strategy, or even of the analytical process which reveals various context alternatives, but also the management of the process of change, and the contexts in which it occurs (Pettigrew, 1987b). Two aspects of context are considered: the inner and outer contexts of the firm. The inner context refers to internal environment of organizational aspects such as structure, culture, and political context inside the firm. The outer context refers to external environment such as economic, business, industry, and political and societal formation in which the firm operates.

This paper elaborates the antecedents and consequences of strategic change by using modification of the integrative framework or multi-lens perspective (rational, cognitive and learning perspective) as categorized by Rajagopalan and Spreitzer (1996). The modification of the model is done through the extension of Pettigrew's framework of analysis of strategic change by relating the context and process of strategic change with the content of strategic change to firm performance as consequences. The modified model of research can be seen in figure 1.

Figure 1:
Integrative Framework of Strategic Change Analysis: Multi-lens Perspective



Antecedents of Strategic Change

The antecedents of strategic change which can be identified are the process and context of strategic change. The process of strategic change takes place through manager cognition and managerial action (Rajagopalan & Spreitzer, 1996). The context, in which strategic change takes place, consist of outer or the external environment and the inner or internal environment of the organization (Pettigrew, 1987b). In this section, the process of strategic change that follows cognitive and learning lens and the context of strategic change that follows rational lens perspective will be elaborated.

Process of Strategic Change

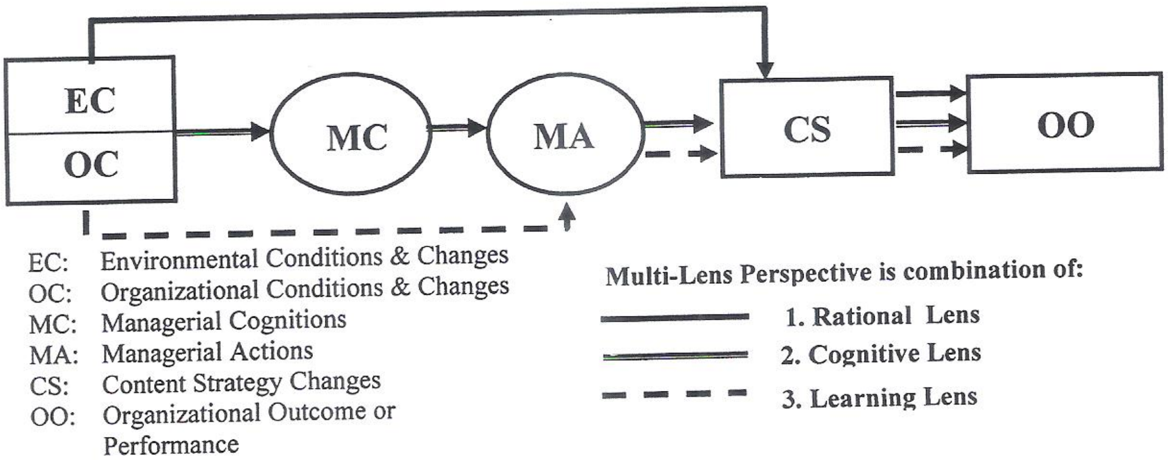
Process refers to the progression (i.e. order and sequence) of events in an organizational entity's existence over time. The entity may be an individual's job, a work group, an organizational strategy, a program, a product, or overall organization (Van de Ven & Poole, 1995).

Managerial cognition: Cognitive-lens Perspective. By definition, managerial cognitions are knowledge structure, core beliefs, cause maps, and schemas (Walsh, 1995). In terms of managerial cognition, it is argued that the strategic change process manifests themselves primarily along two dimensions: Perceptions of the environmental/organizational conditions and changes therein as opportunities and threats (Dutton & Jackson, 1987; Thomas et al., 1993), and Perceptions of the need for change and ability to change (Dutton & Duncan, 1987). These dimensions are further developed in order for researchers to operationalize managerial cognitions in term of managerial actions. First, actions aimed at the external environment include: Actions that create a more focused agenda for change, such as monitoring and scanning of the external environment, gathering and analyzing of information, forming of task forces, and hiring of consultants, and actions that build environmental support for the changes in strategy, such as negotiating with, providing feedback to, and lobbying external stakeholders. Second, actions aimed at the organization include: actions that are focused on creating an agenda for change, including monitoring and scanning of the internal environment, gathering of information, and forming of task forces, and actions that are focused on reducing resistance to change through coalition building, communicating, replacing key personnel, changing hiring criteria, and so forth. Third, actions that aim to shape the content of the new strategy include articulating a new vision (including objectives), analyzing, and evaluating strategic alternatives, launching new strategic initiatives, changing resource allocations, and monitoring results.

Drivers of change from the cognitive lens perspective occur within the organization are past performance and top management characteristics, which include prior mental models, changes in team composition, and information, seeking behavior (Rajagopalan & Spreitzer, 1996). Several researchers (Barr et al., 1992; Child & Smith, 1987; Grinyer & McKiernan, 1990; Lant et al., 1992; Meyer, 1982; Pettigrew, 1987a; Webb & Dawson, 1991; Whipp et al., 1989) found that in firms that changed their strategies declining organizational performance was accompanied by an increase in top managers' awareness of the need for change. Changes in the composition of the TMT were associated with changes in managerial cognitions of the need for strategic change (e.g., Child & Smith, 1987; Grinyer & McKiernan, 1990; Lant et al., 1992; Pettigrew, 1987a). Thomas et al. (1993) also found that when organizations put mechanisms into place to increase information use, managers were more likely to interpret strategic issues in positive terms and hence initiate strategic change. In general, managerial cognitions may play a crucial intervening role between organizational conditions and changes in strategies.

As reactions to the driver factors managers will move the organization toward a change with managerial actions that they believe can lead to a better outcome. Barr et al. (1992) and Lant et al. (1992) found that when managers attributed performance declines to internal factors (such as poor strategy), they were more likely to initiate strategic change. In case studies done by some researchers also found that transformational strategic changes were more likely than were evolutionary strategic changes to be accompanied by shifts in top managers` belief structures (Child & Smith, 1987; Pettigrew, 1987a; Webb & Dawson, 1991). Generally, these findings may indicate that managerial interpretations of organizational conditions influence the need for strategic change more directly than the objective measures more commonly used in rational lens research. Top managers' actions in influencing such interpretations in the early stages of the change process could play a crucial role in reducing an organization's resistance to change. Some researchers also highlighted how top managers reshape organizational belief structures and ideologies by engaging in open dialogues with other levels of managers in the organization (Child & Smith, 1987; Gioia & Chittipeddi, 1991; Greiner & Bhambri, 1989; Smart & Vertinsky, 1984; Webb & Dawson, 1991) to build consensus and commitment through partial implementation of action plans. Such actions appear to be particularly crucial for radical changes associated with firm transformations, turnarounds, and revolutions (Rajagopalan & Spreitzer, 1996).

Figure 2: Model Summary of Strategic Change (Multi-lens Perspective)



For the purpose of empirical testing of strategic change theoretical integration, this research will utilize research model as depicted in Figure 3.

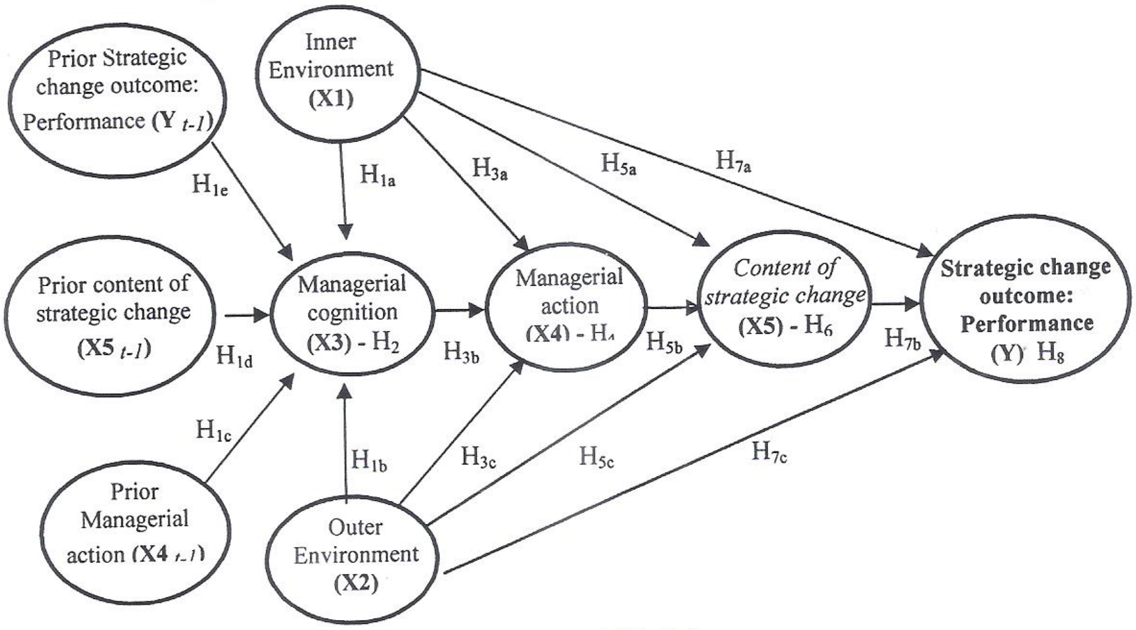


Figure 3: Research Model

Hypothesis 1a:	Inner organizational environment positively influences the manager cognition.
Hypothesis 1b:	Outer organizational environment positively influences the manager cognition.
Hypothesis 1c:	Prior managerial action positively influences the manager cognition.
Hypothesis 1d:	Prior content of strategic change positively influences the manager cognition.
Hypothesis 1e:	Prior strategic change outcome positively influences the manager cognition.
Hypothesis 2:	Prior strategic change outcome, prior content of strategic change, prior managerial action, outer and inner organizational environment simultaneously and positively influences the manager cognition.

Learning-lens Perspective. According to the learning lens perspective, strategic change is viewed as an iterative process; managers effect changes through a series of relatively small steps designed to probe the environment and the organization. These "learning" steps can result in major and minor changes to the content of a firm's strategy (Rajagopalan & Spreitzer, 1996). Features of the learning lens perspective are as follow (Rajagopalan & Spreitzer, 1996): First, strategic change is defined as the combination of changes in the content of strategy as well as changes in environmental/organizational conditions brought about by managerial actions in the process of change. Managerial actions capture who is involved and in what manner. Managerial actions reflect behaviors that shape and are shaped by the environment, the organization, and the content of strategy. Thus, in the learning lens perspective, definition of strategic change is more holistic than rational perspective. Second, the environmental/organizational context is assumed to be uncertain and dynamic (Quinn, 1980). The environment is a source of information uncertainty and cause-effect ambiguity. Managers attempt to understand an ambiguous environment through a series of iterative actions (e.g., information gathering) that are aimed not only at understanding the external context but also at influencing it proactively (Koberg, 1987; Lant & Mezias, 1992). The environmental/organizational context, rather than directly influencing strategic change, is assumed to influence a set of intervening managerial actions that contribute to changes in the content of strategy along with changes in the organization and the environment. Third, strategic change is viewed not as linear but as evolutionary and iterative, as managers learn from their experiences (Yetton, Johnston, & Craig, 1994). Managerial learning occurs as changes in the content of strategy are implemented, one step at a time, and change outcomes are assessed. Finally, outcomes (both economic and non-economic) follow not only from changes to the content of strategy but also directly from managerial actions.

According to the learning lens perspective, strategic change is generally described as continuous (evolutionary/incremental) or discontinuous (revolutionary/ transformational) (e.g., Meyer, Brooks, & Goes, 1990; Yetton et al., 1994). Evolutionary changes reinforce the firm's existing strategy and internal organizational conditions, whereas revolutionary changes involve significant breaks from past strategy and include major organizational changes as well (Lant, Milliken, & Batra, 1992; Tushman, Virany, & Romanelli, 1985). However, very few researchers explicitly distinguished changes in the content of strategy from the overall pattern of managerial actions (Rajagopalan & Spreitzer, 1996).

Externally, environmental factors that play as initiator of a managerial actions in the learning perspective are the availability of a new technology (Yetton et al., 1994), the emergence of new competitors (Grinyer & McKiernan, 1990; Huff, Huff, & Thomas, 1992), declining demand for products (Schendel, Patton, & Riggs, 1976), and changes in overall environmental conditions, such as environmental volatility/dynamism (Lant et al., 1992; Miller & Friesen, 1980a,b). The managerial actions that are driven by those factors are monitoring of the environment (Gersick, 1994), gathering of information (Calori & Atamer, 1990; Simons, 1994; Yetton et al., 1994), and employment of comprehensive search mechanisms (Lant & Mezias, 1992). Internally, changes in organizational conditions which play role as drivers: e.g., declining performance, leadership changes (Simons, 1994; Gersick, 1994; Huff et al., 1992; Miller & Friesen, 1980a,b) lead to managerial action such as information gathering (Simons, 1994), information monitoring (Gersick, 1994; Huff et al., 1992), the use of internal task forces (Miller & Friesen, 1980a,b) In this perspective, form of change is in organizational structures and systems (Meyer et al., 1990; Miller & Friesen, 1980a,b; Mintzberg & McHugh, 1985; Mintzberg & Waters, 1982; Nutt, 1987; Tushman et al., 1985; Yetton et al., 1994).

Hypothesis 3a: Inner organizational environment positively influences the manager action.
Hypothesis 3b: Managerial cognition positively influences the managerial action.
Hypothesis 3c: Outer organizational environment positively influences the manager action.
Hypothesis 4: Managerial cognition, outer and inner organizational environment simultaneously and positively influences the manager action.

Context of Strategic Change

Rational-lens Perspective. Rajagopalan and Spreitzer (1996) define strategic change as a unitary concept measured through discrete changes in a firm's business, corporate, or collective strategies. "Business-level changes are meant to improve the competitiveness of a firm's individual business units, corporate-level changes address the diversity of businesses under the corporate umbrella, and collective-level changes explore the relative merits of forming relationships with rivals, suppliers, distributors, and other firms" (Fombrun, 1993: 15-160). The context of strategic change relates to from which either drivers or inhibitors of change are occurred. The sources of factors are both internal (inner) and external (outer) or environmental organizational. Contextually, research on strategic change is viewed from the rational lens perspective. Internally, some inhibitors are identified such as size of firm (Fombrun & Ginsberg, 1990;

Ginsberg & Buchholtz, 1990; Grimm, Corsi, & Smith, 1993), firm age (Kelly & Amburgey, 1991; Ginsberg & Buchholtz, 1990), and firm prior strategy (Boeker, 1989; Fombrun & Ginsberg, 1990). The drivers of change from internal point of view are prior performance (Boeker, 1989; Graham & Richard, 1979; Zajac & Kraatz, 1993), top management team (Grimm & Smith, 1991; Wiersema & Bantel, 1992; Graham & Richards, 1979; Goodstein & Boeker, 1991; Wiersema, 1992) and governance structures: e.g., board diversity and ownership structures (Goodstein & Boeker , 1991; Goodstein, Gautam, & Boeker, 1994; Gibbs, 1993; Bethel & Lieberskind, 1993; Boeker, 1989). However, some research found factors that play as inhibitors can also be as drivers, those are size (Birnbaum, 1984; Zajac & Kraatz, 1993), firm age (Boeker, 1989; Singh et al., 1986), and prior strategy (Haveman, 1992; Ginn, 1990; Grimm et al., 1993; Kelly & Amburgey, 1991; Zajac & Shortell, 1989).

Eventually factors that either as internal strategic change drivers or inhibitors found in some research to have no effect, curvilinear relationship, mixed effect, or confounding effect. Those factors are firm size with no effect (Kelly & Amburgey, 1991), firm size with curvilinear relationship (Ginn, 1990; McCutchen, 1993), firm age with mixed effect (Zajac & Kraatz; 1993), prior performance with no effect (Grimm & colleagues, 1993, Oster, 1982), prior performance with curvilinear relationship (Fombrun & Ginsberg, 1990), prior performance with confounding effect (Hunter & Schmidt, 1990), and governance structures: e.g., board diversity and ownership structure with no relationship (Grimm et al., 1993). Zazo and Vicente (2003) test the likelihood and direction of strategic change using Spanish Bank samples. The research primarily uses the inner or organizational factors which consist of tangible resources and intangible assets. The tangible resources include physical and financial resource, and the intangible assets cover technological assets, human capital, reputation, and past performance. The direction of strategic change is whether the firm will change toward related business segment or toward unrelated one.

Externally, inhibitor or blocker of strategic change can be identified is specific shift or event like deregulation (Kelly & Amburgey, 1991). While the initiators or drivers are environment munificence (Ginsberg & Buchholtz, 1990; Wiersema & Bantel, 1993; Harrigan, 1981; Zajac & Kraatz, 1993), uncertainty or instability (Wiersema & Bantel, 1993; Birnbaum, 1984; Boyd et al., 1993), and specific shift or event: deregulation (Corsi, Grimm, Smith, & Smith, 1991; Ginn, 1990; Ginsberg & Buchholtz, 1990; Goodstein & Boeker, 1991; Haveman, 1992; Smith & Grimm, 1987; Zajac & Shortell, 1989) which plays also as an inhibitor factor to some extent. Operationalization of munificence construct across the studies include various dimension such as: market saturation (Ginsberg & Buchholtz, 1990), industry growth rates (Zajac & Kraatz, 1993), future demand (Harrigan, 1981), and degree of competition (Goodstein & Boeker, 1991). In a broader review, munificence has at least three distinct sets of concepts, i.e. capacity, growth/decline, and opportunity/threat (Castrogiovanni, 1991). This operationalization of munificence cause equivocal findings (Goodstein & Booker, 1991). Different results are become more idiosyncratic across studies when they are seen from the likelihood and direction of change (Zajac & Kraatz, 1993) and magnitude of change (Ginsberg & Buchholtz, 1990; Goodstein & Boeker, 1991).

Finding on the effect of uncertainty or instability are mixed as well (Wiersema & Bantel, 1993; Fombrum & Ginsberg, 1990; Birnbaum, 1984). But findings on the impact of specific events such as deregulation are more consistent (Corsi, Grimm, Smith, & Smith, 1991; Ginn, 1990; Ginsberg & Buchholtz, 1990; Goodstein & Boeker, 1991; Haveman, 1992; Smith & Grimm, 1987; Zajac & Shortell, 1989). In response to deregulation, these researchers found that firms pursuing defender-like, efficiency-oriented, or less focused strategies tended to change to more prospector-like, more innovative, or more focused strategies. In contrast, in a longitudinal study, Kelly and Amburgey (1991) found that deregulation was associated with reduced likelihood of changes in both business and corporate-level strategies. Kelly and Amburgey (1991), however, controlled for prior experience with strategic change that constrained the direction of subsequent changes in strategies. These results suggest that the effects of deregulation may be sensitive to the research design and the control variables included in testing the models (Rajagopalan & Spreitzer, 1996).

Consequences of Strategic Change

Content of Strategic Change

Mintzberg and Westley (1992) argue that organizational change is change in the state of the organization while strategic change is change in the direction of the organization, and that these two spheres of change

.05 or less for RMSEA are usually interpreted as "good" fit. The chi square difference test was used to assess change in fit upon release of constraints (Kline, 1998). The overarching goal in adding paths is to balance parsimony with fit (Kline, 1998). If paths are added and fit remains statistically equivalent to the more parsimonious baseline model, we choose the more parsimonious baseline model as the addition of cross lagged paths does not improve the model over and above the stability paths (Grunberg et al., 2008).

REFERENCES

Aldrich, H. (1979). *Organization and environment.* Englewood Cliffs, NJ: Prentice Hall.

Argyris, C. (1977). "Double loop learning in organizations." *Harvard Business Review.* September - October, 59-72.

Argyris, C. and Schon, D.A. (1978). *Organizational learning: A theory of action perspective.* MA: AddisonWesley.

Barr, P.S.; Stimpert, J.L.; and Huff, A.S. (1992). "Cognitive change, strategic action, and organizational renewal [Special issue]." *Strategic Management Journal*, 13: 15-36.

Bethel, J.E. and Liebeskind, J. (1993). "The effects of ownership structure on corporate restructuring." *Strategic Management Journal.* 14: 15-31.

Birnbaum, P. H. (1984). "The choice of strategic alternatives under increasing regulation in high technology companies." *Academy of Management Journal.* 27: 489-510.

Boeker, W. (1989). "Strategic change: The effects of founding and history." *Academy of Management Journal.* 32: 489-515.

Boyd, B.K.; Dess, G.G., and Rasheed, A.M.A. (1993). "Divergence between archival and perceptual measures of the environment: Causes and consequences." *Academy of Management Review.* 18: 204-226.

Calori, R., and Atamer, T. (1990). "How French managers deal with radical change." *Long Range Planning.* 23: 44-55.

Campbell, D., (1969). "Variation and selective retention in socio-cultural evolution." *General Systems.* 16: 69-85

Castrogiovanni, G.J. (1991). "Environmental munificence: A theoretical assessment." *Academy of Management Review.* 16: 542-565.

Chaffee, E.E. (1985). "Three models of strategy." *Academy of Management Review.* 10 (1): 89-98

Chandler, A.D. (1962). *Strategy and structure: Chapters in the history of the industrial enterprise.* Cambridge, MA: The MIT Press.

Child, J. and Smith, C. (1987). "The context and process of organizational transformation: Cadbury limited in its sector." *Journal of Management Studies,* 24: 565-593

Cohen, J.; Cohen, P.; West, S. G.; and Aiken, L. S. (2003). *Applied Multiple Regression/Correlation Analysis for the Behavioral Sciences"* 3rd ed. Lawrence Erlbahum Associatiates, Inc. Mahwah, NJ.

Corsi, T.M.; Grimm, C.M.; Smith, K.G.; and Smith, R.D. (1991). "Deregulation, strategic change, and firm performance among LTL motor carriers." *Transportation Journal.* Fall: 4-13

Crossan, M.M.; Lane, H.W.; and White, R.E. (1999). "An organizational learning framework: From intuition to institution." *Academy of Management Review.* 24(3): 522-537

De Wit, B and Meyer, R. (1998). *Strategy: Process, content, context.* London: International Thomson Business Press.

Dess, G. G. and Beard, D.W. (1984). "Dimension of Organizational Task Environments." *Administrative Science Quarterly.* Vol. 29. 1: 52-73.

Dess, G.G. and Lumpkin, G.T. (2001). "Emerging issues in strategy process research" in Hitt, M. A., Freeman, R. E. and Harrison, J. S. *Blackwell handbook of strategic management (Ed.).* Oxford, UK: Blackwell Publisher, Inc.

Dutton, J.E. and Duncan, R. B. (1987). "The creation of momentum for change through the process of strategic issue diagnosis." *Strategic Management Journal* 8: 279-295.

Dutton, J.E. and Jackson, S. J. (1987). "Categorizing strategic issues: Links to organizational action." *Academy of Management Review.* 12: 76-90.

Fombrun, C.J. (1993). "Envisioning strategic change" in P. Shrivastava, A. Huff, and J. Dutton. *Advances in Strategic Management* (Eds.). 9: 157-188. Greenwich, CT: JAI Press.

Gersick, C.J.G. (1994). "Pacing strategic change: The case of a new venture." *Academy of Management Journal.* 37: 9-45.

Gibbs, P. A. (1993). "Determinants of corporate restructuring: The relative importance of corporate governance, takeover threat, and free cash flow." *Strategic Management Journal.* 14: 51-68.

Giddens, A. (1990). "Structuration Theories and Sociological Analysis" in Clarke, J., Modgil, S., Anthony Giddens: *Consensus and Controversy*. London: Falmer, 197-315

Ginn, G. (1990). "Strategic change in hospitals: An examination of the response of the acute care hospital to the turbulent environment of the 1980's." *Health Services Research*. 25: 566-591.

Ginsberg, A., and Buchholtz, A. (1990). "Converting to for-profit status: Corporate responsiveness to radical change." *Academy of Management Journal*. 33: 445-477.

Gioia, D. A., and Chittipeddi, K. (1991). "Sense-making and sense-giving in strategic change initiation." *Strategic Management Journal*. 12: 433-448.

Goodstein, J., and Boeker, W. (1991). "Turbulence at the top: A new perspective on governance structure changes and strategic change." *Academy of Management Journal*. 34: 306-330.

Goodstein, J.; Gautam, K.; and Boeker, W. (1994). "The effects of board size and diversity on strategic change." *Strategic Management Journal*. 15: 241-250.

Graham, K.R. and Richards, M.D. (1979). "Relative performance deterioration: Management and strategic change in rail-based holding companies." *Academy of Management Proceedings:* 10-112.

Greiner, L.E. and Bhambri, A. (1989). "New CEO intervention and dynamics of deliberate strategic change." *Strategic Management Journal*. 10: 67-86.

Greve, H.R. and Goldeng, E. (2004). "Longitudinal analysis in strategic management." In D. D. Bergh & D. Ketchen (Eds.), *Research methods in strategy and management*: 135–163. Amsterdam: Elsevier.

Grimm, C.M.; Corsi, T. M.; and Smith, R.D. (1993). "Determinants of strategic change in the LTL motor carrier industry: A discrete choice analysis." *Transportation Journal. Summer:* 56-62.

Grimm, C.M. and St Smith, K.G. (1991). "Management and organizational change: A note on the railroad industry." *Strategic Management Journal*. 12: 557-562.

Grinyer, P. and McKieman, P. (1990). "Generating major change in stagnating companies." *Strategic Management Journal*. 11: 131-146.

Hambrick, D.C. and Schecter, S. M. (1983). "Turnaround strategies for mature industrial-product business units." *Academy of Management Journal*. 26: 231-248.

Hannan, M.T., and Freeman, F. (1984). "Structural inertia and organizational change." *American Sociology Review*. Vol. 49.2: 149-164.

Hannan, M.T., and Freeman, F. (1977). "The population ecology of organizations." *American Journal of Sociology*. 82: 929-964

Harrigan, K.R. (1981). "Deterrents to divestiture." *Academy of Management Journal*. 21: 306-323.

Haveman, H.A. (1992). "Between a rock and a hard place: Organizational change and performance under conditions of fundamental environmental transformation." *Administrative Science Quarterly*. 37: 48-75.

Hofer, C.W., and Schendel, D. (1978). *Strategy Formulation: Analytical Concepts*. West Publishing, St. Paul, MN.

Hunter, J.E., and Schmidt, F.L. (1990). *Methods of meta-analysis: Correcting error and bias in research findings.* Newbury Park, CA: Sage.

Jauch, L.R.; Osborne, R.N. and Gleuck, W.F. (1980). "Short-term financial success in large business organizations: The environment-strategy connection." *Strategic Management Journal*. 1: 49-63.

Kelly, D., and Amburgey, T.L. (1991). "Organizational inertia and momentum: A dynamic model of strategic change." *Academy of Management Journal*. 34: 591-612.

Kline, R. B. (1998). *Principles and practice of structural equation modeling.* New York: Guilford Press.

Koberg, C.S. (1987). "Resource scarcity, environmental uncertainty, and adaptive organizational behavior." *Academy of Management Journal*. 30: 798-807.

Lance, C. E., Meade, A. W., & Williamson, G. M. (2000a). "We should measure change – And here's how. " In G.M. Williamson & D.R. Shaffer (Eds.), *Physical illness and depression in older adults: Theory, research, and practice*, (pp.201-235). New York: Plenum.

Lance, C. E., Vandenberg, R. J., & Self, R. M. (2000b). "Latent growth models of individual change: The case of newcomer adjustment." *Organizational Behavior and Human Decision Processes, 83*, 107-140.

Lant, T. K. and Mezias, S. J., (1992). "An organizational learning model of convergence and reorientation." *Organization Science*. 3: 47-71.

Lant, T.K.; Milliken, F.J.; and Batra, B. (1992). "The role of managerial learning and interpretation in strategic persistence and reorientation: An empirical exploration." *Strategic Management Journal*. 13(8): 585-608.

Laughlin, R. C. (1991). "Environmental disturbances and organizational transitions and transformations: Some alternative models." *Organizational Studies*. 12(2): 209-232.

Little, T. D.; Preacher, K. J.; Selig, J. P.; Card, N. A. (2007). "New developments in latent variable panel analyses of longitudinal data." *International Journal of Behavioral Development*, Vol. 31, No. 4, 357-365

McArdle, J. J. (1988). "Modeling longitudinal data by latent growth curve methods." In G.A. marcoulides (ed.), *Modern methods for business research (pp. 359-406),* Mahwah, NJ.: Erlbhaum

Meyer, A.D.; Brooks, G.R.; and Goes, J.B. (1990). "Environmental jolts and industry revolutions: Organizational responses to discontinuous change." *Strategic Management Journal*. 11: 93-110.

Miller, D., and Friesen, P.H. (1980a). "Archetypes of organizational transition." *Administrative Science Quarterly*. 25: 268-299.

Miller, D., and Friesen, P.H. (1980b). "Momentum and revolution in organizational adaptation." *Academy of Management Journal*. 23: 591-614.

Mintzberg, H. (1978). "Patterns in Strategy Formation." *Management Science*. 24 (9): 934-948

Mintzberg, H. (1987). "The Strategy Concept I: Five Ps For Strategy." *California Management Review*. Fall: 11-24

Mintzberg, H. and McHugh, A. (1985). "Strategy formation in an adhocracy." *Administrative Science Quarterly*. 30: 160-197.

Mintzberg, H. and Waters, J.A. (1982). "Tracking Strategy in an Entrepreneurial Firm." *Academy of Management Journal*. 25: 3, p. 465-499.

Mintzberg, H. and Westley, F. (1992). "Cycles of organizational change." *Strategic Management Journal*. 13, 39-59

Morgan, G. (1986). *Images of Organization*. Sage Publications, Beverly Hills: CA Sage.

Nutt, P. (1987). "Identifying and appraising how managers install strategy." *Strategic Management Journal*. 8: 1-14.

Oster, S. (1982). "Intraindustrial structure and the ease of strategic change." *Review of Economics and Statistics*. 64: 376-383.

Penrose, E.T. (1959). *The theory of the growth of the firm*. John Wiley & Sons, Inc. New York.

Pettigrew, A. (1987a.) "Context and action in the transformation of the firm." *Journal of Management Studies*. 24: 649-670.

Pettigrew, A. (1987b). *The Management of strategic changes* (eds.). Oxford: Basil Blackwell

Pfeffer and Salancik (1978). *The external control of organizations: A resource dependence perspective,* in Pfeffer, J (1982) *Organizations and organization theory.* Marshfield, Massachusetts: Pitman Publishing Inc.

Porter, M.E. (1980). *Competitive strategy*. New York:The Free Press.

Quinn, J.B. (1980). *Strategies for change: Logical incrementalism*. Homewood, IL: Irwin.

Rajagopalan, N. and Spreitzers, G.M. (1996). "Torward a theory of strategic change: A multi-lens perspective and integrative framework." *Academy of Management Review*. 22 (1): 48

Rumelt, R.P. (1974). "Strategy, structure and economic performance." *Harvard Business School.* Boston. MA.

Schendel, D. E., Patton, G. R., and Riggs, J. (1976). "Corporate turnaround strategies: A study of profit decline and recovery." *Journal of General Management*. Spring: 93-111.

Senge, P.M. (1990). *The fifth discipline: The art and practice of the learning organization.* New York: Doubleday – Currency

Shleifer, A. and Vishny, R. (1990). "The takeover wave of the 1980s." *Science*. 249: 745-749.

Simon, H.A. (1962). "The architecture of complexity." *Proceedings of the American Philosophical Society.* 106: 67-82

Simons, R. (1994). "How new top managers use control systems as levers of strategic renewal." *Strategic Management Journal*.15: 169-189.

Singh, J.V., House, R.J., and Tucker, D. (1986). "Organizational change and organizational mortality." *Administrative Science Quarterly*. 31: 587-611.

Smart, C., and Vertinsky, 1. (1984). "Strategy and the environment: A study of corporate responses to crises." *Strategic Management Journal*. 5: 199-213.

Smith, K. G., and Grimm, C. M. (1987). "Environmental variation, strategic change and firm performance: A study of railroad deregulation." *Strategic Management Journal*. 8: 363-376.

Thomas, J.B.; Clark, S.M.; and Gioia, D.A. (1993). "Strategic sensemaking and organizational performance: Linkages among scanning, interpretation, action, and outcomes." *Academy of Management Journal*. 36: 239-270.

Thomas, A.; Pettigrew, A.M.; and Rubashow, N. (1985). "British management and strategic change." *European Management Journal,* 3 (3), 165-73.

Tushman, M.L.; Virany, B.; and Romanelli, E. (1985). "Executive succession, strategic reorientations, and organizational evolution: The minicomputer industry as case in point." *Technology in Society.* 7: 297-313.

Van de Ven, A.H. (1992). "Suggestion for studying strategy process: A research note." *Strategic Management Journal.* 13: 169-188

Van de Ven, A.H., and Poole, M.S. (1995). "Explaining Development and Change in Organizations." *Academy of Management Review.* 20 (3): 510-540

Walsh, J. P. (1995). "Managerial and organizational cognition: Notes from a trip down memory lane." *Organization Science.* 6: 280-321.

Webb, J., and Dawson, P. (1991). "Measure for measure: Strategic change in an electronics instruments corporation." *Journal of Management Studies.* 28: 191-206.

Whipp, R.; Rosenfeld, R.; and Pettigrew, A. (1989). "Culture and competitiveness: Evidence from two mature UK industries." *Journal of Management Studies.* 26: 561-585.

Wiersema, M.F. (1992). "Strategic consequences of executive succession within diversified firms." *Journal of Management Studies.* 29: 73-94.

Wiersema, M.F., and Bantel, K.A. (1992). "Top management team demography and corporate strategic change." *Academy of Management Journal.* 35: 91-121.

Willett, J. B.and Sayer, A. G. (1994). "Using Covariance Structure Analysis to Detect Correlates and Predictors of individual change over time." *Psychological Bulletin.* Vol 116, No. 2: 363-381.

Williams, L., Edwards, J., & Vandenberg, R. (2003). Recent advances in causal modeling methods for organizational and management research. *Journal of Management,* 29(6) 903–936

Williams, L. J.; Gavin, M.B.; and Hartman, N. S. (2004). "Structural Equation Modeling Methods in Strategy Research: Applications and Issues." In D. D. Bergh & D. Ketchen (Eds.), *Research methods in strategy and management:* 135–163. Amsterdam: Elsevier.

Yetton, P.W.; Johnston, K.D.; and Craig, C.F. (1994). "Computer-aided architects: A case study of information technology and strategic change." *Sloan Management Review.* 35(4): 57-7.

Zajac, E.J. and Kraatz, M.S. (1993). "A diametric forces model of strategic change: Assessing the antecedents and consequences of restructuring in the higher education industry." *Strategic Management Journal.* 14: 83-102.

Zajac, E.J., and Shortell, S.M. (1989). "Changing generic strategies: Likelihood, direction, and performance implications." *Strategic Management Journal.* 10: 413-430.

Zazo, J.I.G. and Vicente, J.A.Z. (2003). "Resources and strategic change in an unstable industry: the case of Spanish private banking." *European Business Journal.* 2nd Quarter, 15: 79-93