Changing Routine: Reframing Performance Management within a Multinational

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ABSTRACT This paper seeks to extend the literature on how change occurs in organizational routines by examining the link between routines and schemata and showing the cognitive and motivational factors involved. Using an in-depth analysis of a Japanese multinational, we develop an account of how a newly-implemented centralized performance management routine is interpreted by managers at two subsidiaries. We show how different performances of subroutines emerge into a new ostensive pattern of a routine, and how the cognitive and motivational aspects of individual agency are manifested in this process and how they affect the espoused organizational schema.

Keywords: cognition, motivation, performance management, routines, schemata

INTRODUCTION

The articulation of a new schema is a common approach to define a shared basis for a new way of working (Labianca et al., 2000). A schema is a cognitive representation of reality and as such is rooted at an individual level of analysis, but through shared meaning and communications, a schema can come to be shared at group and organizational levels (Balogun and Johnson, 2004; Bartunek, 1984; Rerup and Feldman, 2011). In our study of a consumer electronics manufacturer, a new schema was developed to address major strategic challenges. To enact the new espoused schema at the company, a new performance management routine was introduced, emphasizing a move from a collectivist and paternalistic approach to embrace meritocracy and individually-based performance. This new routine was imposed on employees and during the change people struggled funda-
mentally with how to engage with performance management. A number of subgroups – Group HQ, the different divisions, and the managers responsible for implementing performance evaluation – had varying understandings of the schema and the espoused routine, and as a result experienced differing motivations to the change in this routine. The possibility that individual actors may differ in terms of both their cognitive interpretations of schemata and routines and also in their motivations to enact them has received rather minimal attention in prior research. With the exception of a few studies (Feldman, 2003; Howard-Grenville, 2005; Lazaric and Denis, 2005; Reynaud, 2005; Turner and Rindova, 2012; Zbaracki and Bergen, 2010), the linkage between the cognitive and motivational aspects in routines and schemata has tended to be implicit rather than explicit. Recently, however, there have been calls to examine more how the adoption or enactment of routines and schema is influenced by motivational issues (Parmigiani and Howard-Grenville, 2011; Zbaracki and Bergen, 2010). We define cognition as a faculty for the processing of information, and applying knowledge (Hodgkinson and Healy, 2008). Motivation at work is defined as a set of forces that initiate work-related behaviours and determine its form, direction, intensity, and duration (Pinder, 1998). For our purposes, we examine motivation in terms of organizational members’ willingness to carry out the changes required under the espoused schema and routine. The need to balance cognitive and motivational elements in account of routine change is important since individuals and groups bring with them particular understandings and motivations; and the motivational dynamics between different groups can shape the adoption, change, or persistence of routines.

Our study is motivated by the following research question: how do individuals contribute to change in both schema and routine, and in particular, how do cognitive and motivational aspects impact on routine and schema co-constitution? To address this question, we draw on an in-depth study of a Japanese multinational company (MNC), to highlight how the cognitive and motivational aspects of individual agency are manifested and how they affect the espoused organizational schema and change in the routine itself.

In our study, the data show an organization’s managers finding difficulty with both the schema change and also with how to engage in the performance evaluation of employees. Ambiguity and scepticism about the new schema directly affects perception of the newly espoused performance management routine. The enactment of the routine serves to shape further the perceptions of the espoused schema. We find first that the initial process of interpretation is influenced by both cognitive and motivational factors. Separating out the routine into subroutines, we discover that those changes which build on existing practices within the routine are largely accepted primarily in cognitive and motivational terms and this acceptance reinforces the organizational schema. Those changes within a subroutine which require a greater de-identification with the existing routine were largely understood at a cognitive level, but scepticism over the changes and the subsequent questioning of senior manager credibility entailed a lack of motivational support for the changes, which in turn reflected negatively on the organizational schema. Interventions by senior managers to shape and retain the integrity of the espoused schema affected the further enactment of routines.

In developing these arguments, we make three contributions. First, a number of studies have highlighted the link between schema and routines (Feldman, 2003;

Our study extends this work by showing how cognitive and motivational elements within employee interpretations influence acceptance and enactment of the schema and routine. In particular, we show this process unfolding through a routine which is both imposed and which is also endogenously changing (cf. Feldman and Pentland, 2003), and with a schema which is relatively clearly articulated, with little trial-and-error learning (cf. Rerup and Feldman, 2011). Second, our study shows how different performances of the subroutines emerged into new ostensive patterns of routines. Breaking down routines into sub-routines can help clarify the micro-processes at work in routine change. Third, this study conceptualizes change in organizational schemata as a process in which co-evolution with the previous schema and also conflict between the two is enacted. This contributes to existing work (Balogun and Johnson, 2004, 2005) emphasizing the co-existence of different schema change models, and extends it by showing how the new schema was influenced by the enactment of the organizational routine.

We outline our paper as follows. We first present some key insights from the literature on routines and organizational schemata, which form the theoretical basis of our study. Second, we describe our context, data collection, and methodological approach. We then present our findings and the implications for theory and further research on routines and schemata.

THEORETICAL BACKGROUND

A routine has been defined as ‘a repetitive, recognizable pattern of interdependent actions, involving multiple actors’ (Feldman and Pentland, 2003, p. 96). In terms of ontology, routines comprise both structure and agency (Giddens, 1984) and reflecting this, routines have been analysed in terms of their ‘performative’ and ‘ostensive’ aspects (Feldman, 2000; Feldman and Pentland, 2003). Performative actions are specific actions performed by specific individuals at specific times, and can be considered the ‘routine in practice’ (Parmigiani and Howard-Grenville, 2011, p. 422). The ‘ostensive’ aspect is the ‘abstract, generalised idea of the routine’ (Feldman and Pentland, 2003, p. 101), and may be considered to be the routine ‘in principle’ (Parmigiani and Howard-Grenville, 2011, p. 422). The relationship between performative and ostensive aspects is therefore a recursive one, whereby the performance aspect creates and recreates the ostensive aspects while the ostensive aspects ‘are invoked as resources for guiding and accounting for action’ (Feldman and Pentland, 2003, p. 303). This perspective on routines fits with an understanding of organization (or organizing) as an ongoing accomplishment (cf. Tsoukas and Chia, 2002).

The meaning of the ostensive patterns that emerge depends on the point of view of those experiencing the actions, or their schemata (Howard-Grenville, 2005). Schemata are ‘knowledge structures that organize past and future experience’ (Rerup and Feldman, 2011, p. 6) and examples may include scripts, archetypes, and worldviews. Schemata may be easily applicable to the individual level, but one can also speak of schemata at a group and organization level. Organizational members may develop mutually shared fields (Weick and Roberts, 1993) or mental models (Reger et al., 1994) through socialization of members and through joint communication practices (Bacharach et al., 1996).
At the organizational level, schemata are defined as the ‘values and assumptions that provide organization members with a common base of action and thinking’ (Rerup and Feldman, 2011, p. 586) and so represent an important aspect of culture (Elsbach et al., 2005). Following Weick (2001), by ‘enacting’ an event or structure, we mean bringing it into existence and setting it in motion. An enacted schema can be more or less consistent with the intended direction of an espoused interpretive schema (Mintzberg et al., 1976; Zbaracki, 1998). When managers espouse a new interpretive schema, it is a cognitive idea. When a schema is enacted there is a combination of cognition and motivation.

Where the enactment consists of ‘observable actions’, these may be more or less consistent with the intended objectives of the espoused schema (Balogun and Johnson, 2005; Rerup and Feldman, 2011).

Some scholars have considered how motivational issues shape the adoption or enactment of a particular routine. In Howard-Grenville’s (2005) study of a ‘roadmapping’ routine, agency was influenced by an individual’s orientation to the past, present, and future, and this introduced the possibility that individuals follow or divert from the enactment of a routine for motivational as well as cognitive reasons. Lazaric and Denis (2005) showed how the slow introduction of a quality standard was due to resistance of employees based on different vested interests, while Zbaracki and Bergen’s (2010) study of routines as ‘truces’ found that truces between marketing and sales departments in a manufacturing company broke down when perturbations in the routine surfaced long-held differences between the ostensive understandings of the routine held by difference functional groups. Reynaud’s (2005) work similarly focused on how individual workers responded to the requirement that they follow new rules, finding that employees selected only those rules that were needed in a given situation.

Though these studies offer rich insights into how routines change, an explicit linkage between cognition and motivation in this process remains underexplored. Work specifically in the performance management domain also reveals a lack of explicit attention to the role of both cognitive and motivational elements in the enactment of a routine. Situated primarily in the human resource management literature, performance management is usually conceptualized as a cybernetic system, with the core elements of objective setting, formal performance evaluation, development, and rewards, allied to feedback from both employer and employee driving modifications at each point in the system, in order to reinforce desired behaviour (Wright and McMahon, 1992). Conceptualizations of performance management as a routine have thus tended to emphasize a rational, objective activity, with little attention to how these control mechanisms are enacted by organizational members (Alvesson and Willmott, 2002). Some scholars working in cognitive traditions of organizational analysis have paid attention to cognitive biases that may affect the performance management process (Townley, 1999), while scholars working in interpretive and critical traditions have focused on ‘the negotiated and problematical status of allegedly shared meanings, values, beliefs, ideas and symbols as targets of, as well as productive elements within, normative organizational control’ (Alvesson and Willmott, 2002, p. 621). But these studies have not focused on performance management directly, preferring to locate either more widely, to the issue of organizational control in general or more narrowly, identifying key aspects of the performance management sub-system, such as appraisal (e.g., Pichler, 2012), rewards (e.g.,

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Trevor et al., 2012), or training and development (e.g., Dragoni et al., 2009). The interaction of cognition and motivation on the part of organizational members as they enact the performance management routine therefore remains, in this tradition, opaque.

The distinction between espoused and enacted is important here as a broad theme (cf. Argyris, 2004; Senge, 1990), and in looking at both the performative and the ostensive aspects of routines, we shall examine the interrelationship between both espoused and enacted in the constitution of schema and routine.

In summary, research on organizational routines, and to some extent schemata, has paid only limited attention to the motivational elements in routine and schema change, and to their interaction with cognitive aspects. In this study, by focusing on the micro-processes involved in schema and routine change in a particular organizational setting, we hope to build a richer and more nuanced picture of how schema and routines are co-constituted through the interaction of cognition and motivation.

RESEARCH METHODS

The research design is based on multiple cases of the focal event, the introduction of a new performance management routine, allowing a replication logic whereby we used each case to test emerging theoretical insights (Yin, 1984). This method allows for a close correspondence between theory and data, a process whereby the emergent theory is grounded in the data (Eisenhardt, 1989; Glaser and Strauss, 1967). The study is the result of a 24-month examination of HR practices within a sample of multinationals; this paper focuses on one MNC. The company is a high technology organization with primary application in consumer electronics. The focus of this research is the performance management practices within the headquarters in Japan and two business units, one in Japan and one in the UK, which were concerned with the design, manufacture, sales, and marketing of LCD screens and plasma televisions.

Data were collected through interviews and company archives. The main source was semi-structured individual interviews (35 in all) over a two-year period. Interviews were considered the appropriate approach given the need to explore interpretations and interests and given the exploratory nature of this work. To gain access to the company, letters were first sent to corporate headquarters inviting the company to take part in the study. Based on subsequent discussions at either headquarters or country level, the company was invited to confirm participation. One contact person per company was established, and this person provided an appropriate list of interviewees for the study, including HR professionals, senior executives, and line managers. Interview protocols were designed for each of the three groups. Interviews were conducted during site visits. Informants were briefed beforehand regarding the scope of the research, and the vast majority of the interviews were tape-recorded and transcribed. Notes regarding each interview were written within 24 hours of the interview. Interviews typically lasted 90 minutes, although some went on for several hours.

Japanese Headquarters

The headquarters was in Osaka, Japan. In common with many Japanese companies, the Group HQ had chosen to move from collectivist and paternalistic approaches to per-
formance management in order to embrace greater emphasis on meritocracy and individual-based performance. Two major drivers indicated the need for the organization to change. The first was that performance in terms of profitability in the consumer electronics market was reducing. The key metric for the company was market share rather than profitability, and though the company had grown in size and international reach (employing 90,000 people worldwide), financial performance was suffering. Becoming more innovative and breaking new markets is seen as the key industry logic.

A major aspect of this shift was to introduce the ‘Corporate DNA programme’, which was intended to strengthen the image of ‘one company’ and entails changes in culture, structure, and job design. A central plank of this was the radical centralizing to a global headquarters of the co-ordination of management processes, including human resources in general and performance management in particular. A new financial plan saw the move away from sales growth targets towards business profitability.

**The Japanese Subsidiary**

The Japanese subsidiary is a plant making batteries for domestic use and also for the car industry. The organization of work in the Japanese subsidiary is characterized by significant worker participation in problem-solving teams and rotation of workers across jobs. The subsidiary also has practiced long-term job security, aiming to ensure a stable labour supply, high commitment, and trust. In tandem with long-term security runs the seniority system, with pay and promotion chiefly founded on the education level of the employee and his or her years of employment with the organization.

**UK Subsidiary**

The UK subsidiary fabricates television sets, chiefly plasma screens. The subsidiary is the recipient of standardized Japanese products and uses Japanese production approaches and management styles; it relies on expatriate managers to control the subsidiary. In essence, the UK subsidiary is a final assembly factory, requiring a lower level of skill on the part of employees and needing less transfer of specialized production and management expertise.

In the sample company, production practices were highly standardized but HR practices were highly decentralized. A common set of HR values were posted throughout subsidiary operations both in Japan and the UK, expressing the need for quality, speed, innovation, and flexibility. But methods of recruitment, evaluation, and reward were the responsibility of the local operations.

**Data Analysis**

We followed traditional approaches for inductive research (Eisenhardt, 1989; Miles and Huberman, 1984; Yin, 1984). The method we used was as follows. The first step was to take data from the interviews and archival material and code into first order categories through an open coding process. This was carried out inductively and focused on the issues of organizational schema, routine, and change. The second step, following the construc-
tion of the first order categories, was to identify patterns through full immersion in the data to develop second order categories through axial coding (Strauss and Corbin, 1990). This was an iterative process in which we revisited the data as important features of the organizational schema and the performance management routine within each constituent business emerged. Throughout we identified emergent concepts and themes from the data and iterated between these and the theoretical dimensions from the literature (Suddaby, 2006). In the third step we organized the second order themes into overarching theoretical dimensions, of which two emerged strongly: schema and routine espousal, and schema and routine enactment. To ensure the trustworthiness of the data, we ran ‘member checks’ with informants to see whether our categories reflected their experience (Nag et al., 2007). Figure 1 illustrates our final data structure, showing the categories and themes which emerged from our findings. Table I contains representative first order data from the interviews and secondary material which support the second order themes.

FINDINGS

We present our findings about the company through tracing the espousal and enactment of the performance management routine and its recursive relationship with the organizational schema. We use the second-order concepts (see Figure 1) to chart the process and to show how both cognitive and motivational aspects were present in shaping the enactment of schema and routine.

Introduction of a New Organizational Schema

Responding to increasingly difficult competitive conditions, the senior management team of the company announced:

a new Corporate DNA program, which will focus on innovation, knowledge sharing and sustainability, with the aim of becoming a truly high performance organization. (Internal corporate memo)

The ‘Corporate DNA’ title was to emphasize that innovation, knowledge sharing, and sustainability were to be ‘imprinted’ within the employees and for the aim of high performance to be the ‘lifeblood’ of the organization. This new schema was important to senior managers both to revitalize the company and also to differentiate it from others in the sector. The new schema also represented a way to remake the approach to people management in general and performance management in particular. Here we see the beginning of the dynamic between the espoused and enacted schema.

Through our analysis we identified two tactics that underpinned this process: the articulation of the new organizational schema, and the assessment of the schema by organizational members.

Articulation of New Organizational Interpretative Schema

The attempt to set out a new organizational schema was driven by two factors. The first was ‘demand-side’ cues (Scott, 1987; Zbaracki, 1998) indicating that profitability in the
Figure 1. Data structure
Table I. The development of schema and routine change

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| Ambiguity over the implications for human resource | |
| A. “It is not clear what will be different.” | |
| B. “Some of the terms need to be spelled out” | |
| |

| Concern over impact on cognitions and motivations of workforce | |
| A. “Will bring a better spirit to the workforce, a better focus.” | |

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| Ambiguity over meaning of key terms: comparison with existing schema | |
| A. “This seems something we are doing already” | |
| B. “There is a belief that this may come with another agenda, to begin with” | |

| Ambiguity over the technical aspects of the routine | |
| A. Normally, such a system would be tied to tested consequences, but we don’t have those | |
| B. “This should be for all managers — we have not been briefed on this, nor on what happens in non-performance” | |

| Scrupulosity on part-of-the-routine framework with acceptance of other parts | |
| A. “Having a more sophisticated HR will be of great benefit” | |
| B. “It’s a distraction to introduce this when all we need is better marketing of our products” | |

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| Ambiguity over meaning of key terms in schema | |
| A. “What will we have to do? If innovation has always been a priority” | |

| Ambiguity over how the routine supports the schema, and ambiguity on the technical aspects of the routine | |
| A. “Competencies are just behaviors, and we look at behaviors anyway. So it means from the wording, it’s new” | |

| Scrupulosity about the routine, with potential seen as a weakness of implementation, concerns over perceived deviation from the culture of the company | |
| A. “We are encouraged to give feedback in depth but there is no consequence of this. This is true for aspiring people in terms of their performance” | |
| B. “…the system is not sufficiently honest and may always take the shortcut. There is also a huge decision mechanism about it.” | |

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| Clarification of content in routine and confirms no initial link to rewards in the routine | |
| A. “The first year will be a trial for managers to become familiar with the new process. After this period, there will be full implementation” | |

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| Ambiguity reduced through clarifying links to rewards, clearer understanding is passed to country managers through workshop training and advising | |
| A. “We train in the concepts and dimensions — make sure everyone has the same understanding” | |

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| Clarification of routine through training and advice brings initial goal of understanding of the technical aspects of the routine and scope of performance changes | |
| A. “The advice we have been given and the practice has made the intentions behind the changes in line with where the company wants to go” | |

| Initial willingness to try things out — surface alignment at the beginning | |
| A. “Will, but a little unsure about the details of the routine and perhaps we need more time, but will try my best to implement as the company wants” | |

| “I think these have obviously been thought about deeply, so we should take them seriously” | |

| Initial willingness to try things out — surface alignment at the beginning | |
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The consumer electronics market overall was reducing. The key metric for the company was market share rather than profitability. The consumer electronics market was becoming commoditized, with retail prices falling and production prices rising. The second was ‘supply side cues’ (Scott, 1987; Zbaracki, 1998), with the need to become more innovative and to break new markets seen as the key organizational imperatives from senior managers and internal data from employee surveys showing more appetite for greater empowerment.

Interpretation of New Schema

Encountering the changes for the first time, our interview data strongly suggest that both HR managers and employee groups assessed the new organizational schema and expressed high levels of ambiguity and scepticism. The assessment of the new schema involved a comparison with the existing schema. The employee groups that we spoke with were not involved with designing or inputting into the changes and so faced the challenge of understanding the change at some remove from the decision making process; similarly for the HR managers. The HR director was not on the main Group board and managers in the department expressed that HR was ‘downstream’ from the...
core organizational strategy process. There was shared understanding about the previous schema, which centred on the organization as ‘decentralized and market leader in two areas: semiconductors and batteries, with a clear focus on revenue generation’ (Corporate report).

The evidence showed the imposition of a new schema led, in cognitive terms, to ambiguity, and in motivational terms, to scepticism.

**Ambiguity.** Though senior managers had sought to present a clearly espoused organizational schema, organizational members expressed uncertainty and some confusion about the intent and the concepts that were being presented and disseminated. In Group HR, two features contributed to the ambiguity of the schema (see A, A1, Table I). First, there was a lack of clarity on the part of HR managers about how far reaching these changes to the schema would be for HR itself:

At the moment, from what we have heard, this could mean wholesale change to how we work, or it could mean just minor adjustments. We will wait and find out. (Group HR manager)

This brought problems about judging the extent of the changes and the expectations that senior managers held for the new schema. Second, there was also concern over the vagueness of the terminology in the new schema:

The words are good but broad. We agree with them and they are important. But the practice of them may differ between units, and maybe that’s OK, maybe that’s the idea, or perhaps we need a strong common practice. (Group HR manager)

For Country HR there were similar concerns about intent and scope. In addition, ambiguity centred on whether the new schema really marked a break with the old schema and current ways of working (see C, Table I). Country HR managers began to speculate about how this schema linked to the existing one, where were the points of continuity, and where were the points of difference. For example:

I thought we already were focused on high performance? And we are innovative too, compared to our competitors. I agree we could be closer together (one company) but sometimes separation is a good thing for spirit. (Japan subsidiary HR manager)

For country managers across both Japanese and UK plants, a number of areas were considered to be ambiguous (see E, Table I). Similarly to the Country HR managers, country managers took issue with the framing of the concepts, in particular innovation. For example:

We already are very innovative. Look at our history and our brochure. So what are we supposed to do differently? We need greater efforts on sales and marketing, not really more on goals and appraisals. (Japan subsidiary manager)
Innovation remained largely undefined in the corporate material on the schema change. Employees compared the espoused new schema with the old and, without any further reinforcement from senior managers at this stage, struggled to make sense of what the new call for innovation entailed.

**Motivation.** In the first instance, managers were reluctant to accept the new schema because of scepticism about the ideas put forward. Scepticism, which includes doubts and apprehensions, affects the motivation to accept information or to alter the implications of the information (Ditto and Lopez, 1992). Scepticism emerged in two forms. The first concerned doubt over whether the changes would have a positive impact on the organization which resulted in an unwillingness to consider them fully (see B, Table I). For example, a member of the Group HR staff said:

> The operations are fairly close to capacity right now, so findings new behaviours will not be easy with the workload currently. Taking time to learn new things will not be popular among many.

These concerns were over whether employees would respond well to such changes, given the intensive nature of work patterns in the organization and the pressure facing most managers in the businesses.

In Country HR also, concerns were raised about the capability of the workforce to adapt to new initiatives while ‘working flat out’ currently. The second form of scepticism centred on a belief that the stated aim of the schema change was in effect masking an efficiency drive which could result in job losses (see D, D1, Table I). This too prompted an unwillingness to commit to the new schema.

For the country managers, this form of scepticism was particularly marked (see F, F1, Table I). The changes, under this interpretation, were seen by some members as a way in which a rationalization of the workforce and major restructuring could be legitimized, rather than as a way to bring about an enhanced climate for innovation. Managers were therefore unwilling to be seen supporting an approach which may reduce numbers of employees within their teams or the organization overall.

In sum, the data show that the cognitive ambiguity surrounding the new schema engendered motivational aspects to enter the interpretation process of accepting the new organizational schema.

**Introduction of the New Routine; Focusing Cognition and Motivation**

To support the new organizational schema, a new performance management routine was introduced. Two major forces were generated by senior managers to develop this. First, Group HR managers established new policy statements to reflect the new commitment to an ‘enhanced’ performance management routine. Second, the technicalities of the performance management routine were distributed via pamphlets and summaries and new documentation. These materials were sent from corporate HR to country level HR operations. These documents included not only content outlining the details of the process, but also information showing case studies of other companies which had transformed their performance management.
The articulation of the new routine proceeded by the announcement of changes to three sub-routines. The interpretation of the routine and the subroutines by the organizational members then followed.

Articulation of New Routine

The areas of change within the performance management of the company are: (1) the introduction of a competency system; (2) the introduction of a performance ranking system featuring forced distribution; and (3) changes to the feedback giving process.

Changes in competency design. The competency system combined specific annual job-performance goals with individual development targets structured around a set of 12 competencies. The competency-based system would improve the traditional skill-grading system prevalent in Japanese companies (Debroux, 2003).

Introduction of a performance ranking system. Combining with achievement of work targets, scores on competencies would be used to evaluate individuals and put into a rank with a normal distribution. The primary reason for this initiative was first, to create transparency of performance measures within the company, and second, to deal with the problem of underperformance. Managers were asked to conduct a normal distribution of employee performance; to differentiate between strong, average, and poor performance and to put percentages of employees in each category, was couched in terms of enabling the company to move towards higher performance overall and to raise the bar for employee contribution.

Changes to feedback giving. As part of the rubric for the competencies, ongoing feedback was strongly encouraged and there would be formal mid-year and annual reviews. For Japan this represented a major change; previously feedback had been given annually and sparingly, focusing on specific task performance (normally on any deviation from task goals) rather than on future development). The new approach was to be carried out at middle manager level initially. Feedback was given not just through formal tools but also intended to be on an ongoing basis.

The introduction of the new routine was made with the instruction that in the first 12 months, there would be no formal link to rewards. The intention was for managers to become used to dealing with the concepts used and to able to make judgments based on the new competences but without the pressure of those judgments feeding directly into reward decisions. In the second year of operation, a link to rewards would be made, based on a normal distribution and with individual bonus for high performers and a remedial programme for lower performers.

At this point, the espoused organizational schema and the new performance management routine exist only as rhetoric (Zbaracki, 1998). Group HR articulated the changes to routine, primarily through town hall meetings and through explicit linkage to the new organizational schema. The rationale for the performance management routine was held to be directly responsible for improving overall organizational performance (see G, G1, Table I). The detail of the system, particularly the competency system, was shown...
directly and supported by: (1) the case that a high profile consultancy had been instrumental in designing the system for the company; and (2) this system was in place in a number of world-class companies, including main competitors to the company. These refinements linked again the demand and supply side cues and sought to instil confidence in the performance management routine (see H, Table I).

**New Routine Increases Ambiguity of Schema**

In both Japan and the UK, Country HR staff and managers were involved in assessing what each subroutine meant for their day-to-day operations. It was clear that, for Country HR staff, ambiguity of the schema was heightened by perceived ambiguity of the routine (see I, I1, Table I). Three kinds of ambiguity emerged. First, though the understanding of ‘high level’ aspects of the new routine had been developed through conversation with Group HR, key technical elements of implementation remained unclear. A major issue was how the sub-routines would link to outcomes:

> The measurement of how the system operates has yet to be conveyed. The obvious issue is how will people be affected by the changes? We need to know what to say to them. (Japan subsidiary HR manager)

Without this clarity, there were concerns that the new performance management routine would lack impact or traction with the managers implementing it.

Second, there was ambiguity over the meaning and content of the concepts themselves. For the country managers there were calls for greater clarity over concepts and their implication (see K, K1, Table I). In the competency subroutine, for example, some managers believed the introduction of this system allowed the firm to be flexible given the rapidly changing environmental conditions, but required more information about the specific technical approach to be taken. As one manager said:

> We feel that in whatever circumstances, we will need people who show certain characteristics. Though the specific details have to be addressed – what counts as evidence – the overall idea is solid. (Japan subsidiary manager)

For the normal distribution subroutine, there were calls to clarify just what this meant in terms of the forced nature of the ranking practice. For example, what would happen if a manager believed none of his staff were poor performers? With the feedback subroutine, there were concerns on the issue of frequency and length of feedback, for example: ‘what is the minimum time I need to spend with my staff on discussions?’ (UK subsidiary manager).

Third, ambiguity also stemmed from confusion as to the real difference between the new performance management routine and the old. This was informed by the belief that, like the espoused organizational schema, the new performance management routine did not represent a large scale change, but was rather codifying what was already in place. For example, the UK business was already operating with a set of behavioural indicators which were similar to the new competencies, and so the sense of a new initiative being put in place was muted.
Deepening Ambiguity Increases Problems with Motivation for Schema and Routine

These cognitive concerns led to issues with the motivational aspects of the changes to the performance management routine (see J, J1, Table I). First, for Country HR managers, there was a concern that the new routine would not fit with existing motivations and understandings of the employee groups:

In the situation we are in, staff need to keep doing their jobs well. It is good to renew the company’s ambition, but we do not want to spend a long time changing everything in terms of how they work. They need the opportunity just to do what they are good at. (Japan HR manager)

Though Country HR managers were concerned with ensuring efficiency, they did not believe the routine as espoused would create the efficiencies intended. For example, in the UK, the HR director said that the normal distribution curve was ‘not particularly helpful’, since the reality was a hiring freeze and so making clear who was a poor performer would not help the team overall, since any poor performers could not be replaced. In addition, regarding the competency sub-routine, the UK HR director designated some of the competencies as ‘core’ and to continue to use the original language of existing behavioural indicators, but with definitions drawn up in the new performance competency document:

We have tried to match the elements we use to those in the new framework, and tried to overlay them. In some cases the fit is reasonable. In other cases, it’s clear the elements don’t really apply to us. (UK HR director)

There was some agreement that differentiating performance would be useful, but the provisional nature of this also encouraged delay in engaging with the process. The urgency outlined in the new organizational schema was therefore seen to be undermined by what was perceived to be a rather relaxed introduction of the evaluation process. This mixed message reduced motivation to implement the routine.

For country managers, there was the expressed belief that performance would be raised not by differentiation but through remaining ‘true’ to the company culture (see L, L1, Table I). Though managers were keen to embrace more efficiency, for example, ‘We cannot afford people who do not contribute anymore’ (Japan subsidiary manager), enacting a forced distribution was not seen as the way to achieve this. First, managers in both subsidiaries were reluctant to deal with the tail of the distribution. The corporate culture in the firm still emphasized the common well-being of all employees instead of focusing on a small group of high performers or low performers. Second, time spent attending to the distribution of employees was seen as wasted time away from the production and delivery of products, and so would be counter-productive, and managers, under increasing pressure, were reluctant to do this. A strong motivation for the country managers was to protect their team members in terms of worsening environmental conditions.
For HR managers and for both employee groups therefore, the sense of a rather relaxed implementation schedule and lack of hard parameters to the performance management routine gave rise to both cognitive issues (e.g., ‘What are we to understand by these directives?’) and also motivational issues (e.g., ‘There is a pick and mix feel to it. Is it really serious and long term?’). Top managers were not perceived by some to be truly in control of the situation and this they felt was reflected in the sketchiness of the organizational schema. The driving force of the change, coming as it did from significant shifts in the external environment, prompted concerns among HR managers and subsidiary managers that the changes were ill-considered and poorly articulated. This had a direct impact on motivation to accept the change in routine; specifically treating the change at arm’s length, and adopting a ‘wait and see’ approach, rather than fully committing. At this time, however, HR managers and country managers can only speculate (Zbaracki, 1998), but already the interpretation of the routine is setting the scene for the enactment of the routine.

Enactment of the Routine; Continuing Ambiguity Opens Up Motivation for Divergence

Following this acclimatization, both Group HR managers and Country HR managers attempted to clarify again the elements of the espoused routine. In addition to presentations and written materials, there was the availability of expert advice from Group HR through a helpline and website (see M, O, O1, Table I). This cognitive clarification was supported by motivational aspects, chiefly through continuing training and support to give reassurance to employees (see N, Table I) and also to reiterate that the new routine would have a 12-month period of trialling, which reduced pressure on managers in the first instance (see P, Table I).

At the initial stage of enacting the routine, managers from both countries stuck closely to the templates of the routine, though still working with a limited cognitive appreciation of the new performance management routine (see Q, Table I). In their training sessions with Country HR managers and then in their first attempt with their staff to identify competencies, ranking, and feedback-giving, managers tried to map their staff using the new categories and approaches, with feedback and reassurance given from messages by Group HR. This helped with cognitive clarity, and in motivational terms there was a willingness to ‘try things out’ (see R, R1, Table I). This willingness was prompted by a realization of the gravity of the competitive situation plus the weight of materials and training and communications had given a symbolic seriousness to the activity (Ostensive pattern 1, Table I).

Following this, however, the scepticism concerning the schema and the new routine prompted managers to re-frame the parameters of the new routine. They took advantage of the ambiguity to put their interpretation on the new process, which favoured their own sense of what would promote efficiency and also what would fit best with their own interpretation of what it meant to be a manager. Regarding the competency system, for example, during appraisals with staff, the scores recorded were, in the main, placeholders until more detailed information about the subroutine was forthcoming (see S, S1, Table I). The lack of motivation followed on from a cognitive confusion as to the
difference between the new and old competencies and whether the new set really applied in their entirety to the particular circumstances of the subsidiary. This led to a tentative trying out of the sub-routine and a less than motivated acceptance of the espoused routine on the part of Group HR. Managers were also concerned with why the new evaluation process still lacked the rationale of why a rewards system was not integrated. The lack of clarity on this point in terms of their understanding led directly to their downplaying of the evaluation process. Managers knew that enacting this sub-process would be difficult and disruptive to handle. The ensuing lack of motivation for implementing this sub-routine was rationalized cognitively as viewing competencies as developmental rather than strict performance improvement measures, and the differentiation of employees in terms of performance deemed discretionary:

My staff are all working hard. No need to disrupt this, particularly now. We’ll wait to see if there will be a pay element, but we will think about that later. (Japan subsidiary manager)

The motivational concerns thus allowed the reframing and rationalizing of the espoused routine in a manner that that would not subvert the routine but play within the ambiguity; similarly with the normal distribution sub-routine (see T, T1, Table I). Managers in both subsidiaries made scant use of the normal distribution, citing poor operating conditions as a reason for not differentiating individuals. In the Japanese subsidiary, managers tried not to make definitive judgments on staff, but merely made a series of trial attempts, not placing the name of an individual on the appraisal forms. In the UK subsidiary, managers made a number of performances in differentiating employees but refused to place any individual in the bottom 10 per cent of the distribution. The doubts in terms of understanding what the normal distribution was for and how it should work, experienced in the reaction to the espoused routine, now deepened as managers went to enact versions of the process. They believed that such a distribution ran contrary to the company values and would have a detrimental effect on their team’s motivation at a time when all hands were needed to turn the organization around. It would, in short, distance them from their staff and create tensions for no obvious gain. The resistance, however, was not overtly hostile. Indeed, it was characterized by individuals trying to avoid the sub-routines demands without confronting senior managers or HR managers directly. The resistance did not lead to open conflict or seriously threaten the espoused performance management routine. What the managers succeeded in doing was securing a highly flexible interpretation of the new routine, while indirectly showing their reservations towards it. Managers did not openly resist the espoused routine, because in general they agreed that there needed to be improvements in the performance of employees in order to make the organization as a whole more efficient. But what was perceived to be rather a cumbersome set of routine elements, combined with an espousal of the routine that was characterized by ambiguity, led managers to reframe without contradicting the principles of the espoused routine.

HR managers monitored the performances of the new routine and were available to give advice and counsel. On seeing the varying approaches to adherence to the espoused routine, HR managers responded to performances with another set of performances. In
response to the problems with carrying out the routine, and in keeping with the espoused schema, HR managers began to generate new approaches to deal with the discretionary behaviour of employees in the routine. In cognitive terms, HR managers sought to gain cognitive clarity by informing Group HR of the divergences from the espoused routine (see U, Table I). In particular, the concerns about the competency system and the normal distribution, were given to the Group HR managers via the regional HR committee level, held twice a year. A broad consensus emerged from these meetings, which was they should not be too directive with managers, but also to stress that following the initial period of trial, a more formal and standardized system would come into place (see V, Table I).

Within a month, Group HR provided a response that served to provide a new enactment of the routine. First, Group HR restated the original drivers for the changes to the performance management routine through newsletters and emailing of all staff. The aims of the new performance management to ensure greater flexibility, accountability, and performance were again broadly reiterated and so too was the aim of increasing innovation. These initiatives were designed to provide greater understanding – in short, to give cognitive clarity – to employees. Second, within these statements, there was an admission that the economic and organizational environment had driven a need to ‘respond effectively and pragmatically’ to ‘challenging circumstances’. In terms of the performance management routine, a number of areas were addressed (see W, X, Table I). Group HR asserted that:

Performance ratings are to be used in line with the judgement of managers. Please use these ratings to assess your staff; if you do not identify individuals at the bottom or the top of the scale, please give your reasons. (Internal HR document)

A new espoused routine for HR managers at both Group and Country level focused on allowing the performance management system to have variation but to emphasize the ‘comply’ in managers’ performances. The three sub-routines became characterized as ‘comply or explain’ mechanisms. Further, Group HR sought to increase motivation to the new performance management routine by restoring a degree of autonomy and decision-choice back to employee groups. This approach was communicated to Country HR managers, who enacted the revised routine for managers. The ‘comply or explain’ mechanism ensured that the Centre held full details of practice and ensured that reasons for divergence were documented at Group HR. The performances of the routine were shaped by the assumption that managers would broadly comply, but with certain exceptions ‘explain’ deviation from the new approaches (see Ostensive pattern 2a, Table I).

However, for country managers, the divergence over time from the initial espoused routine became marked. This was partly due to cognitive reasons – the ongoing lack of clarity and also a mixed interpretation of just how loose and compliant the initial period of introduction had to be. This was compounded by motivational issues with managers reluctant to implement parts of the routine for fear of the impact on staff. This brought a new ostensive pattern of the routine for country managers, emphasizing variation in adherence to sub-routines, but differing from HR performances in the emphasis on the
‘explain’ rather than ‘comply’ (see Ostensive pattern 2b, Table I). The result therefore of the variation in performances was the emergence of two ostensive patterns, one for the Group and Country HR managers and one for the Country managers. Providing explanations neither brought nor implied any sanctions, and managers soon had standard forms of wording to ‘explain’ non-compliance, and so it became, for many, the norm. Thus the motivation to remain very flexible on implementation had its roots in wishing to stay close to their own interpretations of what would prove effective for their teams and the organization as a whole, and these motivations in turn reframed the routine.

Reframing Schema and Routine: Coalescing Cognition and Motivation around Flexibility

These new ostensive patterns endured through 2006, but in the autumn of 2007, an earthquake in the southern region of Japan rendered the company’s major semiconductor plant inactive, triggering a highly damaging shortfall in company revenues. The company’s executives held a series of large-scale town hall meetings across the Group to announce the problem and to call for increased effort on the part of employees. The president of the company and the senior executives were present in the most dramatic of these messages, a video-screening across the Japan operations and replayed for time zones across the world. In these events, senior managers sought to provide a clear understanding of the scale of the issues and the impact of the problem, allowing sensemaking on the part of employees and to provide a collective sense of what had to be achieved together. Second, the key messages from senior managers were for the continuing of the new organizational schema and that ‘it remained the right strategy and philosophy’ (see Y, Table I). Third, appeals to motivation were also evident, particularly with a sense of unity and team-working emphasized, and the urging of more effort on the part of all employees and executives. However, the scale of the problem and the threat it posed to the company brought a new pattern of cognition for managers and employees, and stressed, in motivational terms, the urgency for prioritization around efficiency (see Z, Table I).

For Group HR, this required a reframing of the performance management routine to reflect the new organizational reality (see AA, BB, Table I). The Group HR managers stressed that the new routine would continue, but made changes to the technical aspects of the sub-routines to accommodate the shift to greater efficiency. First, with regard to the feedback subroutine, the espoused statements on how to provide feedback to employees to facilitate their development were to be viewed as guidelines rather than rules. Feedback, it was now urged by Group HR, and reiterated by Country HR, was crucial for correcting errors and process mistakes, and ‘managers should be always vigilant in this regard’. Second, the ‘comply or explain’ principle was reinforced by Group HR regarding the normal distribution. Third, for the competency routine, managers were urged that the health of the company was ‘the overriding concern’ and employees should be encouraged to perform their duties to the best of their ability to help ensure the continued success of the organization.

For employee groups, these clarifications were important both cognitively and motivationally (see CC, DD, Table I). New enactments of the performance management
routine following the earthquake event saw a new ostensive pattern emerge. This was almost a retreat back to the traditional ways of working. It was clear that, in the words of one UK manager, ‘we had to focus on what we knew best, and everything else could wait’.

This did not entail that the new sub-routines were jettisoned altogether, however. As discussed before, some aspects of the sub-routines were welcomed. A good example is the feedback sub-routine. The feedback imperative was not ignored or resisted. Rather, managers chose to emphasize feedback on correcting errors and process mistakes, rather than focus on feedback in terms of individual or group developmental process. In terms of cognition, this was accepted by managers for two reasons: first, because the emphasis on the short-term made sense to them, rather than on long-term considerations of development ‘when there may not be jobs to develop people into’ (UK subsidiary manager). Second, the skill-set of managers had always featured short-term feedback giving, and so effectively this was a continuance rather than a change of practice. Both aspects fed into the motivation to continue to giving feedback of this kind, and gave clear impetus to avoiding deeper discussions focused on development. This element of feedback is selectively retained in the ostensive aspect of the routine (see Ostensive pattern 3a, Table I).

For the managers, this meant reinterpreting the espoused routine’s demands in a manner not inconsistent with their own interests. While accepting senior managers’ call for greater emphasis on feedback, managers rationalized that their best way contribute to this would be to intensify the short-term corrective feedback. Senior managers and Group HR managers, in their turn, did not wish to go against this interpretation, fearing the consequences on an already pressurized workforce, and rationalized their acceptance of this divergence as part of an overall ‘flexibility’ approach that was ‘built-in’ to the routine.

The performance management routine therefore was viewed as a mechanism for securing efficiency, with the developmental aspects of the performance differentiation and feedback giving greatly reduced (see Ostensive pattern 3b, Table I).

Reframing of Routine and Schema

For senior managers, the provisionality of the new routine became a virtue and evidence of its flexibility and appropriateness to the new circumstances. In this sense, it represented not an ‘either–or’ approach to the new schema and new routine away from the former schema and routine, but a ‘both–and’ logic (Rerup and Feldman, 2011). The new routine did not revert to the old, in other words, but represented a co-existence of the old and new (see EE, Table I).

In motivational terms, Group HR began to focus on ensuring country managers had sufficient support and drive to deliver results (see FF, Table I).

For Country HR managers, administration of the new routine became an exercise in pragmatism. With managers allowed to deviate from the stated practices at will, HR managers became less ‘owners’ of a process or routine, but rather more active listeners to the different contents and challenges managers faced, and their own discretion and
autonomy in judging the ‘explanations’ rather than the compliances enhanced their motivation (see GG, HH, Table I).

For the country managers, in cognitive terms, understanding of the changing environmental circumstances was important in shaping acceptance of the new routine (see II, III1, Table I). In motivational terms, the licence for flexibility allowed managers to use the ‘comply or explain’ rubric, and adhere to the ‘ceremonial’ (Zbaracki, 1998) aspects of the new routine while also dissenting implicitly from its core demands in practice (see JJ, Table I).

A new ostensive pattern emerged as the patterns of comply or explain became embedded and the performance of the sub-routines as ‘guidelines’ rather than rules became acceptable practice for both HR and country managers. Over time, the flexibility of the new routine became viewed as pragmatic and responsive but still recognizably a new routine, rather than a reversion to old ways of working (see Ostensive pattern 4, Table I).

Given the evident threat to the survival of the company, the need for efficiency became paramount. The different schemas united around one common schema of survival and a negotiation of what the core priorities were.

These ideas for the new organizational schema were variably interpreted by staff. For all groups, the overall aim of higher performance, greater innovation, and sustainability objectives was difficult to disagree with. If there was one criticism, it was that the ideals were so vague, that any approach could be taken to reach them, as evidenced by the changing performance management routine.

Nevertheless, the urgency of the new economic conditions surrounding the firm were such that, while the performance management routine was seen to be provisional and, in places, contested, HR managers and employees groups made an accommodation to work with the ambiguity in order to improve the performance of the company.

**DISCUSSION**

The study shows a case of attempted routine change to support a change in organizational schema. This research responds to recent calls for work on change in routines and schema to embrace the range of both cognitive and motivational elements (Parmigiani and Howard-Grenville, 2011; Zbaracki and Bergen, 2010). Tracing these elements provides a picture of how the co-constitution of routine and schemata are negotiated and influenced. We showed how cognitive ambiguities of both the schema and the routine provided opportunities for motivation to affect interpretations of the espoused routine, producing performances and ostensive patterns that influenced what the routine in practice became.

The motivational elements in particular showed a progression. The initial impetus for schema and routine change was to resolve tensions between the current state of the organization and the changing environmental demands facing it. Early in the schema and routine change, scepticism among managers dampened motivation and cast doubt on the changes. As the schema and routine evolved, the initial motivation of managers was to preserve their staff’s own motivation and to minimize the extent of the changes. With performances of the routine, variations in motivation occurred, with some parts of
the routine more accepted than others, and a reframing in terms of flexibility developed. Following large changes in the context of the company, managers’ motivations concerning the schema and routine change became balanced by the motivation to preserve the company and not to resist the changes, but to find an accommodation that would deliver on both the motivation towards staff and motivation towards the survival of the organization.

Organizational Routines

Though the principle of a recursive relationship between individual action and the structure of a routine has long been established (e.g., Feldman and Pentland, 2003; Pentland and Feldman, 2005, 2008), less attention has been given to how individuals enact routines. An important contribution of our study therefore is the identification of a process through which we trace the interaction between cognition and motivation individuals that influenced what the routine in practice became. We saw that the espoused routine prompted a number of ambiguities, ranging from the lack of clarity of the language used, the intent of the changes, and the potential impact and execution of the changes. These ambiguities fed into scepticism about the extent of the changes and whether they would in fact have the effects that were intended within the firm. The scepticism drew on managers’ unwillingness to see the ethos of the company undermined and also their motivation to protect their staff from the potentially harsh impact of the changes. These motivations in turn influenced the managers’ framing of the new routine in a way that would be in line with the company’s ideas, but would also preserve what was best for their managerial identity and their staff’s security. Given the organization’s parlous state, there was no motivation on the part of managers to resist overtly, and so the managers’ motivations to both not rock the boat but also not to accept the changes fully led to the cognitive reframing of the routine as one which was both flexible, tentatively held, and could operate as a ‘comply or explain’ approach. Acceptance of the reframing by senior management reinforced management cognition of the scope of the new routine which in turn enhanced the motivation to accept the new routine. This is brought into sharper focus through the unpacking of the overall routine into its three constituent parts. Such a breakdown showed organizational members able to be seen as embracing some parts of the overall routine, while remaining non-committal or simply ‘acting out’ other parts. In this way, the ‘micro-foundation of observable action’ comes into focus (Rerup and Feldman, 2011, p. 580). The performance aspect of the routine differed with regard to the different subroutines and together these differences had impact on the espoused organizational schema. By opening up the black box of routines and viewing them as separate but interconnecting parts, this study informs the growing practice perspective in organizational theory (Parmigiani and Howard-Grenville, 2011).

The distinguishing feature of this approach is the eschewal of viewing routines as a whole, which is characteristic of the capabilities approach to routines (Dosi et al., 2008), but rather deconstructs routines and places them firmly within a specific organizational context.

Our study supports work showing changes to an espoused routine taking place as a response to trial and error learning (Rerup and Feldman, 2011). While work in this
tradition shows individuals trying to fix problems and being motivated to do what works, our study builds on this foundation and shows changes occur as a result of choices guided in certain directions by the motivationally-informed cognition of employees in a process of internal negotiation within the organization.

Our work also contributes to the nature of resistance to routine change. In contrast to studies which show routine change as involving conflict between parties (e.g., Zbaracki and Bergen, 2010), the changes to the routine in our study showed no overt conflict. Given the complexity of the conditions facing the company, this approach of quiet questioning, probing, and different enactments brought a form of ‘negotiated order’ to the changes. Such an approach is reminiscent of the concept of routines as ‘truces’ (Zbaracki and Bergen, 2010), but the concept of a truce implies a resolution to conflict or dispute. In our study, there were no overt conflicts or disputes as we see employees using the flexibility of the sub-routines to both adhere to the overarching schema and routine, but also to adapt it to ways which would protect their staff best and also fit with their idea of how the organization should work. This supports the idea that an organizational routine like performance management is an ‘ongoing accomplishment’ rather than a fixed and enduring system (Howard-Grenville, 2005) and that ‘phenomena always exist in relation to each other, produced through a process of mutual constitution’ (Feldman and Orlikowski, 2011, p. 3), but adds to this literature by showing how cognitive and motivational aspects lead to such an accomplishment.

**Organizational Schemata**

This study conceptualizes change in an organizational schema as a process in which both co-evolution with the previous schema and also tensions between the two are enacted. Co-evolution models (e.g., Labianca et al., 2000) have stressed the emergent nature of schema change, with the importance of comparing old and new schemas at the individual level and a process of social negotiation to develop the new schema. Conflict models (e.g., Bartunek, 1984) have highlighted the importance of tensions between groups and individuals and the new schema emerges from a dialectical process. Our study shows evidence of both co-evolution and tensions as the new organizational schema was introduced and developed. This contributes to existing work (Balogun and Johnson, 2004, 2005; Bartunek, 1984; Rerup and Feldman, 2011) emphasizing the co-existence of different schema change models, and extends it by showing how the different schema were influenced by the enactment of the organizational routine.

We build on existing work showing the importance of enactment to the process of organizational schemata change through identifying the cognitive and motivational elements to the interpretation and enactment of schemata. Studies of schema change have often emphasized the contentiousness of the process. Our study provides an opportunity to see how an organization can negotiate this contentiousness that is neither explicitly trial and error learning nor through the domination of one group over another.

Schema change has tended to be portrayed either as a piece of rhetoric which exists at a symbolic level, or as a more prescriptive process that specifies clear outcomes (Zbaracki, 1998). In this study, we saw that ambiguity in understanding the new schema influenced and was influenced by scepticism which made motivation for embracing the
change problematic. However, we saw both senior managers and country managers use
the ambiguities to develop interpretations in line with their own motivations while
staying broadly within the terms of the new schema. By focusing on the inherent
flexibility of schema change, we show how managers can influence the schema without
this being portrayed as a deviation or an undermining, or as managers asserting greater
control at the expense of senior manager proposals. Senior managers also embraced the
flexibility of the schema to keep managers on board and also to allow them to be
perceived as responsive and pragmatic. The schema therefore was neither purely a
symbolic device nor a wholly specifying process of outcomes, but the product of man-
agers at a number of levels moving between symbol and substance to socially construct
its meaning.

Future Research

The study is based on a case study, and while we have given a thick description of the
company context, the issue of the generalizability of the findings remains pertinent. We
have emphasized a process rather than an outcome focus in the data, which helps
mitigate the problem of single case generalizability (Rerup and Feldman, 2011). Future
research on the relationship between schema and routines could usefully examine dif-
ferent contexts and particularly the different ways managers seek to establish new ways
of working. Also the issue of cognition and motivation in schema and routine change
invokes the concept of power and hierarchy (Gavetti, 2005). Though this study has
examined aspects of change and resistance which have brought forth new patterns of
understanding and influence between hierarchal levels, future research could examine
explicitly the power relationships and dynamics between groups that inform the process
of routine change. Further, though our study showed interconnection between the
sub-routines, it would be valuable to see linkages across routines (e.g., with the hiring
routine). We also saw some elements of the routine as more malleable than others.
Further exploration of the differential rates of change for aspects of routines would be a
valuable next step.

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