

## RESEARCH SUMMARY

### **STRUCTURAL & SOCIAL INTEGRATION AS DETERMINANTS OF INDIVIDUAL CHANGE INITIATIVE**

Michael G. Hendron

*McCombs School of Business, University of Texas at Austin*  
*Committee Co-chairs: Alison Davis-Blake & Pamela Haunschild*

This dissertation investigates the influence of organizational characteristics on the likelihood that nonmanagerial employees will attempt to change organizational processes, routines, or strategies. These behaviors, which I label individual change initiatives (ICI), are an under-examined source of organizational learning and change. The study of ICI promotes the view of lower-level employees as agents of change, rather than merely as resources to be used to achieve organizational objectives imposed from the top-down (Barney, 1991), or as sources of organizational inertia (Kimberly & Quinn, 1984). This conceptual framing also extends strategic management notions of autonomous strategy (Burgelman, 1983) to lower levels of the organization and links theories of proactive individual behavior (Van Dyne, Cummings, & Parks, 1995; Morrison & Phelps, 1999; Frese & Fray, 2001) to organizational-level change.

Given the potential importance of individual change initiatives, it is useful to consider factors in the organizational context that are likely to facilitate or hinder such behavior. The levels of integration—or connectedness—among work units (structural integration) and among individuals (social integration) are potentially critical determinants. Some perspectives on organizational change and innovation argue that isolation—or low levels of integration—are necessary to provide the freedom to explore and innovate (Galbraith, 1982; March, 1991). On the other hand, there are equally compelling arguments that suggest that integration provides conduits for information flow that are essential for idea generation and the enactment of change (Kanter, 1988; Ettlie & Reza, 1992). My first research question addresses these competing perspectives by considering the influence of structural integration of the work unit (e.g., intra-

and interfirm connections between a work unit and other units) (Lawrence & Lorsch, 1967) on the likelihood that individual employees will demonstrate ICI. I develop hypotheses regarding five aspects of structural integration: centralization, cross-unit integration, boundary spanning, contract employment arrangements, and temporary unit status. By considering distinct aspects of integration I hope to clarify the conflicting general predictions regarding the effect of integration on ICI. I predict that some forms of integration, such as centralization, may uniformly decrease initiative [H1], while others, such as boundary spanning may increase initiative [H2]. Cross-unit integration [H3] and the proportion of contract employees [H4], however, may demonstrate curvilinear relationships (inverse U-shaped) because a modest level of integration on these dimensions both motivates and enables individuals to engage in ICI, whereas the extremes may significantly limit either motivation or ability. In competing hypotheses I propose both a positive and negative relationship between temporary work unit status and ICI [H5a/b]. A sixth hypothesis considers the manifestation of structural integration at the individual level (in the functional diversity of an individual's workplace ties) and predicts that higher levels of diversity in an ego network will facilitate ICI [H6].

My second research question considers social integration, or the degree to which an individual is connected with others in the workgroup (O'Reilly, Caldwell, & Barnett, 1989), and its effects on the likelihood of ICI. Aspects of social integration to be examined include the density of an individual's ties in the work group, the degree of geographic dispersion in an individual's network, and the level of decision process involvement. Like structural integration, very general logics linking social integration and change initiative lead to competing arguments regarding the value of isolation or integration. Again, I focus on specific aspects of social integration in order to help resolve this paradox. I first consider the argument that social connectedness benefits ICI up to a point through improved information flows (Reagans & McEvily, 2003), yet as individuals becomes overly integrated in a given social context their

willingness and motivation to deviate from accepted norms decreases (Hackman, 1976). This logic leads to the prediction of an inverse U-shaped relationship between ICI and the density [H7] and geographic dispersion [H8] of an individual's ego network. However, I predict that process involvement—as an alternative indicator of individual integration—will have uniformly positive effects on the likelihood of ICI [H9]. In a third component of this study, I will consider the moderating roles of social and structural integration on the relationships between individual characteristics (i.e., personality and breadth of experience) and ICI [H10–H13]. These final hypotheses offer yet another approach to obtain a more refined understanding of the link between integration and the likelihood of ICI.

I will test the study's predictions with measures of change initiative among MBA and business undergraduate students during their internships. Surveys of the interns and their supervisors (collected across several waves) will provide data on the level of social and structural integration, as well as the level of individual change initiative and other controls. Data will be analyzed using hierarchical regression models. Controls will include organizational characteristics (e.g., age, size), culture (e.g., supportiveness for innovation), job characteristics (e.g., autonomy), and other individual characteristics (e.g., age, gender). In addition, qualitative data will be collected through interviews with interns and managers to provide a richer understanding of the process by which social and structural integration influence the likelihood of ICI. This additional data will also provide valuable insights into how ICI is perceived by managers, and how such behaviors contribute to organizational learning.

This study will broaden our knowledge of the organizational characteristics that foster individual attempts to contribute to organizational learning. Findings from the study will be particularly useful to the extent that they help reconcile competing theories of innovation and organizational learning that prescribe isolation on one hand, and integration on the other. The results may demonstrate that on some dimensions isolation is beneficial, on other dimensions

integration is beneficial, and in some cases a balance between the two is optimal. To the extent that ICI may help organizations adapt to changes in the competitive and technological environment through the development and exploration of novel processes and strategies, organizational leaders will benefit from these findings as well. With a better understanding of the organizational characteristics that facilitate individual contributions to learning and change, managers can make more informed decisions regarding the adoption of structures and systems in order to achieve optimal levels of change initiative.

## REFERENCES

- Barney, J. 1991. Firm resources and sustained competitive advantage. *Journal of Management*, 17(1): 99-120.
- Burgelman, R. A. 1983. A process model of internal corporate venturing in the diversified major firm. *Administrative Science Quarterly*, 28(2): 223-244.
- Ettlie, J. E., & Reza, E. M. 1992. Organizational integration and process innovation. *Academy of Management Journal*, 35(4): 795-827.
- Frese, M., & Fay, D. 2001. Personal initiative: An active performance concept for work in the 21st century. In B. M. Staw & R. I. Sutton (Eds.), *Research in organizational behavior*, 23: 133-187. Amsterdam: JAI-Elsevier.
- Galbraith, J. R. 1982. Designing the innovating organization. *Organizational Dynamics*, 10(3): 4-24.
- Hackman, J. R. 1976. Group influences on individuals. In M. Dunnette (Ed.), *Handbook of industrial and organizational psychology*: 1455-1525. Chicago: Rand McNally.
- Kanter, R. M. 1988. When a 1000 flowers bloom: Structural, collective, and social conditions for innovation in organization. In L. L. Cummings & B. M. Staw (Eds.), *Research in organizational behavior*, 10: 169-211. Greenwich, CT: JAI Press.
- Kimberly, J. R., & Quinn, R. E. 1984. *Managing organizational transitions*. Homewood, IL: Richard D. Irwin.
- Morrison, E. W., & Phelps, C. C. 1999. Taking charge at work: Extrarole efforts to initiate workplace change. *Academy of Management Journal*, 42(4): 403-419.
- March, J. G. 1991. Exploration and exploitation in organizational learning. *Organization Science*, 2(1): 71-87.
- O'Reilly, C. A., Caldwell, D. F., & Barnett, W. P. 1989. Work group demography, social integration, and turnover. *Administrative Science Quarterly*, 34(1): 21-37.
- Reagans, R., & McEvily, B. 2003. Network structure and knowledge transfer: The effects of cohesion and range. *Administrative Science Quarterly*, 48(2): 240-267.
- Van Dyne, L., Cummings, L. L., & Parks, J. M. 1995. Extra-role behaviors: In pursuit of construct and definitional clarity (a bridge over muddied waters). In L. L. Cummings & B. M. Staw (Eds.), *Research in organizational behavior*, 17: 215-285. Greenwich, CT: JAI Press.