
Understanding Organizational Adaptation to Change: The Case of Work-Family Issues

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Executive Summary

The last 10–15 years have seen dramatic changes in the nature of the U.S. workforce and in the structure of family life in the United States. Organizational managers face the difficult task of interpreting these changes and of deciding how to adapt the organization's human resource policies to these changes. In this paper, we examine the processes that underlie organizational adaptation to environmental changes, focusing particular attention on describing the processes by which changes are noticed, interpreted, and elicit action. We argue that the same demographic facts are likely to get different amounts of organizational attention and may be interpreted quite differently, depending on the characteristics of the organizational context and on how work-family issues are framed. Human resource professionals have an extremely important role to play in determining both the likelihood and nature of an organization's actions with respect to work-family changes by shaping the interpretation process.

They will have working spouses, children, and elderly parents to care for.

(Taylor, 1989)

Fifteen years ago, it would have been almost unthinkable to observe strategic decision makers in large, powerful U.S. corporations arguing about the costs and benefits of providing different types of child-care or elder-care assistance for their employees. While this scenario still pertains to a very small proportion of companies operating in the United States, the relative size of this proportion is growing. According to the Conference Board, more than 3500 U.S. companies are now providing some form of child-care assistance to their employees—a dramatic increase since comparable counts were taken in 1986 (Friedman, 1986, 1989).

The increased rate of women's participation in the labor force (particularly by mothers of young children), the increase in the number of single-parent families and the aging of the U.S. population have changed the structure of families in the U.S. The need to juggle work responsibilities with family responsibilities (e.g., caring for young children and aging parents) has made the lives of many American workers significantly more complicated than they once were. When coupled with the decrease in the rate of labor-force growth and with emerging attitudinal changes in the workforce such as employees' growing reluctance to relocate (Baderschneider, 1989; Chapman, 1989),

The best workers of the future will not arrive at the corporate doorstep alone:

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these demographic trends point to the need for organizational decision makers to start thinking strategically about the meaning and significance of these work-family changes for the design of jobs, of careers, and of human resource practices. In this environment, "family-responsive" policies and practices may become important means by which to attract and retain a skilled labor force (Galinsky, 1988b). Many business leaders and management scholars, in fact, assert that the adoption of innovative human resource strategies may be the way to build and maintain competitive advantage in the 1990s (Doyle, 1989; Schuler & Macmillan, 1984; Ulrich, 1987).

In this paper, we will examine the processes that underlie organizational adaptation to employees' changing work-family demands. The essence of an adaptation perspective is the assertion that organizations survive and prosper to the extent that they are able to align themselves with their environments over time. Organizations that respond more appropriately to environmental changes will, in the long term, be more effective. Understanding the timing and type of responses that an organization will make to a given environmental change, however, requires understanding the processes by which environmental changes are noticed, interpreted, and elicit action (Anderson

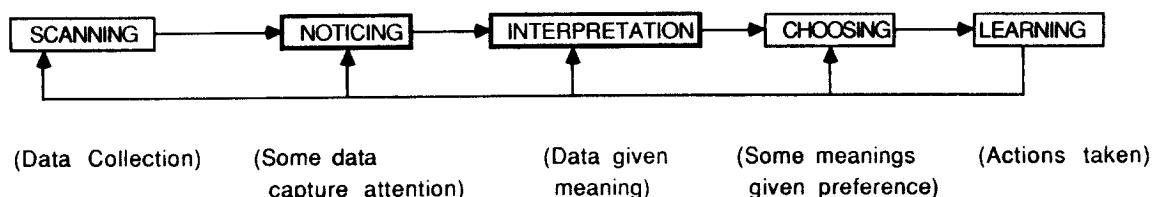
and Paine, 1975; Dutton and Duncan, 1987; Starbuck and Milliken, 1988).

The adaptation perspective identifies the key role that human resource professionals and other top-level decision makers play in noticing, interpreting, and prioritizing information about the potentially significant trends and issues facing the organization. Human resource managers are important boundary spanners for their organizations. In addition to their other responsibilities, human resource professionals have the responsibility for noticing and interpreting environmental changes that might affect the characteristics and expectations of the labor force. The manner in which they approach this task can have important consequences for determining the organization's human resource policies and its future ability to compete in the labor market. Our purpose in this paper is to highlight the significant role that the interpretation process plays in organizational adaptation to change. It is important to note that one consequence of our focus on interpretive processes is that we may inadvertently downplay the political aspects of the adaptation process.

We will attempt to illuminate our argument in four steps:

—In the first part of the paper, we describe a three-phase model of

Figure 1
A Model of Organizational Adaptation to Environmental Changes



the interpretation process (Daft & Weick, 1984) that we will expand to call attention to five different processes we believe to be involved in organizational adaptation to environmental change.

- In the second part, we apply the model to the specific case of work-family issues to illustrate how the social processes involved in each phase can affect how organizations adapt to changes in their environment.
- In the third section of the paper, we outline some of the factors that are likely to affect the noticing and interpretive processes that we believe will figure centrally in organizational adaptation to work-family changes.
- Finally, we use research findings to suggest points of intervention into the adaptation process that may increase the likelihood that work-family changes will attract organizational attention and action.

Throughout the paper we will attempt to weave theory and empirical research findings on issue interpretation into our argument.

Noticing, Interpreting, and Responding to Environmental Change

Daft and Weick (1984) describe organizations as interpretation systems. Their perspective views the task of imposing meaning on environmental events as central in explaining when, why, and how organizations change. Figure 1 depicts a modified version of Daft and Weick's model, the original version of which identified three critical stages in the organizational adaptation process.

Scanning involves the process of col-

lecting data about relevant changes and events in the organization's environment (Daft & Weick, 1984). Because many individuals in organizations do some scanning and collect a great deal of data on changes in the environment—some routinely, others nonroutinely—all of the data collected is not necessarily noticed or given attention.

We have added a *noticing* stage to the Daft and Weick model to emphasize the importance of this attention-giving step. An environmental change or trend receives attention when it is noticed and individuals choose to devote their time and energy to understanding the issues that might be invoked by the change. Because attention is in limited supply in organizations, the noticing of issues is consequential (March & Olsen, 1976). Investment of attention in one issue means there is a smaller pool of attentional resources (e.g., time and energy) available for other issues of potential consequence to the organization.

The next stage of adaptation in the model involves *interpretation*. The process of interpreting environmental changes involves trying to understand the meaning and significance of environmental changes for the organization and their implications for the organization's future performance. These interpretations may be in the form of summative judgments about an issue's significance, such as in the interpretation of an issue as a threat or opportunity (Dutton & Jackson, 1987). In contrast, an issue may be interpreted by defining it in terms of its key attributes or characteristics. For example, is the issue important or not? Is the issue distinctive and separate from other issues, or is it related to other issues? How much time pressure is there to act on the issue? What will happen to the organization if nothing is done? Decision makers are likely to experience consid-

erable uncertainty as they attempt to interpret environmental changes because the consequences of such changes are difficult to predict and understand (Milliken, 1990; Milliken and Dukerich, 1989). Furthermore, members of the top management team may not agree about the meaning and significance of particular trends (Huff, 1978), making concerted motivation and action on the issue difficult. Uncertainty or disagreement about the interpretation of an environmental change may result in a decision to collect more data which, in turn, may alter what is noticed. Thus, there is a potential feedback loop operating from the interpretive process to environmental scanning and noticing.

The final stage in the Daft and Weick model, which they called *learning*, involves deciding on an appropriate organizational response to the interpretations given to an issue. Since multiple interpretations may surface in connection with any issue, we have added another intervening step to the model—that of *choosing* from among the interpretations generated the one(s) to which the organization will respond. Whether through explicit decision making or through more implicit social processes, organizations end up latching onto some interpretations and discarding others.

The process of learning involves thinking about and experimenting with alternative responses to the problems posed by an environmental change. Responses refer to organizationally-based actions that involve the investment of resources. Sometimes the resource investments are very small, such as a slight modification in an organization's policies or procedures. Other types of actions are far more consequential and radical, involving, for example, major structural changes, value shifts, or significant changes in resource allocation

patterns. In their research on personnel policies, Beyer and Trice (1978) concluded that changes that have more pervasive effects, require innovating new behavioral routines, involve large displacements of resources and attitudes, and are permanent, are more radical than those that do not have these characteristics.

While the arrows in both the original and the modified version of the Daft and Weick framework imply a logical sequencing of the stages, actual adaptation processes can take a variety of patterns. In some organizations, decision makers may notice a change, and with little reflection or interpretation, emit a programmed response (March & Simon, 1958). Starbuck (1983), in fact, argues that this pattern is a dominant one. He suggests that organizations have a repertoire of programs or routines that are automatically activated when a particular environmental change is noticed (e.g., organizations may automatically activate down-sizing or layoff programs at the first sign of an economic slowdown). Such programmed responses, however, have limited utility when the change encountered is a novel one for which no well thought-out response exists, as is likely to be the case for the changes in family demographics that are the focus of this paper.

In other cases, decision makers may choose to implement a particular program or policy (e.g., introducing a cafeteria benefit program) because others are doing it. They may later seek to justify the action by examining the organizational environment for evidence of trends to support the need for such a program. In this case, the process of adaptation closely resembles a justification process in which interpretations are used to rationalize and bolster prior resource allocation decisions (Staw, 1980).

Noticing and Interpreting Environmental Change: The Case of Changing Work-Family Demands

Figure 2 lists some of the changes in the characteristics of employees and their families that have occurred over the last 15–20 years, as well as a set of projections for the immediate future. Each of these statistics describes a piece of the data mosaic that organizational decision makers might uncover through the environmental scanning process. The amount of attention paid to these trends, however, will vary as a function of various strategic, demographic, and structural characteristics of organizations that affect their exposure to and interest in particular issues.

Figure 3 displays the progression of

phases in the interpretive process and fills in relevant data, alternative interpretations and possible responses organizations might make to work-family changes. Organization members are not likely to notice all of the demographic projections relevant to work-family issues. Furthermore, those that are noticed can receive a variety of interpretations, only some of which will be chosen as appropriate. Obviously, different interpretations have different implications for the amount and type of resources an issue receives (Dutton, Stumpf and Wagner, 1989). Further, the choice of interpretation is also likely to influence the probability and type of organizational level response.

Consider, for example, the different implications that arise from interpreting

Figure 2

Scanning the Environment: Examples of Available Information on Workforce and Family Changes

"The most remarkable trend in the U.S. labor force over the past three decades has been the entrance of more and more mothers of young children into the labor force."
(O'Connell & Bloom, 1987)

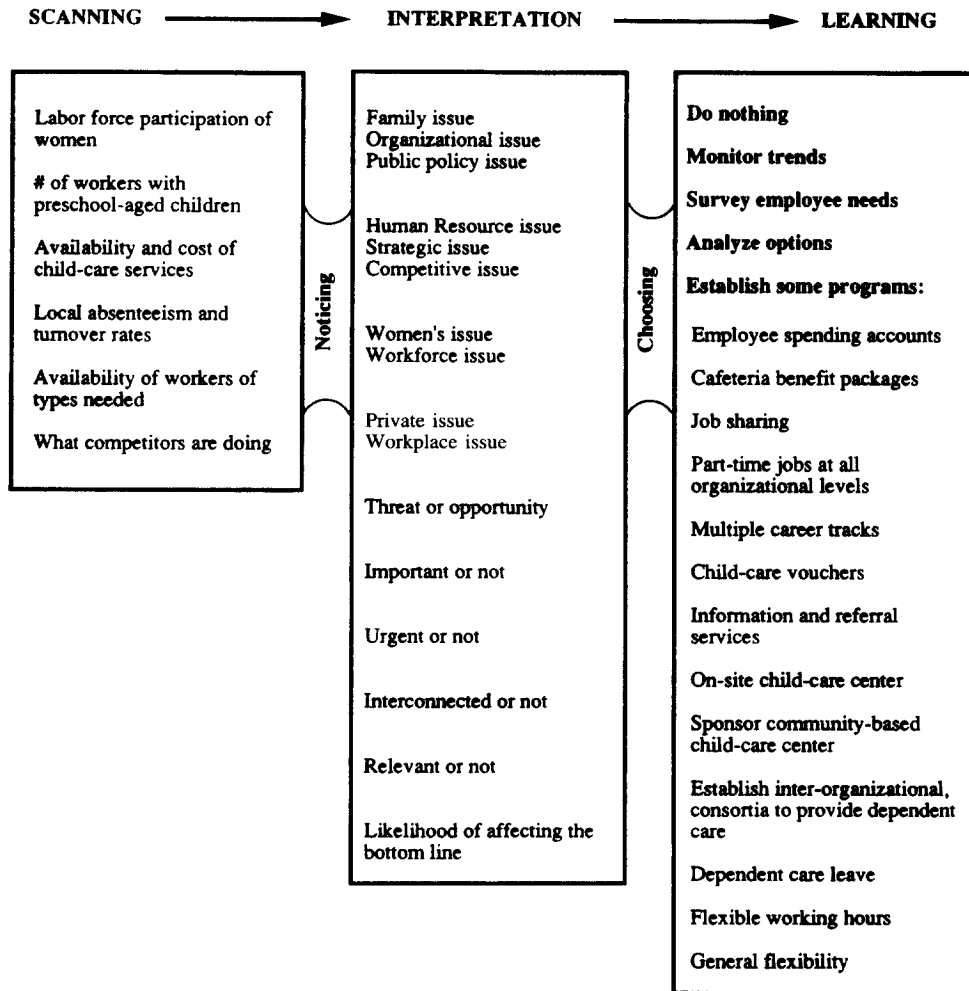
THE PRESENT:

- More than 70% of women between the ages of 20 and 44 were in the labor force in 1985 (O'Connell & Bloom, 1987).
- Approximately 50% of children under the age of one have mothers in the labor force—up from 31% in 1976 (Catalyst, 1988).
- Less than 10% of American families resemble our stereotype of the typical American Family (the family is an intact family in which the father is the sole breadwinner and the mother works in the home, raising two children) (Catalyst, 1988).
- One of every five unemployed women says that she would like to work but cannot because of the lack of affordable child care (Blank, 1984; O'Connell & Bloom, 1987).

THE FUTURE:

- The labor force growth rate will slow down dramatically. Between 1985 and the year 2000, a 1% annual growth is expected as compared to a 2.2% growth rate in the years 1970–1985 (Galinsky, 1988b).
- 64% of the new entrants to the labor force between now and 1995 will be women (Galinsky, 1988a).
- Mothers of preschool-aged children are, and will be, the fastest growing segment of the labor force (U.S. Department of Commerce, 1987).
- By 1995, estimates indicate that 66% of preschool-aged children and 75% of school-aged children will have mothers who work outside the home (Galinsky, 1988b; Hofferth & Phillips, 1987).

Figure 3
Adapting to Work-Force and Family Changes



employees' work-family dilemmas as a "public policy issue" as opposed to an "organizational issue." Interpreting the issue in the former sense suggests that responsibility for solving it is external to the organization. Consequently, even if the issue is perceived to be one that will affect an organization, the public policy frame restricts the domain of responses that the organization is likely to consider to ones that involve influencing public policy. In contrast, interpreting the issue as an organizational issue increases the probability that top management will feel obliged to take some relevant action. These al-

ternative interpretations are powerful because they either imply or deny responsibility for issue-related action. The extent of perceived responsibility for solving a problem, in turn, either magnifies or diminishes the likelihood that sufficient momentum can be built to generate organizational responses (Dutton & Duncan, 1987).

Assuming that the work-family changes are seen as an "organizational" issue, other labels that get attached to the issue may be important predictors of what is likely to happen to the issue within the organization. Interpreting work-family issues as a

“women’s issue” as opposed to as a “workforce issue,” for example, narrows the definition of the affected constituency to women only and may decrease the likelihood that work-family issues will be seen as important strategic issues. Similarly, whether work-family issues are seen as “a benefits issue” or as “a strategic issue” will affect who is assigned to address them and the nature of the likely response.

Another critical judgment that decision makers make as they struggle to interpret and make sense of environmental trends concerns the relative importance of each of the issues confronting them (Janis, 1989). Issues are not inherently important or unimportant; rather, importance judgments are subjective evaluations made by individuals. Judgments of an issue’s importance are likely to affect the amount of time, staff, and money that are allocated to resolving the issue (Dutton et al., 1989; Milliken & Dukerich, 1989). Additionally, issues judged to be important are more likely to be chosen for prompt action.

Finally, as Figure 3 illustrates, there are a wide range of options available to an organization, given that key decision makers have decided that some adaptive response is required. Alternatives range from deciding to do nothing at the present time, through merely exploring alternatives, to implementing one or more responses from a menu of what Galinsky (1988b) calls “family-friendly” policies and programs.

The primary purpose of Figure 3 is to illustrate the basic premise of this paper—that the processes of noticing and interpreting play a crucial role in organizational adaptation. A detailed discussion of all of the processes involved in organizational adaptation, however, is beyond the scope of a single paper. In the sections that follow we will therefore focus on factors that are likely

to affect noticing and interpreting processes as they might apply to work-family trends.

Influences on Corporate Responsiveness To Work-Family Issues

Factors Contributing to Noticing

Because many organizational changes are preceded by managers noticing a shift or disjuncture in the environment (Pfeffer & Salancik, 1978), it is critical to begin to identify factors that determine whether a change or emerging issue will be noticed. Of particular significance is the question: What factors affect the likelihood that individuals with the power to effect some form of organizational change will notice an environmental shift? At least two sets of such factors are relevant: (1) factors that affect the external visibility of the issue, and (2) factors that affect the probability of organizational exposure to the issue.

External Visibility. Independent of the organization that encounters them, some issues are simply more visible than others. For example, advances in telecommunication and broadcasting technologies have made international events (e.g., The Beijing uprising) far more visible to organizations in the last five years. The external visibility of an issue is important on two counts. First, the more visible an issue is, the greater the probability that it will be noticed. Second, more visible issues provide greater ammunition for organizational members to claim that an issue is significant and worth investment (Smith, 1989). The media play a critical role in increasing or decreasing the visibility of an issue (Gamson & Modigliani, 1989). The intensity of media coverage influences the amount and variety of information about an issue to which organi-

zational members are exposed. Where issue exposure is greater, an issue has a greater chance of being detected and of being placed on an organization's agenda (Dutton, 1988).

The level of media coverage on work-family and child care issues has intensified in the last five to ten years. For example, all the major business periodicals and several news magazines have run at least one article during the last few years on work-family changes (see, for example, *Fortune*, 1989; Garland, 1989; Rodgers & Rodgers, 1989; Schwartz, 1989; Shapiro, 1988; Thompson, 1988; *Time*, 1987; Zweig, 1989). The issue also has strong governmental sponsors including Congresswoman Patricia Schroeder and Senator Christopher Dodd who have been articulate and outspoken backers of the issue. Given the amount of media attention and the powerful government backers, one would expect that work-family issues would be highly visible to both employees and managers. Yet, clearly visibility is not sufficient to ensure organizational attention. If it was, we would have far more organizations offering "family responsive" policies today.

Organizational Exposure. While an issue's external visibility enhances the probability that decision makers will be exposed to an issue, and hence, the probability that an issue will be noticed, the organizational context also affects the extent of exposure decision makers will get to an issue. At least four characteristics of the context are important in influencing the likelihood of organizational attention to work-family changes: (1) an organization's competitive strategy; (2) the nature of the labor force needed by the organization; (3) the demographic characteristics of its members; and (4) the organization's structure.

Differences in an organization's *com-*

petitive strategy, for example, may affect which issues get noticed and how they are interpreted (Thomas & McDaniel, 1990). For example, decision makers in an organization pursuing an efficiency or low-cost strategy may view their world differently than members of a company pursuing a product differentiation or quality strategy. An efficiency strategy directs an organization's attention internally and to segments of the environment that may hold clues to increasing efficiency (e.g., the technology sector). Work-family issues, even though highly visible in the general media, are unlikely to be detected as relevant organizational concerns and even less likely to receive serious attention in this type of strategic context.

Companies pursuing product differentiation strategies, on the other hand, are more likely to be focussed externally by virtue of their need to figure out how to create and maintain an image of distinctiveness for their products (Porter, 1980). Thus, these organizations are much more likely to notice and pay attention to changing demographics and sociocultural patterns.

An organization's strategy and industry context also affect *the characteristics of its actual and desired labor force*. For example, organizations that compete in knowledge-intensive industries require a skilled labor force that is often mobile and hard to replace. Organizations in this situation are highly dependent on their labor force, which means that routine uncertainties in the labor and demographic sectors of the environment are likely to become issues of strategic importance (Daft, Sormunen and Parks, 1988). Thus, the characteristics of an organization's labor force are likely to be an important determinant of the amount of attention devoted to changing demographics in general, and to work-family issues in particular. This claim draws strong support from the

finding that most firms and industries that have been early adopters of work-family policies (e.g., hospitals and other service-based industries, pharmaceutical companies) either employ a relatively high percentage of women (Anderson, 1983; Friedman, 1985) who are of childbearing age (Auerbach, 1988) and/or employ a highly skilled, mobile labor force.

Finally, the *internal demographics of an organization* and its *structure* are likely to play a role in the noticing process. The demographic characteristics of the top management team, for example, may influence the degree of attention paid to information about changing demographics. Age may be particularly important because it is likely to be highly correlated with the extent of team members' personal experience with dual-career and child-care concerns. When top-level managers are dealing with work-family conflicts in their own personal lives, it becomes hard for them not to notice that others are similarly affected. It should be noted that while the extent of managers' personal experiences heightens the probability that work-family changes will be noticed, managers who have comfortably solved their own problems may not necessarily see the need for responsive human resource policies; rather, they may interpret the issue as a public policy issue or personal issue.

The *age distribution of the general employee population* is also likely to affect the noticing process. A recent study undertaken by Mobil Oil Corporation suggests that employees' age is a much more important determinant of work-family conflict than their gender (Baderschneider, 1989). In this study, younger males and females who had more personal experience with dual-career and child-care concerns were less willing to relocate, and were more vo-

cal about the importance of work-family issues in making their own career choices than older employees.

Recent research suggests that as many as 25–30 percent of employees may be declining promotions, especially if they involve relocation (Baderschneider, 1989; Chapman, 1989). Although many reasons are given for turning down promotions involving relocations, two of the more common ones are being part of a dual-career couple and having concerns about the promotion's implications for the amount of time available for children (Baderschneider, 1989). These concerns are more likely to get organizational attention when the group expressing them is powerful (e.g., critical to accomplishing the organization's objectives) or when vertical communication systems are abundant and used regularly.

The fact that younger individuals appear to be more concerned with work-family issues leads to the hypothesis that the age structure of many American organizations (i.e., older individuals at upper levels of management, and younger individuals at the lower ranks) may be creating a large discrepancy in the amount of attention work-family issues receive. In addition, the fact that higher-level individuals tend to be males in traditional family structures further accentuates the contrast in needs and concerns between upper and lower-level employees. This difference is illustrated by differences in family structures of top governmental officials vs. the family structure of the average U.S. citizen. For example, in 1988, "only 24% of the 41 U.S. congressmen with children under 14 had wives who worked outside the home" (Trost, 1988). This statistic implies that 76 percent of congressmen with children under 14 are in more "traditional family structures" or are single parents. As

the data in Figure 2 implied, these statistics are sharply different from the norms of the nation.

The association between age and hierarchical level has two important implications. First, it suggests that large differences in age as a function of hierarchical level may tend to cut off top-level decision makers from the concerns of employees at lower levels. In other words, while younger individuals at lower organizational levels of the organization are likely to be concerned with work-family issues, upper-level managers may hardly take notice.

A second important implication concerns the role of organizational structure in determining the degree of top management exposure to information about work-family issues. Kolben (1990) argues that one of the obstacles to organizational action on the work-family concerns of employees is that employers lack good mechanisms for learning about the concerns and needs of their employees. The quality and frequency of bottom-up communication practices, thus, could have a significant effect on the extent to which top-level decision makers are exposed to information about employees' work-family problems and conflicts. In general, organizations where there is greater participation, less formalization, and more interaction across levels seem more likely to be able to bridge the attention gap created by age differences within the organization.

The openness of communication is only one structural dimension that can affect the probability that decision makers notice issues; the variety of information that an organizational structure collects and rewards is another. This is a central argument for why organizational complexity is positively related to the adoption of innovations (Hage, 1980; Kimberly and Evansiko, 1981). Because more complex organizations

employ a greater variety of specialists than less complex ones, they have available many different ways of seeing the world thereby increasing the probability that work-family changes will be noticed.

Factors Contributing to Interpretations

Noticing a change does not guarantee action. The manner in which the change is interpreted is key in determining whether or not action is taken and what action is taken. The same "objective facts"—for example, the significant rise in the number of women entering the workplace—can be interpreted very differently by persons in different contexts. Research suggests that the priority an issue receives depends on what meanings decision makers attach to it. Studies suggest that interpretations of (1) an issue's perceived importance, and (2) its level of interconnection with other issues, are positively associated with the level of attention invested in the issue (Dutton et al., 1989; Milliken & Dukerich, 1989). Thus, in order to predict the likelihood of an organizational response to work-family issues, we need to identify factors that lead decision makers to see these issues as important and interconnected with other issues.

Unfortunately, little research exists to help in this task. One recent study suggests that people are more likely to judge issues as important when they perceive the issue to be highly likely to have a significant effect on the organization (Milliken & Dukerich, 1989). Like other environmental trends, changes in demographics and in family life may be handicapped in the competition for attention and agenda space because their impact is so uncertain. In addition, the fact that work-family issues evoke strongly-held values about parenting, about gender roles, and about the appropriate boundaries be-

tween work and family make them different from the typical strategic issue with which managers deal.

To the extent that these trends can be translated into internal labor force issues, (e.g., increases in stress and stress-induced work problems), their effects can be amplified and clarified, and their perceived significance can be potentially enhanced. Methods for achieving such translations include employee surveys or focus groups that identify the internal demographics of the organization and the issues perceived as significant by the labor force.

In general, organizational characteristics that clarify, magnify, or draw attention to the impact of changing demographic trends and attitudes on organizations are likely to affect how work-family issues will be interpreted by an organization's decision makers. We focus on three organizational characteristics: (1) managerial values; (2) the nature of the organization's workforce, and (3) organizational performance.

Managerial Values. Both individuals' values and shared organizational values provide important reference points and lenses for interpreting the significance and interconnectedness of environmental changes (Beyer & Lutze, 1990). In the case of work-family issues, the values of individuals on the top management team could be crucial in interpreting work-family demands as an organizational rather than a public policy issue, and shared organizational values could strongly affect whether top management views the implementation of work-family policies as likely to affect employee productivity, and other organizational effectiveness criteria.

To date, anecdotal evidence suggests that the values of individual managers are critical in determining whether or not a firm adopts work-family policies. For example, researchers found that

early providers of child care support were not only firms that employed more women, but firms in which family-supportive policies had a strong champion who personally defined the issue as critical. Often, these champions were individuals who had direct, personal experience with work-family strains (Friedman, 1987a).

The issue champion's task is eased (in terms of getting attention devoted to the issue) if the issue is defined and interpreted broadly, and is therefore seen as related to other issues facing the firm. One reason why is that broader issues may appeal to a wider range of value orientations. Thus, Friedman (1987b) recommends that managers interested in promoting work and family responsiveness expand the definition of the issue: "the issues should be defined as broadly as possible, making them relevant to the variety of internal and external forces that exert pressure on the organization" (1987b, p. 2). Interestingly, this broadening of the issue has already occurred in the work-family arena—what was once labeled the "child-care issue" has broadened and is now labeled a "work-family issue" and/or an "educational issue." Research would suggest that this broadening of the labels will increase the probability of action.

The impact of individual managers' values on the interpretation of work-family issues is either enhanced or constrained by the dominant values of their organization. For example, organizations with values similar to Peters and Waterman's (1982) "productivity through people" will probably view employees' work-family conflicts as more important than organizations that view employees as replaceable resources. Further, organizations with the former values are more likely to interpret work-family issues as integrated or related to other issues facing the firm

than are organizations which do not hold these values. These people-oriented interpretations, in turn, increase the probability that the firm will enact some type of family-responsive policy.

Managerial values may also influence the interpretation of work-family issues through their effect on the type of justification needed to convince managers of the importance of these issues. For example, managers who value "bottom line" justifications may require proof that employees' work-family concerns directly affect productivity and profitability (Fernandez, 1986). In contrast, managers who place equal or nearly-equal emphasis on non-economic goals such as corporate responsibility for societal welfare, may be less stringent in the specificity and form of rationalization needed to assess the issue's importance. For managers holding values that make profitability and shareholder wealth only part of the effectiveness equation, work-family issues may be considered important without requiring that a direct impact on the bottom line be demonstrated.

Characteristics of the Workforce. In organizations where work-family concerns are an issue for employees, their bargaining power could affect whether or not their concerns will be interpreted as important by upper management. In general, the more skilled and mobile the workforce, the greater their bargaining power and the more likely it is that top managers will see their concerns as important to address. The fact that companies in high technology industries (e.g., pharmaceuticals, computer software) are leaders in the adoption of family-responsive programs and policies is consistent with this line of reasoning. Similarly, employees' bargaining power increases when they engage in collective bargaining. The recent AT&T settlement illustrates the role that unions can play in negotiating

family-related benefits for their members.

Organizational Performance. An organization's performance can be assessed along a number of dimensions, ranging from standard financial indicators to more employee-centered indicators like absenteeism and turnover rates. Both the nature of the performance indicators an organization uses to measure its own performance and the nature of an organization's performance on these measures can affect the perceived importance of particular environmental trends.

Where employee absenteeism and turnover are high and are also valued indicators of organizational effectiveness, work-family issues have a greater probability of being defined as relevant and important. Disappointing levels of organizational performance captured by employee-centered indicators that can be tied to work-family problems are important ammunition for documenting the level of need and expected payback from investment in work-family programs. In a recent study of 20 employers in 18 states who offer child care assistance for their employees, Auerbach (1988) found that the major reason given for providing child care assistance was the recruitment and retention of employees. Apparently, poor performance in recruiting and retaining employees serve as data which convince some decision makers that changes in the work family interface are important and worthy of an organizational response.

Implications and Conclusions

Human resource professionals are important boundary spanners between the organization and its environment, particularly in terms of noticing and in-

interpreting information on trends relating to workforce characteristics and demands. When labor force trends have obvious consequences and involve relatively little ambiguity or value conflict, the noticing and interpreting tasks are relatively easy and less critical. However, when confronted with issues surrounding the work-family interface, where the data are both ambiguous and evoke strong emotional responses, the interpretive task is a difficult one. In these latter circumstances, HR professionals may benefit from being aware of the many factors that can affect whether an issue will be noticed and how it will be interpreted, as well as of the critical role they play in influencing others' interpretation of these issues. Where these processes are understood and the factors affecting them recognized, work-family issues may be more likely to survive in the competition for scarce attentional resources.

In this paper, we have set forth a framework that emphasizes the critical role that noticing and interpreting environmental change play in explaining organizational responses to a changing workforce. We suggest that certain characteristics of organizational contexts systematically affect both noticing and interpretation processes, and consequently the nature of organizational responses in the form of work-family policies. These factors are summarized in Figure 4.

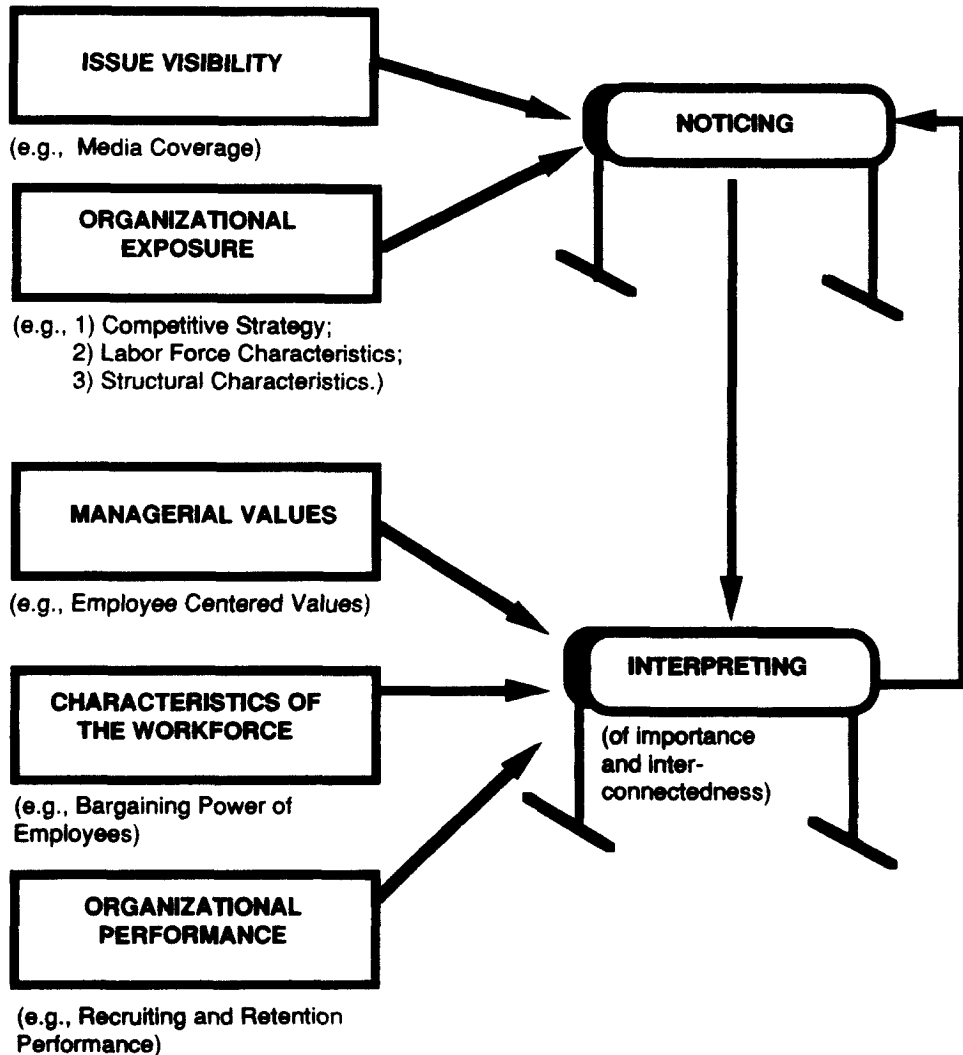
We have suggested that the same "objective" facts—the declining rate of labor market growth, the rising number of women entering the workforce, the increasing number of single parents, and the increasing percentage of working men and women who have preschool-aged children—will be noticed at different rates and interpreted in different ways, depending on various characteristics of the organizational setting. The figure depicts the steps of is-

sue noticing and interpretation as hurdles to be scaled in building momentum for action. Organizations that are likely to be most responsive to the needs of a changing workforce are likely to be: (1) organizations with contextual characteristics that allow them to successfully vault over both the noticing and interpreting hurdles, or (2) organizations in which HR professionals understand how the characteristics of their organization might impede the organization's ability to scale these hurdles and who work hard to overcome these barriers.

Implicit in our framework are recommendations for HR professionals who see the changing nature of the workforce as a relevant organizational issue and want to translate their concern into organizational attention and action. In general, the arguments presented in this paper suggest that HR managers must be sensitive to the power of the organizational context as a constraint on issue noticing and interpretation. In particular, industry characteristics, the nature of the organization's strategy, the characteristics of its labor force and its structure are likely to affect the amount of attention allocated to an issue.

HR managers employed by organizations where the industry, strategy, structure, and demographic make-up of the top management team conspire to create attentional barriers for noticing work-family and other demographic changes must develop plans for overcoming these barriers. One implication is that HR managers need to be especially attuned to the timing of their efforts, and try to capitalize on the momentum created by an issue's visibility in the media and the accompanying legitimacy such visibility affords. Another implication is that HR managers who work in contexts that inhibit organizational exposure to an issue may need

Figure 4
Factors Affecting the Noticing and Interpretation of Work Family Issues: Hurdles to Action



to collect, package, and communicate more information about environmental changes to achieve the same degree of noticing as occurs without such extra efforts in more favorable organizational contexts. Understanding that the structure of the organization may block the communication of information from the bottom of the organization to the top, for example, clarifies the potential need for HR personnel to act as conduits for information by organizing and communicating data on employee concerns to top-level managers.

Similar implications emerge from our discussion of issue interpretation. HR managers who work in organizations where managerial values, characteristics of the workforce, and organizational performance conditions favor the interpretation of work-family changes as both important and related to other organizational issues should be able to encourage more rapid and larger-scale organizational responses than HR managers who work in less favorable contexts. In less favorable contexts, HR managers may need to work hard at

presenting data so as to increase the probability that top-level decision makers will see the issues as important and related to other organizational issues in order to build momentum for organizational responses. For example, human resource managers who are sensitive to the managerial values operating at the top of the organization will have a better understanding of the types of arguments and data necessary for translating work-family trends into meaningful organizational concerns.

In sum, HR managers play a crucial

role in organizational adaptation to a changing workforce by their inputs into the processes of issue noticing and interpretation. HR managers affect organizational actions far earlier than the point at which alternatives and options for responses are being generated and judged. The interpretive perspective suggests that HR managers can play a valuable but difficult role in scaling the hurdles for issue-related action by influencing how and when an issue is noticed and the meaning given to it.

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