

# Companies need to refer to their past if they want a successful future

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Revisiting a company motto or philosophy is necessary in an ever-changing world, but it can disrupt people's sense of "who we are" and should be carefully managed, according to new research from UCL School of Management (<https://www.mgmt.ucl.ac.uk/>).

Professor of Strategy & Entrepreneurship Davide Ravasi (<https://www.mgmt.ucl.ac.uk/people/davideravasi>), and co-authors, Innan Sasaki from Lancaster University, Josip Kotlar from Politecnico di Milano, and Eero Vaara from Aalto University, investigated how long-lived Japanese firms deal with needing to adapt their company mottos and philosophies to support strategic change. While still maintaining a sense of continuity with values and guidelines laid out long before by ancestors, which are still revered and respected.

Ravasi explains,

"Reconciling change with historical values is a challenge for very old organisations since these values may have become ingrained in the company and are often emotionally-charged. This is particularly difficult for family firms, whose managers may be reluctant to abandon family traditions, feeling an imperative to pass them on to the next generation, while still remaining flexible to change.

We identified three strategies that managers use in these circumstances to deal with the tension between promoting change and maintaining a company's sense of continuity with values from past leaders.

The first strategy, which we call 'elaborating', is based on the gradual revision of historical statements, selectively building on and extending parts that support current strategic developments.

The second, 'recovering', involves creating entirely new statements that draw on founders' writings and anecdotes to establish continuity between foundational values and current strategic developments.

The last, 'decoupling', allows the co-existence of historical statements and new ones, enabling a firm to separately maintain continuity with historical values and show concern for new issues, such as social and environmental responsibility, that may not have existed at the time historical statements were written.

These three strategies may help managers confront tensions rising from the need to support strategic change while at the same time respecting historical values and guidelines."

The study was based on a large data base of corporate mottos of ancient Japanese firms. It focused on 25 cases still in operations today, using a combination of archival and interview data to investigate when, why and how they had revised their historical mottos in times of change.

These findings are reported in an article forthcoming in the Strategic Management Journal, one of the leading outlets in management studies.

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For more information, a copy of the paper, or to speak to Professor Davide Ravasi, contact Kate Mowbray at BlueSky PR on [kate@bluesky-pr.com](mailto:kate@bluesky-pr.com) or call +44 (0)1582 790 711.