

Stefan Sveningsson & Nadja Sörgärde

# MANAGING CHANGE

IN ORGANIZATIONS



Los Angeles | London | New Delhi  
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For Agneta and for Line and Tim

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## ABOUT THE AUTHORS

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# PREFACE

Organizational change is one of the most written about areas in modern leadership – and organizational literature. Despite all this literature with advice and recommendations, most organizations don't succeed in their efforts to change. Why is there a need for yet another book on the subject? Well, our hope is that we will be able to contribute something outside the standard recipes for change. It's about deepening our understanding of processes of change and problematizing the current view of change as something necessary. We believe that a technical perspective of change – *how* you do it – is not sufficient. Understanding *what* change means for those engaged is crucial, and what social dynamics – relations and interactions – characterize processes of change. The ambition is also to put forward a more critical view on *why* change today is perceived as something normal. Is change always needed and what does it mean to develop a more sceptical approach to it?

The book is the result of a longstanding research and teaching collaboration between the authors, within and with the support of the research group LUMOS (Lund University Management & Organization Studies) at Lund University School of Economics and Management. We want to give a special thanks to Mats Alvesson for his support and encouragement to the project and also to Tony Huzzard, Dan Kärreman and Jens Rennstam for reading and commenting on a previous version of this script. We would also like to thank the Foundation of Handelsbanken and the Knut and Alice Wallenberg Foundation for research grants that have made the studies and the work behind this book possible.

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Stefan Sveningsson and Nadja Sörgärde

# ONLINE RESOURCES



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- Read **Free SAGE Journal Articles** related to each chapter, to extend your knowledge and support your assignments.
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# 2

## PERSPECTIVES ON CHANGE

### LEARNING OBJECTIVES

When you have completed your study of this chapter, you should be able to:

- Analyze and understand the substance of change in terms of its scale, scope and defining characteristics (strategic, structural, cultural, etc.).
- Understand the relevance of how the substance and defining characteristics of a change process is partly contingent upon who is doing the analysis.
- Recognize the benefit of using metaphors when analyzing organizational change work.
- Explain the difference between change as planned and as emergent.
- Identify the distinction between a prescriptive and a descriptive approach to understanding change processes and their manageability.
- Understand the concept of 'knowledge-interest' and the key characteristics of the technical, interpretative and emancipatory knowledge-interest.
- Analytically describe and contrast the three different perspectives on change (the tool-based, process and critical perspective).





In this chapter we explain and develop the perspectives on organizational change that we introduced in Chapter 1: a tool-based perspective, a process perspective and a critical perspective. The aim of the chapter is to discuss and explain the key terms, beliefs and models that are associated with these perspectives. Some of the concepts and ideas that we review in the chapter are used in all three perspectives, but our ambition is to go beyond their common ground and to point at typical concepts and dominant ideas that make the perspectives distinct from each other, in order to identify their central features. Besides the typical concepts, we also discuss how use of different perspectives implicitly suggests various assumptions about the functions of organizations more generally. The ambition is to provide a short and concise overview that can serve as a basis for the more in-depth analysis that will take place in subsequent chapters.

We begin by discussing what organizational change is normally about in terms of tempo and scope. Then there is a description of how one can understand change metaphorically and how that can be used in the context of organizational change. We then move onto the question of the significance of who is involved and who has influence over a course of change. Based on this, we move back to the three different perspectives and the chapter ends with Table 2.2, which outlines the terms and assumptions about how organizations typically function using these perspectives.

## DIFFERENT TYPES OF ORGANIZATIONAL CHANGE

Change varies in terms of content and scope, from small and perhaps trivial change to radical and revolutionary change. To purchase a new copying machine or to change the office furniture is probably not as radical or as fundamental as starting a programme to change the organizational culture, to initiate mergers with organizations or to dismantle large parts of organizations. The first example is normally not seen as a huge challenge and seldom leads to severe conflict or opposition that creates political power struggles or locked situations, and in the cases when it does, it is often an indication that aspects such as status, power or privileges are significantly threatened. Minor change seldom threatens people's sense of belonging and identity. Some might call these changes trivial and inconsequential, even if they do in some cases influence the work and can lead to long-term and maybe even decisive consequences.

Radical changes are more challenging and complex and one can expect that employees will react to them with greater force and engagement. Some may feel that the change not only threatens current ways of working and working methods, but also undermines their feeling of belonging and identity, i.e. how they look upon themselves at work. Radical changes often give rise to worry and anxiety about what it means for the individual. Questions that deal with how individuals look upon themselves and what competencies and capacities they have are accentuated to a greater degree, and one can therefore speak about changes that are more identity-intensive (in contrast to being identity-neutral). Radical changes normally mean that there is a higher risk of conflict and opposition, where power and politics become central ingredients.

## MINI CASE 2.1

### Radical change at IKEA

A fundamental business idea at the global furniture retailer IKEA, known as the flat-pack furniture pioneer, has been that the customers are actively involved in the distribution process. Customers drive to a shop where they pick up the goods from stacking shelves, and transport and assemble them at home. In line with this idea, IKEA has for decades been building stores on the edges of cities in order to make it easier for customers to drive there.

IKEA is currently radically transforming this concept. The new business model is built upon online shopping, home delivery and assembly services. Some of the stores on the outskirts of towns have therefore been turned into distribution centres. The company is instead experimenting with considerably smaller store formats located in city centres, such as a kitchen showroom in Stockholm and a showroom for bedrooms in Madrid.

This is a radical shift for the global organization as it fundamentally transforms the original business model. The new ideas have been up and running for a while in different parts of the world. On the Spanish island of Mallorca, customers do not select the goods themselves; rather, this is done automatically by robots. In London and other large cities, around half of all goods are already home delivered. In Hong Kong, IKEA has established a smaller store where home delivery represents about 80% of the orders.

Furthermore, the company is working with interactive technologies, such as augmented reality (AR) and virtual reality (VR), to make it possible for customers to project a piece of furniture into a room in their own home before buying it online. This technology is supposed to supersede visits to a physical store. A key ambition behind these changes is to take sales into the digital era and thus also reach new generations.

Sources: Milne (2018); Marr (2018)

In between these extremes we find many of the ongoing organizational changes that take place in organizations and that are a part of the typical organizational life for the employees, such as changes in ways of working through the standardization of administrative routines, the implementation of educational programmes for competence development or the use of new reporting systems or new performance evaluation systems. Change sometimes involves only a smaller organizational unit, a work group or a department, or larger units such as divisions, areas of business or sometimes the whole organization. Organizational change can thus mean many different things, with the only commonality being that it involves some form of change in the way employees work or how they organize the work. It can be about everything from a radical change to a less significant, operative change, and it can involve the whole organization or only a local, limited part of it.

Within the organizational change literature, it is common to distinguish two types of change – revolutionary change and evolutionary change. This categorization is based on both scope and the rate at which the changes take place.

### Revolutionary change

Revolutionary changes are extensive and profound changes that affect the whole organization. Sometimes these are labelled as large-scale changes. Organizations are changed in a revolutionary way when their fundamental orientation – in terms of culture, structure and strategy – is changed. For example, *organizational culture* changes typically involve changing the broader understanding and interpretation – or meaning creation – of an organization. Some organizations are, for example, characterized by formal and rigid organizational cultures in which a strong emphasis is placed on titles, rank and hierarchal conditions such as position and formal status. In some organizations, especially governmental organizations, where there is a high demand for legal certainty in the handling of cases, this can be justified, but an inflated importance placed on formula and procedure risks jeopardizing flexibility and an ability to think creatively and innovatively. It is therefore not unusual, especially if one finds oneself in a changing environment, that one tries to change overly rigid structures in order to facilitate change and renewal.

## MINI CASE 2.2

### Cultural change at Netflix

At Netflix, cultural change was driven by reinventions in the management of HR. During the time Patty McCord was the chief talent officer (1998–2012), radical changes were made to the HR practices in the company. The CEO, Reed Hastings, said that: ‘Many of the ideas in it seem like common sense, but they go against traditional HR practices’, and asked why others are not more innovative regarding talent management.

A key idea was to abolish formal policies and instead ask employees to think for themselves. According to McCord, this led to better results and lowered costs. Among other things, instead of relying on formal vacation policies, employees were allowed to take as much vacation time as they felt was appropriate, and to work it out with their boss. Formal travel and expense policies were also abolished in favour of a brief expense policy to ‘Act in Netflix’s best interests’ – as if the company money were your own. According to McCord, this reduced costs and delegated responsibility to the frontline managers. Formal performance reviews were also eliminated. They were too ritualistic and infrequent, according to McCord, who claimed that

bureaucracy and 'elaborate rituals around measuring performance usually doesn't improve it'. Instead managers and employees were asked to have conversations about their performance on a regular basis and reviews were also given by peers in informal 360-degree reviews. 'If you talk simply and honestly about performance on a regular basis, you can get good results', McCord claims.

Sources: McCord (2014); Taylor (2015)

Revolutionary change can also involve changes to the horizontal and the vertical division of work and the level of formalization and centralization, so-called *structural* changes. This can involve creating more divisions or unbundling earlier product- or marketing units, making them more independent in relation to corporate or organization management. These types of changes often tend to affect the power balance, accountability and relations with the environment, for example with the market and with clients.

Revolutionary changes at a *strategic* level typically involve an organization's external relations and connections, where competitive strategies, markets and associations with other organizations are in focus. Among the strategic changes we find, for example, the development of new products, launching existing products in new markets, or mergers and acquisitions.

Cultural, structural and strategic changes seldom occur in isolation but rather often influence each other in different ways. Cultural changes are often implemented with the objective to develop new products and to achieve new competitive advantages, i.e. a change in the organization's strategies. Strategic changes such as mergers and acquisitions often trigger people to clarify who they are (their identity), which can reinforce conflicts and culture shocks and, in extension, lead to cultural (or identity) change (whether spontaneously evolving or driven by management) (Kleppstø, 1993). In all these cases, it is appropriate to speak of revolutionary change, i.e. complex and far-reaching organizational change.

Revolutionary changes often occur over a limited period. If a radical change takes place during a short time period it can be perceived as being too revolutionary, and therefore threatening. However, radical changes do not have to be revolutionary. They can also be the result of long-term smaller and successional processes of change – evolutionary changes – and therefore not be perceived as revolutionary or threatening.

## Evolutionary change

Evolutionary changes are smaller changes that occur continuously. Small-scale changes could for instance imply changing the office furniture, deciding to have a planning day, recruiting new

co-workers, implementing a new course for marketers and the implementation of new routines for meetings or procedures to deal with employee matters. It is common to characterize small-scale changes as changes that don't challenge existing strategies, norms or structures. It may be that an organization has expanded in a growing market and therefore needs to recruit more employees to sustain levels of production and maintain the strategic course for the organization. It may also be a question of acquiring new production equipment to safeguard the quality of products or to train staff in customer relations in order for them to better meet client demands and wishes.

### MINI CASE 2.3

#### Meituan Dianping

The Chinese company Meituan Dianping is primarily known for its food delivery business, where lunch boxes are brought to office workers. It is currently China's largest on-demand food delivery firm, and in 2017 it had 531,000 active delivery staff members and 310 million transacting users. The combination of high urban population density, relatively low labour cost and an underdeveloped offline service sector in China have made it possible for the company to prosper. Besides delivering food, the company also provides services such as travel and hotel bookings and restaurant reviews, all in a lifestyle services app. It is now possible to arrange haircuts, yoga classes, babysitting and home repairs through their single app. The ambition is to expand horizontally, by moving into other areas of services related to O2O (online to offline) business, i.e. connecting traditional businesses to an online platform. The latest initiative is the launch of a ride-hailing service. What characterizes this type of expansion is that the company does not challenge the existing business strategy. It is therefore an example of the evolutionary model of organizational change.

Sources: Borak (2018); Guo (2018); Horwitz (2018)

The vast majority of changes in organizations are small-scale and evolutionary. Some systems for organizations, such as *kaizen* and other quality systems, deal with continuous, ongoing improvements. Sometimes evolutionary or incremental changes are described as continuous changes that have no tangible repercussions on the organization's core orientation. Yet the consequences of evolutionary changes can sometimes be quite radical (Weick & Quinn, 1999). A new recruit might not be perceived as being especially radical, but if the new recruit shows a talent for product development, and contributes with new ideas that lead to a number of subsequent changes, it could result in strategic change (such as the establishment of new products in new markets).

Based on an extensive and largely qualitative examination of what makes some companies successful in the long term, Collins (2001) highlights evolutionary dynamics as a central part of

processes of change. From an external perspective, such as is often seen in the media and more popular management texts, it may seem as if organizations' development is the result of specific change programmes, decisive leadership action or occasions when someone has said or done something miraculously that will turn the whole organization upside down in a revolutionary style. However, a critical review of the development within these organizations suggests that such developments took place cumulatively and progressively – there were step-by-step, single actions and decisions that added together and after a while constituted the prerequisites for a breakthrough. The latter could, in other words, be seen as the results of lengthy evolutionary processes that happened over time, occasionally governed by a consistent organizational culture and sustained leadership (Collins, 2001).

## MINI CASE 2.4

### Evolutionary development with radical results

Developments within the global health and medical company Abbott illustrate an evolutionary change model that had long-term radical results. Starting out as a rather mediocre company in the lower division in the medical industry, Abbott developed into one of the most innovative and profitable companies in the pharmaceutical business when one of their managing directors, Cain, took over in the 1950s. Many circumstances contributed to this success, but some are seen as being especially important, particularly Cain himself. Although he lacked the charismatic personality that is normally accredited to CEOs when their organizations show success, he is said to have strongly disliked mediocre results.

The central element in the organizational work that he started was to eliminate an earlier all-encompassing family nepotism by changing the members of the management team and the board. The ambition was to recruit the best leadership resources in the industry, without considering specific family ties, and to let them develop the company. The interesting part is that Cain himself was a family member, with all that that usually means in terms of loyalty and obligations.

Some years later, the company started to experiment with the development of healthcare products in a broader sense, with the aim of achieving more cost-effective care, rather than working on finding medical blockbusters, which the big players, such as Merck, were occupied with. The company, Abbott, started to develop nutritional products for hospital patients that enabled quicker releases as well as new diagnostic instruments (one of the key ways to reduce healthcare costs is supposedly to get the diagnostics right). Gradually they developed market-leading products. They also developed management control systems that meant that all costs, revenues and investments were divided down to the level of the individual manager. All managers were given personal responsibility for results that needed to be accounted for.

*(Continued)*

Thereby financial discipline and possibilities for creativity and development had been created. The company recruited people who were regarded as entrepreneurial and gave them the freedom to decide for themselves how they would reach their goals. They also followed up on each manager's results. Within Abbott a disciplined culture evolved in which cost-effectiveness could be combined with entrepreneurial spirit.

Source: Collins (2001)

## Interpretations of organizational change

Normally, revolutionary change can be more controversial, and these changes can therefore demand more politics and negotiations than evolutionary change. However, this is not always the case. As a change leader, it is a good idea to consider how a proposition for change is received. Is the change accepted or even welcomed? Or is it met with scepticism and doubts or even fierce resistance? It is not always possible to know how a suggestion for change will be interpreted. Sometimes the same change proposal can be interpreted in vastly differentiated ways by different people within an organization. For instance, a reorganization that senior management do not see as being very far-reaching can be interpreted by others in the organization as an extraordinary and radical change. For some employees these adjustments in the organizational structure can have profound consequences for how they work, and the organizational ideology behind the new ideas may seem very unfamiliar and unwanted.

This is something that the process perspective of organizational change emphasizes above all: it is not necessarily the change itself, but rather how the change is *interpreted* that is the key issue. Depending on perspective, a change can come to be interpreted and defined very differently. This classification problem is however not always clear if one views change or work with change exclusively from the perspective of a particular group. If change is primarily looked at from the viewpoint of management (as in the tool-based perspective), for example, it can very well be perceived as unanimous and agreed upon.

### EXERCISE 2.1

Consider a large complex organization that you are familiar with (it could be a university, a large hospital, a bank, a construction or automobile company or a high-tech company). Imagine that the senior management of this organization wants to achieve a large-scale cultural change. The aim of this change is to turn the employees' key

focus towards the customers (or towards the clients or students, depending on the organization you have selected), with the ambition to create and become recognized externally as an organization with extraordinarily strong customer relations.

What types of incidents, problems and particular challenges do you think might arise in such an endeavour?

A change initiative can be interpreted in very different ways by different people (employees, professionals, professors, HR staff, middle managers, or any other group of employees). Who do you think would react strongly and consider this to be a radical change, and why? And who do you think would hardly react and consider this to be a small-scale change, and why?

## REVIEW QUESTIONS 2.1

Recall	What are the commonly used terms for (a) sudden, radical changes and (b) incremental, small-scale changes?
Explain	Discuss various reasons why radical changes are much more likely to cause conflict and resistance within the organization than small-scale changes.
Explain	What is the advantage of analyzing the scope and scale of change?
Reflect	Why could it be problematic to classify the scale of change?

We have so far discussed the possibility that one and the same change process can be interpreted in different ways. This can lead different organizational members and other stakeholders to talk about the same change in quite disparate terms. Another reason for discrepancies in wording can be that a deliberately planned change is depicted in a certain way by change advocates (or change opponents) in order to influence others. Through the creative use of language, change can be rewritten in beautifying terms, and the real intentions and ambitions can be cloaked. Presenting change in a certain way, accompanied by certain types of arguments, may make it more likely to be accepted (or rejected). It can also make the change advocates appear as both sensible and thoughtful, and therefore accepted as legitimate actors of change. This is a dimension that is key to the critical perspective of organizational change.

## CHANGE METAPHORS

Metaphors are a common way to organize different fields of knowledge within organizational research. A classic example is of course Morgan's (2006) more theoretically anchored organizational



metaphors – organizations as machines, as organisms, as brains, and so forth – but the idea has also been used within leadership, where it is suggested, based on studies of leadership in practice, that leaders can be seen as saints, gardeners, friends, commanders, bullies, and so on (Alvesson & Spicer, 2010).

A metaphor is a linguistic expression that can be used to explain a concept or a phenomenon – for example, an organization or leadership – in such a way that can be understood intuitively. This operation is based on analogy, where the starting point is the similarities and differences between two concepts or phenomena. The difference between the phenomena helps us to understand the similarities between them and therefore increases our understanding of what is being explained. When we want to explain how hyped up and focused a boxer is before a match, we don't say he is 'like a man', but we might say he is 'like a tiger'. The former expression is flat and pointless, while the latter one, by comparing a man with a tiger, immediately makes us understand how hyped up the boxer is.

Metaphors can also be used to describe organizational change, and just as in the case of organization and leadership, the use of different metaphors for change express different values and approaches to change. Marshak (2009) therefore suggests paying attention to what metaphors of change are adopted within an organization. The use of different metaphors has various moral and ideological consequences, but especially practical consequences. Since metaphors govern our way of thinking, they will influence how we understand and interpret the world and, in turn, how we act.

Marshak (2009) identifies four different ways of looking at change through the use of four metaphors for change (the last of which is the most radical):

- Fix and maintain
- Build and develop
- Move and relocate
- Liberate and re-create

The metaphor *fix and maintain* suggests that organizations are seen as machines that need maintenance and repairs – some operative and simplified changes that enable their current orientations. Change from this perspective is undertaken to ensure the organization is continually kept in good working order and is not aimed to challenge current strategies, systems or structures. The problems that the change addresses are seen as unambiguous, and it is not necessary to spend a lot of time in advanced problem identification or analysis. The leader of change can be likened to a mechanic who repairs and executes preventative maintenance. This metaphor could for instance be applied to mechanical repairs in a production facility and the maintenance of IT systems in communication networks, but it can also be applied to social issues, such as the management of a conflict between two departments in order to maintain a collaborative spirit among the people in the groups.

The metaphor *build and develop* likens the organization to a building under construction or a person who is developing and learning new things. Change here means a development and expansion of the organization that in no serious way challenges existing organizational conditions and is often seen as something positive (getting bigger and better, and so on). Development and expansion here allude to a more organic view of organizations, where the change leader can be seen as a coach or a mentor who enables employees' learning and development. The problems that these changes are trying to solve are less clear or self-evident. They cannot be solved with the help of tricks and maintenance, but are rather more uncertain and demand an openness to what the outcome of the change might be. The metaphor could be applied to recruitment, further training of a group of employees or expansion of market share by advertising. Both 'build and develop' as well as 'fix and maintain' changes are primarily about single-loop learning in the sense that they improve established practices rather than challenge and revise the organization in any fundamental way.

The metaphor *move and relocate* portrays change as a journey – an organization is supposed to move from point A to point B. It is about a more radical change than the two previous metaphors and is occasionally described as a transition or move between two stages. As it is about transitioning between systems, for example between different organizational forms, move and relocate often comprises much analysis and planning. The leader of change is someone who plans and guides people in the transitioning between different systems. Change is not about repairs or expansion of current organizational systems but about changing systems. It can, for example, involve the outsourcing of some function, the creation of a new organizational structure, for example divisionalization, or the consolidation of organizations in conjunction with acquisitions and mergers (Child, 2005).

The metaphor *to liberate and re-create* portrays change as encompassing and profound. This is the most advanced form of change and it not only applies to transitions or relocations forward but is also about changing the core orientation and status of the organization. The change not only encompasses what one does, but also who one is, which comprises a change of fundamental values and mindset. The change actor is here seen as a visionary or a creator who contributes to more profound organizational cultural change. This refers to changes that embraces the whole organization and its reinvention, involving several different organizational contingencies in parallel and challenging current norms and assumptions. In terms of learning, this change is referred to as 'double-loop' learning.

These metaphors can be used in a few different ways. For example, they can be used by change leaders to contemplate how they put forward suggestions for change and, by extension, avoid communicating in one way and acting in another. Furthermore, the metaphors enable analysis of how the people in an organization talk about change, which in turn can be related to how they view change. We can therefore, with the help of the four metaphors (and related concepts), form an opinion about which assumptions and beliefs about change seem to be dominant in an organization. Initiatives for change can be perceived in different ways. It is therefore

important to make sure that most people who are involved in a process of change have the same image of what type of change is about to be implemented. If someone primarily is talking about ‘fixing the friction between units’ or about ‘tools to repair systems’ it signals a ‘repair and maintain’ approach to change. If people instead talk about ‘growing to keep up with development’ or ‘building on the company’s strengths’, they seem to give voice to a ‘build and develop’ approach. If anyone says ‘we must move to a new location’ or that the change is about ‘fitting the costume to the current market’, it is more a question of a ‘move and relocate’ approach. Talking about ‘visions, reinvention and innovations’ or that it is important to ‘think outside of the box’ points to a thinking that indicates a ‘liberate and re-create’ approach to change (Beech & McIntosh, 2012).

Furthermore, if one wants to change the culture of an organization with a dominant view of organizational change as primarily a question of fixing and maintaining, a lot of work is normally needed to uncover the existing view on change, otherwise one risks ruling out a change of the organizational culture. Metaphors and related language contain the potential for identifying this kind of problem.

At the same time, it is important to be aware that the language used – concepts, expressions and vocabulary – cannot always be seen as expressions of what people think or their intentions. The correlation to action is not always there either. The language can provide some indications of how someone thinks about change, but care needs to be taken in order to avoid overinterpreting expressions and concepts as they often mean different things to different people. There is occasionally a strong variation in terms of what people mean by different concepts and expressions, and sometimes they might not mean much at all. People might use terms and expressions that are typical in an organization or use ones that they think have a high approval rating with other members of the organization, but the use of language might be relatively disconnected from the type of change they want to embark upon. Someone might want to liberate and re-create – for example, changing the organizational culture – but formulate the ambitions for change in a more technical way – ‘fix’ or ‘relocate’ – maybe because they are heavily influenced by that specific vocabulary or believe that the ambitions for change will have a bigger impact if they use that vocabulary. In the latter case, they might want to pre-empt opposition and resistance to change.

It’s also common for people to use expressions because they sound good or are popular – they might occur in media and popular science magazines or in other organizations. Furthermore, actions and practices are not always in line with how people talk about change. People often say one thing but do another and, as has been mentioned before, change is often about politics. This is why the ability to implement change is, among other things, dependent on the ability to seem convincing, to persuade or generally to use symbols and rhetorical tricks with the aim of appealing to people’s interests and wishes. In other words, it can be difficult to draw any simple conclusions from language alone when considering how people think about change in an organization (Beech & McIntosh, 2012).

## EXERCISE 2.2

Consider the case below and answer the following questions:

- What change metaphors can you identify in the case? Pay close attention to the language used by the managers and employees. Use Marshak's (2009) metaphors or suggest alternative ones.
- It seems as though different people use different metaphors when describing the upcoming change. Furthermore, the change is described differently in different situations. In what ways could this be problematic for the possibility of implementing the change successfully?
- Why do you think the managers played down the scope of the change when they first communicated and presented it to the employees? Do you think that the downplaying of the scope of change is common when senior managers communicate and suggest changes? Would you have done the same thing? Why or why not?

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## CASE

### No 'musical chairs' – or...?

AlphaTec (a pseudonym), a small Scandinavian IT company founded during the dot-com boom in the late 1990s, had been growing rapidly, from four people to 170 in less than five years. By that time, the senior managers realized that there were fundamental deficiencies in the financial control system. The managing director of the company, Lennart, thought that in the long run a complete overhaul of the company was needed. The production manager, Ove, who had experience of working in a large multinational company, thought that the business did not work at all, that it was unstructured and chaotic. Ove believed that the main problems were that there were no means to overview company policy and there was no financial control whatsoever; he said the company 'did not even have functioning support systems', so it was impossible to make follow-ups.

The managerial plan was to change the organizational structure first and in parallel to introduce financial control. Their next aim was to continue to improve project management.

*(Continued)*

The basic idea was to divide the production department into smaller units and appoint experienced unit managers. The intention was to focus and clarify the areas of responsibility in the organization in general and to introduce an accounting system in order to allow follow-ups. According to Ove and Lennart, the business needed to be fundamentally restructured. To them, the changes that were needed were obvious and inevitable.

The tone at the explanatory meeting with all employees was different, though. The managing director started to talk about the company being a leader in its field. Then he emphasized the importance of financial awareness and hinted that there would be certain changes in the company activities. He supported his presentation with PowerPoint slides showing a road leading straight ahead, all the way to the horizon. Among other things, he declared that the production department would be divided into smaller units in order to increase efficiency and improve the financial follow-up. It will be more fun to work then, he explained, since it will be easier to get your voice heard. He assured the audience that there was no plan for radical change or some kind of 'musical chairs'.

Right after the meeting a project leader commented: 'Finally things start happening!' But a developer said: 'Mmm, we'll see if there will be any changes, or if things just continue as usual.'

A few weeks later, when more specific organizational plans were presented to the developers, many of them expressed a striking incomprehension and disapproval of the upcoming reorganization. For instance, they said that they did not understand why they needed to change the organization, and claimed that there were no arguments for it at all. They thought the plan to divide the department into units was 'a very stupid idea'. It would limit the opportunities for them to work on exciting projects and to exchange ideas and knowledge with people outside the unit. The developers talked about the division into units as confining: 'If you happen to be placed in a certain unit you risk being stuck there forever.' Another developer expressed a fear that they would be 'locked into a little corner, each one for themselves, and not be able to talk to one another except within the unit'.

Source: Sörgärde (2006)

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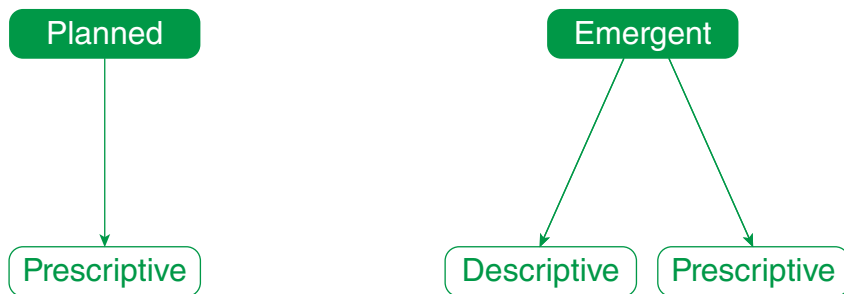
## REVIEW QUESTIONS 2.2

Recall	List at least three different change metaphors that indicate different scopes and scales of change.
Explain	How can the application of metaphors in analyzing change help us to manage change in a more insightful way?
Reflect	Why can it be insufficient solely to consider language usage (how people talk about change) when attempting to understand change processes?

## PLANNED AND EMERGENT APPROACHES TO CHANGE

Sometimes a distinction is made between planned and emergent changes. Within strategy research, it has been something of a rift for nearly 40 years. Some advocate planned changes in which careful analyses and well formulated plans precede implementation, while others propose emergent changes that are the results of local and more *ad hoc* adaptations due to changes in the organization’s environment.

*Planned change* has received the most attention in literature about change, and the core logic is simple: action is thought to follow objectives and intentions. The norm is that action always follows what one wants to achieve, so that implementation of change follows its formulation. This often involves large-scale changes, such as changes related to either the ‘move and relocate’ or the ‘liberate and re-create’ metaphors, discussed above. The literature on planned organizational change are primarily prescriptive (Figure 2.1) and contains several n-step models for deliberate and sequentially planned organizational change. These suggest that planning and implementation follow several more or less preordained steps that are ticked off as the work of organizational change progresses. The idea here is to look upon changes as a rational pattern of separate and sequentially organized activities. Many classical change models, such as the integrated models described in Chapter 5, emphasize as their starting point a clear identification of the problem, followed by an analysis of different approaches and consequences from following different approaches. Finally, one assesses whether one has reached the objective with the change in question.



**FIGURE 2.1** Planned vs emergent change and descriptive vs prescriptive aim

In contrast to planned change, there is what is labelled as *emergent change*, i.e. change that grows – in an evolutionary manner – over a longer space of time, through small and often local initiatives and engagements. Within the literature on emergent change, two broad theoretical orientations can be traced: one that is more descriptive and interpretative (focusing on meanings and understandings) and another that is more prescriptive and tool-oriented (focusing on how to influence and control). These orientations occasionally overlap, but in order to differentiate between the two we highlight their typical characteristics below.

## Emergent and descriptive approach

For many years there has been an empirical research tradition that involves the close observation and examination of how strategic and organizational changes emerge in practice. These studies are often process-oriented and the ambition is to generate deeper knowledge and insights into the complexity, logic and dynamics that characterize different processes of change. Here, it is not assumed that all processes of change are similar. The idea is instead to achieve more credible descriptions and narratives of the unique and complex reality of how those involved in the processes commonly meet and experience change. What is emphasized, among other things, are people's interpretation of ambitions and initiatives of change – how suggestions and ideas are understood – and the challenges (uncertainty, anxiety, etc.) that organizational change sometimes mean for those involved in them. These studies also acknowledge and recognize time and knowledge limitations, identity and culture. These are questions about resources and the motivation of those involved as well as questions related to power and the political gambit for resources that is an almost unavoidable part of managing change.

To look at organizational change as emergent is not a new idea. Already in the 1970s, Henry Mintzberg and Andrew Pettigrew, among others, launched a variety of concepts and ideas on processes of change that radically parted with and challenged the then dominant planning ideal. Both strategic and organizational changes were here portrayed as the result of local, temporary, historical, knowledge-based and political circumstances. Since then there have been countless studies on the emerging and complex processes of change where the importance of complexity, culture, politics, identity and interpretation for the development of these processes have been considered (Dawson, 2003). Many smaller local changes are not necessarily a direct consequence of management initiatives, and sometimes many unexpected outcomes develop even from very well formulated change attempts. Sometimes processes of change almost seem to take on a life of their own and do not follow the pre-formulated plans at all; the results of attempts at change can even be the opposite of what was originally intended (Alvesson & Sveningsson, 2015).

Following this, it is common to suggest that organizational change should be viewed as rather unpredictable and challenging to manage. A proposed alternative is to consider organizational change as a constant emergent process, where the employees who are involved are also considered as active actors who interpret and reinterpret managerial plans and suggestions as well drive their own initiatives. The classical distinction between formulation and implementation is here seen as a misleading description of what actually happens in practice. In this book, we will discuss this descriptive view of change as a part of the process approach to change.

Studies of change in practice have given rise to a lot of critique towards the planning ideal and its inherent idealistic assumptions about the functioning of organizations, leadership and control. The complexity of organizational change and a generally more turbulent and unpredictable contemporary world is viewed by many authors as contributing to the fact that many planning models are inadequate as tools for managing organizational change. Taking this into account, is it at all possible to control or influence processes of change, or are they completely beyond control

or influence? This is discussed in the following section, about change as an emerging process in more prescriptive (normative) and tool-based terms.

## Emergent and prescriptive approach

Following studies of organizational change as emergent, many alternative managerial tools for influencing change have been developed. The view of the manager as the one in charge, managing the organization top-down – with the help of elaborate plans, commands, hierarchical arrangements or information technologies – is then questioned. Many of the advocates for emerging change instead talk about the importance of acting as a *leader* or a *coach*. Here, change is viewed as something best governed and formed by more indirect organizational means rather than lengthy plans and centrally controlled information technologies. Today it is common among change researchers to talk about shaping change with the help of the appropriate leadership, education, competence improvement, recruitment, award systems and organizational culture, but also structural arrangements are often mentioned. Some, such as Burnes (2004), argue that managers of change need to reconsider their role and approach towards their employees:

Instead of controlling employees, they have to promote employee empowerment and engage people. Instead of directing and controlling change, they have to ensure that the organization's members are receptive to the change process, and have the necessary skills, motivation and power to take charge of it. (Burnes, 2004, p. 296)

This view of organizational change gained popularity in the 1980s, partly through the bestseller *In Search of Excellence* (Peters & Waterman, 1982). Themes such as organizational culture, visions and leadership received a considerable boost as being central for change. The trend was amplified during the 1990s by Kotter's ([1996] 2012a) ideas of leadership as something distinct (and important) in relation to management. Also, work by Collins (2001) about what creates sustainable organizations gave an injection to themes such as leadership, culture, recruitment principles, passion and longevity.

A lot of the literature is about encouraging organizational change where the co-workers feel motivated to take the initiative and act. An ideal is engaged, motivated and knowledgeable co-workers who feel that they have the mandate to act based on what they regard the organization needs. The initiative can be local adaptations based on interpretations of, for example, co-workers' or clients' needs or wishes. An example of this would be adapting an agreement or delivery terms against the background that a client is at that moment buying large quantities of a product. It can also be a question of adapting the handling of a service (e.g. the handling of a complaint) in a way that deviates from established routines and standards. It can involve small and maybe inconsequential changes, but if they prove successful, they might in the longer run contribute to more extensive and permanent changes in operations. The idea is that management should form organizational conditions that support learning and development. A central element in theories around emergent change is the importance of organizational culture in order to



make long-lasting and evolutionary changes possible. Rather than single and large revolutionary changes (as a result of comprehensive plans), the importance of governing and managing change in accordance with organizational conditions such as structure, culture, award systems, recruitment and other personnel tools are put forward.

Based on this, one can say that even if organizational change in this emergent form is seen as more complex and harder to manage compared to the planning ideal, the message is not that it is impossible to influence the outcome of change. If the planning idealists are overly optimistic in their view of how much one can manage and control change, then one can say that the advocates for emergent change are moderately optimistic when it comes to effecting change through purposeful organizational architecture. Taken together, it is primarily the content of the organizational change toolbox that differs between the two viewpoints. The commonality for both is the view that organizational change is something that top management can affect in different ways and, in some cases, control. Therefore, in the following chapters of the book, we will include both planned and emergent change as different varieties within the tool-based perspective on change.

### EXERCISE 2.3

Describe a situation where planned change seemed to be inevitable in order to avoid serious problems. The plan could, for example, have been triggered by falling profitability, complaints of the quality of products/services from customers/clients, negative feedback from employees about work conditions, a changing institutional situation (such as political or regulatory changes), or any other complaints from an important stakeholder that needed to be recognized.

Base your description upon personal experience or by drawing on media accounts (from newspaper or business magazine articles) of a contemporary organization. Can you identify any unintended consequences that occurred when the plan was implemented? Discuss critically whether the change could have been avoided and how. Finally, reflect upon why you consider the change to be inevitable.

### EXERCISE 2.4

Read the case below and answer the following questions.

- How would you characterize the organizational change in terms of scale and scope?
- Would you consider this to be a case of a planned or emergent change? Discuss.

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## CASE

### Changes at the Brazilian company, Semco Partners

Semco is a supplier of marine pumps for the shipping industry, founded by Antonio Semler in the 1950s. It was taken over by Antonio's son Ricardo in the 1980s. During the 1980s Ricardo implemented a variety of traditional control systems and tight authoritarian management in order to enhance efficiency and productivity at Semco. But rather than increasing efficiency, these moves led to a counterproductive control culture and highly demotivated and distressed employees. On top of this, Ricardo himself collapsed and ended up in hospital. From then on, everything changed.

Returning to the company, Ricardo decided to start changing himself by abandoning his philosophy of control. This included abandoning beginning-and-end-shift surveillance of employees, ditching the formal dress code so that employees could dress however they wanted, eliminating expense reports (so people could monitor their own spending), installing open-plan office spaces, abolishing reserved spaces in the company parking lot, starting to share power and information, installing democratic decision-making and encouraging dissent.

As the company developed, it also restructured to introduce teamwork, a worker-led recruitment system (almost eliminating HR) and flexible working hours. Later on, the company moved towards a transparent culture whereby any employees could attend any meeting, and read any report or memo that they wanted to. Everyone was allowed to attend budget meetings, where among other things production quotas were decided. The company also installed systems for evaluating managers that were posted for the entire company to see and created routines for letting employees set their own salaries. By the end of the 1980s, Semco had one of the highest growth rates in Brazil and had won awards for labour relations. Sales had risen significantly and the company had become a market leader in many industries. In 2018, Semco's development is considered highly successful and Ricardo is seen as something of a legend of leadership and organization.

Looking back at the history of Semco, Ricardo said that there was no grand plan behind its development. The thing that triggered it all was his feeling that the company lacked enthusiasm and motivation and that the employees weren't happy about working there. In contrast, people seemed overly burdened by their work and the traditional management control systems just amplified the lack of motivation and enthusiasm. By radically removing the traditional and managerially oriented hierarchical control systems Ricardo aimed at liberating the inner motivation and passion among employees, thereby creating an organization full of life and joy.

Source: Maddux (2014) <http://www.semco.com.br/en/>

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At first glance, the Semco case study can be seen as an example of revolutionary strategic and organizational change that may appear planned according to a classic rational logic. Upon closer examination, however, Semco's development is much more emerging and processual than it seems. Expressed differently, on the one hand, Ricardo implemented planned radical changes top-down in the sense that he abandoned a number of rules, changed the office design, and started to share information and decision-making. On the other hand, the development following the abandonment of tight behavioural control emerged organically. At least Ricardo stated that he had no grand plan. The theoretical distinction between planned and emergent change is seldom clear-cut in practice.

### REVIEW QUESTIONS 2.3

Recall	What is the distinction between a descriptive and a prescriptive approach to change?
Explain	Explain the difference between planned and emergent change.
Explain	(a) Describe the assumptions on which linear n-step models typically are based. (b) Discuss an alternative approach for managers to drive change, an approach that does not follow planned, sequential steps, but is still driven from the top down.
Reflect	Would you say that managers give up control and power if they abandon formal, centrally decided plans on how to develop the organization? For example, were the employees in Semco freer and less controlled after the changes made by Ricardo? Try to find arguments for both a 'yes' and 'no' answer.

## THE TOOL-BASED, PROCESS AND CRITICAL PERSPECTIVES

As demonstrated above, there are several classifications and terms that are crucial to understand in order to know what organizational change is about. We have so far suggested that changes can be classified by focusing on the character of the change in terms of its scope and how controversial the change may be considered (i.e. how radical the change is for the employees). We have also contrasted changes depending upon tempo (revolutionary vs evolutionary changes) and origin (planned vs emergent change). These are basic dimensions that can be used to specify a situation at hand, and subsequently what theoretical input could be useful. Based on this, we turn to the three perspectives on change introduced in Chapter 1 – the tool-based, process and critical perspectives – and discuss what kind of knowledge of change they provide us with.

A way to grasp what these perspectives are all about is to consider how they differ in terms of the knowledge produced about organizational change, i.e. what knowledge-interest they are based upon (Habermas, 1972).

## Different knowledge-interests

A key division between the perspectives on organizational change relates to their approaches to the subject, including their primary motivations. The three different approaches suggest that it is important to study and understand change in order to:

- provide recipes, techniques and tools to control change processes, or
- provide insights and a better understanding of change processes, or
- critically scrutinize organizational practices and conventional theoretical ideas.

The sociologist Jürgen Habermas (1972) launched the concept of ‘knowledge-interest’ with the purpose of emphasizing the diverse motivations behind different types of knowledge creation about a social phenomenon. The concept of knowledge-interest describes the reasoning behind knowledge production, and distinguishes between a technical, an interpretative and an emancipatory motivation. The three perspectives, the tool-based, process and critical, can be related to these motivations.

A *technical knowledge-interest* generally focuses on creating and providing resources for human survival. It is a question of trying to control nature and social contexts so they can be exploited economically for human gain through rational problem-solving. The technical knowledge-interest warrants the creation of knowledge of how to manage and regulate social processes, such as human interactions and organizational change, in order to gain control and predictability. This means isolating objects (such as change) and processes into dependent and independent variables to ascertain regularities and causations. It is well articulated in the empirical–analytical sciences. The general aim is to produce knowledge that enables applications or provides technologies within different areas, such as production and distribution. In the context of change, knowledge from a technological knowledge-interest aims to explain and improve organizational practices such as productivity, efficiency and growth. This is in line with the tool-based perspective on change.

An *interpretative knowledge-interest* is generally about understanding and interpretation, and therefore language, meaning and culture are the key ingredients. This knowledge-interest is sometimes referred to as ‘hermeneutics’, from the Greek word *hermeneuo* meaning ‘to interpret’. General insightfulness is the ideal here. One assumes that context and patterns are typically complex and that the role of knowledge isn’t primarily to give techniques or a recipe, but rather to make the complex and uncertain – such as an organizational change process – a bit clearer and to develop ideas to better understand the world around us. Ideally, and traditionally, this is seen in the cultural sciences, which therefore are also sometimes called hermeneutic sciences.

In the context of change, the ambition is to interpret organizations and processes of change in order to get a more in-depth understanding. This is in line with the process perspective on change.

An *emancipatory knowledge-interest* aims not only to interpret and understand but also to critically review organizational practices and theories. It is about critical reflection and the primary goal is to enable liberation (emancipation) from a variety of cognitive blockages, limitations and assumptions that constitute people’s thinking as well as in established knowledge. This is a perspective that looks at the darker side of organizations and that doesn’t assume that organizations are systems in harmony. Instead, it highlights the presence of conflicts of interest – such as that an organizational change process is not necessarily in everybody’s interest – and marginalization and suppression of alternative voices. An emancipatory knowledge-interest is thus all about reviewing and scrutinising different forms of knowledge and revealing the power interests behind actions and behind different representations of the current conditions. This is particularly prominent in critical management theory. The point of adopting a knowledge-critical approach in terms of organizational change is to promote liberation from conventional mindsets and ideas and to call for a reflective approach to knowledge, especially in relation to the more technically and pragmatically oriented knowledge about organizational change. For instance, is it reasonable to assume that ‘the rate of change becoming faster and faster’ (Burke, 2002, p. 9), as many authors claim, or could it be that the environment was far more turbulent at the beginning of the 1900s (Grey, 2003)? This approach emphasizes independent thought and critical reflection. Increased organizational efficiency is not a main ambition, even though a critical mindset can of course also contribute to it.

These knowledge-interests all fill their respective functions, and the relationship between them and the three perspectives explored of the book is summarized in Table 2.1.

**TABLE 2.1** Three perspectives on change: the tool-based perspective, process perspective and critical perspective

	<b>Tool-based perspective</b>	<b>Process perspective</b>	<b>Critical perspective</b>
Knowledge-interest	Technical	Interpretative	Emancipatory
Aim	Explain and improve	Understand	Liberate

The starting point for this book is that all three dimensions are needed – that technical and instrumental knowledge is important from a pragmatic perspective, but so is critical knowledge stimulating reflection and liberation. The aim to understand what is going on in change processes might be even more basic. Depending on what perspective is adopted, different aspects of change and change management will be highlighted and different questions will be answered: *How* can change be managed? *What* does the change mean for those engaged in it and what social dynamics are in play? *Why* work with change in the first place?

## The tool-based perspective

Applying the tool-based perspective suggests following a prescriptive orientation, with the aim of providing ideas on how to successfully implement intended change, whether it contains grand plans or whether it is about creating the organizational requirements for emergent change. A key focus is placed on the tools – often models of change – that can be used to formulate, plan and execute organizational changes. The changes are initiated by managers, usually as an answer to altered circumstances in the business environment, handled in either an offensive or defensive way in order to secure long-term survival.

From this perspective, organizations are often understood as living organisms, consisting of a variety of subparts that must be aligned with each other and adapted to the environment in order to survive in the long run. This expresses an open systems view of organizations, viewing the organization as a system which is part of a larger whole (the environment) that consists of a number of different subsystems (or subparts) between which there must be harmony and alignment in order to have a working whole. Subsystems can refer to strategy, culture, structure, reward systems, HR, management control systems, recruitment systems, management, leadership and any other significant part of an organization. According to this view, it is suggested that achieving alignment between the subparts means that the whole becomes more than the sum of its parts, which then promises the organization's long-term survival. Survival is, however, not only about alignment between the different subparts of the organization, but also about harmony and alignment between the organization and the larger system – the environment in which it exists, with its separate stakeholders, or other systems such as clients, suppliers, banks, the state, lobbyists.

As the world is constantly changing, it becomes important to find the appropriate tools to manage change successfully. These can be techniques about how to accomplish strategic change and implement explicit programmes of change with well-formulated intentions and goals. These can also be prescriptions about modifying organizational conditions – structure, reward systems, recruitment organizational culture, etc. – with the purpose of achieving emergent change.

Taken together, the major focus of the tool perspective is on how managers can control and shape the process of change so that its intentions are realized. Key questions are: How can change be accomplished and what are the appropriate tools to use?

## The process perspective

The process perspective on change is in line with an interpretative knowledge-interest and implies a descriptive focus on how one can understand and gain a deeper insight for the complexity of the change processes. Unlike managing and controlling the process of change, the primary focus here is on understanding what happens in actual change processes, in particular from the viewpoints of the people involved. An important focus in much of the literature is on how

meaning is created by the different actors in the change processes; how they make sense of and interpret what is going on as they are involved in the change. Above all, it aims at facilitating an understanding of the complexity, dynamics and logic of different types of change in order to gain deeper insights into the phenomenon. It is about understanding diverse interpretations and focusing on sensemaking and its relation to identities, values, symbols and organizational culture in general.

From a process perspective, culture is not seen solely as something an organization *has*, as a subsystem among others. Culture is also considered as something the organization *is* (Smircich, 1983). Even though many theories emphasize the importance of organizational culture, it is not always certain that organizational culture is approached from an interpretative knowledge-interest. Often the question of whether one can govern and control the culture (in line with a technical interest) dominates rather than the ambition to interpret and understand the culture and people's constructions of meaning. Furthermore, this perspective opens up the possibility of several cultures, rather than a single, stable and homogeneous organizational culture. Within the same organization, several cultures can be at play, originating from different departments, professions or even nationalities. The process perspective takes the cultural dimension into account whether it is reasonable to talk about cultural consistency (a single corporate culture), cultural differences (subcultures) or cultural fragmentation. The idea is to develop knowledge to gain more wisdom in order to improve the understanding of change processes in all their complexity and imperfections: Why do people interpret a suggested change process in different ways? What importance does the question of identity have for how people make sense of change ideas, or in what way does it influence the dynamics of change? Structural conditions are also focused upon, but still from the perception of those involved in the organizational change.

### The critical perspective

When we talk about different perspectives of change, it might come across as if change is something self-evidently positive or at least something that organizations have to launch in order to survive in a changeable world. That is not always the case of course. In some cases, attempts to change are initiated because other organizations are seen to be engaged in change or because a new CEO wants to show drive and make his or her mark on the organization. Maybe a manager has picked up an idea at a management training session or has learnt something about how to make an organization more effective by personal networking, or someone may just be bored and want to do something exciting. It is not always certain that there are clear and rational reasons behind attempts to change. The critical perspective on change, in line with an emancipatory knowledge-interest, suggests a focus on power and politics in order to be able to shed light on the underlying interests and motives related to change processes. A key focus is placed on the divergent interests, disagreements and conflicts that often are expressed during attempts at change. It is not uncommon for mainstream organizational change literature (implicitly) to assume an absence of conflict of interests in organizations, with the result that organizational

changes tend to be regarded as clear-cut and beneficial to all the members of the organization. If anyone opposes the change or asks questions of the propositions of change, it is often viewed as opposition against a more or less given development. Opponents always risk being described as resisters who are against progress or as blockers of natural development. From a critical perspective, however, it is stressed that organizational change is never a given or inevitable; it always emanates from some individuals' interests for change, especially interests coinciding with position and power. Here organizations are looked upon as political systems, consisting of (groups of) actors with different interests and agendas, who are involved in various power struggles. This approach highlights that organizational changes always have political consequences for the people affected by them, and that organizational changes thus should not be looked upon as neutral, unpolitical answers to changes in the environment. A key ambition of the emancipatory knowledge-interest and the critically-oriented literature on change is to question what tends to be otherwise taken for granted in order to look beyond the obvious. It could, for instance, be to encourage reflection on why change is necessary or to unveil diverse interests: whose interests are being served and whose interests are being ignored, and what could be the power-political consequences of a certain change? A focus on these types of issues can create possibilities for emancipation from ideological or mindset blockages that are not uncommon in processes of change.

**TABLE 2.2** Terms and assumptions of the three perspectives on change: the tool-based, process and critical perspectives

	<b>Tool-based perspective</b>	<b>Process perspective</b>	<b>Critical perspective</b>
Knowledge interest	Technical	Interpretative	Emancipatory
Aim	Explain and improve	Understand	Liberate
Means	Normative: Provide advice and guidelines	Descriptive: Describe and interpret the course of action	Critical: Scrutinise and question the given
Empirical focus	Managerial programmes for change, tools for change	Sensemaking of the involved actors	The hidden, marginalized, not spoken about
Dominant view on the organization	Organism	Culture	Political system
Dominant view on change	Controllable and desirable	Dynamic, complex and ambiguous	Conflict-filled (conflicts of interest)
Central terms	Systems, planning and control	Interpretation, dialogue and context	Power, politics and interests
Treated in this book in	Chapters 4–5	Chapters 6–7	Chapter 8



## EXERCISE 2.5

Identify the key problems associated with solely adopting a process approach to organizational change. Write a list of what can cause those problems and another list of how you can solve them by adding insights and concepts from the tool-based and critical perspectives, respectively.

## EXERCISE 2.6

Think of an organization that you are familiar with or have some experience of. Imagine that you were given the task of exploring possibilities of implementing an organizational change in line with a new strategic direction within that specific organization. You need to make a multidimensional analysis, drawing upon the three perspectives on change – the tool-based, process and critical perspectives of change. How would you set up this task?

Suggestion: For each of these perspectives, list the following: Who would you primarily talk to? What aspects would you focus on? What types of questions would you like to be able to answer?

## EXERCISE 2.7

Consider the case below and answer the following questions.

- How would you characterize Electronic Engineering Ltd? What kind of organization is it?
- What kind of change in terms of scope and scale does Weston suggest? What are the defining characteristics of the change?
- What key aspects do you think Weston has failed to consider in this seemingly rather large change project?
- Provide five recommendations for Weston in order to improve the chances of success.

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## CASE

### Electronic Engineering Ltd

When Stanley Weston was appointed as new CEO for the renowned company Electronic Engineering Ltd, many people in the company, the business community and the business press applauded. Weston was seen as a young company leader and represented a modern management philosophy. He had also been trained in many of the most celebrated international engineering companies.

Upon arriving at the new company, Stanley Weston took some time to familiarize himself with the history of the company, its current strategic direction and its future prospects. After a few weeks, he organized an important meeting with the management team and union representatives in order to discuss the long-term strategy of the company. Early in the meeting Weston stated that:

After performing an analysis of the company, I have reached the conclusion that we need to develop the electronic engineering department by introducing more sophisticated flexible manufacturing systems. I think it is important to make this change in order to facilitate the use of computer-controlled machines such as robots in the production process. This will also help in enhancing the valued added in our products and move us towards selling whole systems rather than just being a supplier of simple electronic components.

Even though people in Electronic Engineering Ltd were concerned when thinking about flexible manufacturing systems and robotization, many said that they felt good about that the new CEO assumed responsibility for the technological development of the company.

However, during the year following the strategy formulations of robotization by Weston not much of a substantial change happened. In connection to the annual planning meeting a year later, the question about the company's objective, strategy and long-term orientation was once more raised and emphasized. Again, the need for change towards robotization and systems solutions was formulated, but subsequent to the meeting nothing happened. The procedure was simply repeated over the next two years. The whole organization seemed to support the ambition to change to a new direction, but even so no concrete changes seemed to materialize. Three years after Weston had assumed his position and despite the ambitions for strategic change being formulated every year in the strategic plan, the company was still strongly oriented towards simple electrical engineering.

During a conversation with his friend from college, Anna Stevens, Weston described the situation as follows:

The situation is troubling. On every occasion I have talked about the necessity to change technology and turn to robotics and systems solutions. I think we have made a decision to do that on at least four occasions. And although everyone agrees, nothing happens. Everyone just continues in the traditional wheel tracks. How am I going to get change to happen?

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## REVIEW QUESTIONS 2.4

Recall	List at least three key characteristics of the tool-based perspective, process perspective and critical perspective on change.
Explain	Explain how and why a certain basic understanding of the organization (as an organism, culture or political system) can be related to a certain perspective on change (tool-based, process, critical).
Reflect	In what ways can a critical approach to change facilitate organizational change work in practice?

## SUMMARY

Change varies in terms of tempo, scope and managerial intervention. It is common to contrast revolutionary and evolutionary changes. The difference can be important for the way one relates to change in terms of management. Revolutionary changes often mean greater political intensity, which can have consequences when it comes to considerations regarding power, time, control and decision-making. Evolutionary changes are often less politically charged and therefore tend to invoke another type of organizational dynamics when it comes to power and influence. In this chapter we have raised the political aspect as a central element in order to understand what organizational change is about – it is not just a question of resistance in the traditional meaning of the word; it also involves questions dealing with interests, engagement and participation.

Organizational change can also be characterized with the help of metaphors. Metaphors can contribute to an increased understanding of the progression of change and its dynamics as well as how to influence and manage change processes. Metaphors can help with the understanding of how to relate to and look at organizational changes in specific organizations, how to talk about them, motivate them and look at the possibilities of successfully implementing them. Another common way to describe organizational change is to speak of planned and emergent change, respectively. Planned change is the most classical way of looking at change. The planning ideal is dominated by a distinct pragmatism and there is a vast array of n-step models available, suggesting that organizational change should be implemented along a series of different steps. Within the genre of emergent change, two comprehensive orientations can be found: a descriptive approach based on understanding and a prescriptive and tool-based approach. The first orientation puts the focus on how processes of change develop in practice, and is often based on how those involved look upon what happens in processes of change, and the second focuses on factors that promote organizational change and launches recipes for how to work more successfully with change.

We concluded the chapter by further specifying and contrasting the three perspectives on change: the tool-based perspective, the process perspective and the critical perspective, with the starting point being the three different knowledge-interests. The tool-based perspective implies a distinctly tool-based view on change, i.e. *how* one makes change happen. Here the view on change is pragmatic. It expresses a will to try to control the change process, irrespective of whether the plans are big or whether it is a matter of managing incremental, emergent change with slightly more subtle forms of control. The process perspective comprises *what* organizational change work means in practice. When does change occur and what dynamics can be traced in the process of change? Finally, a critical perspective means that the importance and need for organizational change should not be taken for granted. Rather, this perspective encourages critical reflection and asks *why* change is needed and *why* it evolves in a certain way. It tries to identify the interests that lie behind the change process and examines the power-political effects that organizational change can entail.

## KEY PRACTICAL INSIGHTS

What we can say about organizational change following this chapter:

- The scope, scale and content of change is a matter of interpretation and thus concerns the perspective of the interpreter. Therefore, it is important to follow up on how employees view a suggested change, rather than assuming that they experience and understand the change in a similar way as those change agents who have designed and formulated it.
- A way to understand how people interpret change is to acknowledge and recognize how they talk about it. What metaphors of change seem to be in use?
- It is often sensible to strive to create and uphold a shared understanding of what the organizational change implies. Contrasting and conflicting images can be confusing and undermine commitment.
- Recognize that portraying organizational change in a certain way always privileges some interests while downplaying interest of others.
- Planned or emergent organizational change offers two distinctive but also complementary ways of understanding and managing change. It is important to acknowledge that organizational changes can and will take place even though they are not centrally planned.
- Most successful organizational changes are evolutionary. Incremental and evolutionary changes tend to be less threatening to people's identities, while revolutionary changes can trigger anxiety and worries and imply more politics and negotiations. Therefore, it is often advisable to work with long-term goals and implement changes incrementally. Evolutionary changes, too, can achieve radical results in the long run.

- Radical changes can at times mobilize huge efforts and commitment among employees, in particular if the organization is in a crisis and people are receptive to ideas of change.
- Social engineering models of change often underestimate the importance of considering that organizational change primarily involves people rather than systems, structures and strategies, which tend to cause more problems than necessary.
- Organizational change involves people and therefore often requires an intimate understanding of meanings, identities, emotions, symbols, politics, etc.



## FURTHER READING

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