Understanding

Organizational
Change

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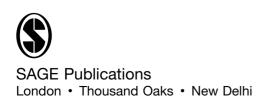Contemporary
Experience
of People
at Work

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To Susan Joy Thomson

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Change riders 1

Rider, riders (noun)
1. *A rider is a person riding on a horse or bicycle*
2. *A rider is also an additional statement which changes or puts a condition on what has already been said*

This book is about the meaning of change for people in work and employment. It is about riding change in the ways that we seek to manage, steer or resist the change process and in the ways that we may be swept along as relatively passive passengers. 'Change riders' may take an active position and harness these processes in shaping the outcomes and direction of change, or they may play a less active role in accommodating changes imposed by others. The term 'change rider' also refers to the emergent and uncharted character of change processes, and the need to qualify even the most carefully planned change programmes. There are change requirements and conditions that cannot be foreseen; unanticipated quandaries are not uncommon in major change initiatives. Moreover, the experiences recounted in this book remind us that employees act as modifiers to change initiatives – organizational change must be seen as a dynamic process that may take unexpected turns. It is this processual and ongoing character of change that makes it a difficult yet fascinating area to explore. This book is as much about people (their emotions, views and responses) as it is about the theory and practice of managing change. My intention is to present informative and readable accounts that provide useful insights into the murky processes of change; stimulate critical reflection and discussion; and enable the distillation of practical lessons for harnessing, steering and responding to change. The main objectives of the book are:

1 To draw on the contemporary experience of change for people in work and employment, and to make their views and stories accessible to the reader.
2 To document empirical evidence drawn from an intimate knowledge of case study data which have been collected over 20 years.
3 To present a diversity of views and perspectives by analysing data from a range of different individuals and groups (for example, chief executive officers, part-time employees and older workers) in order to chart 'voices'

that cover a spectrum of experience, including the self-proclaimed 'winners' and the supposed 'losers'.

4   To provide, for advanced undergraduate and masters level students, a concise historical overview of developments in change management and new critical case study material.

5   To explain and demonstrate the benefits of processual theory for understanding the dynamics of change.

6   To identify and discuss practical lessons on living with change.

The book attempts to engage a range of readers (students, academics, practitioners) who have an interest in understanding change. Inevitably, necessary constraints impose limitations on the depth of theoretical analysis and the breadth of empirical discussion, but in the end, my intention has been to provide a book that stimulates interest both in raising questions for further debate and discussion, as well as offering insights into long-standing change management myths and ongoing debates.

BEYOND METAPHOR AND THE SCIENTIFIC SNAPSHOT

Although workplace change has a long history, many commentators advocate that the current climate of change is quantitatively and qualitatively different. The break-up of the old Soviet Union and the transformation of Eastern Europe, the launching of the single European currency, the growth in trade in the Asia–Pacific region, wars, terrorist attacks, technological advances, world recessions, the digital economy and changes in international trade agreements – all form part of our contemporary political and economic world. Similarly, in the world of work and employment, there has been a barrage of change initiatives and yet the failure rates of programmes such as Business Process Re-engineering (BPR) have been estimated to be as high as 70 per cent (Beer and Nohria, 2000; Knights and Willmott, 2000). Given the toll on change initiatives, it is no wonder that employee cynicism has increased as yet another three-letter acronym – whether JIT (Just-In-Time), TQM (Total Quality Management), CAE (Computer-Aided Engineering), TPM (Total Productive Maintenance) or SAP (from the Germany SAP software company) – is invoked by management as the ultimate organizational panacea. The growing cadre of business consultants who stress the need to create and sustain competitive advantage in 'an increasingly aggressive commercial market' reinforces this seemingly insatiable need for change.

However, this simple characterization of the business need for change fails to elaborate some of the more critical issues that question the launch of a never-ending raft of change initiatives. For example, if change is so important to commercial success, how is it that there are many 'successful' companies who have spent millions on failed change initiatives? Perhaps a

central question in a world where change is viewed as essential to competitive business survival is how do we identify not only when to change, but when not to change? Scanning any of the many recipe approaches does not, unsurprisingly, tell us how to identify inappropriate change programmes. Clearly what is needed is a greater understanding of the change process which goes beyond honeymoon scenarios and 'how to' recipes that prescribe a number of sequential stages (n-step manuals) integral to the successful management of change. A central aim of this book is to achieve a more balanced view by drawing on the experiences of shop floor and office employees, senior executives, plant and branch managers, supervisors, union representatives and officials, and change agents. As Nilakant and Ramnarayan (1998: 9) note in their preface:

> Given the various manifestations of change, it is not surprising that it evokes a myriad of emotions. Some find the prospect and experience of change exciting, challenging and fulfilling. Others find it daunting, stressful and unpleasant. It can cause both hope and despair. Managing change involves simultaneously managing resources, processes and emotions. This is what makes change a complicated and challenging task.

In charting the experience of change of people holding different positions and located in a range of social contexts, I provide many examples that illustrate how change can create a climate of excitement and hope; how it can fail to capture the hearts and minds of staff and instead generate apathy and ambivalence; and how the uncertainty of change can trigger anxiety and fear. In using the insights and views of those who promote, implement and adapt to change, my intention is to go beyond simple determinist arguments based on economic imperatives to a greater appreciation of the sociological dimensions of change. While the metaphor of change rider provides a useful entry point for our initial consideration of what we mean by change, we need to go beyond this notion to a broader conceptualization of the change process, one that is also able to accommodate elements such as life experience, wider contextual influences and dimensions such as gender and age. To put it simply, change does not occur in a hermetically sealed bubble; rather, choices are influenced by values and beliefs developed and modified during a lifetime of interaction with family, friends and social groups, and are constrained by socio-economic circumstances and power relations. These changes are integral to all aspects of life and may be welcomed, ignored, accepted or actively resisted. They are a part of our lived experience of change and are a central concern of this book.

PROCESSUAL RESEARCH ON CHANGE

The recounting of individual and group experience of change draws on workplace research that I have conducted over the last 20 years. Following a Ph.D. in industrial sociology, I have maintained a long-standing interest in

how people experience change over time, and how the process of change is managed and shaped from the initial conception of the need to change through to a period where operating under new work arrangements becomes largely a matter of routine. This interest in the temporal element of change has resulted in a number of research projects which have studied change longitudinally. In some cases, it has been possible to follow the change process 'as-it-happens' from the decision to initiate change through to the implementation and operation of new work practices and procedures. In other studies, time constraints and access issues have limited the extent of the research. Whenever possible, a longitudinal element has been built into each research design to ensure that data can be collected on how the process of change unfolds in practice. Throughout the change process there is an ongoing series of tasks, activities and decisions. In some cases decision-making may be influenced by outside agencies and groups, such as local and national governments, professional bodies and trade unions. In others, activities and tasks may result from the plans and preparations of management and/or the views, expectations and demands of employee groups or their representatives. In addition, certain individuals may act as major facilitators or inhibitors of change and prove instrumental to the 'success' or 'failure' of programmes. In practice, it is impossible to provide a definitive list of tasks, activities and decisions implicated in the management of change. It is essential to study change processes over time to identify and examine the contextual and temporal character of change. Consequently, in the studies reported in this book a processual research approach was used whenever possible in the collection and analysis of data on employee experience of change. This made possible the collection of longitudinal data on change ('as-it-happens') rather than relying on snapshots or retrospective case study accounts.

In studying people's experience of change a combination of observation and in-depth interviewing was used to enable the cross-validation of data and the integration of contextual and temporal observations with the more perceptional and attitudinal data gathered from the interviews. Non-participant observation generally involved periods of up to 12 hours at a plant or branch office observing and informally discussing work activities with employees. The length of observations varied considerably across the case organizations and was influenced by time constraints and the extent of company access. A programme of semi-structured interviews was arranged with all participating organizations which made it possible to probe more deeply into employee experience of change. Each interview lasted between 40 minutes and three hours (typically 60–90 minutes) with the majority being taped and transcribed. Where possible, interviews and repeat interviews were held with employees at all levels from the senior executive to branch personnel.

The collection and analysis of company documents also formed a central part of the research. Internal memos and general correspondence were useful in constructing a chronology of key events and providing material on initial

and subsequent proposals for workplace change. Access to confidential correspondence (including e-mail) provided a useful record of issues and historical areas of sensitivity. However, as Gill and Johnson (1991) have noted, it is important not to take such documents at face value. Political motives are often part of the hidden agenda of the writers (being written with a particular audience in mind).

Although the research design and methods did vary across the studies reported in this book, the general methods used in the collection of data were initial familiarization visits to build relations, gather basic information and agree on the study; the collection of documentary data including annual reports, company newspapers, e-mail and other company documents; observation of work activities and interactions (normally non-participative); semi-structured interviews with employees from senior executives to shop floor personnel (some cases focused more on employees at the workplace, some on senior management decision-making and strategy, and some on all levels); engagement in group discussions; what can be termed 'research by wandering around' (a lot of information was obtained through these more informal channels); and attendance at various social functions.

Although the book draws on data collected over a 22-year period (1980–2002), most is drawn from studies carried out in Australia and the UK between 1992–2002. The general intention is to provide new empirical material that uses the insights from past research in detailing the dynamic processes of change.

STRUCTURE OF THE BOOK

The book is designed for advanced undergraduate and postgraduate students in organization studies, as well as for academics and practitioners who have an interest in change management. Chapters 1 and 2 provide a historical, conceptual and theoretical overview of the key debates and frameworks in the change management literature. In Chapter 2, a number of theoretical perspectives are identified and it is shown how our theoretical position influences the way we see, understand and explain our chosen phenomenon of study. Four key dimensions are used to characterize change and a simple definition of change is put forward. The chapter also examines the triggers to organizational change; why individuals and groups resist change; and some of the general trends that shape employee experience of work.

Chapter 3 builds on this introductory material to present a historical summary of the main models and frameworks that have been developed to further our understanding of change. Many of these have arisen within a particular context and time when certain theoretical perspectives were dominant. Although context is used to explain the emergence and uptake of certain managerial ideas, it is argued that there has not been a simple

replacement of one approach with another. This literature review highlights how the development of change management theories serves to emphasize the complexity and diversity of this process, and how there will always be competing frameworks and models. The essential elements of the processual approach adopted in this book are then outlined and the importance of clarifying the perspective of those studying change is stressed.

These summary chapters are necessarily selective but they provide a useful overview of perspectives and frameworks for understanding organizational change. Readers who are already familiar with this literature may wish to skip ahead to the empirical chapters that draw on new data collected in the UK and Australia. The data derive from a range of research programmes broadly concerned with the process of organizational change and how it is experienced by shop floor employees, branch personnel, supervisors, trade unionists, managers and senior company executives. In some studies I was fortunate to gain long-term access to employees ranging from the CEO to middle management and shop floor operators. In other examples, access was limited in terms of time and personnel. As a result, some chapters focus on the experience of workers while others are concerned with the implementation strategies of middle management or the development of strategic initiatives by the senior executive group.

In Chapter 4, interview data from a variety of case settings are used to draw out some of the more general as well as atypical views and experiences of change by branch personnel and shop floor workers. The intention is to examine the lived experience of change of those at the lower levels of an organization. The focus is on employee experience rather than the management of change, with attention being given to the effects of the general shift towards non-standard forms of employment. It shows how change fatigue and employee cynicism are on the increase as the rhetoric of change is, in practice, too often inconsistent with worker experience.

Chapter 5 is the first case study of change that focuses on a particular plant. The importance of customer–supplier power relations in understanding processes of change in the local reconfiguration of new technology at work is examined in the case of Dalebake Bakeries (a pseudonym). The findings illustrate how the strategic decision to invest heavily in a state-of-the-art bakery in 1991 tied the company to mass production in the face of a shift in the product market. Customer demand for a broader and more diversified product range did not match the technical configuration of the bakery (with a capacity to produce 13,000 loaves per hour). The customer – in the form of powerful supermarkets – reassessed their product demand and sought increasingly frequent product deliveries, squeezing the already narrow profit margins of Dalebake Bakeries. This chapter addresses the issues of power and customer–supplier relations as well as the need to reconsider strategy and to reinterpret the fixity of technical–structural arrangements (our concept of technology). How this is managed and the consequence of change for Dalebake Bakeries are analysed and discussed.

In Chapter 6, the place of the older worker and the role of the supervisor are examined. Once again, empirical evidence comes from older employees and supervisors working in different industries. It is shown how established supervisors (who have often worked in a company for a long time) are often inappropriately identified as barriers to change. This view can lead to a self-fulfilling prophecy whereby the supervisor who finds their authority undermined and their advice ignored actively resists these changes and thereby confirms the view held by management that s/he is a 'problem' that requires action. In exploring this myth of change management, assumptions about the inability of older supervisors to adapt to change are shown to be based not on empirical evidence, but on the commonly held views of senior management and broader social stereotyping.

Chapter 7 examines the experience and strategy of local managers in the introduction of cellular work arrangements in a company that manufactures washing machines (Washdale). The views of plant-level management highlight the hostilities and conflicts that can arise in the implementation of shop floor change. The Washdale case is a good example of how change initiatives may be used by management to eradicate traditional custom and practice. As the story progresses the sense of 'revenge' and 'management payback' is clearly illustrated. Although the company has not requested anonymity, due to the 'bloody nature' and sensitivity of some of the material a pseudonym is used.

In Chapter 8, our attention turns to the views and experiences of senior management in managing the transition from a locally-based Adelaide pharmaceutical company (F.H. Faulding & Co. Ltd) to an international corporation. The Faulding case study began in July 1997 with the aim of examining the process of managing the transition from a local organization manufacturing predominantly non-prescription pharmaceuticals to a global company manufacturing both prescription and non-prescription drugs, and distributing them to a global market. The research was carried out over a three-year period and consisted of two main parts. Part one addressed past changes by soliciting reminiscences and searching archival records. Part two addressed the present state of the company and its plans for the future. It integrated information from in-depth and repeat interviews, company documents and media reports. Essentially, documentary evidence and senior management interviews conducted over a number of years were used to capture the experience of managing strategic change from a senior executive perspective and to address the issues of growth and globalization.

A rather different and somewhat idiosyncratic methodology emerged in the trade union study on change reported in Chapter 9. The research into the Australian Services Union (ASU) was carried out in South Australia between November 1998 and January 1999 before, during and after the ASU annual convention in Adelaide. Prior to this, contact was made with the union to see if they would be willing to present material on change issues facing the ASU to students at the University of Adelaide. These frank and illuminating presentations (made in 1996 and 1997) highlighted dimensions to change

management that are often absent from courses on organizational change. They also pointed to an interesting research area, one that would draw out some of the political processes of change (both internal and external) and the influence of tradition and culture on issues such as gender, change strategies and trade union amalgamation. The union made a number of documents available and provided open access to officials and members. I attended a number of social events, work dinners and branch barbecues, and was also welcomed at the branch office in Rundle Street, Adelaide. General observations and discussions were recorded as a series of notes and further questions were generated during the course of the study. Over a five-year period, contact was maintained with the union by e-mail, telephone and face-to-face discussions. The main fieldwork was conducted over two years involving taped interviews with a range of ASU members. This included the ASU National Secretary and the Secretary and Executive President, and the Senior Industrial Officer of the South Australian and Northern Territory Branch (SANTB) of the ASU. Interviews were held with industrial officers and workplace representatives (shop stewards) covering betting organizations, airlines, financial services, the automotive industry, higher education and local government. A small concluding set of interviews and discussions was conducted in Adelaide during December 2000 and November 2001.

The two main areas addressed in Chapter 9 are: the responses and strategies of trade unions in the changing business environment and workplace change initiatives; and the extent to which trade unions are themselves changing in order to renew their relevance. Linked to these broader areas are issues such as membership decline, deunionization, changing legislation, technology, shifts in the nature of employment, union organization and the barrier of male unionism to union renewal. The case of the SANTB is used to highlight some of these elements by drawing on the experience and reflections of a number of union members and officials. This trade union provides a pertinent example as it is not only having to deal with the problem of declining union membership; and a range of political changes associated with union amalgamation but is also trying to redress the tradition of male unionism through promoting the place of women. These changes are seen as both problematic and central to the development of union strategies and alternative approaches to meet the challenge of trade union renewal in the twenty-first century.

Chapter 10 investigates the long-standing corporate and political concern with quality management. Data are drawn from a TQM research programme that was carried out over a period of three years between 1989 and 1992. It involved detailed case studies on the introduction and effects of TQM in eight Australian and New Zealand organizations. The main methods used were in-depth interviews with key personnel; management, union and shop floor interviews; participant and non-participant observation; and document analysis. A longitudinal element was built into the research strategy and where practicable repeat interviews have been carried

out at a number of stages during the process of organizational transformation. Each interview lasted approximately 60 to 90 minutes and covered topics such as the spread of TQM and the influence of change agents, the employment and industrial relations implications of change and the process of change. The interview schedule used in the study is outlined in the Appendix.

Data from the case studies are used to draw attention to the variety of change reforms under the label of TQM and to highlight the importance of context in understanding the scope and nature of change. The degree to which these programmes brought about a change in culture, enabled employees to be more empowered, or simply imposed heavy layers of bureaucracy on existing work practices is critically appraised. I argue that quality management cannot be captured in a simple definition and that this ambiguity has enabled it to endure over time. In practice quality management ideas have been variously adopted and shaped within the context in which they exist. The chapter concludes by presenting some practical lessons on the management of organizational change.

The final chapter uses the views developed in the main body of the text to discuss the lived experience of change in the twenty-first century. The management of strategic change and the views of senior executives, the implementation of change initiatives by divisional and plant managers, worker and supervisor experience of change, and their views – all raise interesting questions about change processes and what the future holds for work, employment and society. The chapter examines the tendency for commentators to focus on either negative or positive possibilities, and identifies five interrelated elements on the future of change. This is followed by a critique of recipe approaches in which it is argued that there is a need to go beyond stories of 'success' in order to fully appreciate and understand change. Some of the practical lessons on change – based on the data analysed in previous chapters – are identified. The chapter concludes with a reaffirmation of the need for a broader conception of organizational change, one that is able to accommodate the complex and dynamic nature of change.

CONCLUSION

For many business writers, an organization's ability to manage change is seen as central to its competitive position and ultimate survival, even though the majority of change initiatives fail. What does this tell us? For a start, it indicates that the assumption that change per se is a good thing needs to be challenged and critically appraised. It is ironic that the more we study change, the less we seem to learn. The popularity of shortcut answers testifies to the short-sighted character of many change management decisions. Long-haul frameworks that do not provide neat solutions to complex problems

may be far less attractive and easy to package, but they do offer more insight into the process of change. In this book, I argue that a processual perspective provides a framework that can contribute to both our theoretical and practical understanding of change, as well as highlighting areas that require further study.

One such area is how the continuing barrage of change initiatives may heighten employee concerns and lower staff morale. In such an environment (not uncommon in many companies today), employees may become disillusioned and wearied by an ongoing torrent of change programmes and feel unable to shape change processes or engage in any meaningful discussions about the future direction of their areas of operation. Healthy critical reflection may turn to tongue-in-cheek cynicism and act as a barrier to change. This is more than a change management problem. Company employees are an important source of knowledge and their expertise should be used in shaping processes of change. By using employees rather than treating them as 'barriers', the expertise for change can be developed within the company rather than being the remit of an external change consultant or an internal project implementation team. By increasing their knowledge about change processes, employees would be better able to question and debate consultant change packages, reconfigure initiatives to meet local conditions, and develop their own potential skills as change agents. In developing local expertise and a culture of critical reflection, the appropriateness of change programmes can be evaluated and greater control over change (and importantly when not to change) can be achieved. Staff would not feel overwhelmed by the velocity, variability and personal vulnerability consequent on manifold change projects. Rather, they could assess the value of the change and take an active role in the redesign, abandonment and/or development of projects and by so doing actively influence change processes. Although this is only one area that requires further consideration, investigation and debate, there are many other change management myths and assumptions that deserve further attention. In the following chapters, some of these concerns are raised and discussed by drawing on the first-hand experience of people in work and employment.