



A STRATEGY OF CHANGE: OUTLINING THE TERRAIN

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ABSTRACT

The firm invested heavily in container technology and the business began to grow. It was also a small enough organization to allow flexibility in jobs during the change to containerized technology. Everyone mucked in together. Customs and Excise, however, still demanded a detailed and itemized list of contents of containers bound overseas. They had always required this information, and with smaller crates and packaging it was a bureaucratic chore but one which was not difficult to do or to check should queries arise. Customs and Excise provided a huge manual which listed all types of goods, each coded with an individual number. For each type of goods a code number had first to be found, then recorded (in multiple copies) prior to departure for its ultimate destination. With the use of containers the task became increasingly difficult. The loads were greater in volume, more complex and often contained new materials not always to be found in the manual. Loads were delayed whilst recording was completed. Often arguments over the precise nature of the load would arise. How was a particular newly developed chemical powder to be classified? Precisely what was the intended use of the timber? How were particular pre-formed fabrications to be recorded? Were they completed goods or not? Each item had its separate code. No load could leave without being coded.

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INTRODUCTION

Strategies of organizational change have recently become a byword for maintaining success and creating competitive performance in complex organizations, irrespective of whether they provide products or services, or of whether they are privately or publicly owned. The topic of change has also become imbued with a substantial overlay of normativism. Organizational success has become directly attributable to its ability to handle and sustain strategic change. This is a pity, since such recipe-book thinking detracts from the complexity and necessary analytical sophistication for characterizing change. It also overlooks a great deal of empirical and theoretical work which is central to the understanding of organizational change. These perspectives include disciplines ranging from the interpersonal skills of individuals to the strategic management and economic performance of organizations and business sectors. The strength of apparent agreement on organizational change should not, however, be dismissed lightly.

It has fundamental implications both for academic research and for economic-political relations between business schools, government and the business community. It could be said that there has arisen a whole "business" of organizational change itself. There are a number of areas in which this consistency may be seen:

- 1) The increasingly close links between business schools and industry mainly focused upon management training. Training for change has become one of the key elements of training, encouraged by government, with a focus on fostering entrepreneurship, leadership and teamwork skills.
- 2) The emergence of Human Resource Management (HRM) as a specialism in its own right (and as distinct from Personnel Management) has been recognized both within business schools and in a wide range of business organizations in all economic sectors. In particular, the increasing part played by HRM specialists at the level of the board in many companies is indicative of corporate commitment to change through people.
- 3) The increasing attention paid to developing individual managers in structured training frameworks aimed at securing a set of predetermined competences deemed to

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be necessary in creating and managing the new flexible firm and in sustaining the capacity for change.

- J) The apparent re-emergence of certainty, and the process of management as a science, reminiscent of Taylor's (1911) "one best way" of organizing. Today this certainty has arrived in a different guise from the original studies of scientific management. In place of Taylor's various efficiency-based routines, the "one best way" now proposed lies along more structural and cultural lines. The favoured model propounded by many business schools and practised in many large companies is of the decentralized structure coupled with a task or project-based culture. This requires managers to work increasingly in multi-disciplinary teams; to become generalists as well as functional specialists; and to develop a specific set of competences and skills.

Each of these points will be explored as a general thematic approach and guide its logic. Of necessity, in a book this size, there will be a process of selectivity at play determining which themes and which topics are to be covered. This is not, therefore a "reader" in change management. Nevertheless, the issues outlined above allow the exploration of a wide range of literature which has borrowed and adopted theoretical and empirical approaches from a variety of disciplines. The crucial issue is to confront the terrain which lies along a continuum marked by two extreme perspectives on strategic change. On the one hand are management "recipes" which provide outright normative maxims for managing change in complex organizations. On the other, there are the more analytical and theoretical approaches aimed at understanding complex of change as an end in itself.

THE IMPORTANCE OF CHANGE IN ANALYTICAL ORGANIZATIONS

The leitmotiv of modern management theory is that of understanding, creating and coping with change. The essence of the managerial task thus becomes one of establishing some rationality, or some predictability, out of the seeming chaos that characterizes change processes. Practitioners and some management theorists seem almost obsessed with the topic. Far from being, a leitmotiv within a wider frame of reference, change has become for some the opus itself. It is characterized as the master key to corporate success and competitive advantage (Peters and Waterman 1982; Peters and Austin 1985; Kanter 1983; Morgan 1989). All organizational "success" factors are anchored in the concept of change.

For others, the challenge of producing models of change has become a preoccupation. For example, Lewin (1951) produced the *force field* model, in which change is characterized as a state of imbalance between driving forces (pressures for change) and restraining forces (pressure against change). Balancing these forces means that no change can take place, since the forces are in equilibrium. More recently Plant (1987) has proposed the *need, commitment and shared vision* model. This is a more specifically managerially oriented model, aimed at helping individual managers steer their chosen change through the labyrinth of the organization. Many others can be found which are derived from such perspectives. Yet, before we explore the utility of such models, we should pose two questions:

- J) Upon what intellectual basis (or bases) are models of change constructed? What are the assumptions and what are the prevailing theories in use? What are the definitions of change that are used? What is the degree of supporting empirical evidence? In short, how do we know what we think we know?
- J) Has one set of theories or one particular approach greater empirical support than others? Or are some approaches specific to particular kinds of organization, such as non-profit-making, co-operative, public-sector or manufacturing, for example?

In order to understand change, it is important to locate it within the wider context of meaning, theory and empirical evidence. It is worth noting at this stage that change is a relative concept. That is, when we talk of organizational change we really mean the degree of change taking place rather than assuming that change is the antithesis of some assumed stability. Every phenomenon is subject to change, however apparently stable its nature. This is true in the physical as well as in the social sciences.

For example, temperature varies, moisture evaporates or is soaked up, ageing and entropy take place, metals become fatigued, yet over a few hours of clock time each would appear to be enduring and stable. The same is true of organizations. Many appear to remain unchanged over a number of years, yet they are constantly evolving in time, sometimes by accident, sometimes by design. Physically the organization may look the same. For example, many retail stores such as Woolworth and Marks & Spencer remained virtually unchanged in outward appearance from the 1930s to the early 1960s. It is only relatively recently that their appearance within and outside has changed. Yet to work in Woolworth's in 1960s was a totally different experience (wages, types of jobs, types of technology, etc.) from working there in the 1930s. Things had changed slowly but surely. Thus the degree of change is an important concept.

The four categories in fig.1 represent an immense divergence across theoretical, empirical and epistemological issues. As with any four-cell box, we should be careful to guard against assuming that the whole world of organizational change can easily find a home in one of the cells. We should also note that none of the cells is a discrete entity, comprising a finite number of specific theories. Change is far more complex than that. Yet the characterization is a useful guide for organizing thinking about approaches to change and it also forms the organizing thinking about approaches to change and it also forms the broad route map for reading.

On the vertical dimension, change can either be *planned* or can *emerge* in organizations. Obviously, those models of change which assume that change can be planned in advance will differ radically from those which assume change emerges as a result of the inter-play of multiple variables. On the horizontal dimension, change can also be described primarily as a *process* or primarily as a strategy of *implementation*. Thus in cell 1 the kinds of approaches we would expect to find would make two assumptions. Change can be planned (by managers) but requires analysing in a processual way (i.e. over time). The planned change could be, for example, a reorganization of an office or a department. In this case it would appear that the desired change can be stated in advance. Subsequently other people perhaps need to be convinced of the

	The process of change	The implementation of change
Planned change	1 Logical incrementalism and various need, commitment and shared	2 Reducing resistance to change (e.g. force field analysis)
Emergent change	3 Characteristic of strategic decisions: political process models	4 Contextualism: implementation is a function of antecedent factors and processes

Figure 1.1. A characterization of approaches to organizational change

utility of the reorganization, and the dominant managerial task becomes that of persuading individuals to accept and support the change (see Plant 1987). Managers can also decide in advance the degree of change they wish to bring about. They may decide to “play safe” and work towards a set of planned changes in small steps, a process known as logical incrementalism (Quinn 1980). In cell 2 the assumption is still that changes can be articulated in advance, but the emphasis is now that the primary task of change management is implementation. Lewin’s force field is a good example of this, since it requires individuals to specify in advance the desired change as well as to decide which driving or restraining forces can be removed to facilitate its implementation.

Cell 3 contains those approaches which view organizational change as an emergent phenomenon. Change is the result of the interplay of history, economics, politics, business sector characteristics (for example). Whilst individuals can still depict future desired states, to understand fully where the vision comes from and how change eventually happens requires an explicitly processual lens through which to view the action. Examples of such analyses would include the works of those authors who accord primacy to the political interplay of powerful factions in organizations trying to get what they want out of the change (see Hickson *et.al.* 1986). Finally, cell 4 introduces the concept of contextualism. The argument is that whilst organizational power play may sway change one way or the other, what is most important is to see the context in which those powerful interests were built up and now operate. The way in which antecedent factors play a part in shaping the current situation is also the stuff of contextualist approaches (see Pettigrew and Whipp 1991). It should also be evident that there is no firm demarcation line between cell 3 and 4, and the degree to which political models of change deal with the contextual aspects of implementation is really a continuum.

Depending upon which perspective(s) are taken, different issues will surface as important to the understanding and management of strategic change. Each perspective varies not only along the dimensions shown in fig. 1, but also as to which levels of analysis are adopted. By levels of analysis we simply refer to the idea that strategies of change can be applied to individuals, to groups, to organizations, to business sectors and ultimately to whole economies and nation states. For example, a great deal of research has recently been devoted to developing negotiating, interpersonal and management style skills for individual managers. In essence, this research (and consequent management training) is aimed at the individual level of analysis, at reducing the probability that other individuals in the organization (who are affected by the proposed change) will resist it.

If we were to place this example within the framework of fig. 1 it would appear in cell 2, since it falls predominantly under the banner of the *implementation of planned* change. It is also at the individual level of analysis. The direction of change has already been decided. The strategy is to manage or neutralize resistance to its implementation. The shift from emergent to planned models of change has been sure and steady over the last decade. Managers have been encouraged to adopt an entrepreneurial style in order to realize the planned vision. Recent emphases on the management of human resources (both from business schools and from in-company training) have testified to the importance of the manager being able to convince others that the vision of change is correct. Much “pop” psychology has been revisited in an attempt to “teach” the skills of interpersonal fluency, leadership and social graces within the business context.

Of course, planned change relies upon a model of organization in which there is uncritical acceptance of the managerial role. This appears to be particularly true of North America and Great Britain. A survey of management education (Economist, 2 March 1991) concluded that managers in the USA and UK needed to concentrate on the “softer” areas of people management in order to achieve organizational change. Deeper investigation reveals this to mean that managers are assumed to have an unquestioned basis of hierarchical power. From this, change can occur if managers learn to lead, motivate, negotiate with and dominate other parts of the organization (subordinates and recalcitrant peers). Furthermore, the locus of change is assumed to emanate solely from the management cadre, and the task of implementing it, equally, to lie solely with managers. There is, perhaps, a certain irony in the task of leadership and motivation being deemed “soft” in this context. Levitt (1991: 4) argues that management education aimed at achieving such managerial skills transforms “well-proportioned young men and women....into critters with lopsided brains, icy hearts and shrunken souls”.

The same survey in *The Economist* revealed that nations such as Sweden and Japan have very different approaches to defining appropriate skills for the management of change. In Sweden, for example, the law of co-determination of change means that the charmed circle of change managers is widened to include workers, supervisors, junior and middle manager. Planned change there required careful consultation with a wide range of staff and does not assume that the onus of change lies solely with management. Nor does management have an unquestioned power base. In Japan high-flying change managers are not put on the fast track for promotion but have to wait their turn. Equally, ideas for change can emanate from all parts of the company. The emphasis on teamwork and responsible autonomy throughout the organization mean that the links between personal success and managerial success are not so acute in Japan as they are in America and Britain.

The dominant American and British perspectives on planned change make sweeping psychological or managerial assumptions (or both). There is little about the context in which needs, values and beliefs are formed (or manipulated). The emergence of social psychology, especially that genre which deals with achieving success in persuasion and negotiation, has masked the sociological analysis of what is meant by planned change. A more sociological perspective would take subordination, domination and control as its prevailing themes (Salaman 1981).

Management seeks to retain its control not only directly through its authority but less directly by defining the context in which changes are conceived, described and evaluated. Even the so-called "modern" British and American approaches to achieving change through human resource management strategies can find these criticisms levelled at them. Decentralization, responsible autonomy and team working (often imported from what is considered Japanese best practice) can be seen as fads and fashions at best; at worst they are deliberate attempts to exert and retain managerial hegemony. Barlow (1989) argues that many western human resource management strategies for change are little more than symbolic affairs in which "dominant power groups.....define reality and manage affairs in their own interests" (p. 490). With regard to training managers to plan and handle change, Barlow argues that its value is limited, because individual career advantages and the tenets of planned change management are in direct conflict.

It seems that "successful types are spotted early on" (p.505) and that advancement is a very much individually based. "Flyers are looked at as individuals – not as members of the team which is a very different thing. There are very good team people who are never looked at." (p. 508). So much for planning change through teams and project groups. Success in individual managerial careers comes from managing the political system of organization. According to Barlow (1989), success in American and British organizations depends on:

-) Having the ear of senior management.
-) Getting on with your line manager.
-) Being articulate.
-) Moving from job very fast (less than eighteen months per task).
-) Appearing successful and effective (no one knows or cares enough to uncover the details of the task). It's all about impression management.

Feldman (1989) reinforces this argument. Planned change involving the development of decentralized, flexible and innovative firms in the west are largely at the expense of individual workers' autonomy. Workers have to recognize and then fall into line with what is considered legitimate to change by senior management. Tailby and Whitston (1989) draw similar conclusions in their studies of British manufacturing industries and their strategies of change.

SUMMARY

The notion of planned change, on the surface a seemingly rational and eminently appropriate task for managers, is not so unproblematic as it may seem. Care has to be taken to recognize the sociological and psychological assumptions that inform what is planned, by whom and in which ways it is implemented. The example at the beginning of this chapter indicates that perhaps a more contextually specific analysis would be appropriate. Certainly, differences in the analysis of change will depend upon a wide range of factors,

Yet the notion of planned change should not simply be dismissed on the ground of its apparent academic paucity. It has immense potency drawn from practice. The dominant theory-in-use in British and American organizations is the achievement of planned change through managers trained in specific techniques who can develop specific skills to see the change through. This despite a growing weight of empirical evidence which indicates that the analysis of change is best understood in terms of its context and of political processes in organizations. (Hickson et al., 1986; Pettigrew and Whipp, 1991). This analysis explores some of the tensions created by this apparent paradox.

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