1. Introduction: ‘changing philosophies’

INTRODUCTION

Enacting successful organizational change could well be the most important—but also most difficult—task a leader can undertake. Academics and business commentators have been talking about organization change in various forms since the 1950s. The prolific resulting literature since has proven divergent in approach and emphasis, but beginning in the early 1990s, a shared observation started re-appearing: ‘the world is changing, traditional bureaucracy is bankrupt and the future is now—or at least soon’ (Nohria and Berkley, 1994, p. 108). Unfortunately, the consensus stopped at an agreement that managing organizational change is more important than ever before; an axiom that has only escalated in repetition with the passing years. How to make change happen successfully, however, depends on a myriad of other assumptions and variables, like an organization’s readiness for change (Weiner, Clary, Klaman, Turner and Alishahi-Tabriz, 2020), the political, institutional and technological context (Waeger and Weber, 2019), human responses and commitments to change (Raeder and Bokova, 2019) and resilience in the face of upheaval (Brown and Abuatiq, 2020).

The need for change features prominently in organizational ambitions, as its success or failure can lead to decisive consequences, from transformational improvements in productivity to catastrophic plunges towards insolvency (Brandt, Andersson and Kjellstrom, 2019). Research also reveals a disconcerting chasm between leaders’ change ambitions and their tangible effects on organizational performance (Oreg and Berson, 2019). Perhaps most concerning, the evidence informing organizational change is scant and tends to rely on unvalidated theories, models and cases (Evans, 2020). This second edition aims to inventory and explain the diverse, pluralistic organizational change approaches that have attracted research and practitioner interest. It reveals the ‘philosophies’ that guide change theories and models on the presupposition that a better understanding of these underpinning perspectives provides valuable insight for the research and practice of change. We assume that organizational change can be best studied and applied when the philosophies that structure an approach are clearly exposed. Making sense of change means making sense of all the different ways that have been employed to bring about
change (Cameron and Green, 2019). In this second edition, over the forthcoming chapters, we explore 12 different organizational change philosophies.

AN UNPRECEDENTED IMPERATIVE

At the same time as the diversity of organizational change theory and practice proliferated, the world began marching to a new drum. Industry deregulation, free-trade markets and the rise of Asia and the sub-continent, for example, have all been used to explain a newfound impetus for global competition, connectivity and economic activity. In addition, disruptive technological advances—including cloud-based commerce, the Internet of Things and machine-based learning through artificial intelligence—mean that borders and geography no longer impede the transfer of information, capital, people or products. This new ‘Information Age’ has occurred alongside a gradual but strengthening shift in the focus of developed economies from the manufacturing and commodities sector to the information, communications and services sectors. A technology revolution in tandem with rising consumer expectations and access to global markets has contributed to shorter product life cycles and has led to the need for go-to-market speed and flexibility. In many industries, technological advances have eroded the traditional barriers to entry where high start-up costs and economies of scale no longer present severe obstacles. We have therefore seen an explosion of fast, small and nimble companies entering markets that were once the protected sanctum of industry behemoths. And, all of these organizations—old and new, large and small—scramble to keep up in a world transforming faster than most of them can possibly change.

Leaders approach change based on assumptions about how change works. Sometimes assumptions come from prominent management concepts, and sometimes they are based on experience or even just the way things have always been done in the past. For example, some schools of thought—or ‘philosophies of organizational change’—cling to a logical process pivoting upon a leader’s ability to conceive a new future and plan for it accordingly. Other philosophies focus on particular or distinguishing characteristics of an organization, like its ‘culture’. Others still emphasize the psychological impact of change on individual organizational members. In practice, most change leaders wield numerous philosophies at once, use different approaches depending on the situation, or change their preferred approach over time. We argue that whether conscious or tacit, success depends upon understanding these distinctive but intersecting philosophies of organizational change. In the workshop of change, leaders’ toolkits bulge with philosophies and their offspring theories. Philosophies describe a way of looking at organizational change: a paradigm incorporating structured assumptions, premises and beliefs presupposing the way change works in organizations.
We use the term ‘philosophy of organizational change’ to describe the paradigmatic set of assumptions, tacit beliefs, conscious theories and implementation approaches that govern a change agent’s way of looking at the organizational world and the best approach to introducing change. In each change philosophy, hypotheses and theories about change and its nature guide problem diagnosis and the change interventions prescribed as solutions. We contend that philosophies represent the most rewarding site for studying organizational change. By categorizing, describing, examining and criticizing philosophies of change, we aim to supply readers with a comprehensive analytical toolkit.

In the classical, linear approach to organizational change, leaders rely on predictable, reducible steps to establish a new work order and routines. But under examination, conventional assumptions prove the exceptions rather than the rules. We counter that change is rarely linear, infrequently predictable and only sometimes successful. In this second edition, we respond to change’s complexity and uncertainty through an interrogation of 12 organizational change philosophies. These include uni-dimensional, competing and complementary philosophies, as well as some with a mixed focus where decisions flex in the tension between change and stability. In the remainder of this chapter, we review the quest and context in which organizational change transpires. Next, we introduce the organizational change philosophies described in the forthcoming chapters and summarize how each provides a reference frame for understanding the change process, and the undeniable, though sometimes tense, link between theory and practice.

THE CHANGE QUEST

The organizational change quest has a history of prioritizing control under the stewardship of a strong leader or ‘guiding coalition’. Ever popular amongst change consultants, this form of organizational change involves a series of predictable steps that can be planned and managed (Collins, 1998). However, research evidence from failed change cases reveals the limitations of a strictly one-dimensional, rational approach. Change rarely works when treated as a single, momentary disturbance that must be stabilized and controlled. In practice, change intimately entwines with continuity, allowing the simultaneous exploitation of strengths and the exploration of new opportunities. Change and continuity represent competing but complementary forces. Ambiguity encourages creativity while, at the same time, stability maintains control. So, although we present each change philosophy as an independent approach, we also acknowledge that a singular philosophy has less chance of success than a combination.
Change is a work in progress; it demands a broad-based canvas that accommodates competing voices, and adjusts to the messy ambiguities, contradictions and tensions of real life. We advocate a multi-philosophy approach because continuity depends on change as much as change depends on continuity. Both must be present for organizational growth and survival. Continuity balances change in the same way that safety defines risk. Evans and Doz (1992) counselled that most qualities of an organization have a complementary opposite. Excessive control leads to stagnation and decline while overzealous change causes disruption and crisis.

Commentary about organizational change often features observations about environmental complexity and uncertainty, as well as the need for urgent change towards more urgent change. Prescriptive advice abounds. For example, organizations have been urged to downsize, decentralize, de-bureaucratize, decouple, differentiate, empower, innovate, integrate and involve. In dramatic style, a smorgasbord of responses has been advanced to deliver organizational change: boundary-less, network, platform, virtual, clickable, hybrid, modular, horizontal, shamrock, loosely coupled, individualized, learning, knowledge-based and cellular. As the world changed, so too were organizations urged to change with it.

If the answer in the new, knowledge-driven world was to be found in swift adaptation to change, the ‘old’ models had to be tossed aside. Adherence to hierarchy, stability, uniformity and specialization, designed to exert authority and control over a largely uneducated workforce, all had to go. Indeed, if organizations hoped to survive and succeed in complex, high-velocity, chaotic environments, they had to make change the focus. Meanwhile, claims continued that organizations needed new ideas, paradigms and practices in order to cope with the unprecedented demands that a global, technological, knowledge economy had delivered. For example, by the late 1990s, the keywords in business literature could be summarized in seven trends: technology, globalization, competition, change, speed, complexity and paradox (Tetenbaum, 1998). In response, management theorists started to think of organizations in terms of their change capacities where faster was not just better, but critical to survival.

THE CHANGE CONTEXT

ential models wielded a formulaic approach that characterized change as a controlled and orderly affair, a simple case of ‘unfreezing’, ‘moving’ and ‘refreezing’. At the centre of successful implementation, we find the ‘magic’ leader (Nadler and Tushman, 1989; Kotter, 1990), charismatically inspiring and galvanizing the masses through a powerful, new vision.

Too much change literature overlooks the critical flaws inherent in this perspective. First, little evidence supports the supposition that organizations are ‘as amenable to control as a block of ice’ (Grey, 2003). Second, rational approaches ignore the not-so-rational wild card—the human factor—treating individuals as automatons rather than active agents in the change process (Giddens, 1981). Organizational actors will not necessarily respond enthusiastically and uniformly to their leader’s call to arms. With performance as the end goal, rational models tell a distorted, partial story. Senior management ignores the multiplicity of other distinctive stories unfolding around them in the organizational narrative (Buchanan, 2003). Instead of listening, the rational prescription silences dissident voices.

Although limited, the management penchant for stepwise (Collins, 1998), goal-directed change models continues unsated. Seductively simple, the labels attached (power tools, transforming, commandments, magic) imply guaranteed success if followed to the letter. In addition, stepwise models appeal to leaders by ensuring the top-down control of the change process. Management texts and business magazine ‘case studies’ perpetuate and legitimize the rational, leader-centred change philosophy: the magic leader principle, the focus on accountability and control and the need to eliminate contradiction, dissent and uncertainty to secure prosperity. It is for this reason that we have added a new chapter on the models philosophy with special reference to the way such models are deployed by hired, external consultants.

Other change management cases in business magazines paint a more humanistic picture. Here one sees the new twenty-first-century leader as a people-person, adopting a more participatory, inclusive style. Transformed from autocrat to democrat, the leader recognizes that organizational knowledge and expertise do not reside solely within senior management. The new leader energizes the workforce by reviving the creativity lying dormant at all levels of the organization. Influence connects with teamwork where self-focused, individualistic cultures are transformed into one of collegiality and cooperation.

The aims advocated in the popular press and in ‘airport’ books by high-profile former business executives are undoubtedly sincere and obviously worth pursuing. Organizational leaders should try to challenge the status quo, increase risk taking and creativity and transcend boundaries through information sharing and teamwork. Yet, the methods used to introduce the lofty changes retain a rational, analytical orthodoxy where leaders hold sovereignty by charismatic decree. A paradox lurks in the traditional mode of thinking
because teamwork cannot be mandated through strategy any more than freedom can be enforced at the risk of penalties. As Eisenhardt (2000) declared two decades ago, organizations muddle through the simultaneous existence of two inconsistent states. Rational orthodoxy presupposes the importance of discipline, order and control from the top down. But, the possibility of implementing change from the bottom up without the benefit of a leader’s inspiration does not enter the frame. Change management decisions appear constrained to ‘either-or’ choices, or a bland compromise between putative opposites such as innovation and efficiency, collaboration and competition, freedom and accountability, empowerment and leadership, and economic and social goals.

The classic model of top-down change leaves the indelible impression that organizations contour to the sturdy hands of determined and charismatic leaders. Performance arrives with increasing competitiveness through economic discipline, rigid accountability and unswerving, ‘take-no-prisoners’ leadership. Despite calling for employee involvement, the message dismisses complexity but triumphs control by assuming the leader’s vision will canalize and animate a vast workforce. A cynical view foreshadows control by stealth as managers set performance targets rather than direction (Leana and Barry, 2000) with little tolerance for ambiguity or dissent.

However dominant and popular the logic of, or rationale for, a leader-centric approach to organizational change and development may be, it represents only one view of how to manage the troublesome change conundrum. Organizations are knotty, multi-faceted entities, populated by complex human beings, the emotional, irrational x-factor ingredient in the organizational change melting pot. Progress therefore requires combining and recombining multiple theoretical change lenses to improve integration and avoid more fragmentation (Lewin and Volberda, 1999). A commitment to a single change philosophy or theory fails to account for a non-linear, recursive and multi-level reality. As Morgan (1997, p. 350) advised, ‘reality has a tendency to reveal itself in accordance with the perspectives through which it is engaged’.

Our response provides the scope to understand change from numerous angles and create a smorgasbord of tools with which to work. Since different answers lead to different philosophies of change, we need to vigilantly expose the often hidden assumptions buried in theories and the metaphors used to communicate them. Metaphors can illuminate the way organizational change works by offering abstract but accessible explanations (Palmer and Dunford, 1996; Oztel and Hinz, 2001; Wood, 2002), liberating thinking from entrenched habits, encouraging creativity with new interpretations of old events, stimulating emotional engagement and fuelling action by probing unconscious archetypes (Green and Ruhleder, 1995; Palmer and Dunford, 1996; Wood, 2002). However, metaphors translate poorly into practical guidance. Philosophies of organizational change offer superior guidance compared to metaphors because
they go beyond the abstract to provide both description and prescription; theoretical explanations in concert with methods for introducing change. Philosophies should be viewed as motors of change (Van de Ven and Poole, 1995) incorporating metaphors, paradigms and theories. The following section introduces the forthcoming chapters on organizational change philosophies. We summarize our 12 philosophies, their interpretations of change and the tools and techniques each employs.

THE THEORIES PHILOSOPHIES

In Chapter 2 we explore how a philosophy’s method for change reveals the inferences it holds about the best way change can be delivered. The theories philosophy advocates that the best mechanism for dealing with organizational change is to be guided by a theoretical framework. A philosophy’s theories generate hypotheses and predictions about organizational change. Philosophies may generate numerous different theories, all based on similar assumptions and premises. However, without understanding philosophies, the relationship between theories becomes murky. Theories also evolve, adapt and are replaced. In Chapter 2 we explore how change theories change. We begin by considering some basic questions: What is the goal of theory development in organization change? Will one single theory eventually explain all forms of change? Are theories of change subject to replacement or updating? Can two or more theories become interconnected to create a better new theory? Will there always be innumerable theories to explain change? Each question leads to long-standing and contentious philosophical arguments about the nature of theories.

The Rational Philosophy

Chapter 3 presents the rational philosophy. Sometimes referred to as a ‘strategic’ approach, the rational philosophy pursues an alignment between an organization’s structure, its competencies and the environment (Van de Ven and Poole, 1995). As a teleological approach—because the final destination guides planning—the rational philosophy assumes that a purposeful and adaptive logic motivates organizational change (Van de Ven and Poole, 1995; Kezar, 2000). Change occurs because senior managers and other change agents deem it necessary, navigated through linear thinking and performance by objectives, with managers at the helm (Carnall, 1995; Carr, Hard and Trahant, 1996).

Early strategic choice theorists (e.g. Child, 1972; Smith and Berg, 1987) subscribed to the rational philosophy maintaining that leaders and managers wield control of their organizations. The proliferation of management ‘gurus’ such as Kotter (1995), Huber and Glick (1995) and Kanter et al. (1992), who
each propose their own change ‘holy grail’, fit the rationalist mould. Leaders and managers change organizations, shaping them to a rarefied mental vision like sculptors handling supple clay. Equally, unsuccessful change implies failed leadership, even if environmental shifts or resource problems were unforeseen. When change goes well, its leaders and managers claim insight and prescience, but when change goes badly, heads need to roll.

The rational philosophy assumes that change can be introduced at any pace and on any scale deemed suitable. Leaders direct and control change towards an inexorable outcome. Approaches consistent with the rational philosophy give precedence to strategic decision making and careful planning around organizational goals. The rational philosophy commands enormous popularity for leaders seeking to impose a new direction upon an organization. However, in Chapter 3 we show how the rational philosophy and its common theories and tools overestimate the power of leaders’ whims and expectations.

The Biological Philosophy

We examine the biological philosophy in Chapter 4, which leads to numerous metaphors and theories of organizational change (Witt, 2004). Appropriated from biological evolution, the philosophy refers to the adaptations experienced by species—or in this case a population of organizations—over time. The evolutionary approach to change, pioneered by Hannan and Freeman (1977) and known as population ecology, focuses on incremental change within industries rather than individual organizations. Population ecologists (McKelvey and Aldrich, 1983) take a biological view of industrial behaviour. They claim that change comes about through Darwinian-like natural selection where industries gradually evolve to match the constraints of their environmental context. Ultimately, population ecologists want to know why there are so many different kinds of organizations within an industry when the imperative for efficiency and a ‘best fit’ with the environment predicts that there should be a single, ideal configuration that dominates (Van de Ven and Poole, 1995).

The life-cycle model also emanates from the biological philosophy. It describes the individual life-cycle changes that individual organisms experience. However, in this case, rather than organisms within species, our interest lies with organizations within industries, and their developmental life cycle. Life-cycle theory (Kezar, 2000; Van de Ven and Poole, 1995) explains change in organizations from start-up to divestment. Birth, growth, maturity, decline and death comprise natural parts of an organization’s development (Levy and Merry, 1986). As the life-cycle model compares the stages of progress in organizations to the organic processes of growth and reproduction, organizational change becomes analogous to human development. Using a life-cycle
model demands a progressive view where change is relentless and inescapable, like death and taxes.

The biological philosophy can get confusing because theorists often write about organizations adapting to changing environments (Chakravarthy, 1982). While literally correct, evolutionary theory in biology treats populations or species (industries) as the unit of change rather than individual organisms (organizations). As an intuitive analogy, the biological philosophy makes use of natural suppositions about development to simplify change. The idea that organizations, and the populations of industries that contain them, grow (life cycle) and adapt (evolution) imbues a helpful sense of drama, dynamism and inevitability. However, where the analogy ends, the difficulty of translating biology into daily action begins.

The Models Philosophy

Change tends to be either disliked or avoided because it takes people out of their comfort zone, demands additional work, risks the removal of benefits and generally confounds the current state of affairs. As we explore in Chapter 5, the models philosophy, leaders often employ consultants to leverage change efforts, direct their implementation and take the blame for uncomfortable actions or failure. The chapter notes that consultants can reduce the onus for success from management and provide welcome resources to progress change, while affording a target for employee displeasure. Chapter 5 examines the nature of change interventions typically presented by consultants. The spectrum of change-management models deployed by consultants has become immense. Bespoke models abound but they all source inspiration from the kinds of models examined in this chapter. It refers to ‘models’ because the preferred change methods tend to import ready-made, one-size-fits-all approaches that place an exclusive emphasis on one particular concept, idea or framework. Consultants employ a models philosophy when they use the same change model with small variations for every client that employs them. The chapter introduces the context in which consultants are engaged, and how consulting models are deployed for change. It then details a series of the foundational models as a means to demonstrate their character. The chapter is different to the others in that it explores a common—perhaps the most common—but much less theoretical philosophical approach to change. The aim is not to provide an inventory of major change models provided by consultants, but rather to demonstrate how the models philosophy has been shaped by a kind of thinking and method that originated at the tail end of the twentieth century.
The Institutional Philosophy

Chapter 6 explores the institutional philosophy. Although it embraces some evolutionary assumptions, the institutional philosophy focuses on the way organizations change as a consequence of environmental pressures. Organizational change accompanies contextual change. Like population ecologists, institutionalists expect organizations to increase homogeneity, or become more similar, within their industrial sector over time as the shaping force of the institutional environment overpowers strategy and the competition for resources. The institutional philosophy therefore explains how similarities between organizations within some industries occur, as well as the stability of particular organizational configurations and approaches. For example, institutional advocates point to legal firms as an exemplar of institutional compliance. Most legal firms employ similar structures. We can identify some commonalities between the institutional philosophy and the biological philosophy’s population ecology. However, while both prioritize adaptation to environmental pressures, the institutional philosophy explains how institutional pressures can defy organizational change attempts and buttress inertia. The pressure for change does not only emerge from the market as in population ecology, but also from other institutional bodies that regulate and intervene, including the government. Population ecology sees the environment as the shaping force for achieving best fit, while institutionalists recognize that pressures for commonality, or ‘isomorphism’, come from other organizations, agents or social pressures (Greenwood and Hinings, 1996).

Social change also contributes to the pressure for conformity, sometimes in ways counter-productive to organizational profitability. For example, social and environmental forces for change have proven increasingly influential (Mukherji and Mukherji, 1998). The institutional philosophy helps explain the way external pressures influence organizational structures and practices, and how an organization’s ability to adapt determines its prosperity. On the other hand, the institutional philosophy downplays internal change and the power change leaders hold over their own fates.

Organizational change from an institutional perspective is less about directive strategy and success in acquiring scarce resources, and more about sensitivity to a forceful institutional context. New regulatory, financial or legal conditions compel all organizations to fit standardized forms to ensure survival (DiMaggio and Powell, 1983; 1991). Irrespective of the specific forces, change mirrors the shifting industrial landscape, and successful organizations adjust accordingly. The institutional environment coerces organizations into change, and clever strategy cannot out-manoeuvre the rules enforced by an uncompromising institutional context. But in changing with the institutional environment, organizations assume similar characteristics. Consequently, we
aim in Chapter 6 to expose how organizational strategies, structures and cultures conform to external pressures (Meyer and Rowan, 2006).

The Resource Philosophy

Chapter 7 examines the resource philosophy. Where the institutional philosophy describes the industry-specific pressures encouraging organizations to conform, the resource philosophy explains deviance. For example, resource-dependence theory proposes that any given organization does not possess all the resources it needs to compete. The pursuit of resources drives change as the critical activity for survival and prosperity (Pfeffer and Salancik, 1978). Successful organizations perform best at acquiring and deploying scarce resources including money and skills, where the most valuable resources can be combined with other assets or cannot be reproduced easily (Connor, 2002).

Organizational change begins by identifying essential resources, of which only some will be available. Criticality and scarcity determine which resources constitute a priority. Resource dependency aims to expose the variables instrumental to organizational change and performance. By focusing on the type of resources needed for change, the difficult task of predicting the right level becomes less crucial. While the absence of resources might foreshadow vulnerability, the presence of resources showcases competitive advantage. An organization’s competencies represent resource assets that generate new opportunities and improve performance. Resources converted into strategic capabilities determine successful change; leaders should worry less about fitting with the environment and more about dominating it. The stimulus for change arrives from within, as organizations seek the resources they require to compete and win. After all, management competence should represent the greatest of assets (Grant, 1991). As we observe in Chapter 7, however, the resource philosophy can give the false impression that change only needs the right inputs.

The Psychological Philosophy

Chapter 8 explains the psychological philosophy, where personal responses to change govern organizational success. In the applied social psychology tradition (Lewin, 1947), the psychological philosophy focuses on individual experiences as organizations attempt change. The ‘human’ side of change (Iacovini, 1993; Stuart, 1995) introduces links with behavioural science, human relations, human development and organizational development, all combating the mechanistic legacy of scientific management. The psychological philosophy assumes that individual employees constitute the most important unit of analyses in studying organizational change.
In Chapter 8, we highlight two prominent change theories based on psychological assumptions: change transitions, and organizational development and learning. Change transitions focus on the psychological status of organizational members. Like Kübler-Ross’ (1973) stages of death and dying, from denial to acceptance, change becomes possible when traumatic psychological transitions become transparent enough to tackle (Bridges, 1980; 1992; Jick, 1990). All versions of the psychological philosophy assume that emotions are powerful change mediators, but can be managed with careful attention. Organizational development, like transitions, takes an individual perspective to change, but uses a more applied, data-driven ‘action research’ approach (Burke, 2002). Change managers must, first, collect the right information about the impediments to change and, second, remove them by assuaging organizational members’ fears and uncertainties.

Some interpret the psychological philosophy to mean that change emerges from meaning in the workplace through deep, spiritual connections (Dehler and Welsh, 1994). Change managers must provide a spiritually nourishing environment for organizational members to alleviate anxiety and reduce the uncertainties accompanying change. Notwithstanding more extreme views, psychological change remains slow and complex because rapid change stimulates discomfort. We caution in Chapter 8 that psychological adjustment to change cannot be enforced or accelerated no matter how vigilant the change agent. As a result, the psychological philosophy clarifies resistance to change better than it prescribes a solution.

The chapter concludes by introducing a newer element of the psychological philosophy, emphasizing its cognitive dimension, which means the ‘thinking’ and believing aspects of psychological change. This new section examines decision-making heuristics; the cognitive rules of thumb that facilitate rapid responses to change but at the cost of inaccuracies and biases. It also discusses the nature and implications of beliefs, particularly their resistance to change including their invulnerability to rational interrogation.

The Systems Philosophy

Chapter 9 examines the systems philosophy. Encouraged by Kuhn (1974), the systems philosophy emerged from ‘systems thinking’. General systems theory developed originally from viewing organizations as complex machines, later as open systems, and most recently as entities capable of self-organization (Gharajedaghi, 1999). In Chapter 9, we show how the systems philosophy looks beyond simplistic causal views of management and the constituent parts of organizations. Systems thinking developed on the basis of treating organizations holistically. Thus, organizations were seen as the sum of their parts rather than as a collection of reducible units. Systems theorists appreciate that any
change instigates numerous and sometimes multiplied effects across an organization. As a consequence, successful change management must be introduced across the entire range of organizational units and sub-systems.

Systems comprise sets of objects or entities that interrelate with each other to form a whole. Examples include the physical, mental or natural (Laszlo, 1972). Change under the systems lens assumes that organizations operate rationally and in the absence of political pressures. Systemic analysis subsequently encourages ‘best-practice’ remedies incorporating the prescribed steps and linear solutions of the rationalist philosophy. The claim for a set of best practices commanding universal applicability may, however, underestimate powerful external technological, workforce or societal changes. Systems analyses treat organizations as interrelated parts that depend upon the whole working in tandem to function properly (Hatch, 1997). Organizational change succeeds when interventions are levelled throughout the entire system because the interrelationships between parts mean that everything is affected. Every system possesses two diverse forces: differentiation and integration. Organizational systems differentiate into specialist functions (in the human body, for example, the lungs, heart and liver), like divisions and departments for human resources, finance, operations and marketing. At the same time, coordination between the differentiated parts requires integration, through organizational features such as strategy, hierarchy, supervision, and rules, procedures and policies. Every system requires differentiation to identify its sub-parts, and integration to ensure that the system does not break down into separate elements.

The systems philosophy also gives rise to less prescriptive change theories; where planned, rational change surrenders to chaos and complexity, based on the premise that change involves an unmanageable tension between control and chaos (Druhl, Langstaff and Monson, 2001). Chaos and complexity theories from the natural sciences explain the ‘chaordic’ (chaos-order) change observed in organizations (Sullivan, 2004). Complexity offers a fresh perspective on change, moving from an obsession with the planned and systematic towards comfort with the messy and non-linear (Shaw, 1997; Styhre, 2002). Like several of the change philosophies we examine in this text, the further one ventures from the rational, the more troublesome prescriptive change becomes. Of course, the rational philosophy does not accommodate the messiness of real-world organizational change very well.

The Cultural Philosophy

Chapter 10 considers the cultural philosophy, which owes its emergence to anthropology where the concept of organizational culture emerged before its translation to an organizational setting (Pettigrew, 1979). The cultural philoso-
Philosophies of organizational change

Prepares managers to see change as a normal response to the environment (Morgan, 1997). Most employees, including managers, construct set ways of thinking about how things should be done. As a result, imposing change means fighting entrenched sets of values and beliefs shared by organizational members. Like all the philosophies we address, culture encourages a multiplicity of interpretations leading to fragmentation, controversy and inconsistency. The most cited cultural researcher, Schein (1979; 1984; 1993; 1997), takes a psycho-dynamic view where culture reflects the most basic human assumptions and beliefs shared by organization members. Schein considers organizational members’ behaviours and spoken attitudes to be the artefacts and symbolic representations of deeper unconscious assumptions.

Like the psychological philosophy, the cultural philosophy recognizes individual choice, but pays much more attention to explicit and implicit encouragement, facilitation, manipulation and coercion towards desired behaviours (Heracleous, 2001). The two philosophies take contrasting positions on the most important unit of change to manage. The psychological philosophy favours individual experiences of change whereas the cultural perspective encompasses collective experiences as well, along with the shared values that guide them.

Organizational culture change could not be more difficult. Change managers must, first, be accurate in diagnosing the values that permeate an organization (which are likely to be hidden) and, second, change them without undermining the tacit behavioural fabric holding the organization together. Unsuccessful attempts to change culture invariably lead to conflicting organizational goals and members’ values, which in turn stimulate an unworkable level of competing values and goals. The greatest danger lies in changing the superficial symbols, like removing the chief executive officer’s privileged car-parking space, while failing to deal with deeper values, like poor communication between hierarchical levels. The cultural philosophy assumes that change will be long and agonizing (Schein, 1985). Unlike natural cultural change, which is an ongoing reflection of incremental adjustments to the environment, imposed cultural change is internally driven. In Chapter 10, we note the power of cultural interpretations, but lament the difficulty of their implementation. Difficulty, however, defines any serious attempt at change.

The Critical Philosophy

In Chapter 11, we use the term critical philosophy to present political and postmodern theories of change. Originating from the sociological work of Marx and Hegel, political theory views change as the clash of ideologies or belief systems (Morgan, 1997). Humans generate conflict and conflict propels change during the clash of opposing political forces. When one group with...
a political agenda gradually gains power, they challenge the status quo towards their own interests. Conflict means that change revolves around activities such as bargaining, consciousness raising, persuasion, influence and power, and social movements (Bolman and Deal, 1991).

Organizations work as political systems governed by formal and tacit rules, and day-to-day activity necessitates ‘wheeling and dealing’, or finding ways to make the system work to one’s advantage. As political entities, organizations comprise countless coalitions working together both overtly and secretly to secure power. Change transpires when power transfers from one coalition to another and a new combination of ideologies and values gains ascendancy. The political philosophy focuses attention on how things get done through political activity. Because coalitions compete for power and influence, conflict performs an essential, albeit unfortunate role. Change managers should cultivate robust coalitions and secure the resources that confer power, such as leadership positions and financial support. The political philosophy reveals the presence of clashing ideological forces in organizations, as well as the inescapable futility of change without power. However, the political philosophy overlooks the impetus for change from power bases external to organizations. It is dangerous to get distracted by internal political adversaries when in reality the real competition lies outside an organization.

Postmodernism introduces a second theory within the critical philosophy. Postmodern theories challenge singular or grand theories about organizational change, taking instead a socially constructed view of reality (Buchanan, 2003). The postmodern change approach finds comfort with ephemerality, fragmentation, discontinuity and chaos, but also seeks action rationally (White and Jacques, 1995). The postmodern concept accompanied the transition from industrial to post-industrial society; from manufacturing and materials to knowledge and information. Its change analysis finds words, symbols and signs in organizations divorced from direct, real-world experience (Fox, 1996). Postmodernism juxtaposes the old and new, engaged through change tactics emphasizing diffusion, empowerment, flexibility, trust and market responsiveness (Clegg, 1992).

Postmodern change takes reality as multiplicitous, fragmented and contradictory. The rational approach to change will fail because a single, unified vision defies communication. Deeply suspicious of the rational imposition of change, postmodernists, like their sibling political theorists, study power and its application closely. Power is exploitative and manipulative, and can come in many, often concealed, forms. For example, knowledge commands power, a central tenet of the ‘discourse’ analysis influenced by Foucault (1980). The study of discourse within organizations aims to stimulate new ways of understanding how hidden forms of power create change (Alvesson and Karreman, 2000; Hardy, Palmer and Phillips, 2000). Discursive analysis takes a textured
view about the relationship between language and social phenomena (Grant, Hardy, Oswick and Putman, 2004; Clegg, Courpasson and Phillips, 2006). It recognizes that language (what is written, spoken, heard and read) creates social worlds. Furthermore, discourse analysis holds ‘reality’ itself as a social construction. The world appears different to everyone; there is no universal way to see organizations. For most practically minded managers, however, the postmodern philosophy ventures too far into the abstract. Relinquishing power and knowledge, while partly consistent with the psychological philosophy, remains implausible when power instantiates change. In addition, unlike the systems perspective that encourages best-practice thinking, a postmodern analysis precludes overarching theories. Since no universal ‘truth’ or reality exists about anything, the mere attempt to categorize postmodernism into a philosophy of change could be flawed.

The Innovation Philosophy

Change through innovation, as described in Chapter 12, can be seen as a consequence of rapid changes in globalization and technology that have forced organizations to adapt to unprecedented competition. While most organizations appreciate the importance of innovation, there remains a gap when it comes to implementing innovation in a practical, sustainable sense. As this chapter explains, according to the innovation philosophy, the long-term growth of organizations is directly tied to their continual production of innovative products and services, at the same time as they deliver their existing products and services smoothly. That is, organizations must be strategically adaptable as much as they are operationally efficient. Organizations embracing the innovation paradigm strive to be flexible, agile, intuitive, imaginative, resilient and creative in order to stimulate new ideas in the face of increasing complexity and turbulence.

A first step towards innovation-driven change involves developing a contextualized understanding of creativity by identifying the benefits of innovation for each specific work team. As there is a need for ‘risk experimentation’, it requires considerable nerve from leaders as they must push through failure by building momentum and speed through new learning. To theorists, innovation can be a gradual process of smaller incremental changes, rather than through one creative idea of transformational proportion. However, potential shortfalls in an organization’s innovation capabilities may detract from its capacity to implement ideas rapidly and cost-effectively. In addition to outlining the process for fast prototyping new products, the chapter culminates by examining the recent popularity of user-centric innovation. Such ‘design thinking’ has become popular in change management efforts as it helps organizations focus on a user’s experience of a new product rather than on the organization’s
perception of the product’s functional utility. However, as with all aspects of
the innovation philosophy, success delivers a significant dividend, but comes
with implementation challenges, and therefore high risk.

**The Dualities Philosophy**

Chapter 13 details the dualities philosophy. Neither simple nor predictable,
and unlikely to conform to any formula, it argues for a different way of think-
ing; a new sort of philosophy that captures the complexities and dynamics of
organizations and connects the accumulated knowledge, skills, experience
and learning of their constituents. While rationality sings to logic, without
counterweight, it lulls unsuspecting managers into a scientific, clinical resolve
that overrides the emotive and fluid experience of change (Badham and
Garrety, 2003). As the biological philosophy reminds us, organizations live
and breathe, alive in a dynamic brawl for survival and success, and continually
changing, organizing and strategizing.

As the strategy-as-practice trend in strategic management proposes, manag-
ers ‘do strategy’, or strategize (Hendry, 2000; Johnson, Melin and Whittington,
demanded a sharp distinction between organization and strategy as two sepa-
rate properties (Whittington and Melin, 2003). However intuitive dividing
arrow from target seems, strategy and organization collide (Whittington and
Melin, 2003), becoming a single, entangled duality. For example, introducing
a change to organizing structure really constitutes a strategic change (Paroutis
and Pettigrew, 2005). We brandish terms such as organizing and strategizing
in a new way. As verbs, the terms embody continuous rather than static change
processes. Organization and strategy transform into organizing and strategiz-
ing, where the latter two embrace dynamic change. Strategizing and organiz-
abandon linear, sequential thinking about change in exchange for iterative
and reciprocal action (Dijksterhuis, Van den Bosch and Volberda, 2003).

The challenge lies in encouraging both change and stability. The philosophy
seeks to explain how organizations manage the dynamic relationship between
competing philosophies of change, all of which offer a piece of the puzzle. In
Chapter 12 we introduce examples where numerous change philosophies can
work together. For example, ‘modular’ and ‘ambidextrous’ theories embrace
the duality philosophy where competing approaches work together, and differ-
ence, or heterogeneity, outperforms bland rationality. A dualities philosophy
also sponsors ‘ambidextrous’ (O’Reilly and Tushman, 2004) approaches
to change, where networks sit with hierarchies, horizontal integration with
performance accountability, and centralized strategy making with decentral-
ized operations (Sanchez-Runde and Pettigrew, 2003). Diversity within an
enterprise enhances flexibility (Stark, 2001). Although institutional pressures
<table>
<thead>
<tr>
<th>Philosophy</th>
<th>Nature of change</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Management focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theories</td>
<td>Hypotheses-based</td>
<td>Conceptual generalizations</td>
<td>Abstract and inflexible</td>
<td>Interventions based on theoretical assumptions and predictions</td>
</tr>
<tr>
<td>Rational</td>
<td>Directed and planned</td>
<td>Emphasizes controllable aspects of change</td>
<td>Ignores or sidesteps external pressures</td>
<td>Strategy and planning</td>
</tr>
<tr>
<td>Biological</td>
<td>Ecological; organic and evolutionary</td>
<td>Explains life cycle, fitness and survival</td>
<td>Heavy emphasis on environment; fails to explain deliberate change</td>
<td>Environmental positioning; find industrial niche; progression of organization through the life cycle; growth</td>
</tr>
<tr>
<td>Models</td>
<td>Based on a predefined framework focusing on ‘the’ key to change</td>
<td>Linear, orderly and prescriptive application</td>
<td>Relies on match between the model and the organization’s change problems</td>
<td>Stepwise application for all organizations</td>
</tr>
<tr>
<td>Institutional</td>
<td>Determined by institutional (industry) pressure</td>
<td>Reveals importance of industrial environment and pressures to conform</td>
<td>Lack of focus on need to find advantages against competitors</td>
<td>Industrial standards and benchmarks</td>
</tr>
<tr>
<td>Resource</td>
<td>Determined by access to resources</td>
<td>Shows need to acquire resources to initiate and sustain change</td>
<td>Assumes change cannot occur without internal resources</td>
<td>Acquiring and discharging resources; core competencies, particularly of management</td>
</tr>
<tr>
<td>Psychological</td>
<td>Embedded in minds of those affected</td>
<td>Highlights individual impacts and stresses of change</td>
<td>Can ignore systemic aspects of change in organization (e.g. structure)</td>
<td>Managing employee transitions and psychological adjustments to change</td>
</tr>
<tr>
<td>Philosophy</td>
<td>Nature of change</td>
<td>Strengths</td>
<td>Weaknesses</td>
<td>Management focus</td>
</tr>
<tr>
<td>-----------</td>
<td>----------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Systems</td>
<td>Interconnected with all aspects of organization</td>
<td>Avoids the trap of assuming that change is contained in one organizational area</td>
<td>Complexities of keeping track of relationships between organizational variables</td>
<td>Change to all constituents and components of an organization</td>
</tr>
<tr>
<td>Cultural</td>
<td>Determined by entrenched values</td>
<td>Shows importance of collective beliefs and norms</td>
<td>Difficult to address directly</td>
<td>‘Deep’ rites, rituals and values</td>
</tr>
<tr>
<td>Critical</td>
<td>Conflict- and power-based Rejection of universal rules</td>
<td>Demonstrates role of power and clashing ideology Juxtaposition of old and new explains contradictions in change</td>
<td>Assumes all change manifests through power Can result in no approach to change at all and confusion about nature of change</td>
<td>Acquiring power bases Flexibility, empowerment and responsiveness</td>
</tr>
<tr>
<td>Innovation</td>
<td>Change represents the capacity to do new things</td>
<td>Link to performance is direct; encourages organizational renewal</td>
<td>Change needed may not revolve around products or processes</td>
<td>Focus on development of innovations, testing, scaling and renewing</td>
</tr>
<tr>
<td>Dualities</td>
<td>Dynamic, complex</td>
<td>Abandons the need for balance in favour of performance</td>
<td>Demands an understanding of all philosophies</td>
<td>Managing the tensions between change and continuity</td>
</tr>
</tbody>
</table>

drive conformity, it also stifles diversity and diminishes adaptability (Smith and Graetz, 2006). In fact, the more an organization holds historically valuable resources, the less likely it will adapt (Kraatz and Zajac, 2001). What appear as efficient strategies that copy institutional norms in fact restrict options for change (March, 1991). For example, diversity can lead to innovation while also offering greater scope for redeploying firm capabilities towards new targets (Teece, Pisano and Shuen, 2004). Table 1.1 summarizes the philosophies we present.

CONCLUSION

We opened this chapter by highlighting how short-sighted, uni-dimensional approaches to change assume everything can be controlled through direct intervention. In subsequently outlining the philosophies examined in forthcoming chapters, we maintain that all prominent change philosophies, despite
strengths and weaknesses, hold unassailable assumptions and enforce rigid limitations. At one end of the spectrum, formal, rational logic articulates action and maps structure and process against strategy. Yet, the rational philosophy hides the inconsistency and ambiguity that are part and parcel of real-world organizational change. At the other end, the critical philosophy gives preference to power, but falls victim to ambiguity when faced with the Monday-morning issue of practical change. Most managers acknowledge that power creates inequality, yet fear anarchy more than disparity. Equally one-eyed, the psychological philosophy prioritizes personal experiences of change. While a proven method to bolster workplace satisfaction, channeling employees into a cohesive group all mindful of a common goal remains elusive. Occupying the middle ground, cultural theorists offer one answer, as do systems advocates, while resources, external pressures and evolutionary adaptations all vie for position in the crammed minds of change managers. Meanwhile, innovation theorists advise that the key to change is to find new ways to deliver products, while cognitive theorists suggest that products cannot be changed until beliefs are.

In addition to those theorists who occupy some form of middle ground, there are also those who want two different philosophies at once. Duality theorists, for example, propose adding to, or reconfiguring, strategic components in a modular way (Baldwin and Clark, 2000; Galunic and Eisenhardt, 2001; Schilling and Steensma, 2001; Pil and Cohen, 2006). Modular systems possess elements, or modules, that independently perform distinctive functions. As modules evolve autonomously, they do not impinge on the system’s overall structure, yet maintain greater resilience during environmental flux than traditional structures (Pil and Cohen, 2006). Teams serve as a simple example of a structural ‘module’ that operates flexibly without the normal constraints of heavy structures. Modularity delivers flexibility when used to selectively replace hierarchical structures with looser forms, and draws upon methods such as sub-contracting, alternative work arrangements, alliances and teams. Greater heterogeneity within an organization means more options become available (Smith and Graetz, 2006). Here, change managers should accept, even encourage, the pursuit of both change and control.

As Cameron and Quinn (1988, p. 14) argued over 30 years ago, traditional models and theories of organization assume consistency and symmetry, yet studies suggest that ‘disconfirmation, contradiction and nonlinearity are inherent in all organizations’. Traditional philosophies depict change as a programmatic, step-by-step process with a clear beginning, middle and end, largely choreographed by a charismatic leader. Change means establishing a new order using bold strategies, structures, systems, processes, innovation, power, culture and often fresh employees who personify the new ideology. However, a focus on re-establishing order and stability sidesteps real-world change. Most
Introduction

Philosophies in isolation ignore the complexities as well as the contradictory nature of organizations, not to mention the diverse range of people working in them. Such a linear, simplistic approach inevitably leads to one-dimensional thinking and, as Eisenhardt pointed out (2000, p. 704), ‘simplicity is elegant but often untrue’. Ambiguity and uncertainty may look unappealing, but they also feel authentic. Rather than recognizing multiple imperatives of change, philosophies tend to concentrate on one extreme at the expense of another (e.g. accountability versus freedom, leadership versus empowerment, economic versus social goals, etc.). The dilemma of change comes with the dilemma of an ‘either-or world’ (Davis and Lawrence, 1977). But change management, as our philosophies reveal, resists the simplicity of a binary choice.

Although this book is not designed to be a guide to change, or to offer the ‘best’ philosophy, it seems hard to ignore the possibility that organizational change must contend with complementary but disjoint structures (Swanson, 1991). A multi-philosophy approach recognizes the centrality of contradiction in organizations, and that it is not only possible but also desirable for two ‘inconsistent states’ to exist simultaneously (Eisenhardt, 2000, p. 703). We argue against concentrating on one theoretical or philosophical perspective at the expense of competing perspectives. As Hedberg, Nystrom and Starbuck (1976) argued in a seminal work on change that remains surprisingly current, a degree of ambiguity, contradiction and incoherence provides the catalyst for organizational learning, diversity and renewal. Their plea asks organizations to establish change systems that can cope with ambiguity, ambivalence and contradiction, where the tensions between continuity and change collide. For example: nurturing innovation alongside rigorous financial and operational systems; fostering empowerment through strong and supportive leadership; addressing the impact of economic realities on social goals; and balancing formalized, central controls and policies with decentralized decision making. We are not the first with the desire to understand organizational change as competing tensions that transgress a single philosophical position (Lewis, 2000).

By outlining the 12 philosophies that comprise the chapters in this text, we introduced distinctive assumptions each hold about change, its nature and best solution. We also suggest that managing change necessitates different modes of engagement and a rich understanding of context (Morgan, 1997). In Chapter 2 we provide a framework for understanding how change philosophies and theories come into existence, evolve, become marginalized and eventually die.

REFERENCES


