

Aaron C.T. Smith
Fiona M. Graetz

Philosophies of Organizational Change



Philosophies of Organizational Change

Aaron C.T. Smith

RMIT University, Australia

Fiona M. Graetz

La Trobe University, Australia



Edward Elgar

Cheltenham, UK • Northampton, MA, USA

Contents

1	Philosophies of organizational change: 'changing context'	1
2	Theories about theories: 'changing theories'	26
3	The rational philosophy: 'changing plans'	41
4	The biological philosophy: 'changing organisms'	58
5	The institutional philosophy: 'changing conformity'	74
6	The resource philosophy: 'changing opportunities'	89
7	The psychological philosophy: 'changing minds'	105
8	The systems philosophy: 'changing everything'	123
9	The cultural philosophy: 'changing values'	141
10	The critical philosophy: 'changing reality'	162
11	Conclusion. The dualities philosophy: 'changing tensions'	176
	<i>Index</i>	201

1. Philosophies of organizational change: 'changing context'

INTRODUCTION

Leaders' approaches to change are 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, such as 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 the distinctive but intersecting philosophies of organizational change. In the workshop of change, the leaders' toolkit bulges with philosophies and their offspring theories.

We use the term 'philosophy of organizational change' to describe the 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 packed 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 rule. We counter that change is rarely linear, infrequently predictable and only sometimes successful. Our response combats change's complexity and uncertainty through an interrogation of nine organizational change philosophies. After revealing the biases and uni-dimensional nature of competing and

complementary philosophies, we recommend a multi-philosophy mix where decisions flex in the tension between change and stability.

Traditional approaches to change prioritize control under the stewardship of a strong leader or 'guiding coalition'. Ever popular among change consultants, organizational change involves a series of predictable steps that can be planned and managed (Collins, 1998). However, research evidence from cases of failed change 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 and continuity intimately entwine, 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.

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.

In this chapter we first review the traditional, rational approach to organizational change. Next, we introduce the organizational change philosophies described in the remaining chapters and summarize how each provides a reference frame for understanding the change process and the undeniable, though sometimes tense, partnership with continuity. Finally, we advance a case for a multi-philosophy approach to managing the continuity-change dilemma and offer some advice for practitioners attempting to navigate the turbulent waters of organizational change.

THE 'TRADITIONAL' CHANGE AGENDA

If organizational change is a 'fuzzy, deeply ambiguous process' (Collins, 2003, p. v) with no obvious ending, then we must question the snake oil sales pitch used to proselytize popular change models. Consider, for example, Grundy's (1992) 'power tools for change', Kanter, Stein and Jick's (1992) 'Ten Commandments', Kotter's (1995) 'Eight Steps to Transforming your Organization' and Hammer and Champy's (1993) 'Business Process Re-engineering'. Such nomenclature implies a formulaic approach which characterizes 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 as 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 thus ignore 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 n-step (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, n-step 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. Take, for example, the report in *AFRBoss* (Hughes, 2008) on 'turnaround' change at the Reader's Digest Association, instigated by incoming CEO, Mary Berner. Berner, variously referred to as the new 'chief', 'straight shooting' and, more significantly, 'Cyclone Mary', propounds the notion that 'turnover is actually good for an organization'. Berner undertook a massive cost-cutting exercise with the aim of creating 'a new "FACE" (fast, accountable, candid and engaged)'. In presenting Berner's story and her prescription for change, the article pays homage to the key assumptions of traditional change: the magic leader principle, the focus on accountability and control, and the need to eliminate contradiction, dissent and uncertainty to secure prosperity.

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, as articles on the head of BHP Billiton, Marius Kloppers, exemplify (Gray, 2008; Williams, 2008). Described as a 'detail person', Kloppers seeks out information from people 'conducting the nuts and bolts operations'. In an interview, Kloppers offered a parallel between organizational strategy-making and test cricket, and

the powerful dynamic between captain and team to respond effectively to the twists and turns of the game. Rather than an omniscient coach, cricket demands '11 men planning, performing and enduring as best they can themselves'. Similarly, radical change in the Melbourne arm of advertising agency Clemenger BBDO under the direction of new chief Peter Biggs was attributed to a team-centric leadership style (Gettler, 2008). Through his open-door, hands-on approach, Biggs unlocked creativity by 'opening up' the agency and encouraging employees 'to interact and show their personality'. The self-focused, individualistic culture was transformed into one which prized generosity and collegiality.

These articles lauded aims that were 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, organizations muddle through the simultaneous existence of two inconsistent states. Rational orthodoxy presupposes the importance of discipline, order and control from the top down. And, 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.

Both Kloppers (BHP Billiton) and Biggs (Clemenger) seem to recognize the tensions between continuity and change. Kloppers combines an analytical mind and an eye for detail with the need for adaptable strategy-making, responsive to turbulent and unforeseen circumstances. He also looks to colleagues for information and ideas. Blending economic and social goals, Biggs tackles market competition through a collaborative, collegial and 'generous' workplace. The leadership-commander 'presence' combines with empowerment, stimulating creativity through the rank and file. Biggs' 'culture of discontent' depicts change as non-linear and unbounded, rejecting the classical 'unfreeze-move-refreeze' model.

The classical model of top-down change leaves the indelible impression that organizations are moulded by the strong hands of determined and charismatic leaders. Kloppers embodies the 'Big South African', and Clemenger BBDO becomes 'Born Again' under Biggs' guidance. 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 wins 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. At Clemenger, for example, Biggs recruited new people that make the 'soul' of the agency and keep it true to its purpose. Biggs' strategy implies that existing employees were not appreciative of his vision for a new soul and that additional proselytizing muscle was required to 'guide' employees towards the light. At Readers Digest, Berner declared, 'It matters that people are aligned with what *we* [emphasis added] are trying to do and people are paid for performance. There's no more paying for trying' (Hughes, 2008, p. 49).

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 continuity-change conundrum. Organizations are knotty, multi-faceted entities, populated by complex human beings who introduce an emotional, irrational x-factor ingredient in the organizational change melting pot. Progress therefore requires combining and recombining multiple lenses of theoretical changes 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. The next section introduces the subsequent chapters on organizational change philosophies.

CHANGE PHILOSOPHIES

Philosophies describe a way of looking at organizational change: a paradigm incorporating structured assumptions, premises and beliefs presupposing the way change works in organizations. Starting in chapter 3, we examine nine philosophies and their methods. A philosophy's method for change reveals the inferences it holds about the best way change can be delivered, typically expressed as theories that 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 revised or replaced. In the subsequent chapter 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. Since different answers lead to different philosophies of change, we need to be vigilant to 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 practice. 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. In the next section we summarize our nine philosophies, their interpretations of change and the tools and techniques each employs. We map philosophical assumptions against the terrain of change options, and expose why change is so difficult to introduce. Figure 1.1 shows the conceptual relations between the nine philosophies and where each fits within the chapter structure. For example, the rational philosophy has conceptual links to the biological philosophy (chapter 4), the institutional philosophy (chapter 5), as well as the systems philosophy (chapter 8). Numerous complex relations between philosophies mean that there is no single best chapter structure, but we have attempted to create an intuitive sequence. However, reasonable arguments can be made connecting any two or more philosophies.

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

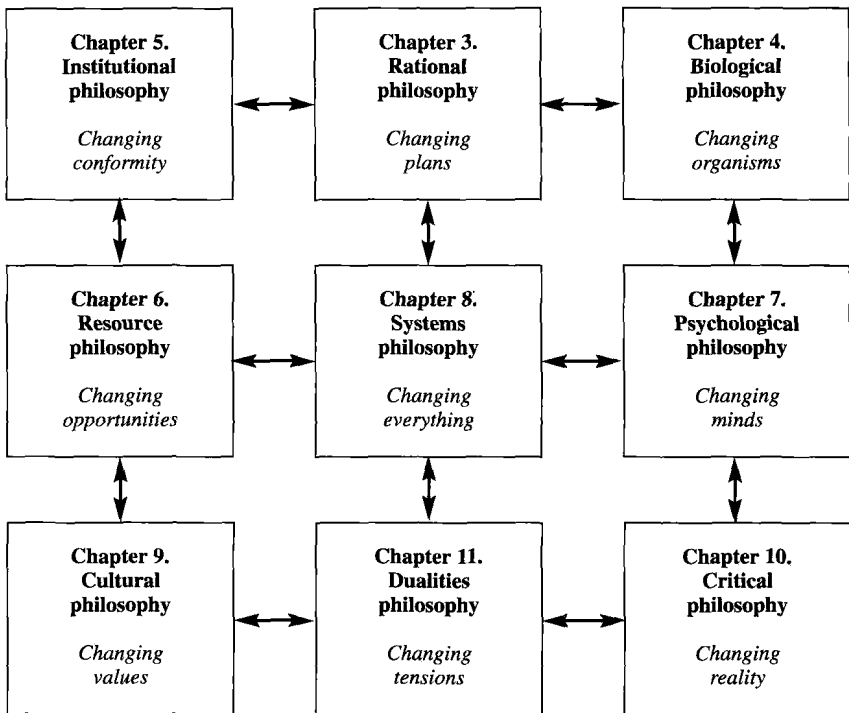


Figure 1.1 Relationships between philosophies of organizational change

it necessary, navigated through linear thinking and performance by objectives, with managers at the helm (Carnall, 1995; Carr, Hard and Trahant, 1996).

Strategic choice theorists (e.g. Child, 1972; Smith and Berg, 1987) subscribe to the rational philosophy and maintain that leaders and managers wield control of their organizations. The management gurus that proliferate, such as Kanter, Stein and Jick (1992), Huber and Glick (1995) and Kotter (1995), 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

In chapter 4 we examine the biological philosophy, which leads to numerous metaphors and theories of organizational change (Witt, 2004). Appropriated from biological evolution, the first interpretation 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-type 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 (Van de Ven and Poole, 1995; Kezar, 2000) explains change in organizations from start-up to divestment. Birth, growth, maturity, decline and death make up 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 Institutional Philosophy

Chapter 5 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 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 attempts at organizational change and buttress inertia. The pressure for change does not only emerge from the market as in population ecology, but also from other institutional bodies which 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 that are counter-productive to organizational profitability. For example, we anticipate that social and environmental forces for change will prove 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 that change leaders hold over their own fates. Consequently, 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 land-

scape, and successful organizations adjust accordingly. The institutional environment coerces organizations into change, and clever strategy cannot outmanoeuvre the rules enforced by an uncompromising institutional context. But in changing with the institutional environment, organizations assume similar characteristics. Consequently, we aim in chapter 5 to expose how organizational strategies, structures and cultures conform to external pressures (Meyer and Rowan, 2006).

The Resource Philosophy

Chapter 6 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 no given organization possesses 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 in 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 portend vulnerability, the presence of resources showcases competitive advantage.

An organization's competencies represent resource assets which 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 6, however, the resource philosophy can give the false impression that change only needs the right inputs.

The Psychological Philosophy

Chapter 7 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 7, 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 Kubler-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 that they 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 7 that psychological adjustment to change cannot be enforced or accelerated, no matter how vigilant the change agent. As a result, the psychological philosophy exposes resistance to change better than it prescribes a solution.

The Systems Philosophy

Chapter 8 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 8, 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 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 relationships between parts mean that everything is affected. Every system possesses two diverse forces: differentiation and integration. Organizational systems are differentiated into specialist functions (in the human body, for example, the lungs, heart and liver) such as 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 subparts, and integration to ensure that the system does not break down into separate elements.

The systems philosophy also gives rise to softer and 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 9 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 philosophy prepares managers to see change as a normal response to the environment (Morgan, 1997). Unfortunately, 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 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, such as removing the CEO'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 9, 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 10, we use the term critical philosophy to present political and post-modern 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, it challenges the status quo towards its 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 that emphasize 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 Kärreman, 2000; Hardy, Palmer and Phillips, 2000). Discursive analysis takes a textured