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Changing the social fabric of organisations: the importance of participation

In order to compete and survive in the new era of dramatic changes in the world economy, organisations have to introduce new work practices, technologies and structures – but such changes are often difficult and painful. Dr. Andrew Day emphasises the importance of an understanding of the social fabric of an organisation, and the value of employee participation, to make organisational changes effective.

Introduction

Western economies have embarked on an era of fundamental transformation of their public and private sectors in response to dramatic changes in the world's economy. Organisations are continuously introducing new work practices, technologies and structures in order to compete or even to survive. However most managers say that organisational change is difficult, usually painful and, more often than not, unsatisfying. Equally, few employees will argue that organisational change is an engaging or positive experience.

The purpose of this article is to explore why this is the case by examining the prevailing theories-in-use for change in contemporary organisations and highlighting how they do not take account of the social fabric of the organisation. I compare these change strategies with the participative paradigm as an alternative strategy for change that increases the likelihood that employees feel engaged and organisation changes are effective and sustainable.

Prevailing change strategies in organisations

My starting provocation is that most organisation change initiatives fail because managers and change agents mistakenly assume either that (a) the principles for bringing about technological change can be applied to organisations, or that (b) given sufficient power and authority they can drive changes through the organisation and either overcome or ignore employees' doubts, concerns or fears. This results in the use of either a rational-empirical or a power-based strategy for change; or some combination of the two. Both of these strategies are described in detail below:

Engineering change: A rational-empirical strategy for change. This strategy typically involves a group of subject matter experts or consultants, either internal or external to the organisation, assessing the organisation against a normative 'ideal' (i.e. a more effective form or model). A new form of organisation that is closer to the 'ideal' is then proposed based upon a body of theory or research evidence. The subject matter experts working with the organisation's leaders will then draw up an implementation plan which is rolled out. This approach separates design from implementation, much like an engineer would in designing a new machine. It emphasises logical, linear and rational thinking. Bodies of knowledge and research are used to support proposed courses of action. The assumption being that an organisational form that is logical, coherent and has worked elsewhere will work in the presenting organisation.

Exercising power: A power-based strategy for change. This strategy is typically characterised by a top-down implementation of change whereby a dominant coalition, sometimes in consultation or negotiation with other power groups, makes decisions about what needs to change and how. We know that the more power we have the less inclined we are to empathise with the perspective of others[1].

The consequence of this tendency is that the needs of other less powerful groups are not acknowledged or understood. Different forms of power such as persuasion, the offering or withholding of rewards, pressure, coercion or punishment, are then employed to achieve the desired changes in behaviour across the organisation. Often rhetoric and ideologies are used to justify the need for change which masks intentions of particular interest groups. Overt and covert political processes are deployed by groups to secure or maximise their interests. This strategy sets up a power struggle if other powerful groups, such as unions, are able to mobilise sufficient opposition and resistance. Where employees experience themselves as lacking in power, this strategy will usually result in passive compliance and apathy. Stronger reactions might include acts of passive or active aggression towards those in power in the organisation.

A case study of a failed change project: The introduction of lean logistics processes in a European manufacturing organisation

The Supply Chain Director for a large pan-European manufacturing company initiated a programme to change the company's inbound and outbound logistics processes to operate according to lean manufacturing principles. He secured agreement from the Head of Operations to proceed with contracting a consultancy organisation to work with the organisation to design and support the implementation process.

Over a period of a year, the consultancy organisation worked with logistics experts in the company to re-engineer key processes and logistics routes. These concepts and changes to logistics processes were tested and implemented through a series of pilots with different manufacturing plants and suppliers with the intention of testing out the new processes

and demonstrating the value of the potential savings from the project to the manufacturing leadership team.

This change strategy meets many of the characteristics of both the rational-empirical and power-based change strategies. A small group of individuals planned and designed the change then agreed them with a small coalition at the top of the hierarchy. They then went about introducing the changes to the organisation by explaining what needed to be different and the rationale for the changes and using the support of the organisation's leadership to give them legitimacy. What happened?

In areas where the concept was supported the pilots proved to be of some success delivering clear benefits. However, in several of the pilot plants the logistics managers and plant managers did not feel ownership of the changes and opposed them. They feared they were losing control and feared they would be exposed as being ineffective. They did not feel sufficiently safe to express their true feelings and chose to express their resistance in a passive form by endlessly debating decisions, failing to introduce the new processes and expressing doubts in private to their management about what was being proposed. In effect, a power struggle was set up between those attempting to 'implement' the change and those who experienced the changes as being 'imposed' upon them. In these plants, the introduction of lean processes failed to deliver the desired impact on performance. The manufacturing leadership team, seeing what they perceived to be a failure to deliver the desired outcomes, pulled the plug on the project. The significant financial investment in the project was ultimately lost and the credibility of the central logistics team was significantly damaged in the organisation.

The problems associated with both the rational-empirical and power-based change strategies, as highlighted in the above case, arise because they privilege the technological, structural and economic dimensions of organisation change and do not give sufficient attention to its social dimensions. The appeal of these strategies to leaders seems to be that technology, systems and processes can be more directly controlled than social processes and dynamics and do not require the exploration and processing of emotions.

What is the social fabric of an organisation?

Sustainable organisational change therefore requires that attention is given to, what I am calling, the social fabric of the organisation. This is made up of the complex network of relationships and interactions between individuals and groups. Over time, these interactions and dynamics become structured into relatively stable and repetitive patterns and routines. When systems, processes or structures change, the social fabric of the organisation is disturbed.

We can understand the social fabric of the organisation as arising from three social and psychological processes, namely:

- Identity formation
- Power relations
- Meaning-making.

Each of these processes is described below:

Identity formation

Our personal and social identity emerges through a process of constant comparison with others[2]. It is through these comparisons and the reactions we receive from people that we develop our sense of self and identity. We strive to construct positive identities for ourselves in the comparisons we make with others. Our identities are complex and we carry multiple identities as a result of our sense of belonging to different groups, whether these are identity (i.e. ethnicity, gender etc.) or task (i.e. belonging to a work group or team) groups. Being a member of groups provides us with a feeling of stability in the world and a sense of meaning and purpose[3]. We become emotionally invested and attached to these groups[4]. For instance, being an engineer or a member of a sales team shapes how a person thinks and feels about themselves and their work. Changes in organisations frequently change the boundaries and membership of groups and their relationships with other groups. This disrupts and alters employees' sense of their identity.

Power relations

Power relations are central to all social systems where individuals are dependent on each other. They emerge because individuals and groups assign and assume different levels of status to each other according to their relative standing in comparison with each other on implicit criteria and assumptions. Status is often linked to an individual's position in the hierarchy, their capacity to make claims to resources or knowledge and the extent to which they have access to other individuals in positions of influence. It determines how much influence the person is afforded within the social system. Power relations therefore act to enable and constrain the behaviour of individuals and groups. Organisational change always shifts power relations, alters the balance of power and raises and lowers the status of individuals and groups in the organisation. For instance, in a manufacturing plant that introduced shop floor teams, the higher status maintenance employees strongly opposed the changes because they experienced the 'up-skilling' of the operators as diminishing their relative status in the plant and thereby lowering their power and influence.

Meaning-making

A fundamental need for us is to have a sense of meaning and purpose in our lives. Work is one of the central ways in which we acquire meaning and purpose. We actively construct the meaning of work through our interactions and conversations with others. Our interpretations of events, others' behaviour and changes are shaped by our frames of reference and beliefs. Symbols, rituals and customs communicate meaning and shape our beliefs and assumptions about the world. When we experience or make a change in our life then it is important for us to make sense of it and understand how it came about and what it means for us, both now and in the future. We therefore view comprehensive changes through the filter of our emotional and political concerns[5]. As a result, different people can ascribe very different meanings to the same event or change in an organisation. For instance, it is not uncommon for employees to experience change that takes place outside of their control as being a threat to them; whilst those who are trying to implement it regard the same change as exciting and challenging. In such scenarios, the meaning and nature of the change in the organisation is experienced to be fundamentally different.

The past informs the present

Each of these processes reflects a history of interactions between individuals within the social system. To understand them we must look back into the past to understand how they have developed and what significant events established the patterns that we see in the present.

Change is experienced as a loss

When the organisation's social fabric changes, employees experience a sense of loss which arises because of changes to these processes. Individuals need to give up aspects of their identity so that a new one can form, power relations will reconfigure requiring some groups to lose status and influence, and individuals will need to let go of beliefs or assumptions that they hold about the world. When we experience a loss then we need to mourn and grief for it so that we are able to accept it and create new meaning. Marris[6] defines grief as "the

expression of a profound conflict between contradictory impulses – to consolidate all that is still valuable and important in the past, and to preserve it from loss; and at the same time, to re-establish a meaningful pattern of relationships, in which the loss is accepted". The articulation of this conflict is therefore as crucial to assimilating social changes as mourning is to bereavement. When our world changes, everyone has to work out in his or her own terms what it means to their identity, sense of purpose and relationships.

Neither the rational-empirical nor the power-based change strategies takes into account these underlying social and psychological processes of the organisation or the loss that employees experience when they are interrupted. As a result employees experience the changes as being 'done to them' and the disturbances to their identities, status and meaning are not acknowledged or legitimised. This tends to leave employees feeling disillusioned, disengaged and dissatisfied with the new forms of organisation.

The participative paradigm

An alternative change strategy which has been thoroughly researched and documented (see References [7, 8, 9, 10, 11]) is for leaders to take a participative approach to introducing change that involves people across the organisation in co-creating new processes, structures, systems and ways of working. Fig 1 below compares and contrasts this strategy with the rational-empirical and power-based strategies.

This strategy rests on the assumption that people support changes they helped create. Therefore, those affected by a change must be allowed active participation and a sense

	Power-based	Rational-empirical	Participative
Key features	Power coalition (usually at the top) makes a decision to change Informal and formal use of political structures to build a critical mass of support Use of negotiation as a tactic to win support Change justified on grounds of ideology and rhetoric Coercion and pressure used to change behaviour Incentives offered for cooperation and pressure applied to opposition	Technical experts design the future Logical analysis guides decision making A focus on objective data and outcomes Distinct phases of analysis, design, implementation and analysis Linear, planned and controlled implementation Communication of facts of the change and rationale for change, plus research evidence An emphasis on processes, systems and structures	Wide involvement of different groups from across the whole system Expression of different perspectives, ideas and interests Co-creation of new ways of working Participative leadership and democratic decision making Planned and emergent processes Emphasis on self-organisation of groups
Inherent assumptions Who decides what needs to change and how	People are motivated to protect and enhance their self interest Individuals in position of power define what needs to change and how	People make decisions to change based on rational and logical appraisals of the situation Subject matter experts and technical experts use their expertise to define what needs to change and how	People change when they are involved in the process of creating change that is congruent with their self identity and to create a sense of meaning Representatives from across the whole system collaborate to plan and create change

Fig 1: A comparison of strategies for creating change (Adapted from Chin and Benne[12])

of ownership in the planning and conduct of the change[13]. By giving employees an opportunity to shape the form of any changes for themselves, this strategy allows them to enhance their sense of meaning and identity thereby minimising any sense of loss in meaning and identity. The process of social discourse and debate about how to bring about change equally helps people to work through any losses that are experienced because it enables loss to be named and thereby legitimised. It also minimises power differentials which builds positive identities and raises individuals', at lower levels of the hierarchy, sense of status.

There are many descriptions of what constitutes a participative change strategy in the literature on organisation development. The following practices and conditions set out some of the fundamental characteristics:

i) A collaborative management style

Before embarking, those in positions of power and authority, namely the leadership of the organisation and other influential stakeholders, need to sign up to and commit to a participative approach. In essence, they need to be prepared to share power through adopting a collaborative management style. This does not mean the abdication of power, but exercising their power to describe their aspirations and expectations, the boundaries that people need to operate within and how they envisage people getting involved in the process of change. This makes explicit to the organisation what is the intention of the change process, what has been decided, what is up for negotiation and where creativity and co-creation is required. A collaborative management style involves making shared decisions, involving people in the process of change, encouraging and allowing people to take responsibility and the tolerance of mistakes.

ii) Framing and sequencing of critical questions

When changes are imposed, individuals find that choices are taken away from them. Questions encourage employees to examine how they work and what they do. They confront individuals and groups with their freedom to make choices about changing how they work and invites them to co-create it with others. By making choices we are invited to take responsibility for creating our own future. The key task of leaders and change agents is to bring the appropriate groups of people together at the appropriate time to work on the critical questions that need to be considered at this point of the change process.

iii) Setting out a framework for the process of change

The purpose of a change process is to create the conditions that enable staff to co-create and develop new ways of working. The *process of change* can be contrasted with the *content of the change*, which describes what is intended and expected to change in the organisation. It is not a plan that details specific outcomes of what needs to change and by when; but more a framework that sequences which groups will be brought together for what purposes. It helps staff to decide how they can become involved in the process of change. The process of change needs to be perceived to be fair by the key actors in the change process. Feelings of 'injustice' have been shown to be strongest when those impacted by change perceive both the outcome (known as 'distributive' fairness) and process of determining the outcome (known as 'procedural' fairness), to be 'unfair'[14].

iv) The creation of social containers

Identities and meaning change through social interaction and dialogue.

For this to happen, people need to feel 'safe enough' to express their thoughts, feelings and beliefs without fear of being judged or rejected. A 'social container' is a social space that is sanctioned by the leadership of the organisation with the purpose of exploring ideas and discovering new and creative solutions to problems. It has clearly defined boundaries, including a clear start and ending, so that the usual day to day pressures can be suspended. The role of those present is to engage in dialogue, to listen to different views and opinions, with the intention of learning and understanding how their colleagues think and feel about an issue. Social containers enable the expression of feelings which facilitates the mourning of loss.

v) Ritual and ceremony

Any *process of change* must help people to work out some meaningful resolution of the experience of loss by making clear to them and others what crucial purposes and attachments seem threatened by the change and then to explore how these purposes can be reformulated in the particular context of the individual's experience. This process is facilitated by having a ceremony and ritual that brings people together to grieve for their loss. For instance, when the Ford assembly plant in Dagenham closed in 2002 all the employees at the plant were invited to be present to see the last car that came off the line. They were then given the chance to sign it. A party was then held to celebrate the past which enabled employees to acknowledge the ending and mark a new beginning for them. This car now resides in the Henry Ford museum in Dagenham as a symbol that represents the significant and important role that the plant and its workforce played in the organisation.

vi) The establishment of collaborative decision making structures

To support the process of decision making, structures, such as forums and committees, need to be established that bring representatives together from different groups to enable them to make critical decisions. The purpose of these structures is to plan the sequencing of key activities, engage with conflicts and differences of view, and provide a forum for the review of the overall process of the change process.

Comprehensive change in an NHS Acute Trust

A specialist service in an NHS Acute Trust was confronted with the need to respond to competition for its services from other providers inside and outside of the NHS. It needed to make significant efficiency savings, learn to compete for securing patients, work with a broader base of stakeholders while continuing to provide exceptional service to patients. When first introduced, the then Head of Service took it upon himself to develop plans, in conjunction with the senior management of the Trust, for how the services would be reconfigured and implemented. This reflected a combination of the rational-empirical and power-based strategies. It provoked alarm and opposition from middle managers and their teams in the service when they heard about the proposed changes.

At this point in the change process, the Head of Service changed as part of a reorganisation of the senior management team. The new Head took a fundamentally different approach. Firstly, she decided to invest her time in speaking to members of her organisation about their perception of the changes and their experience of them. She concluded that most felt disenfranchised, not involved and fearful of the planned changes. They also did not understand what it meant for them. She then held a meeting with her management team where she observed that they all faced a choice: to let the changes happen to them or to take control of how their services needed to change and find ways to compete in the new world of the NHS. This intervention reframed how they perceived their situation: it enabled them to see it as an opportunity rather than a threat. She used the meeting to set her management team the challenge of working with their teams over the next three months to assess how they could develop their customer base whilst at the same time improving their services and being more efficient.

Over the following months, the managers worked with each other and their teams to share ideas and develop a set of proposals for change that met the needs of each department and the high level goals set by the Head of Service. To ensure that these proposals were integrated with and supported each other, an executive steering committee was established to discuss the departments' proposals and discuss apparent conflicts. Over the next six months the departmental teams focused on changing their working practices and developing new offerings for potential customers. They were encouraged to review progress and share their learning with other departments and with the management team. The Head of Service focused on sharing developments in the organisation, connecting individuals, developing confidence that change was possible, building trust across boundaries and ensuring departments remained focused on the critical goals.

This case highlights many of the principles of a participative strategy for change and illustrates how it started to enable change in the social fabric of the organisation. Firstly, the shift in management style and the process of change enabled a fundamental shift in the power relations between the management team and the work teams, from a hierarchical relationship towards a relationship of shared power. As the teams were engaged in the process of assessing their challenges and developing proposals for change, they were both challenged to explore their assumptions and to shift their understanding of who they provided a service to and how. Finally, the discussions and dialogue between groups facilitated the expression of loss and thereby the shifting of identities.

Conclusion

Leaders often do not give sufficient attention to the social fabric of the organisation when attempting to change their organisation. They are often unaware of the assumptions that they are making about how to bring about change and this therefore limits the effectiveness of their strategies for creating change. The desire for control leads them to employ power based or rational-empirical strategies that undermine the very outcomes they desire. In practice, the rational-empirical and power-based strategies are sometimes necessary to bring about change but their limitations and shortcomings must be acknowledged and they need to be employed alongside participative processes. The participative approach to change, while requiring leaders to let go of control, ultimately engages the social system of the organisation in a way that increases the likelihood that change will be effective and sustainable over time.

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