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Deadweight or Turbokick?

On support for line management and the implementation of change.

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Abstract

Change is easy to decide upon and to plan, but hard to implement. This paper deals with the paradox that despite the most favourable conditions, such as consensus and abundant resources, the outcome of all the efforts is still so very doubtful. This narrative of a change project in a big organisation will show how various attempts to de-institutionalise organisational processes simply succeed in reinforcing existing institutions. An analysis that combines psychodynamic and institutional theory will be used for a deeper understanding of the counter-productive influence of anxiety in relation to the actors' overt intentions, and how the outcome of support for change can cause a regression to familiar patterns in the ongoing processes, instead of generating new paths.

Keywords: Organisational behaviour, organisational change, psychodynamic theory, institutionalism, de-institutionalisation, constructionism, anxiety, defence, regression, fight/flight.

CONTENTS

Introduction	3
Methodological approach and theoretical frame of reference	4
The narrative mode of knowing and telling	8
“Trails on Rails” – An Action Series	9
The cast:	9
Summary of earlier episodes	10
Episode 1 - Visitors from outside – friends or foes?	11
Reflections on Episode 1	12
Episode 2 - Wind in the sails?	13
Reflections on Episode 2	15
Episode 3 - The rise and fall of the steering committee	17
Reflections on Episode 3	21
Episode 4 - A pyrrhic victory	22
Reflections on Episode 4	26
Discussion and conclusions	28
References	32

Introduction

“The new divisional manager is on a well-prepared tour to various departments and workshops all over Sweden. Loaded with colourful slides he is introducing a new programme for change. One slide illustrates a sophisticated project organisation, showing project management, reference groups and all kinds of project teams with external consultants, internal experts, and project leaders. Another displays the main programme objectives and the basic principles for the process as a whole. The idea is that the implementation of change should build on broad representation and participation on the part of line management, so that results will stick and competence will be promoted throughout the organisation.

The present line managers, called champions, have signed all the projects and accepted responsibility for carrying them through. The project organisation is presented as a source of support for the line managers, acting only at their request.

The champion of the most important project, the manager of the biggest depot, is very enthusiastic. He is regarded as a thoroughly competent manager with the right attitude to change. One year later he is suddenly - and, for most informed observers, surprisingly - moved to another position outside the shop and replaced there by project management – which is now managing the change project as well as the daily activities of the shop. The support troops have taken over the business: what has happened and why?”

This brief exposition describes certain episodes in the course of a change process, while also providing some background for the present paper. The material has been taken from a longitudinal study in a state-controlled public utility organisation on its way towards entering a deregulated market in competition with private business. The project design offered abundant opportunities for gathering detailed and “thick” empirical data over the three years of the study.

Earlier research shows that change is easy to decide upon and to plan, but hard to put through as planned, and that the success of planned change is historically constructed

(Brunsson; 1990). This should not be taken to mean that everything always remain the same. Changes occur continuously in the daily life of organisations. New customers, new managers, new products, new technology all appear, business goes up and down, and so on. Everything leads to change, but generally with no connection to any grand plans.

Research also tells us that the best way to effect change is to integrate the process from the bottom up (Beer, 1990; Bennis et al, 1970; Argyris, 1985). Yet what we see is very often the opposite: programmes are initiated and implemented from the top down.

This paper addresses the question of support in change processes, and more specifically of the investment in external resources to support line managers in conducting planned changes originally initiated by top-management. What processes are triggered by this kind of support, and how do they develop?

With the help of the relevant theory I seek to understand and explain the process briefly described above, up to when the depot manager was transferred.

A paradox lies at the heart of the story, namely that failure ensued even though everyone involved was striving for success and despite all the resources poured into the support system.

Lots of energy goes into change programmes like this one in organisational life today, often under some popular battle-cry like TQM, BSC or BPR, and quite often with similar results.

Methodological approach and theoretical frame of reference

The study is based on field material consisting of taped interviews, participant observation at formal meetings in management groups at three levels, written documents and information and impressions gathered from simply talking and walking around the organisation over a long period (from September 1996 to January 1999). The selection of the data underpinning the following account and the story itself have been checked and confirmed by the depot manager concerned.

No research resources would ever be capable of capturing all the processes going on in the everyday constructing of a big organisation or in a change programme like this one. But given an ontological approach whereby “macro” is seen as a network of “micro” and as being constructed in the same way (Latour, 1998), we don’t have to try to grasp “the whole”, as there isn’t one. There is an endless number of parts, and by studying some of these parts we can also learn something about the rest, as they follow similar patterns. Czarniawska & Joerges (1996) offer a similar definition of the concepts of global/local: the global is not something “above”, it is no more than a network of local actors and processes.

By describing and analysing various series of events and the interactions between some of the actors, I will try to shed some light on the dynamics in relations between different levels of managers, and on the way external support is conceived and processed.

The analysis adopts a constructionist perspective, whereby organisation is approached as an endless number of ongoing processes (Berger & Luckman, 1967). These processes of organisation are more or less institutionalised; they follow very fixed patterns and are unconsciously taken-for-granted as facts (Douglas, 1986). The introduction of new change programmes is sometimes an institution in itself, one in which stability is the ultimate aim of change (Czarniawska, 1996).

The analysis also draws on neo-institutional theory, interpreting change programmes and the use of consultants as symbols for acquiring legitimacy and for constructing efficiency in management in the eyes of important others. Conflicts can arise between

different rationalities for ideals and action, and a gap is then created by *decoupling* these from each other (Reason & Rowan, 1981).

Constructionism and institutional theory both presuppose the need for identity, legitimacy, routines and stability, but don't tell us much about why the needs exist, or about the dynamics of the processes for satisfying them. With the help of psychodynamic theory on existential anxiety and the striving for *a steady state* (Bennis et al, 1970) we reach a deeper understanding about this dynamic and the possibility of tracing the roots of activities that appear to be counterproductive in relation to the actors' overt intentions (Bion, 1961/1974; Boalt-Boethius, 1996; Roberts, 1994). The concept of *organisational anxiety* is used in a metaphorical sense, like the concept of *identity* applied to organisations (Sahlin-Andersson, 1996).

According to psychodynamic theory the driving forces behind individual action consist of more or less unconscious motives originating in the need for survival, endorsement and love, and for coping with the anxiety engendered by conflict between different needs and different messages from the internal and external world. Freud identified and categorised the most important means of anxiety-reduction at the individual level, and labelled them "defence mechanisms" (Freud, S., 1961; Freud, A., 1976).

To cope with anxiety individuals develop fairly stable patterns in their modes of feeling, thinking and behaving. These patterns are related to self-image and identity, as well as to internalised norms and values. Some of the patterns we call neurotic or psychotic. The point here is not to talk about how neuroses or psychoses are constructed and institutionalised in our society, but simply to link psychodynamic theory to an organisational context.

Given that micro and macro processes are structured the same way (Latour, 1998), it is possible to discuss defence mechanisms in groups and/or organisations using the same concepts as those applied to individuals (Argyris, 1990; Kets de Vries, 1984;1991). An organisation - the macro - is a network of individuals - the micro.

To get a clearer understanding of the dynamics of the interaction processes, it is important to look at what generates anxiety and what action (or lack of action) is taken by individuals, groups and organisations in order to reduce it.

Bion identified three categories of defensive mechanisms in groups, deriving from different self-images, unconscious *basic assumptions* about who "we" are (Bion, 1961/1974; 1967/1993). The categories are labelled *the dependency group*; *the fight/flight group* and *the pairing group*.

Briefly, according to the basic assumption of *dependency*, the group acts as though it were totally dependent on higher forces and consequently often paints the leader in black or white, looking for the perfect "one", the omnipotent parent figure who takes care of everything. A basic assumption of danger and threat to the group is behind the *fight/flight* mechanisms and makes the group more action-orientated: "There's a war on and we have to fight or flee", "let's do something, anything" to stave off anxiety, e.g. reorganise or start a project. The *pairing* mechanism means that the group relies on the basic assumption of hope, to what's going to be born: "We can't do anything now but **then**, with the new system, the next manager, the new strategy...".

In Bion's model a group shifts to defensive behaviour whenever anxiety arises and threatens the steady state that is the particular group equilibrium (Bennis et al, 1970). The group regresses from being a *working-group*, to what he calls an *as-if group*, acting as if it were working on the common objectives while what is really going on is the reduction of anxiety. A group is of course working all the time, but it shifts back and forth from working on its overt aim or purpose towards actions for diverting anxiety.

Psychodynamic theory states that the greater the anxiety, the deeper the regression to earlier stages of development. Regression to old well-founded types of behaviour corresponds with the process of turning back to old institutions, or *sedimented habits*, at the level of the unconscious and taken-for-granted (Tolbert, 1996).

The organisation you will meet in this paper is in the process of shifting between different defensive patterns, but what seems to emerge from the analysis as the predominant basic assumption is “danger” and consequently the *fight/flight* mechanism.

The narrative mode of knowing and telling

Scientific knowledge is often contrasted with narrative knowledge, although in fact logical, rational science presupposes the narrative. There must be a story about the scientific truth to give it legitimacy (Czarniawska, 1997). However, the difference between scientific and narrative knowledge is dissolving today, since we no longer believe in the narratives about eternal truth (Rorty, 1997).

To understand social phenomena is to give meaning to sequences of events, and where logical/rational science tries to establish the ultimate connections between these, the narrative leaves things open to negotiation. Interpreting reality is a reflective process whereby we choose what to attend to and where we have to negotiate its significance (Weick, 1979; Weick, 1995). This applies to the reference groups as much as to the researchers.

The narrative mode of knowing opens up new opportunities for telling. From literary theory we get new categories such as genre, plot and form of presentation, to use in the narrative of the organisation.

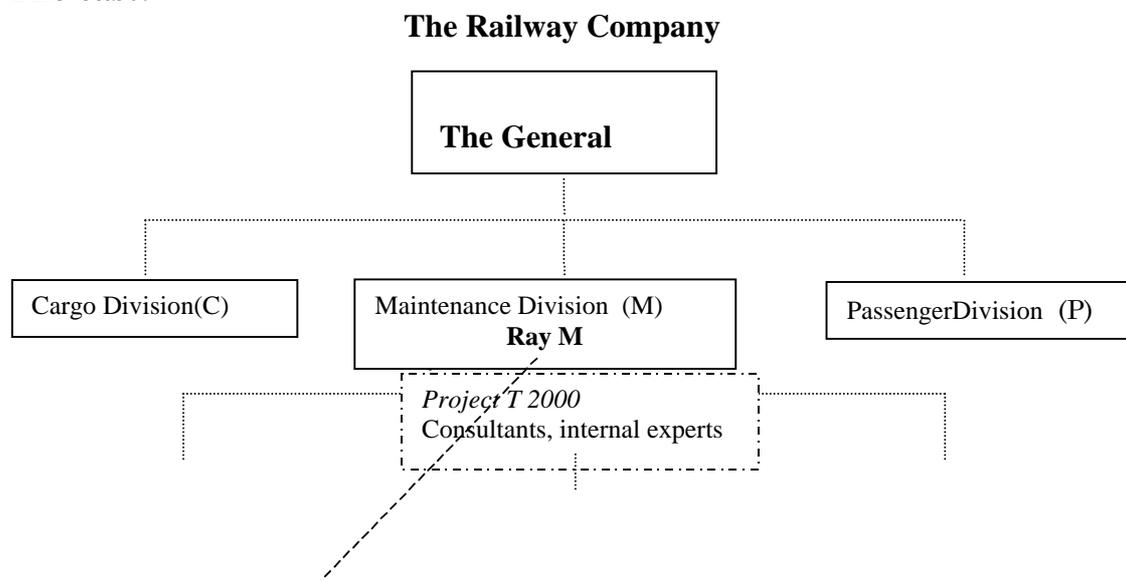
In this paper the genre is that of an action series in which certain chosen events are presented as separate episodes. Each episode is followed by some reflections on what’s going on and why. The main plot concerns life in a big organisation in an environment enacted as threatening and unfair. Lots of enemies are lurking out there, but we all know that the organisation will survive – big and strong as it is. But this doesn’t hold for individual units or managers. The climate is masculine and tough; quick action and rapid changes make life risky in there. The criticism is non-stop and

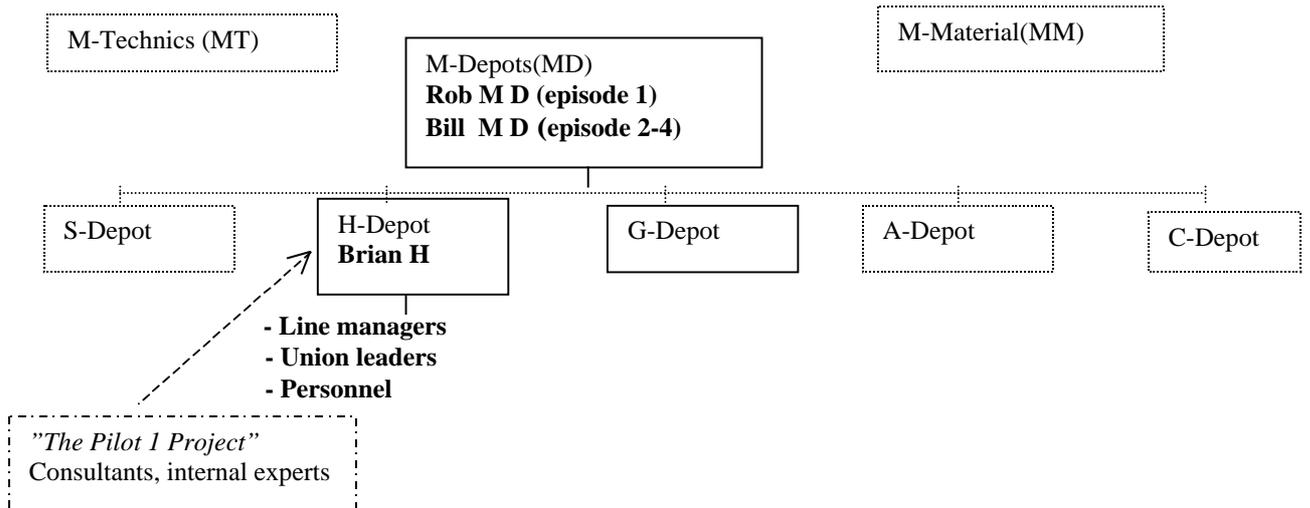
comes from all directions - about high costs, bad service or low efficiency. You need to be smart to snatch a chair when the music stops.

The reader is recommended to adopt the same mode for reading as for watching episodes in an action series on TV. There may be a history, but you don't know how or when it started. Nor do you know the end of the story; there'll be a new episode next week. The scene shifts and the action is fragmented. Unless you're a devotee of the series you won't recognise all the faces that appear. Maybe you missed some remarks or a sequence in the action. Don't worry. Like watching TV, you don't need all that much information to understand the structure of the ongoing processes.

“Trails on Rails” – An Action Series

The cast:





Summary of earlier episodes

For 1996 the Railway Company has reported surprisingly heavy losses to its highly dissatisfied owner, the state. Times are bad in the country, with high unemployment and low demand for services and products. But the General sees this as no excuse. When sales drop, so should costs. For eight years he has been trying to teach his people to “think business”. All units now operate as profit centres, billing each other for services and material on an internal market. This has intensified the fight between the M-Division and its main customers – the C and P divisions - about what is fair payment for maintenance work.

At the end of the year the depots in M-Division were forced by the General to pay back some invoiced money to the C and P divisions.

M-Division comments:

”They [P and C] are more interesting to the owners and the General prefers to tidy up their results. By moving money around like this he can decide where to show profit and where to show a loss.”

The P and C divisions comment:

” M-division hasn’t cut its coat according to its present cloth. This makes maintenance too expensive, but it’s not our problem and we shouldn’t have to pay for that.”

In the autumn of 1996 another surprise occurred in M-Division. The present divisional manager was retiring and everybody expected the present M-Depot manager, Rob M D, to step up and replace him. Instead someone was recruited from outside. How was this to be interpreted? There were rumours that the new manager, Ray M, was an old friend of the head of P-Division. Was the non-promotion of Rob a sign of a battle lost against the P and C divisions? This fear was confirmed when M-Division also had to pay them back the money, and left the M-depot managers feeling anxious and depressed. How were they to cope with this situation?

Episode 1 - Visitors from outside – friends or foes?

In February 1997, after roughly six months of what was felt to be total silence, the new manager for the M-division, Ray M, makes his first move. He has contracted an international consultancy firm to make a total analysis of all operations in the division.

The scene is a meeting of the M-Depots management group, where the situation is being discussed:

”Someone said one of them [the consultants] had promised that the productivity in the H-depot could be easily doubled.”

”If that happens I promise to leave my chair at once. I mean, we’d all have to. “

Rob, the M-Depots manager:

” Personally, I think we know better than any consultants what has to be done.”

”We’ll be helpful and give them all the information they want. I’ve also told Ray how important it is that the information they use is shown to us, and that we are told where it comes from.”

”We’ll go on with our own cost-saving project as planned. But we’ve got to define things clearly, so the consultants don’t produce our suggestions as their own. As far as I know, they’re paid in relation to the costs they can save.”

Brian H, the manager of H-Depot:

”Maybe the consultants can be of help to us, showing the General how things really are and proving that the costs are reasonable. Maybe it’s a good thing that someone is coming in from outside and looking at it all with fresh eyes.”

The meeting goes on, mainly discussing how to interpret the latest financial reports for the different depots.

Time passes and at the beginning of June the consultants present their analysis. All the employees (about 1,600) are invited to Stockholm to watch the first ”Brown Paper Show”. The walls are hung with brown paper describing the various operational processes. Not very many show up. It’s mostly managers who come. The holiday period is starting, people are coming and going during the summer.

Interaction between the M-Division management and the consultants is intensive during this period. A new vision is being created; strategic cost-saving goals are set for different areas of change, and managers are asked to sign them. Signing means accepting them and assuming responsibility for implementing them.

Rob questions the strategic goals set for the depots, and refuses to sign. Upon his return from his holiday it is suggested that he takes another job in one of the subsidiaries of the Railway Company, working mostly abroad. He accepts immediately and leaves.

Reflections on Episode 1

The interpretation of the environment as hostile and unfair is an institution in this organisation (Brunsson, 1990). However, the “marketization” of internal processes has moved the enemy lines closer, (Edström & Tullberg, 1998), and friends and enemies can change quickly. People are now also disappointed with the former

divisional manager for not being able to influence the decision about his successor and for agreeing to pay money back, and also with Rob for not being approved by the General and for losing the battle with Ray.

This aroused anxiety among the managers in the M - Depots about what to do and who to trust. Their former leaders were gone and couldn't protect them any more. The basic assumption of the group was now the one of *dependency*.

The defence in this situation was to seek allies, to remain passive and to follow orders in a state of waiting and watching the battle between Ray and Rob. When this was over, everyone joined Ray without protest, and a new leader was born. His power at this stage was greater than that of the former divisional manager, and the institution of managerial authority and executive power was reinforced.

By contracting consultants Ray acquired his legitimisation as a modern and active manager (Abrahamsson, 1996) and as a promising warlord. He didn't overrule the institutions. In this organisation the use of consultants is an example of what in the literature is called semi-institutionalisation (Tolbert, 1996). This stage includes objectification of behaviour and some vague theory about how things should be done, and about categories of problems and solutions. "New fresh eyes are good for changes." There must be some interest in continuing the process of institutionalisation, and we can identify this among both managers and consultants. Every second or third year consultants have been here.

The situation is still uncertain and many fear the future, but at least people recognise what is going on, they know where the power is and now action can start. There is a shift from the basic assumption of *dependency* to the one of *fight/flight*.

Episode 2 - Wind in the sails?

This episode opens with Ray travelling round Sweden in September 1997, presenting the new change project known as T 2000. Lots of words and many slides about a

threatening environment and a difficult future, about new actors in the market and tougher demands from the owners. T 2000 is the salvation project, it is to further the goal of being the leading supplier of maintenance.

Ray singles out H-Depot to become a “model depot” with the help of a project group, called Pilot 1.

The organisation of the change programme and the resources allotted to it are impressive. There are several intermediate projects, and every one has a champion from line management who has endorsed the goals and assumed responsibility for a specified item of cost-reduction. Every project is to be conducted by a project management and a project group consisting of consultants and internal experts, with a reference group to support them. According to the plans sent out, there are altogether about 20 consultants and 50-100 employees involved full time (but there's no information about the costs).

The Pilot 1 Project is presented as one of the most important projects. By reorganising the operational processes and developing the planning systems, it should be possible to increase (double?) the productivity and efficiency of the depots.

The scene moves to H-Depot and to the management group meeting there the following week. Spirits are high, there's lots of laughing and joking.

Brian H, the manager:

”I told you from the beginning, when I heard about the consultants coming in, that this is our chance. We had a choice, to oppose or go along with the new ideas. I'm sure this is the right thing.”

Brian goes on to describe the Pilot 1 with its various parts and subgroups, as well as his meetings with Ray, with the T 2000 project management and with the consultants:

”The assignment isn't actually described in Pilot 1, so I wrote bits of it to be approved by Ray. When I talked to them [the project management and the consultants] they were not altogether happy, as they think we're moving too fast. But it is our project.”

The group discusses where to place the project group with the consultants - in the same building as the management, or in another building that has several conference rooms and where the current meeting is being held. One of the shop managers says:

”They should be separate from the ordinary activities of the depot. They could sit here instead of up there, though it may be more flashy there.”

Everybody in the group knows that one of the most difficult and crucial decisions for T 2000 is about closing down some depots - which ones should it be? Brian is tackled about this: when and how is the decision going to be made? He recapitulates the decision process to date, and explains that Ray has called for consensus among the depot managers.

”We’re working on different scenarios, and we’ll be locked in a room until we can agree.”[Brian H)

The group seems satisfied. To be chosen for Pilot 1 must be a guarantee of survival.

Brian expresses his concern about how all the different groups can be kept together, and how to develop a mood of co-operation vis-à-vis the union. His suggestion is to dissolve this management group and to replace it by a steering committee consisting of himself, the personnel manager and three union leaders.

The mood in the group changes; people are confused and irritated. Questions about decision making and information are raised. No line managers on the steering committee? No production supervisor? How and when should ongoing activities and outcomes be reported? To the steering committee or to Brian?

Brian gives rather vague answers to all this and also hints at a new organisation and a new mix of people in the management group. People begin to realise that the survival of the depot by no means ensures their own security as managers there.

Reflections on Episode 2

A possible interpretation is to regard T 2000 as a flight into a flurry of activities, with Ray as the perfect flight-leader (Bion, 1961/1974; 1967/1993; Roberts, 1994). The total absence of any talk about money for resources, or what was already in the pipeline as regards the cost-savings planned by Roy M D before he left, tend to confirm such an explanation.

Brian was felt to have played his cards well, getting Pilot 1 assigned to his depot. From Episode 1 we know that he left all doors open by having a more positive attitude to the consultants. He also chose to be more offensive, and was rewarded for that by Ray. Brian's position in H-Depot was strengthened, but at the cost of greater distance between him and his line managers.

At first the managers were active, bursting with energy and power, brushing Pilot 1 aside, literally, into another building. But anxiety arose when the steering committee was born, and they lost the initiative. Could they trust Brian? Who was Pilot 1 working for? It was not clear where the power was lodged, so they chose to remain passive and watchful, following orders, in the basic assumption of *dependency*.

The overt idea was that the consultants should provide support to the line managers. This should of course immediately evoke some questions about the consultants. For instance which consultants to bring in; what competence they possessed; what sort of support or for how many days and to which costs. But nobody asked for any of these things. An outspoken and self-confident group fell into passivity, asking only how they should report and get decisions, but raising no questions about the decisions made by management (i.e. about the choice of consultants or the dissolution of the present group). This can be interpreted as evidence that institutionalised processes relating to managerial power were being reinforced.

Formally, Ray was not taking part in the Pilot 1 activities, but was using consultants and project groups instead. This corresponds to what Reason & Rowan (1981) describe as the *decoupling* of formal structure and ideals from action by ways of delegation. Thus a gap arose between the ideals originally proclaimed of an open climate, of line management running the project and of consensus on decisions on the one hand, and the actions actually undertaken on the other.

Brian was now isolated both from Ray and from his own line managers. He was also trapped when it came to using consultants: if he said “no”, he ran the risk of being blamed for not using them; and if he said “yes”, he might lose control over the project. In other words, this was a risky position in a *fight/flight* group, where people are constantly looking for enemies, internal or external.

Episode 3 - The rise and fall of the steering committee

It is autumn 1997. The management group at H-Depot has now been dissolved as a formal meeting-ground for information, decisions and discussion about current and future activities. The steering committee for Pilot 1 consisting of Brian, the personnel manager and three union leaders has replaced it.

A Pilot 1 project group consisting of five or six consultants has been installed in premises lying apart from the everyday activities in the depot.

The steering committee holds its first formal meeting in October 1997. The union leaders pursue a wait-and-see policy, asking about resources for the project and guarantees for the future. Various managers from the former management group come and go, reporting on intermediate projects like documentation routines and a reduction in stock levels.

The most prominent guest at this meeting is Mr P from the P-Division management. He receives a warm welcome and expresses his pleasure in being invited. Talking about the future structure of the depots, he says he’s convinced that H-Depot is the most important. The meeting continues, rich in mutual reassurances. The war between the M and P divisions is now over.

Mr P leaves with the words:

”I’ll give priority to this. You are my biggest cost.”

The union leaders look very satisfied. So does Brian. To get support from P-Division is the best guarantee of increasing volumes in the depot.

Nonetheless, some problems do come up at this meeting. The new computer system, the main tool for increasing the productivity by way of better production planning, has been delayed. The group blames the Computer Division and their interference in the decision process. Another cloud is an argument between Brian and the consultants about which shop (there are three different shops in this depot) to start the Pilot 1 in.

The personnel manager:

”But Ray M said it was up to us to decide, and I thought that CG [the consultant] had changed his mind. I even complimented him for it.”

Brian:

”So did I, but obviously I was wrong. But we won’t give in, it’s our decision”

November 1997 and another meeting of the committee. The mood in the group is more irritated now. Lots of paperwork and lots of meetings everywhere, but is anything changing?

The whole organisation is waiting for the new General. The present incumbent is retiring and the recruitment process has been long-drawn-out. It seems as if no decisions can be made until the new General arrives.

Brian:

”For us here at H-Depot and in Pilot 1 it’s OK, but in other projects people are being feeble. There must be a decision about the structure. You can’t motivate people if they don’t know whether their job will be there next month.”

H-Depot has a bad image in the rest of the organisation. It is said to be less efficient than the others, and its union to be most militant. Now Brian and one of the union leaders are arguing about differences in some of the local agreements for the various depots.

Brian:

"I really don't want any slander about H-Depot just now. With Pilot 1 going on, we must be able to show we can handle this."

Union leader:

"If we are threatened with the Pilot Project all the time, we'll stop supporting it."

Brian:

"OK, I'll drop the whole question."

The personnel manager assumes the role of mediator and changes the subject to something "softer", like the importance of proper information and giving people the chance to talk about their worries.

Pilot 1 is a separate issue at the end of the agenda, and consists of a report from Brian from the latest T 2000 steering committee:

"Now we're using white plastic instead of brown paper. It should last for the whole project... There is a decision about the new computer system now, but it hasn't been bought yet. They have to check with X to see if we're allowed to change suppliers."

"The decision about the structure is dormant, the new General wants 100 days. But we've got to get ready to take in bigger volumes. More volumes are going to come. We can move them before any clear decision is made. I'm a bit worried about this. How do matters stand in the shops? Say the winter's hard, and all those people tied up in the project..."

The union leaders suggest new meetings in the local collaboration groups to find suitable solutions to the problem of extra volumes. Everyone agrees on the importance of coping with these and of stopping all the badmouthing in or outside H-Depot.

Brian again:

"I'll go crazy with all this English talk. It was fun at first but now it feels ridiculous...The Finance Manager wanted to set some economic goals for H-Depot. I told him to use figures adjusted to us, and not to let the consultants decide."

The group moves to another building to visit the Pilot 1 Project group. There are lots of new computers; walls covered with flowcharts and diagrams; goal-settings...Mostly young people around.

The principal consultant is an Englishman, celebrating his 30th birthday today.

Some of the young people at the computers start talking about the work and one of them says:

“I am feeding in information so we can control the materials and tasks.”

The personnel manager, acidly:

“Do you mean we have no planning today?”

Next scene is the scheduled steering committee meeting in December (1997). People are coming in and it's soon obvious that this is not in fact the steering committee at all. More of them are from the former management group. No union leaders are present. Faces are serious and dogged.

Brian begins by saying that certain things have happened. Union leader A has left his post “for personal reasons”.

The group ponders on the consequences of this - are there any hidden motives on the union side and who will come instead? They all agree that the union's in a mess now, and perhaps they could take advantage of the situation.

Brian:

“I have thought of re-establishing the management group, but I don't know who will be there yet. We're working on a new organisation, but the consultants and I don't agree.”

He draws an organisation chart on the whiteboard so that everyone in the room can picture their own positions. The argument with the consultants is about the hierarchical level of the new production-planning function.

He asks the others to consider what solution to choose, and postpones the question to the next meeting. The group's mood is now joky and lively.

Brian:

“Any more questions?”

Line manager A:

“Yes, I’d like to talk about Pilot 1. Some people are jumping off, and more will follow them. They don’t feel anything is happening. It’s just shadow boxing. It’s no good when the people in a project change all the time.”

Line manager B:

“I agree. We’ve invested too much to let it go on like this.”

Line manager A:

“The Pilot’s just become a sort of planning-system group floating around, without anybody knowing what they’re doing. A classy English consultancy group, but of no help to us. We should be the Pilots, our people should be involved and should stand up for what’s going on. Producing masses of paper shouldn’t be the main activity, should it?”

Brian is listening carefully, without any protest. The meeting ends and dates are checked for future meetings.

No one brings up the future existence of the steering committee. The idea of changing relations with the union is quietly buried.

Reflections on Episode 3

The steering committee provides an example of *formal co-optation* (Selznick, 1949), whereby management tried to change the role of the union. There were mutual interests in expanding H-Depot, and at first this seemed to offer a good solution for both parties. But the sudden death of the steering committee didn’t surprise anybody, and it was followed by a retreat into the old forms of obligatory information and negotiation.

Douglas (1986) describes institutions as *thought styles* that create the mechanisms for decision making. The steering committee represented an attempt to change relations between union and management and the institutionalised roles they were both expected to perform - by themselves and by each other. This didn’t work out, and it simply created more anxiety and alienation among the line managers and, as it turned

out later, also in the union. Change through institutionalised thought styles is naturally less controversial, and in this case Brian would probably have been more successful using the familiar settings for collaboration with the union more vigorously.

Another example of *co-optation*, albeit a more informal one, is the presence of Mr. P at the meeting. At the divisional level people are eager to demonstrate friendship between the P and M divisions and to bring the institutionalised war to an end. Mr. P represents a guarantee of the good intentions of P, but is also a source of support for H-Depot.

At the beginning of this episode we see the steering committee's honeymoon, or what Bion would call *the idyll*, as a mechanism for flight from the anxiety created by the new and unknown roles. The basic credo of the idyll is, "We have to stick together and maintain our borders, as the world is a dangerous and unpleasant place". (The Computer Division interferes, people badmouth about us, the consultants try to overrule us, the youngsters in the group don't know what we've done before, and so on.)

By the end of this episode the institutions have been re-established. You hear things like "Don't trust the union, you don't know what's behind..." The line managers move from *dependency* to *fighting* and start to act. They assume responsibility for the project, accusing the consultants of "simply producing paper" and planning new meetings.

At this moment the consultants and the project group held most of the power and initiative, contrary to the proclaimed intentions. But the managers didn't talk about how to change their relations with them in order to become more co-operative. Instead they were arming themselves with arguments and complaints, and securing further meetings of their own.

Episode 4 - A pyrrhic victory

It is early 1998. The Pilot 1 Project has been running for about six months, but nobody is expecting any really substantial results yet. There is still 12 months left. Lots of consultants and experts are working on Pilot 1 in H-Depot. The new General has approved the T 2000 project, but the main decision about the depots to be closed down has still not been made official.

The scene is now the premises of the Pilot 1 Project, January 1998. The computer system has arrived and meetings are taking place in all the rooms. The production-planning group is discussing implementation of the system. The meetings are being held in English, and someone has produced a dictionary for the Swedish participants. There are a number of special terms used by the English consultants related to their working methods. No Swedish dictionary for them, though.

The project leader says Brian has promised to pop in for a while every day

“so we can tell him what we need.”

Brian and his guests, other depot managers from various parts of Sweden, are arriving in the corridor. It's the end of the meeting and the consultants start talking to the new group and showing them the “As - is” and “To - be” papers on the corridor walls. They are suggesting a new structure with a “fleet-manager”, to solve the problems between the M and P divisions. Their chart also includes the new planning function and a new logistic function.

The guests are silent. It is doubtful whether they really understand this rapid English, and all the different terms. Some of them can be heard muttering in Swedish on the lines of

“this is like the sixties, big planning departments separate from production”, “we tried to let the workers do more and more of the planning themselves, but that's obviously stopped.”

Brian also makes some remarks in Swedish, indicating that he doesn't agree with the consultants about these planning and logistic functions.

“I want them closer to production. But there's a bit of a cultural clash between English and Swedish thinking.”

Nobody asks about the fleet-manager's role, or where in the hierarchy this function is supposed to be.

H-Depot is now a popular place. The next day Ray, the divisional manager, comes along to meet the managers in the depot. Is it the first time since the Pilot 1 Project started? Every manager is given some time to report on progress in his or her domain, and they all sound very self-confident and satisfied. Ray's main question is, briefly "Will you be able to cope with the bigger volumes?" and his main message, "Remember everybody's watching you now, waiting for problems to appear when new volumes start coming in".

Brian, after Ray left:

"That went well, didn't it?"

Some weeks after this visit, in February 1998, the structure decision was made official. H-Depot will be expanded and G-Depot is to close. It's a shock for G-Depot. Its manager leaves, and there is a lively debate in the newspapers.

There is now intensive interaction between the consultants and the M-Division management. They could all now breathe a sigh of relief. This decision would make their diagrams of the cost-savings achieved in the T 2000 project look nicer.

The union is fighting hard, calling on all their allies.

In H-Depot there is no surprise. The new management group is finally established in March 1998, but now as a "project" for a certain time. This solution is justified on the grounds that it avoids any time-consuming formal recruitment process.

So far the consultants have won all the battles about the new management organisation in H-Depot. Some conflict in the consultant group between a Swedish and an English member led to the departure of the Swede. He agreed with Brian's opinion about the organisation and confronted the principal English consultant with his views. Now a Swedish-speaking Scandinavian consultant has replaced him.

This new and more neutral consultant is attending a two-day kick-off with the new H-Depot management. Other consultants and experts, as well as the new depots manager – Bill M D, recruited internally, and so far keeping a low profile - come and go during this meeting. There are mixed feelings in the group. The attitude of the “old” managers towards the visitors is quite hostile and suspicious.

The atmosphere changes after open discussion about the bad feeling of not being trusted by the higher levels (as the jobs were “project-based” and not permanent), about being completely ignored by the consultants and, for some, also about not being sure of their own future.

“Maybe my job will disappear in the next round?” [Line manager]

This meeting is being held in Swedish. The consultants attending it adopt a humble and listening attitude.

At the end, Brian exhorts the consultants to stay close to this management group, to give them full information and let them take part in all decisions.

In June 1998 it is time for the Great Manager Meeting with all the managers in the M-Division. Brian has been given the honour of facilitating this meeting, and he fulfils his role with humour and self-confidence. His own report about the Pilot 1 Project consists of a stack of colourful slides about “what is to be” more than “what is”.

Outside the conference rooms people are gossiping. The production manager for H-Depot is leaving for another job in September. Why? Doesn't he believe in Pilot 1? Don't Brian and Ray trust him? What about the new computer system? Why isn't it working? Will it really be such a powerful tool for cost saving? Isn't the main problem that customers don't provide enough information or follow the plans?

Summer comes, bringing more problems. Several accidents abroad force the Railway Company to conduct an extra check-up on the vehicles. Work is piling up in H-Depot and P-Division is complaining loudly about maintenance. G-Depot is still open but working at reduced speed.

The scene moves to a management meeting in H-Depot in September 1998:

Present are all the line managers, the project manager for T 2000 and the Scandinavian consultant. The situation is best described by the following quotations:

“Now it’s Berlin 1945”

“We mustn’t panic at P-Division’s violent attacks.”

“If we lose the on-time-deliveries, we lose one of our most important weapons.”

The personnel manager reports heavy criticism and anger against the consultants from her meetings with sixty team leaders on the shop floor. “They are bullies, they don’t listen, waste of money, they only speak English” etc.

The meeting is noisy and the mood ripe for expressing anger in all sorts of directions. But it also works vigorously and efficiently at tackling the acute problems.

Brian:

“When is the deadline for us? When do we have to come clean? Do we have three months to prove we’ll manage?”

At the end of the meeting Brian asks about the feelings in the group and says:

“We’re in a mess at the moment, but I’m still not losing any sleep. I’m positive we’ll manage this.”

Two weeks later at the next Great Manager Meeting, Ray announces that

“the management of H-Depot has to be strengthened and the whole depot is now put on a “project basis” managed by the Pilot 1 Project Group. Brian H is going to take on other work. So is the personnel manager.”

Neither of these two are present at this meeting and nobody asks for them or questions the decision. They are present only in an information sheet from the union that is discreetly circulated. In this paper the remaining union leaders at H-Depot make a furious attack on Ray, Bill and the decision to move Brian.

Reflections on Episode 4

We can assume that the tension in the project group and among the consultants was no less than among the managers, but the way of diverting anxiety was different. The basic assumption was that of the *pairing group*, (Bion, 1961/1974; 1967/1993) whereby hope is focused on what is to come, in this case the new computer system. It's hardly surprising that this is a common *thought style*, (Douglas, 1986) among consultants, involved as they are in creating and implementing new concepts, systems and structures.

In this episode we also see that when the formal structure fits closely to the activities, the need for *decoupling* disappears (Reason & Rowan, 1981). Ray turns up in the depot to make sure that everything is going to work out when the decision close down G-Depot becomes official. But his visit increases the external pressure, and consequently the anxiety. The line management group closes ranks against him, puts up a fine façade and says nothing about the problems.

At the beginning of this episode we can see Brian emerging from his isolation. He is now closer to his line managers, his colleagues from other depots come to see him and he is Ray's favourite (facilitating the big meeting). Two important things have happened to relieve both H-Depot and Pilot 1 of their anxiety: the decision about structure has now been made formal, and the new computer system is there to be implemented.

For a while features of the *working-group* mode appear, such as openly expressing all kinds of feelings (including the fear of losing one's job) and learning from experiences (Bion, 1961/1974; 1967/1993). Influence is being brought to bear on the consultants, challenging the suggested organisation, speaking Swedish at meetings, and getting them to behave in a more humble and listening way.

It is a period of truce in H-Depot, but the cold war is continuing all around them. The central union follows its own institutionalised lines in fighting Ray on the structure decision, and P-Division is complaining loudly to the General about M-Division not managing the maintenance as a result of the same decision. Mr. P left a long time ago.

Anxiety is rising in the organisation. The basic assumption on the divisional level is the one *offight/flight*. Ray has to fight but without any weapons he can use externally, so he turns the fight inwards, which also represents a flight from the ongoing war with P-Division. The consultants were his mercenary soldiers, working for money but contracted for “domestic” use only. There was also the General’s proclamation about keeping the peace between the M and P divisions. An internal enemy was the only solution and in this situation Brian became the natural scapegoat.

By this move Ray first reconstructs his ability to take action and his legitimacy as a competent manager. As in many other organisations, a powerful old institution for constructing managerial competence is to move other managers (Brunsson, 1990).

Secondly, by moving Brian, Ray finds a way of legitimating the investment in consultants. No blame on them any more.

Thirdly, moving Brian confirms that the decision to close down G-Depot was the right one, as it indicated that the cause of the problem lay somewhere else. This, rather than their concern for Brian, is probably why the union fights back so hard. Also, to protest against managerial power is the institutionalised role of the union, and this time their protest is extremely loud and can be heard all the way up to the General. They also give voice to all the managers, who are now more silent than ever, in the basic assumption of *dependency*, after this demonstration of how easy one can lose one’s position.

Discussion and conclusions

So, what do we learn from this story? Every day is a drama and this story is no more dramatic than any others. It has simply been slightly dramatised and is maybe closer to action than we are used to. Processes much like this probably go on in most programmes for planned change. My intention is not to judge this change programme as either a success or a failure. Time will show which interpretation of reality will win in negotiating how to write the history of the Pilot 1 Project and T 2000 (Brunsson,

1990; Weick, 1995). Over time history may also be rewritten. Some will call the consultants a “deadweight”, others will say they had a “turbo” effect. When the process reached Episode 4 Ray would probably vote for “turbo” and most line managers in the depots for “deadweight”.

More interesting is the paradox described in the introduction to this paper, namely that although so many good intentions and so many resources (consultants, experts, managers, the union) were devoted to making H-Depot into a “model depot”, things still developed in such a way that Brian had to leave. H-Depot was defined once again as a big problem, with - according to general opinion - the wrong attitudes among its workers and an impossible union. And now there was also the wrong management, albeit not for the first time: the H-Depot management has been changed about every second year.

This definition of the problem presupposed the subsequent solutions: change of management, a tougher attitude towards the union, and the closure of one shop in the depot forcing the workers to move. There were alternative definitions at hand, such as useless consultants, bad planning on the part of P-Division, new computer system not being implemented, bad luck about the extra check-up in the summer, and so on.

The old thought styles are reinforced: “The H-Depot has always been a problem”, and “The union there has always been a disaster”. Nothing is de-institutionalised in the construction of the organisation, not in the divisional management for P or M, nor in H-Depot itself.

The new divisional manager was not part of the organisations’ history, nor were the consultants. And it is interesting to note how rapidly and easily they adjusted to the prevalent thought styles. The institutions are strong and a few newcomers are hardly likely to change them.

On the organisational level reality is interpreted according to well-known patterns, and the sense-making process produces self-fulfilling prophecies about the future development (Weick, 1995). The way of acquiring power is an institutionalised

process. In this organisation there are two main routes to power: through position or relations. Other sources of power such as knowledge or experience seem less important. Managerial power is a strong institution – so long as managers keep their positions and don't overrule the institutions. Lower-level management seldom openly questions the decisions of the managers above them: that's the role of the union.

This organisation is embedded in a political system ruled by governmental decisions. We can ask ourselves whether this influences its processes, as alliances and connections with powerful groups do seem to be very important.

Ray's power was not questioned, and the consultants' relations with him made them his powerful representatives and thus they got managerial power. Ways of responding to managerial power are also institutionalised in a process that involves following formal rules, putting on the best front, concealing negative information and trying to solve problems without asking for help.

These conditions did not create the most open and trustful relations between H-Depot and its support troops.

From this story I would like to draw some more general conclusions about planned change and different efforts from top management to de-institutionalise organisational processes:

- Growing anxiety in a group or an organisation creates a need to defend oneself and to divert anxiety down to the steady state. This evokes regression to old, deep institutions for defence and the unconscious adoption of well-known and familiar behavioural patterns and thought styles.
- In a change programme imposed from the top there are numerous factors that cause anxiety, such as loss of control, fear of future positions, loss of knowledge about the location of power, external pressure and conflict about the means for achieving the goals. Extra resources, internal or external consultants, brought in

and paid by top management, are likely to be perceived as just more pressure and as bringing management too close, and thus to become another source of anxiety.

- Attempts to de-institutionalise behavioural patterns (like switching from war to peace) will raise anxiety, while at the same time reducing the access to familiar defensive mechanisms (in this case, fighting). Here we have the paradox that the more one tries to change, the harder it becomes.
- It is possible to bring about changes in formal structures, in figures and systems, by threatening or by demonstrating energy and exerting pressure, but hardly to make changes in the structure of the ongoing processes, in the institutionalised behaviour and thought styles - that is to say, in the constructing of the organisation.
- De-institutionalisation of the construction processes is more likely to occur when the need for the old institutionalised processes is at its lowest level. That is when anxiety doesn't exceed the steady-state level for the organisation concerned, and thus there is no need for defence.

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