

Coalitions, conversations and complexity – the challenge of change in the public sector

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Abstract

As managers throughout the UK's public sector face up to the challenge of change, how will they respond? If they default to established practice, largely imported over the past 30 years from the private sector, they are likely to place most emphasis on changing the formal processes, systems and structures of their various institutions, and on getting these 'right' through rational analysis, project management techniques, detailed implementation programmes and other 'tools of the trade'. But organisations are made up of dynamic networks of people interacting with each other. And people have a habit of not conforming to the mechanistic assumptions that still channel much of mainstream management thinking about organisational change and performance. Ever-present features of organisational life - such as power and politics, informal processes, tensions and contradictions, and other aspects of the complex social dynamics of organisation - tend to be dealt with superficially or ignored altogether. Research consistently suggests that, despite the plethora of tools and techniques, the success rate of organisational change is poor. This paper argues that this is due, in large part, to the failure of conventional management practice to take account of the inherent messiness of 'real-world' organisations. And it suggests an alternative change-leadership agenda that seeks to address this.

The challenge of 'Big Change'

In an effort to reduce the record level of national debt and to move away from what it sees as over-centralised control by the State, the UK's fledgling Coalition Government has embarked on a major programme of reform and cost cutting throughout the public sector¹.

If the sought-after benefits are to be achieved, all of these measures will require significant change to occur; not only in the ways in which public servants behave but also in the conduct of private companies and in the population at large. And yet, stories abound of change efforts that have petered out, failed to realise the expected benefits or disappointed those who were once their most vocal advocates. All too often, the initial enthusiasm, intense activity and (frequently) large-scale investment in time, effort and money are followed by disillusionment, cynicism and a feeling of wasted effort.

Can we escape from this pattern into something more useful? Or is it inevitable that events will take their usual course, as the new Government's 'best-laid plans' come face to face with the day-to-day reality of organisational life? This paper argues that a shift is possible. But only if managers throughout the public sector and beyond are prepared to challenge some of their cherished assumptions about how organisations work and the role that leaders play in them.

The illusion of management control

Much of the conventional wisdom around organisational change and performance is based upon an idealised model of organisations, in which managers can *choose* the best way to effect change in the organisation. And, having made that choice, the organisation will follow. This belief is predicated on the basis that:

- individuals and groups behave rationally, within clearly defined structures, processes and systems;
- outcomes are predictable and within the gift of managers to control;

- issues and events can be explained in terms of linear chains of cause and effect;
- seamless links exist between the various elements of organisation, such as that between strategy and operations;
- the hidden, messier and more informal aspects of everyday organisational life are illegitimate and/or signs of dysfunction that 'proper management' will cure;
- managers are external, objective observers and controllers of other people's actions - 'if you're not in control, you're not leading', so to speak; and, most characteristically,
- big change requires BIG interventions.

From this standpoint, highly detailed project plans and budgets, formal organisational charts, extensive target setting and similar tools dominate managers' agendas. Such techniques as Kotter's neatly packaged, eight-step change process (Kotter, 1996); Kaplan and Norton's reassuringly detailed Balanced Scorecard (Kaplan and Norton, 1996); Conner's notion of a passive, 'waiting to be done to' Change Target (Conner, 1997); Collins's journey "from good to great" (Collins, 1998); and a host of other prescriptions, offer hard-pressed managers the promise of control, predictability and successful change.

When the sought-after benefits fail to materialise - as is reportedly the case in upwards of two-thirds of formal change programmes (see Beer and Nohria, 2000, for example), this is most often blamed on poor implementation rather than unsound thinking. The managerialist construction of reality is now well established in public-sector organisations (Clarke and Newman, 1997). And this contains within it the expectation that shortfalls will occur during implementation. Perversely, then, failure confirms the validity of the dominant management discourse! It is part of what managers take for granted and 'know' to be true. By adopting a "do it better and get it right" stance to implementation, failure is rationalised as a shortfall in execution and the flawed assumptions remain to fight another day.

The messy reality

If managers are to get to grips with what's really going on in their organisations, and understand the dynamics that are determining the success or otherwise of planned changes, they need to move beyond traditional thinking and practice. As Keith Grint remarks, "Despite being full of common sense, [much of what is presented as management orthodoxy] doesn't appear to work" (Grint, 1997). So why is this? And what can managers do about it?

To begin with, what we talk of as organisations are *social* phenomena. They comprise people *in relationship* with one another. They are also *constructed* phenomena. That is, people get together and 'make things up' – making sense of what's going on and, through this relational process, deciding what things mean and how they will act. Interdependence, interaction and interpretation are therefore fundamental dynamics of organisations. Some of these interactions occur in formal settings and, outwardly at least, follow formal processes and practices. Most, though, take place informally; reflecting not only the 'legitimate' themes, as formally set out, but also the underlying personal, social and political dynamics of everyday interactions. The latter might include, for example, pre-meeting get-togethers to agree positions on issues; whispered asides or 'nods and winks' during formal meetings; water-cooler gossip; corridor conversations; private discussions; social exchanges; and so on.

The themes that emerge in the informal conversations, and the power relationships and ideologies that these reflect, impact significantly on the conduct and outputs of the formal processes. This means that, in practice, both the creation of the 'authorised version' of the organisational story, and how this is taken up in many local interactions, is affected more by the complex political dynamics, ideological stances and personal identities of those involved, than by the rational analysis and systematic decision-making that is implied by conventional management wisdom.

Through this ongoing process of 'local' (i.e. one-to-one and small-group) interaction, people (*at all levels*) make sense of the world and decide how they will act. They share their perceptions, interpretations and evaluations of what's going on; deciding, through these conversations, what to make of what they've heard and what they will do. We all share this basic need to make sense of the world in which we live (Weick, 1995) and to act in ways that maintain our sense of competence in dealing with its challenges (Culbert, 1996). And it's through the widespread interplay of these local conversations and interactions that coalitions of support for change are built; cultural assumptions become embedded; and overall outcomes emerge. As we saw during the Conservative-Liberal Democrat negotiations in the UK at the beginning of May 2010, it's through this same process that formal designs, plans and programmes become established in the first place – both formally, in the full glare of the media; and, most significantly, informally behind the scenes.

These informal processes, social relationships and political coalitions exist in all organisations. They have a major impact on organisational change, performance and capability. But these form through a process of self-organisation; they cannot be mandated by managers. Nor can they be controlled in any meaningful way. Ultimate outcomes emerge from this complex social process of self-organising interaction, in which managers' formal intentions, strategies and plans play a part - but only a part. In such circumstances, relying on 'common sense' is not always sensible and 'conventional wisdom' is not always wise.

So why doesn't this 'authorised version' simply materialise in the ways intended and deliver the planned results? What else is going on?

Underlying dynamics

A number of factors intervene to affect the ways in which sought-after changes happen *in practice*.

To begin with, all organisational designs incorporate two fundamental *and opposing* requirements that make political activity inevitable and outcomes uncertain. That is, they divide up responsibility for carrying out the specified tasks and, *at the same time*, require these separate groups to act together to achieve the organisation's overall objectives. This simultaneous need to differentiate contributions and integrate outputs accounts *both* for the functional value of organisation *and* for its underlying political dynamics. In effect, you can't have one without the other.

Secondly, every individual is unique. They have different histories, are involved in different networks of personal and professional relationships, and face differing 'real time' demands. As a result of this, people inevitably see things differently, value things differently, and act differently 'in the moment'. Thirdly, regardless of how precisely the formal designs might be specified, these will always be subject to local interpretation by *specific* people, at *specific* times and in *specific* circumstances. How people make sense of what's going on – and the meaning that they take from formal initiatives - is therefore crucial to what actually happens 'on the ground'. *And this is not within the gift of managers to control*. Even in a so-called "command-and-control" regime, these sense-making conversations are self-organising. In the moment of their everyday interactions, people decide why, when and how they are going to talk about things; what they are going to say and do; and with whom they are going to say and do it. Outcomes emerge from this dynamic web of interactions, according to the sense that people make of what's going on and the actions that flow from this.

Fourthly, the more that people make sense of things in particular ways, the more likely they are to continue making sense in similar ways going forward. That is, patterns of assumptions emerge and become taken-for-granted ways of seeing, thinking and acting. This self-organising, patterning process tends to channel ongoing sense making, imperceptibly, down established 'pathways'. On the one hand, this enables people to go on together, by creating

high expectancy that things will proceed in culturally familiar ways. At the same time, this same process tends to inhibit organisational *change*.

Finally, change inevitably involves shifts in power, ideology and identity, as people navigate their way through this diverse mix of formal and informal interactions. Because of the in-built structural tensions and diverse perspectives, different interest groups exist in relation to organisational issues. Some of these reflect the agendas of formal functional groupings. Others are issue-specific or based on informal relationships. Also, all significant decisions require choices to be made about how best to use limited resources. Taken together, these differing interests coupled with resource constraints make tension and conflict central to the ways in which organizations operate in practice. Dealing with these constructively is what the political dimension of organisational dynamics is all about. As such, it needs to be at the heart of managers' change-leadership practice.

So what can managers do?

Well, first the 'bad news'. This messy reality also means that there are no simple, if-you-do-this-you'll-get-that formulae. Nor, despite the rhetoric, is it possible for consultants and others to provide evidence which demonstrates that a generally applied approach will 'work' at this *specific* time, in this *specific* situation, with these *specific* people. Inconvenient though this might be, in a world that craves clarity, certainty and proof, the craving does not make these socially complex and uncertain dynamics of everyday interaction disappear. The seemingly more certain world implied by the wholly rational approaches to change is an illusion. Whilst specific decisions and actions can be 'commanded and controlled' by managers, within the levels of their delegated authority, the ultimate impact that these have on organisational outcomes cannot. These will be significantly affected by the ways in which people perceive, interpret and evaluate what is going on. What emerges will then depend on which of these interpretations are shared, bought into and acted upon through the give and take of day-to-day interactions. So, as argued by Streatfield (2003), it is important for managers to recognise that they are both in control *and not in control at the same time*. The challenge then becomes one of embracing this paradox; understanding and actively engaging with the 'real-world' messiness of everyday organisational life, not seeking to deny or somehow eliminate it.

This does not mean abandoning any sense of intention, setting aside all notions of formal leadership practice, or abdicating responsibility for results. But it does mean doing so without any certainty of the outcomes that might ultimately emerge. Most importantly, it means managers focusing on the here and now of everyday conversations - their own and others' - through which people make sense of what's going on and decide how they are going to act. And this means acknowledging that the conversational process is fundamentally a-rational, political and ideological rather than rational, politically neutral and matter-of-fact. In the end, it means accepting with humility the state of not knowing; recognising that questions might generate yet more questions, rather than seemingly definitive but ultimately illusory answers.

Informal coalitions – individual action mobilizing collective action

Even if the formal designs of structures, processes and systems could be stated unambiguously and interpreted as intended, some of the resulting political activity would be directed towards *changing* these formally established ends and/or means, not just accommodating them.

As a result of the *natural* processes outlined above, people tend to coalesce informally around themes that dominate their local conversations and which 'ring true' to them. They then act on the basis of the meanings that these have for them. I call this perspective "informal coalitions" (Rodgers, 2007). Conversational themes relating to 'official' topics are intertwined with informal, 'shadow side' ones (Egan 1993, Stacey 2007), which reflect such things as the personal idiosyncrasies, informal relationships, social processes, political dynamics and

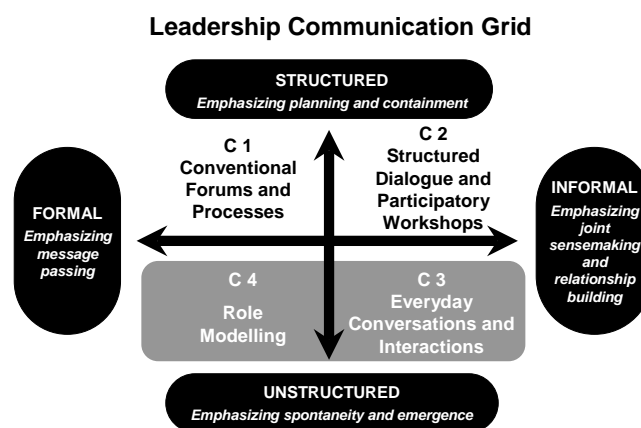
cultural tendencies of the organisation. If the dominant themes are in tune with managers' formally stated intentions, then it is more likely that the latter will be realised in practice. However, if these themes run counter to the official line, then other outcomes will undoubtedly materialise, as the intended changes are passively frustrated or actively undermined. Crucially, what Stacey (2001) refers to as the "complex responsive process of communicative interaction" *goes on with or without the active involvement of managers*. The only meaningful choice that managers have, therefore, is whether or not to engage with this process in a deliberate and informed way.

The informal coalitions view of change stresses the complex, developing and emergent nature of the overall process. It therefore rejects managers' ability to plan and control change in the ways that the conventional approaches imply. Instead, it sees it as arising from the coalescing of people around particular perspectives and narrative themes (or 'stories'), which lead them to act in one way rather than another. As a conscious approach to leading change, it seeks to influence outcomes by working with these natural conversational dynamics to help people make sense of the events that are going on around them and build active coalitions of support for desired changes. For managers, 'talk' (including what they 'say' through their *everyday* behaviour) then becomes their primary *action* tool.

An alternative change-leadership agenda

If the overarching goal is one of **building active coalitions of support for change**, what does this require of those charged with leading change – that is, *line managers throughout the organisation*?

- **Reframing communication** calls on them to think afresh about the purpose and process of leadership communication. This means changing its focus from message passing to joint sensemaking and relationship building; tuning-in to the themes that are dominating everyday conversations; and seeking to shift the content and patterns of these by using the natural dynamics of the organisation's informal relationship networks. As these conversations change, so does the organisation (Bate, 1995; Shaw, 2002).



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- **Thinking culturally**, rather than thinking *about* culture. The more that people make sense of events in a particular way, the more likely they are to make similar sense in the future. In this way, patterns of cultural assumptions emerge, which tend to channel ongoing sense making down culturally familiar pathways. People's perceptions and interpretations of leaders' words and actions (and particularly any mismatches between the two) provide an especially powerful input to this sense-making process. All leaders are therefore unavoidably role models – whether good ones or bad ones! For a leader, therefore,

thinking culturally means becoming aware of the impact that their own words and actions (including silence and inaction!) are having on the ongoing patterning process; and seeking to shift these patterns where necessary. It also means using any mismatches between intentions and outcomes to gain insights into these underlying dynamics, which can be further explored and potentially reframed through the ongoing conversational process.

- **Acting politically** is about engaging constructively with the natural, inbuilt political dynamics of organisations. This means seeking to use power ethically, to influence outcomes in organisationally beneficial ways that are also personally meaningful for people.
- **Embracing paradox** means adopting a 'both-and at the same time' stance (Stacey, 2007), in relation to the inbuilt tensions and contradictions that are characteristic of all organisations, rather than defaulting to a reductionist, either-or approach. Within this, it calls on managers to work to make these tensions liveable for people; and to recognise their creative potential.
- **Providing vision through everyday engagement.** This means seeing vision more in terms of insight than far sight. It is less about managers developing a Vision (with a capital 'V') and more about them using everyday conversations and interactions to help staff 'see better'; as the generalised statements of policy, process and procedure meet the messy reality of people's specific, local circumstances.

IMPLICATIONS FOR PRACTICE:

In the socially complex world of organisations, managers should:

- work from the premise that organisational change is fundamentally a-rational, political and ideological rather than rational, politically neutral and matter-of-fact;
- focus on the here and now of everyday conversations, through which people make sense of what's going on and decide how they will act;
- accept that their (and others') questions might generate yet more questions, rather than seemingly definitive but ultimately illusory answers;
- recognise that the only meaningful choice they have is whether or not to engage with this ongoing conversational and coalition-building process in a deliberate and informed way;
- work with these natural dynamics to help people make sense of the events that are going on around them and to build active coalitions of support for desired changes;
- shift the focus of their communication beyond message passing towards joint sense making and relationship building;
- tune-in to the themes that are dominating everyday conversations and interactions - seeking to reinforce or shift these through the natural relationship networks;
- become aware of the impact that their own words and actions (including silence and inaction!) are having on the ongoing patterning process;
- act ethically in the moment - seeking to influence outcomes in organisationally beneficial ways that are also personally meaningful for people;
- act with intention whilst, at the same time, accepting that they can never be sure as to the outcomes that will emerge.

And in the end ...

In looking to improve the odds of achieving more successful organisational change, the only meaningful choice that managers have is whether or not to engage with the complex social dynamics of their organisations in a deliberate and informed way. Embracing the above agenda for change leadership can help them to do this more effectively, by blending the sensible use of formal, rational frameworks and approaches with a proper understanding of the a-rational dynamics of their organisations.

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¹ See *The Coalition: our programme for government*, published by the Cabinet Office in May 2010. A copy can be obtained by visiting the website www.hmg.gov.uk/programmeforgovernment.