

Leading Change through Informal coalitions

Getting to Grips with the Hidden Dynamics of Organisational Change

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ABSTRACT

Managers across the world spend millions of pounds each year in trying to bring about change in their organisations. And yet, research consistently shows that their chances of success are less than one-in-three. Not only does this affect the competitiveness and viability of the business, it also drains people's energy, breeds disaffection and cynicism amongst staff, and undermines managers' credibility.

So can anything be done to improve the odds? This article answers that question with a firm "Yes". But only if we are prepared to challenge some of the long-held assumptions about how organisations work and to look afresh at the role of managers as leaders of change. It shows how business outcomes result from much messier processes than allowed for in the formal strategies, plans and programmes that ordinarily dominate managers' attention. And it argues that they need to engage directly with the underlying dynamics of their organisations, if they are to lead change more effectively. A new change-leadership agenda is put forward to support managers in this.

The Challenge of Change

The ability to deal effectively with organisational change is critical to business success. And yet, research consistently shows that upwards of two-thirds of all formal change efforts fail to deliver the desired results (e.g. Beer and Nohria, 2000). This suggests that something vital is missing from conventional approaches to change.

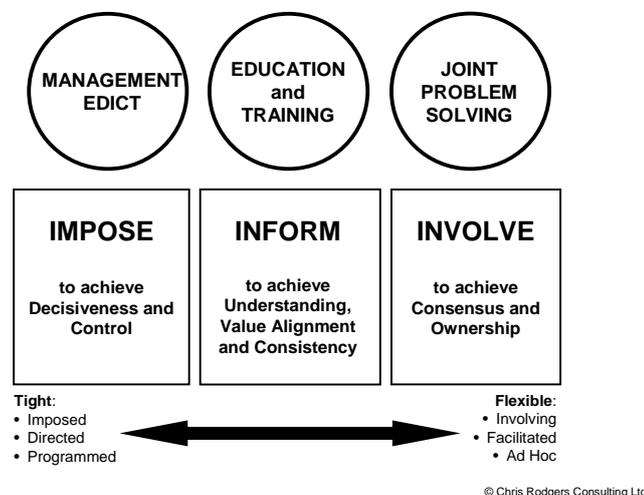
Almost invariably, these focus on the formal elements of organisation – its processes, systems and structures – and on getting these ‘right’ through detailed analysis, structured change methodologies and project management techniques. Other ever-present features of organisational life, such as the influential role played by informal interactions, the impact of power and politics, and the powerful grip of cultural assumptions on decision-making and performance, tend to be dealt with superficially or ignored altogether. This article argues that the gap between the rhetoric of change and the outcomes achieved is primarily due to the failure of established approaches to take account of the hidden, messy and informal dynamics of everyday organisational life.

Structured analysis and project management disciplines have a valuable part to play in organisational change and performance ... *but only where these are used in their proper place and when their limitations are understood.* Organisations are made up of people interacting with each other. And the dynamics of these relationships do not conform to the mechanistic assumptions that still channel much of the established thinking about organisational leadership, change and performance. Actions rarely arise from formal, dispassionate analysis of ‘the facts’. Or from step-by-step decision-making by people whose agendas are fully aligned. More often than not, these are the result of informal interactions, joint sensemaking and political accommodations by people who are trying to make a difference in the complex, uncertain and ambiguous situations that they face every day. Overall outcomes therefore result from much messier processes than allowed for in the well-ordered, design-build-and-communicate approaches that dominate current management practice. And, to improve their chances of leading change successfully, managers need to get to grips *directly* with these powerful, underlying dynamics of their organisations.

The Conventional View of Organisational Change

Figure 1, suggests that conventional approaches to organisational change vary from ‘tight’ (imposed, directed and programmed) methodologies to those that are more flexible (involving rather than imposed, facilitated rather than directed and with a degree of adhocery as opposed to being overly programmed).

Figure 1: Spectrum of conventional approaches to organisational change



In the diagram, the **management edict** mode seeks to achieve speed, decisiveness and control by imposing change on the organisation. This represents the classic, top-down approach and is often presented as the primary route to organisation-wide transformation. For many managers, this 'heroic' view is what change leadership is all about. It is often characterised by the use of what Collins (1998) refers to as under-socialised, n-step guides to change, which largely ignore "... the variety of influences and orientations which impact upon people at work and their experiences of change" (p 100).

At the 'flexible' end of the scale, **joint problem solving** approaches involve a wider constituency of people; seeking to achieve broad agreement about how best to proceed and to create a sense of ownership for the desired changes. These adopt a more inclusive view of the dynamics of organisational change and reflect a collaborative and participative style of leadership. However, as Collins (1998) argues here, the resulting models of change often become *over-socialised*. That is, their proponents are "... too confident in their ability to fashion organizations and to refashion the attitudes and beliefs of diverse groups" (p127).

In between, the **education and training** mode sets out to inform people of the required changes, to persuade them of the merit of these, and to modify their behaviours to suit the new requirements. It seeks consistency, integration and 'structural' alignment, through structured communication programmes and planned training and development.

Ordinarily, formal change strategies will embrace elements of two or more of these modes, with one likely to be dominant. However, although these span the full range of conventional views on managing change in organisations, something vital is missing. The continuing gap between the socially complex dynamics of 'real life' organisations and the models and methodologies that still dominate current practice is addressed below.

Bridging the Gap

Whenever formal changes are announced or rumoured, people get together and talk about them. They share their perceptions, interpretations and evaluations of what's going on. And they decide through these conversations what to make of what they've heard, and how they will act. This characteristic response to specific announcements, *as well as to everyday issues and events*, is universal. Everyone does it. We all have a 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 is by speaking with others in our personal networks, as well as through chance encounters, that we satisfy this need.

In organisations, some of this sense-making takes place during formal, structured meetings. Most of it, though, occurs informally - whether around the fringes of formal meetings or in other settings altogether. Outcomes emerge from this complex interplay of conversations, which happen continuously throughout the organisation - and beyond. Managers can neither prevent nor control this activity (although, like everyone else, they will be contributing to it via their own, local interactions). Indeed, formal change plans will themselves have originated and become formal propositions through this same conversational process, as the result of managers' interactions - both formal *and informal* - with others in their personal and professional networks.

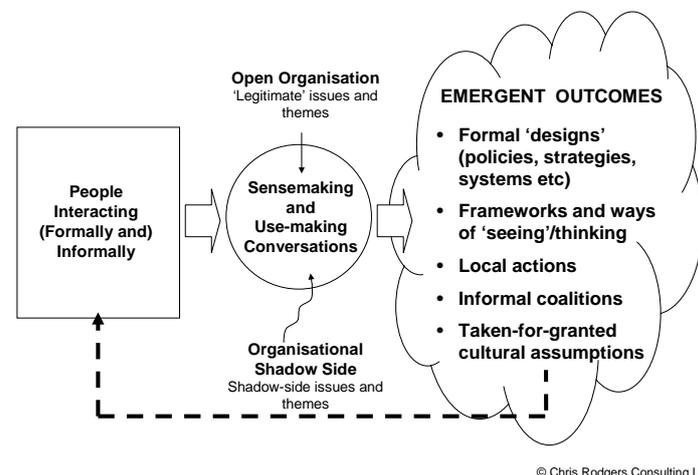
Crucially, then, *it is not formal strategies, plans and programmes that change an organisation*. It is how people talk about them, make sense of them and what they do - or don't do - as a result. What Stacey (2001) calls this "complex responsive process of communicative interaction" goes on in the organisation at large with or without managers' active involvement. The only choice that they have is whether or not to try to influence the content and pattern of these interactions in a deliberate and meaningful way.

Organisations as Networks of Self-Organising Conversations

This presents us with a radically different view of the dynamics of change and performance in organisations. Amongst other things, it recognises the powerful impact that informal conversations, power relationships and political processes have on organisational outcomes - whether or not these are seen as legitimate in the formal arenas of the organisation. I call this perspective “*informal coalitions*” (Rodgers, 2007), because of the tendency for people to coalesce informally around particular interpretations of events and for actions to flow from these.

Viewing organisations from this standpoint sees them as dynamic networks of conversations, in which the self-organised patterning of local (i.e. one-to-few) interactions generates organisation- or unit-wide outcomes. 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. These conversations occur any time and anywhere, not just in the formal arenas of the organisation or when the structured communication programmes say that they should. This is illustrated in Figure 2.

Figure 2: Organisations as networks of self-organising conversations



Patterns of meaning emerge from this sense-making process. Some of these become part of the organisation’s formal missions, strategies, policies, and so forth, whereas others remain in the organisation’s ‘shadows’.

The *informal coalitions* view of change stresses the complex, developing and emergent nature of the overall process. It therefore rejects the ability of managers 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 (‘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. ‘Talk’ is the *primary action tool* that leaders possess to achieve this.

From an *informal coalitions* viewpoint, overall outcomes are *necessarily* unpredictable; managers are both in control and not in control at the same time (Streatfield, 2003). 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. If the themes around which people coalesce are aligned with management's formally adopted position, the actions that flow from them are likely to support their implementation. However, if the themes that are organising informal conversations and actions run counter to the official line, the intended changes are likely to be frustrated or actively undermined (Stacey 2007).

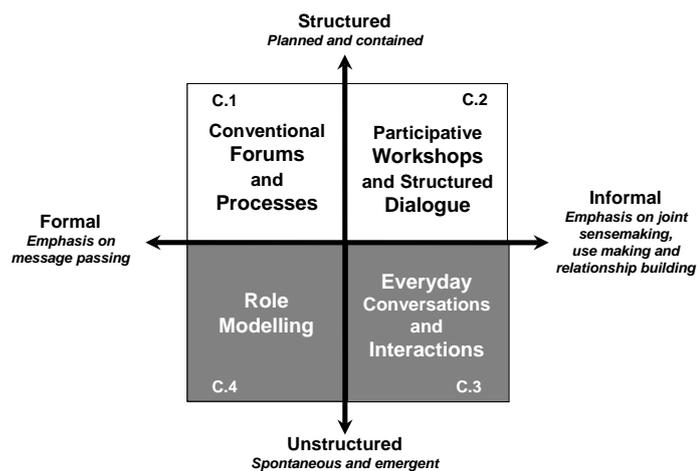
A New Change-Leadership Agenda

So what does an *informal coalitions* perspective of organisational dynamics tell us about the leadership of organisational change?

For managers at all levels, this points to a new change-leadership agenda, as set out below:

- **Reframing communication** calls on managers to think afresh about the purpose and process of leadership communication. This means changing its focus from message passing to joint sense-making 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 (Figure 3). As these conversations change, so does the organisation (Bate, 1995).

Figure 3: The Leadership Communication Grid



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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. 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 patterning process, and taking responsibility for the trying to shift these patterns where necessary. It also means using any mismatches between intentions and outcomes as important feedback, which can be further explored and potentially reframed through the ongoing conversational process.

- **Acting politically**, which means engaging constructively with the *natural, inbuilt* political dynamics of organisations; and using power ethically to influence outcomes in organisationally beneficial ways that are also personally meaningful for people.
- **Building coalitions** of support for value-adding ideas and desired changes. Issue coalitions aim to shift the organisation's 'official' agenda, policies and elements of organisational 'design' in some new direction. Action coalitions set out to bring about desired changes 'on the ground'.
- **Embracing paradox** is about working with the inbuilt tensions and contradictions in organisations; seeking to make these liveable for people and exploiting their potential for creativity, by adopting a 'both-and at the same time' stance (Stacey, 2007).
- **Providing vision** through everyday engagement. This means seeing vision more in terms of insight than far sight. It is less about developing a *Vision* (with a capital 'V') and more about using everyday conversations and interactions to help staff 'see better'; that is, to gain perspective, realise their purpose, self-manage their processes, exploit possibilities, unlock their potential and ignite their passion.

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 *informal coalitions* 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 organisations.

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