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1. Introduction

*Each morning, same time, the director of the company walks through the corridor. And while he passes the room of a manager, each morning he asks: 'Hi John, everything under control?' Each morning the answer is: 'Yes, sure.' After two months, same time, same question and same answer, the director enters the room: 'I am concerned about your answer. Let's have a talk.'*¹

1.1 Problem statement

Box 1 'How do we get our employees in the right mode?'²

In a large Amsterdam-based company, top management is not satisfied with the customer focus of the company. With support of a consultant, they start an improvement process in the entire organization. The approach follows a cascade structure: at each level of the organization, teams develop improvement plans that aim at the shared goal, customer focus. This way, responsibility for developing ideas and bringing them into practice is combined. The approach strongly appeals to employees' ideas and insights and aims at stimulating ownership. In the short run the approach leads to creativity and practical improvement ideas that really seem to work. Top management is enthusiast about the first results. However, in the longer run the energy declines. Managers at all levels struggle with the same questions: *'Why is it so difficult to keep this alive? Why do we persistently have to push and persuade? Why aren't they intrinsically motivated? How do we get our employees in the right mode?'*

Management have conducted several interventions, but are confronted with the same problems time after time. Despite several interventions, they still face problems with lack of energy and opponent forces (in management terms: resistance). Sometimes it seems that the harder they try, the worse the result or even the larger the problems. Management try to gain control and seem to lose control. Management try 'to break through resistance', though this seems to stimulate opposition. Obvious interventions produce non-obvious consequences. It is these kinds of situations this study deals with.

Extensive literature on change management has been released over the past decades. Consultants and managers can select their own favourite approaches, models, checklists and scorecards. Still, numerous studies support the belief that there seems to be a collective incompetence to organize successful change processes (e.g. Kearny, 1997; Mourier and Smith, 2003; Boonstra, 2000;

¹ The quotes/narratives at the start of each chapter are illustrative of the contents of that chapter.

² Examples in the theoretical exploration have been put in boxes. They are not considered to be empirical evidence, but only illustrations to create a text that is accessible and understandable.

Pettigrew, 1997). Beer & Nohria (2000) have tried to find an unambiguous explanation (integrative conceptual framework) by bringing some leading management thinkers together to 'break the code of change'. However, in their concluding chapter they state "let's start by admitting that we have not broken the code of change" (p. 473).

Do we need more models? Is the right scorecard still not available, or do we need better change plans? Day-to-day observations as a consultant and researcher do not support this view. The vast majority of managers and management teams have knowledge about how to plan and manage change processes, how to measure progress and how to behave during this process. And if they do not, they generally pick up new insights on these topics easily. Mostly, (top) managers are able to have a thorough discussion on how to lead a change process and to select a suitable approach. More knowledge and experience seem not to be the topic. Some preliminary observations as a consultant and researcher support another view.

Regardless of their spoken change ambitions and their desired management behaviour, in action managers often show behaviour that is inconsistent with these ambitions and intentions. Illustrative are a number of post-academic courses on change management³. In almost thirty different study groups, participants (senior managers) were asked to collect the most important conditions for successful change. Without any exception, they were able to compose a list of important conditions within a couple of minutes, including creating commitment, listening to concerns and clear communication. In the next step they were participants in a game. The group was divided in subgroups with a position in a company. Only the context of the change project was described. Participants were totally free in the way they filled in their role. The assignment was to prepare a meeting on the change process, each party from its own position. The participants who represented top management tended to involve the conditions for successful change in their preparation. However, without any exception, as soon as they were confronted with different beliefs and opinions during the meeting, they showed behaviour that was entirely inconsistent with these conditions: top managers enlarged control by persuasion, neglected emotions and suppressed deviant opinions.

These findings are in line with observations in management practice: although managers are very well able to describe what management behaviour would be desirable during a meeting with subordinates, as soon as they are confronted with critical questions and deviant opinions their actual behaviour tends to be inconsistent with their desired behaviour and focus on enlarging control (Argyris, 1990, 2000, 2004). Preliminary observations lead to the perception that this inclination to enlarge control leads to unintended effects varying from employees who say yes, but *act* no, employees who just undergo the 'change project' and take no personal responsibility, and employees who come up with ideas but do not bring them into practice to

³ Courses by Holland Consulting Group, Amsterdam, conducted in the period from 2003-2008.

feelings and divergent visions that are kept undebatable (Noonan, 2007). This way, managers might contribute to the problems they face. While many managers emphasize their desire to stimulate ownership, entrepreneurship and personal responsibility, they find their employees too reactive and dependent, even cynical. Employees, in turn, perceive the organization as unsafe and management as directive. Interventions contribute to short-lived improvements but lack a long-term effect (Ardon, 2006).

These observations turn the attention from what managers *say* to what they really *do* in action and to the effects of their behaviour on the change process to which they aspire. After all, it is not the intentions but the actual management behaviour that elicits certain effects. If their behaviour in action is not or only partly governed by what they say, then what does govern their behaviour? And how does their actual behaviour relate to the change process? Might they, unintendedly, block change and –thus- contribute to the preservation of the current situation?

In the vast majority of change situations management put an emphasis on the (planned) change approach and methods: what steps and interventions lead from the current to the desired situation (Werkman, 2006)? This emphasis is in line with the mainstream literature that pays much more attention to change methods (what we talk about) than daily interactions (what we actually do). In practice, however, blocked change processes often seem to have their roots in daily interactions (Argyris, 2004; Noonan, 2007; Schwartz, 2002).

An additional perspective concerns the role of management consultants in these interactions between managers and their employees. After all, as soon as they enter an organization, they contribute directly to the interactions (McCaughan and Palmer, 1994). Especially if their focus is on supporting management in their goals, strategies and approach (Argyris, 2000; Noonan, 2007; Drukker & Verhaaren, 2002; Strikwerda, 2004), their role in stagnations in change processes cannot be neglected. For example, they might contribute to blocked change by developing and supporting strategies to break through resistance, by supporting persuasive management behaviour and by bypassing fundamental problems that are difficult to manage and control.

The focus of this study is not on development of even more descriptions of change methods and desired management behaviour. Nor does it focus on what managers and consultants do right or wrong. This study doesn't aspire to persuade that change is better than preservation of the current reality. This study aims at understanding the gap between what we say and write on the one hand and what we actually do on the other hand. The focus is not on change plans, but on how daily interactions contribute to (blocked) change processes.

This study does not address routine and simple change processes. It focuses on problematic situations that are relatively difficult to change and have a repetitive

character. 'Simple' change processes are not necessarily easy to deal with. Simple rather means 'instrumental', concerning structure and systems rather than performance, people, culture, behaviour or attitude. In this study, change processes are considered to be 'complex' in case of dynamic complexity (Senge, 1990). Senge describes two types of complexity: detail complexity and dynamic complexity. Detail complexity refers to a kind of complexity in which there are many variables. Examples are working out the timetable of a large school (McCaughan et al., 1994, p. 27), following a complex set of instructions to assemble a machine, or designing a financial planning and control cycle for a large enterprise. Detailed complexity can be dealt with by proper procedures. Dynamic complexity is of a different order. "When the same action has dramatically different effects in the short run and the long, there is dynamic complexity. When an action had one set of consequences locally and a very different set of consequences in another part of the system, there is dynamic complexity. When obvious interventions produce nonobvious consequences, there is dynamic complexity" (Senge, 1990, p. 71). Typical examples are laborious attempts to develop entrepreneurship and ownership, recurrent patterns of resistance, and problematic relations between management and employees.

The problem statement of this study is:

How do leaders and their consultants contribute to (de-)blocking dynamically complex change processes?

1.2 Theoretical positioning

This study builds on the scientific tradition of organizational learning and systems thinking and particularly on Argyris' contributions about the effects of unilateral control on changing and learning. Argyris (e.g. 1990, 2000, 2004) has conducted extensive research upon the inconsistency between what managers say and what they do. Besides, he found that managers have a strong inclination to unilaterally control difficult situations and subordinates, especially if they experience threat and/or embarrassment. Typical expressions of this unilateral control are persuasion, neglect of emotions and suppression of deviant opinions. The consequence of – what he calls – a unilateral control model is limited learning, escalating error and in the end blocked changing.

The unilateral control concept has its roots in two scientific schools that seem to approach this concept relatively separately. The first school is the organizational learning school, as represented by Argyris. The second school is the (organizational) culture school. Interestingly, both schools differ strongly in some preconceptions.

The (organizational) culture school assumes that dominant control thinking is characteristic of modern Western culture since the Enlightenment (Kamsteeg & Koot, 2002). In this view people tend to think they can produce and control their social and natural environment. In this view we tend to focus on rational coordination in our actions (goal – means rationality). This conception of reality also influences our perception of organizations and organizational culture. Just as management can produce and control organization structure and systems, this perspective assumes one can implement culture (Kunda, 1992; Hosking, 2004). However, this is problematic, as the desire to control can easily lead to no control. The effects of this control view continuously activate their own anti-forces (Kamsteeg & Koot, 2002). As a consequence, (top) management often face complex situations. Kamsteeg and Koot argue that Dutch top managers often don't control their business processes (any more), however, they do try to convince employees, shareholders and other stakeholders that they are in control (p. 156). In their perception, (top) managers' assumptions that they can control their environment are so strong that regardless of their negative effects in the management of organizations they tend to hold them firmly.

In another publication, Koot & Sabelis (2000) describe dominant values in organizations as the desire to score, schedule, program, judge, define goals, show decisiveness, run and look forward. They argue that these values, which are visible in day-to-day practice, are not consistent with the more socially desirable views one tends to talk about. Here, this school agrees with the organizational learning school.

Characteristic of the (organizational) culture school is the assumption that dominant control thinking is region and time-related: the modernistic Western world since the Enlightenment. This assumption is in strong contrast to the organizational learning school, represented by Argyris. According to Argyris, young or old, female or male, minority or majority, wealthy or poor, well-educated or poorly educated – all people use action theories that instruct them how to be in control (Argyris & Schön, 1974; Argyris 1990, 1999): to be in unilateral control, to win, and not to upset people. These action strategies are primarily selling and persuading and, when necessary, save one's own and others' faces. According to Argyris this action theory (that he calls Model I) is neither region nor time-related. In a verbal comment (The Hague, 29th June 2007) he stated that this action theory is held by almost everyone all over the world. Furthermore, he referred to his research that shows the same action theory was held by human beings in Ancient times and even by apes. In numerous publications Argyris describes how a unilateral control model leads to defensiveness and blocks organizational learning. In the end, this leads to self-fulfilling prophecies and error-escalating processes.

It is these self-fulfilling prophecies and error-escalating processes where Argyris' insights relate to circular patterns and feedback loops in systems thinking. According to Senge (1990), nothing is only a cause or only an effect. In systems thinking everything is both cause and effect (p. 75). This leads to recurrent patterns that tend to be persistent. Senge (1990), McCaughan & Palmer (1994) and Campbell et al.

(1994) describe how circular patterns lead to short-term solutions and bypass more fundamental problems.

When management is confronted with the same problems time after time, when they try to gain control yet seem to lose control, try to break through resistance yet stimulate resistance, when obvious interventions produce non-obvious consequences, their behaviour is probably cause and effect and they are probably stuck in circular patterns. However, a unilateral control model keeps them from learning about their role and instructs them to seal their ineffectiveness. Argyris has described how one can facilitate mutual learning and thus de-block changing. He introduced Model II, that aims at (i) valid, direct observable data instead of personal and hidden interpretations, (ii) internal commitment instead of saying 'yes' and thinking 'no' and (iii) free choice instead of persuasion and manipulation. A recurrent question in discussions on Argyris' work is to what extent managers and professionals are able to learn and apply Model II values (Drukker, 1999; Edmondson, 1996; Kegan, 1994; Van de Vliert, 1977).

Boonstra (2004), Putnam (1999) and Campbell et al. (1994) have described the dominance of a unilateral control model and its effect on organizational change and learning. Recently, Argyris' insights count on a new revival. Several authors have made his concepts more accessible through practical and easy-to-read publications (e.g. Noonan, 2007; Schwarz, 2002). Argyris has described many examples of meetings with managers and professionals in order to share directly observable data. This way, he illustrates what individuals say, how unilateral control leads to communication problems and how mutual learning contributes to solutions.

By building on the scientific tradition of organizational learning as represented by Argyris, this study is rooted in American pragmatism (Sauquet, 2004). This school of thought assumes that changing and learning evolve in action. When individuals are confronted with unexpected situations, they can reduce the confusion by translating the situation into a problem. The resulting problem frame serves as a starting point for further inquiry that – in turn- can lead to corrective actions. As a consequence, change and learning evolve in action. This school of thought can be distinguished from other schools, like behaviourism, the cognitive school, and situated learning (Sauquet, 2004). Argyris' insights on organizational learning have been influenced by the work of Bateson (2000), who has strongly contributed to theory on the psychology of communication.

The empirical study is a combination of longitudinal case studies (Yin, 1994; Eisenhardt, 1989; Van der Zwaan, 1990) and action research (Eden & Huxham, 1996). The study aims at developing evidence-based knowledge on the effects of unilateral control on changing, organizing and learning, and what interventions (interactions) help to de-block changing in the longer run. This way, this study tries to respond to Argyris' call for directly observable data during entire change projects and

valid information (Argyris, 1973, 1990, 1995, 2004) and Rousseau's call for evidence-based management (2006).

By collecting directly observable data (daily interactions) in three longitudinal case studies, one can observe what managers, employees and their consultants say and do, whether and how these interactions are governed by unilateral control, how they contribute to (de-)blocking of changing, organizing and learning, and how interventions affect interactions in the longer run. The process of ongoing interactions is 'slowed down' in order to understand patterns, recognize important moments and their meaning to effective changing: *moving moments*.

1.3 Objectives

The problem statement of this study can be translated into six specific objectives.

1. Collect data and evidence of a dominant unilateral control model by managers and their consultants.
2. Develop insight into the expressions of a dominant unilateral control model.
3. Create insight into the relation between a dominant unilateral control model and blocked changing.
4. Create insight into the practical attainability of employing alternative behaviour in interpersonal interactions.
5. Create insight into the interventionist's role in (de-)blocking of changing.
6. Develop an intervention perspective that supports de-blocking of changing.

1.4 Contributions

As discussed before, several studies support the belief that there seems to be a collective incompetence to organize successful change processes (e.g. Kearny, 1997; Mourier and Smith, 2003; Boonstra, 2000; 2001; Pettigrew, 1997; Maurer, 1997; Schneier et al., 1992). All studies mention different success rates. However, regardless of the exact percentages, there is a strong belief that the return on investment (in terms of manpower, money, time and energy) of change initiatives tends to be disappointing. This study wants to contribute to an explanation of recurrent change difficulties. Not by studying what leaders *know or say*, but how they *act in interaction with people in their environment*. Not by studying what change methods are selected, but what people really do in practice. This study builds on the work of researchers like Argyris and Senge. Its contribution to scientific as well as practical knowledge can be summarized in five points.

First, this study integrates perspectives in order to give a broad overview of expressions of a unilateral control model. It not only refers to Argyris' insights, but also to other sources in the field of systems thinking and organizational change. This

leads to a diagnostic model that supports recognition of blocked changing and learning. Second, by describing three longitudinal case studies this study endeavours to gain knowledge about how dynamically complex change situations develop during a longer period and in an organizational context that goes further than the description of isolated meetings and conversations. Third, by combining longitudinal case studies and action research, the long-term effects of interventions by the consultant (interventionist) can be visualized. This leads to practical knowledge in order to develop an intervention perspective on de-blocking of dynamically complex change situations. Fourth, this study contributes to a translation of knowledge on organizational learning into practical and concrete insights that support understanding of blocked changing and to actionable interventions that contribute to de-block changing. This way, this study aims at developing evidence-based insights that are applicable to the practice of managers and consultants and that might be helpful in effective changing and learning. Fifth, unlike the emphasis of the mainstream literature, this study does not focus on 'how one should organize change', but on 'how one –unintentionally and apparently- contributes to the preservation of the current reality'.

1.5 Research outline

This study consists of three parts: the theoretical exploration (chapters 1-4), the empirical study (chapters 5-10) and conclusions (chapters 11-12).

Chapter 2 presents an overview of the expressions of a unilateral control model. This chapter concludes with a diagnostic model that aims at recognising and understanding expressions of a unilateral control model in practice and how they might contribute to blocked changing and learning. Chapter 3 reviews alternative guiding principles and provides a basis for ways to de-block changing and learning. Chapter 4 reviews literature on the role of the interventionist (consultant) and intervention perspectives.

Chapter 5 summarizes the central concepts and presents the research questions, as derived from the theoretical exploration. Chapter 6 outlines the research methodology of the empirical study. Chapters 7-9 describe three case studies. Each chapter concludes with a within-case analysis. Chapter 10 compares the outcomes of the within-case analyses in a cross-case analysis and addresses similarities and differences.

Chapter 11 describes the conclusions, as based on the cross-case analysis. The conclusions concern the research questions, additional findings, as well as the research methodology. Furthermore, limitations of the present study as well as recommendations for future research are described. This study finishes with a personal reflection on the research process and a description of the individual learning process of the researcher (chapter 12).