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JULIA BALOGUN

**THE ROLE OF OBSTRUCTING AND FACILITATING
PROCESSES IN CHANGE**

SUPERVISORS: GERRY JOHNSON & CLIFF BOWMAN

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ABSTRACT

There are a growing number of rich, qualitative studies investigating patterns in the development of strategic change. These reveal that it is not possible to understand the incremental and emergent nature of strategic change in organisations without recognising the impact of micro organisational political and social processes. However, few studies set out to explore in depth the implementation of a particular strategic change initiative to examine how these micro processes affect the way the implementation develops through time. This thesis uses a longitudinal real-time case study of a planned strategic change implementation to do this. It examines how facilitating and obstructing processes developed during the implementation, and how these interacting processes affected the way the implementation progressed, from the perspective of middle managers as change recipients.

The findings show that during intended change implementation, the planned interventions put in place by senior managers as they intentionally try to carry out change also lead to the development of emergent facilitating and obstructing processes. A sensemaking perspective is adopted to show how these emergent change elements arise from recipient interpretations of the planned change interventions. A theory of mediation is proposed to account for the findings. However, the contribution of the research is not to do with the identification of the centrality of sensemaking processes during change. It is an empirical study which draws on existing theories on sensemaking to show how recipient sensemaking contributes to both intended and unintended change outcomes, thereby providing fresh insights into how and why change implementation becomes an emergent and incremental process.

The thesis has four main parts to it. The first part deals with the research background and methodology; the second part the research site context and the ethnographic stories of change; the third part the findings and theory development; and the last chapter the theoretical and practical implications of the research findings.

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CHAPTER 1: OVERVIEW OF THE THESIS

1.1 Introduction

This research examines how and why facilitating and obstructing processes develop through time during planned strategic change implementation, and how these interacting processes affect the way implementation progresses, from the perspective of middle managers as change recipients. There are three main reasons why this is a novel topic to research. (1) It is known that planned change implementation can be difficult and unpredictable (Jick, 1993; Kanter et al, 1992). It is also known that it is not possible to understand the incremental and emergent nature of strategic change within organisations, without recognising the impact of micro organisational processes on the way strategic change develops (Pettigrew, 1973 and 1985; Johnson, 1987; Mintzberg, 1978; Quinn 1980). Processes of strategy development are best accounted for in terms of political and social processes. Yet few studies set out to explore in depth the implementation of a particular strategic change initiative to examine how these micro processes affect the way the implementation process unfolds through time. (2) The change literature attaches importance to the role of facilitating and obstructing processes during change. However, again, there are few studies which concentrate on the interaction of these processes at more micro organisational levels during implementation to determine how they may contribute to the unpredictable nature of change. (3) Most change research looks at strategic change from the perspective of the change instigators and leaders (usually the senior managers), little is known about how change recipients make sense of the process of implementation (Bartunek et al, 1996).

The findings from this research suggest that intentional and unintentional change cannot be viewed as two different types of change, but are inextricably linked, like the two sides of a coin. The intended elements of change, in the form of designed change interventions put in place through time by the instigators of change, achieve some of the planned change goals, but they also create other emergent effects for those involved in the changes, as the interventions interact with the context in which they are enacted. Some of these emergent effects are perceived by the change recipients to be helpful in moving change forward, but others are perceived to be undesirable and obstructive. Analysis reveals that these 'positive developments' and 'unintended consequences' (Giddens, 1976, 1984) arise because the link between any intervention and its outcome is not direct, as is implied by some existing literature. Instead the effect of any intervention is mediated by the interpretations of that intervention developed by individuals. Further, these unintended consequences and positive developments are demonstrated to play an important role in turning the implementation from a planned series of activities into an emergent incremental process.

Implementation has been observed to be emergent in character in other research (Pettigrew, 1985; Pettigrew et al, 1992; Johnson, 1987), but has not been examined in depth from the

perspective of the recipients of the implementation efforts. This research adopts a *sensemaking perspective* (Weick, 1995) to develop a framework which makes it possible to take the recipient's perspective, and examine how the recipients react to the change initiatives as implementation progresses. The analysis is used to propose a theory of mediation, which explains how the emergent change elements, in the form of positive developments and unintended consequences, arise as a result of recipient interpretations of the planned change goals and interventions.

Central to the theory of mediation is the notion of mediating processes. Mediating processes are the sensemaking and sharing mechanisms used by individuals during times of change in an attempt to arrive at some understanding of the implications of the changes for themselves in terms of their behaviour. They are triggered by any event, happening, or behaviour that is noticed by individuals and interpreted by those individuals to have some type of implication for them (Weick, 1995). This research finds that during implementation, individuals engage in mediating processes in response to the designed change goals and interventions put in place through time, and any other (maybe unintentional) message sending behaviours and events. Individuals then try to make sense of the changes via these processes. If the meanings and interpretations individuals develop as a result of this sensemaking activity are consistent with those intended by the designers of the changes, then individual behaviour is likely to lead to outcomes consistent with that intended and positive developments. If the meanings and interpretations developed by change recipients differ from those intended, the result may be unintended consequences leading to outcomes different to those desired.

This research provides fresh insights into how and why change implementation becomes an emergent process. It focuses on recipient sensemaking, but not just to demonstrate that this sensemaking mediates between a change intervention and its effect. The first contribution of this research is that it is an *empirical study* which draws on existing theories on sensemaking to analyse in detail the different mediating processes that occur during change and to show *how* these processes contribute to the change outcomes. As a result the research is able to link recipient sensemaking to both intended and unintended change outcomes, and therefore provide fresh insights into how and why change implementation becomes an emergent process. The second contribution is that the findings have major *implications for both change management practice and research*. Viewed from the perspective presented by this research, managing implementation is as much about detecting and managing the unexpected consequences, and creating linkages between the deliberate and emergent elements of change, as it is about managing the planned elements. This departs from the traditional approach to change implementation which equates success with the careful deployment and management of a series of planned interventions. Managers leading change

should not reify change as something “done” to participants, since the change recipients do not play a passive role.

This introduction has made a number of substantial claims about the nature of the research findings. The rest of the chapter expands on some of these claims to set the scene for the main body of the thesis, which presents the evidence and supporting arguments for the conclusions drawn. The objective is to demonstrate the novelty of the research undertaken, and the importance of the findings, whilst simultaneously drawing on well established ideas and concepts to put forward a theory which can account for the findings. The purpose of the remainder of this chapter is to show when this research *contributes* to existing knowledge, and when it *draws* on existing knowledge, to provide a clear line of argument that can be followed through the thesis.

1.2 Research on Strategic Change

There are a growing number of rich, qualitative, longitudinal, processual studies on change, particularly within Europe. Most of this work looks at what could be described as “extended strategic change” (Pettigrew et al, 1992:150), which encompasses overall patterns of change formulation and implementation in an organisation over a period of many years. Examples of this type of work include Pettigrew (1985), Johnson (1987), Pettigrew and Whipp (1991), Pettigrew et al (1992). Other work concentrates more on the nature of the decision making processes during strategic change, such as Pettigrew (1973), Bower (1970), Lewis (1988), Grinyer and Spender (1979), Hickson et al (1986) and Mintzberg et al (1976). This research shows that strategic change is not a rationally planned series of events, but is better accounted for in terms of micro-organisational political, cultural and cognitive processes. There are also studies which take a processual approach to examining change implementation, but with a particular focus, such as change manager skills (Buchanan and Boddy, 1992). Other researchers, for example, Hinings and Greenwood (1988), have examined change implementation more from the perspective of outcome with a lesser concern for process.

However, even though there are now many organisations attempting to undertake radical change via a variety of the latest management techniques such as business process re-engineering, downsizing, culture change and so on, little rigorous research appears to take a particular instance of such a planned change and examine in depth the attempted *implementation* of that change. We know that planned change implementation is difficult and unpredictable (Dawson, 1994; Duck, 1993; Kanter et al, 1992). It is also acknowledged that the patterns of change experienced at operational levels within organisations may be very different to those experienced at more senior levels (Ashburner et al, 1996). Yet there are few

studies concentrating specifically on the more micro level patterns that occur during implementation to determine how they may account for this unpredictability.

Within the research to date there is also a tendency to rely most on senior managers, or change leaders, for data. Bartunek, Davidson, Greenberg and Humphries comment as recently as August 1996 that:

“Few studies focus on how other organizational members interpret change initiatives and whether these interpretations parallel those of change agents.”

They further comment that there is often an implicit assumption in work focusing on change agents (e.g. Gioia and Chittipeddi, 1991) that recipients of change will interpret change initiatives in the same way as the change instigators. Participants are treated as passive recipients of the change initiatives. Their work, along with other research (Kanter et al, 1992), suggests that recipients develop their own way of understanding and assessing change which may not be consistent with the change agent's view. As such, research not acknowledging this may “underrate the active interpretation process of other organizational members”. Research needs to consider the different understandings that may develop amongst different participants, which requires an acknowledgement of change as a socially constructed process (Gioia and Chittipeddi, 1991) and the use of a sensemaking perspective (Weick, 1995). Some of the more complex studies, such as those by Pettigrew et al (1992), have used a pluralist approach across a variety of organisational levels, to gain insight into the different versions of reality seen by different groups of actors involved in change processes. However, work such as that carried out by Pettigrew and his colleagues at the Centre for Corporate Strategy and Change at Warwick University is still the exception rather than the norm.

One thing that is clear about strategic change from the other studies undertaken is the importance attached to facilitating and obstructing processes. Strategic change is often assumed to occur when the forces for change become greater than and overcome the forces resisting change within an organisation (Ginsberg, 1988; Miller and Friesen 1984; Huff et al, 1992). In many texts, particularly practitioner texts, “the logic of presentation assumes sets of driving and inhibitory forces explaining change and continuity” (Pettigrew et al, 1992: 270). Terminology used to describe such forces varies considerably. Levy (1986) splits driving forces into permitting conditions, enabling conditions, precipitating conditions and triggering events. Huff et al (1992) write of inertia and stress. Pettigrew et al (1992) refer to 'motors' of change. In particular, resistance to change has received a large amount of interest (Kotter and Schlesinger, 1979; Tichy, 1983; Nadler, 1981). The literature also investigates and proposes a considerable range of tools and techniques to help implement

change. These Kanter (1983) calls 'action vehicles' and Tichy (1983) 'strategic change levers'.

The interest in these phenomena suggests that interacting facilitating and obstructing processes may play an important role in the way an overall change implementation process develops. But only one processual study, that by Pettigrew et al (1992) on change in the National Health Service (NHS), examines explicitly the role of facilitating and obstructing processes in change. No other studies could be found examining the interaction of these processes at more micro levels during the implementation of an intentional strategic change. The Pettigrew et al study reveals facilitating and obstructing processes to be unpredictable. They emerge and recede through time, and are affected by unexpected events and the change context. These findings need to be taken into account when devising a research methodology for change research.

The gaps identified in the research to date, namely a lack of attention to studying particular instances of planned change implementation taking an explicit interest in the role of facilitating and obstructing processes at a micro organisational level, and the lack of attention to recipients' interpretations of change, sets the agenda for this research. The aim is to examine the overall patterns that occur during intended change implementation, by focusing on the interacting facilitating and obstructing processes perceived by change recipients to occur during the implementation, to find an explanation for the patterns identified. The study looks at the implementation of an intended strategic change effort within the Core Business Division of an organisation, launched in response to forthcoming changes in the regulatory environment governing the organisation's industry. Since a design team put together a blueprint for the changes and then put an implementation programme in place, it was possible to demarcate the start of implementation and the intended "transition phase" (Beckhard and Harris, 1987), and to monitor the implementation through the transition.

1.3 Research Approach

The dynamic nature of facilitating and obstructing processes commented on above (Pettigrew et al, 1992) has implications for any research methodology to investigate them. It is for reasons such as these that Pettigrew (1990) argues that change research must be longitudinal and processual; it cannot be conducted in an aprocessual, cross-sectional manner. Van de Ven (1992) supports this point of view. A similar logic is adopted for this research. Given that it aims to study a complex and dynamic phenomena through time via the experiences of those involved, a processual approach is appropriate.

The recipient group selected for the research are middle managers. They can play a key role in making change happen, since they often have the task of translating the plans and objectives into changes in everyday working practices. They are also a group of people whose role in strategic change may have been very much underestimated (Wooldridge and Floyd, 1990; Floyd and Wooldridge, 1992, 1994, 1996) and under-researched. Further, as pointed out above, the research that does exist on implementation has a tendency to rely on the perspective of senior managers, although the way change is experienced at lower levels and by other groups of participants in the organisation may be different. Thus it seems that if the intent is to develop a detailed understanding of what factors are facilitating and obstructing change *implementation* and why, middle managers, as a recipient group, may provide a valuable source of data previously neglected in change research.

However, the intent to focus on the perceptions of middle managers as change recipients, changes the focus of the study from the change process and interventions, to how individuals *experience* the changes. The study becomes a longitudinal and qualitative examination of the role of *facilitating and obstructing processes in intended change implementation* from the perspective of *middle managers*. This makes the research an interpretive study to do with issues of sensemaking (Weick, 1995).

1.4 Findings

The findings are on two levels. The first level is descriptive and to do with observations on the patterns of interaction between obstructing and facilitating processes perceived by the middle managers as change implementation progressed. The second level is theoretical, and to do with providing an explanation about how and why the patterns observed occurred.

At the first level, the research develops a classification of the types of facilitating and obstructing processes encountered by the middle managers. Four different types of both facilitating and obstructing processes are identified. Facilitating processes can be divided into *designed change goals*, the planned outcomes of the changes, such as the new structure, roles and relationships; *designed change interventions*, the enablers put in place by the change instigators to help achieve the goals, such as communication and training; *positive developments*, outcomes perceived by the middle managers to be created by the change interventions and to be helpful in achieving the designed change goals, such as an understanding of the need for change; and *unplanned events*, such as the way change leaders responded to staff and organisational situations.

Obstructing processes can be divided into *design issues*¹, aspects of the designed interventions perceived to hinder the change process in some way, such as insufficient communication and inadequate transition management; *unintended consequences*, negative outcomes perceived by the middle managers to obstruct the process of change and to arise from the interventions put in place, such as false expectations about the role of staff in the changes or interdepartmental rivalries; *inherent obstructing processes*, obstructions to the change process created by the existing way of operating and the organisation's history such as the old culture and old management style; and *unplanned events*, occurring internally and externally to the organisation, such as uncertainty created by on-going redundancies in associated companies.

It is the interaction of the different types of facilitating and obstructing processes that causes a planned implementation to change from a planned series of activities into an *emergent incremental* process, in which intended and unintended changes are inextricably linked. As change progressed, the designed change interventions put in place through time helped to achieve some of the planned change goals, but also created other effects for those involved in the changes. Some of these effects were perceived by the diarists to be beneficial, helping to move change forward, but others were perceived to be undesirable and obstructive. These 'positive developments' and 'unintended consequences' (Giddens, 1976, 1984) were not only some of the most commonly occurring obstructing and facilitating processes, but they were also perceived by the diarists to be important in shaping the overall outcome of change interventions. They emerged through time as the change interventions put in place interacted with the context in which they were enacted. As such, these emergent elements of change are context specific, and not necessarily predictable.

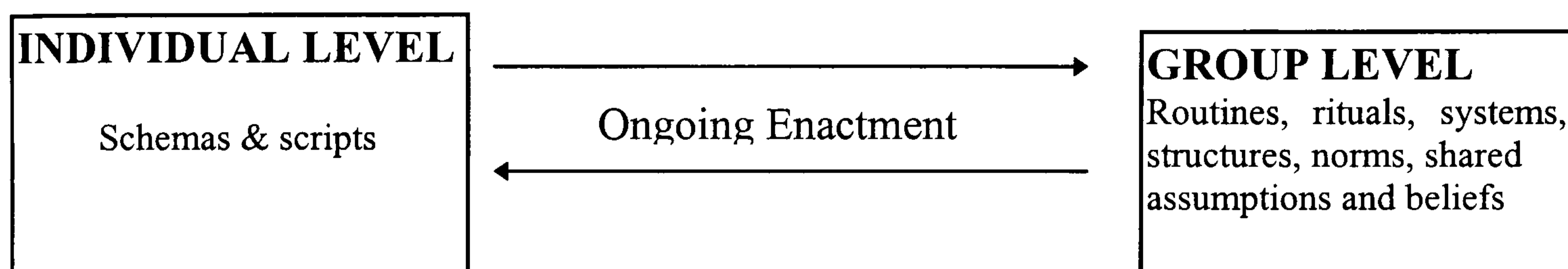
The second level of findings is to do with how and why emergent facilitating and obstructing processes occur, and takes a sensemaking perspective. The analysis suggests that there are two concepts that are important to an explanation of why unintended consequences and positive developments arise, and their impact on the overall implementation: *mediating processes* and the *level of mediation*. To understand these concepts it is necessary to refer to what is already known about cognition and change.

Research into cognition has shown the importance of individual cognition and sensemaking. Organisations are socially constructed (Berger and Luckmann, 1966). Individuals' schemas and scripts affect the events they respond to and the way they respond (Barr et al, 1992). During times of stability, individuals typically act in a pre-programmed, unconscious manner

¹. These processes are called design issues rather than design problems, because although the middle managers participating in the research viewed them as problems, managers responsible for designing the change process did not necessarily agree. Further, the middle manager participants did not always agree about the nature of the problem.

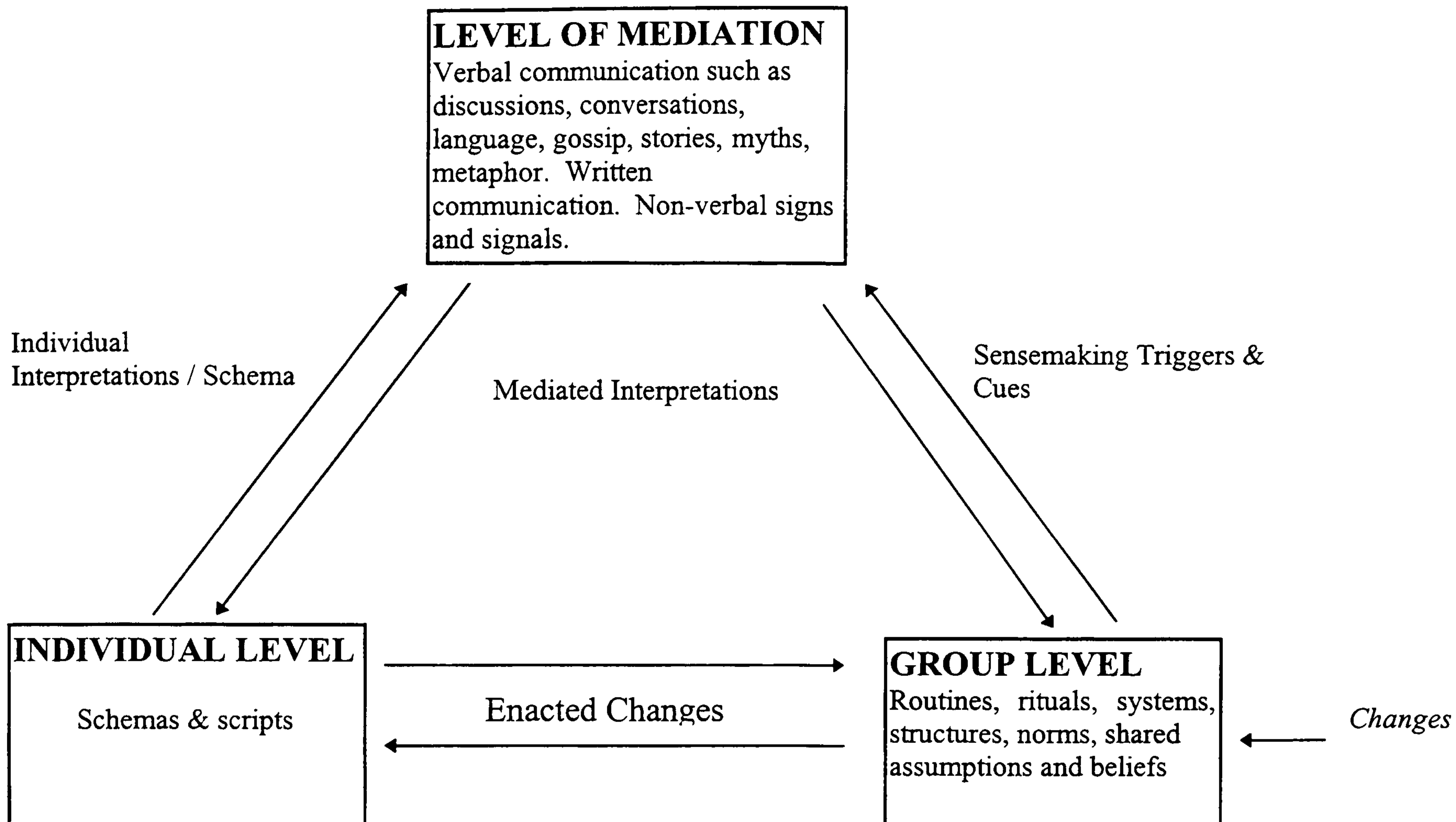
as a result of these schemas (Fiske and Taylor, 1991; Gioia, 1986). The commonality between individuals' schemas leads to an enacted reality (Weick 1995) at the group level in the form of routines, rituals, norms, systems, structures and assumptions and beliefs. The constant re-enactment of the group level reinforces and maintains the individual schemas (see figure 1).

Figure 1: During Times of Stability



In situations where individuals face change, when old schemas no longer apply, and as a result individuals encounter surprise (Louis, 1980), novelty, discrepancy, or deliberate initiatives (Louis and Sutton, 1991), they start to act in a conscious sensemaking mode (Weick, 1995). They have to try to make sense of what is going on around them, develop a reconciliation of what they expected to happen versus what actually happens, and some interpretation about what this means for them (Louis, 1980). It is this more conscious sensemaking mode that is here referred to as the *level of mediation* (see figure 2).

How Figure 2 is derived, and the assumptions underpinning it, are explained in far more detail in the body of the thesis. It is only possible to give a summary here, particularly since there is a debate about what constitutes group cognition, and the link between individual cognitive phenomena such as schemas, and group level phenomena such as routines, shared norms, assumptions and beliefs. This issue is also discussed later in the thesis.

Figure 2: During Times of Change

In summary, Figure 2 suggests that differences encountered at the group level which individuals cannot interpret via their existing schemas act as sensemaking triggers. Individuals move to a more conscious sensemaking mode to try to make sense of the differences within the context of their existing schemas and scripts², and by sharing their experiences with others (Isabella, 1990). Therefore, the level of mediation is about the sensemaking and sharing processes individuals within groups engage in when they encounter something different that cannot be explained by their existing schemas, to enable them to come to some sort of shared understanding about the implications of change for themselves. These processes are referred to as *mediating processes*. Individuals can only return to more automatic schema determined responses and behaviours once some new shared understanding has developed.

The activity at the level of mediation is similar to Weick's (1979) notion of selection which answers the question "What's going on here" (p175). As he says, this process often seems like a black box, with one input as the enacted raw data, here represented by the changes perceived at the group level, and another the enacted interpretations that have worked in the

². Sensemaking does not occur in an acontextual fashion. Individuals have different perspectives depending on their previous experiences, positions within the organisation, and self-interests (Bowman & Daniels, 1995; Dearborn & Simon, 1958). All these contribute to the sensemaking for the individual at the level of mediation.

past, here represented by individual's schemas and scripts. The processes of mediation are an attempt to unpack the types of processes individuals engage in to help them answer the question "What's going on here". They are about the interpretation of sensemaking cues, and the sharing of meaning inferred from these cues.

Therefore, processes of mediation to aid sensemaking are important during times of change, as other research also suggests (Louis and Sutton, 1991; Gioia and Chittipeddi, 1991; Gioia, 1986), and include communication and sharing mechanisms, both formal and informal (Weick, 1995; Isabella, 1990). Such processes in this research were found to include written and verbal communication, language, gossip, stories, metaphor, symbolism, symbolic activity, and vicarious learning. However, what is key, is not that mediating processes exist, or the form they take, but *how they mediate* between the enacted group level and the individual level during change, leading to unintended consequences and positive developments, and thereby an emergent and unpredictable implementation process.

The principles underpinning this framework are not new. They can be supported by existing literature on cognition and change. For example, what is here termed the level of mediation would correspond to what Wiley (1988) and Weick (1995) refer to as the level of intersubjectivity. However, as an analytical device, the strength of the framework lies in the fact that whereas other processual studies of change use more group level phenomena such as culture and politics (Pettigrew, 1985; Johnson, 1987) to offer explanations for patterns identified, this framework provides an alternative perspective more centred on the on-going interpretation of events by change recipients throughout the change process. It treats change as a socially constructed process, and changes the focus from the planned implementation activities to the way change recipients perceive and react to the planned activities. It places the change recipients' developing interpretations through time, rather than the change activities, centre stage. It also forces an explicit and detailed consideration of mediating processes, whereas most cognition based change research either relies on more individual level constructs such as schemas and scripts (Poole et al, 1989), or more group level constructs such as routines and assumptions and beliefs (Johnson, 1987).

The use of this framework to analyse the patterns found during change implementation leads to a theory of mediation. The analysis reveals how unintended consequences and positive developments occur as the outcome of recipient sensemaking activity at the level of mediation. A variety of mediating processes are identified and shown to be activated by the designed change goals and interventions put in place through time, and any other (maybe unintentional) message sending behaviours and events. Data gathered from the change recipients on their perceptions of the progress of implementation is used to show how they try to make sense of the imposed group level changes and interventions, and try to interpret the meaning of the changes for themselves, given their existing mental maps of the organisation's

internal and external environment. The changing cognitions of the recipients as change progresses are traced to illustrate how, if the meanings and interpretations they develop as a result of this sensemaking activity are consistent with those intended by the instigators of the changes, their individual behaviour leads to outcomes consistent with that intended in the form of positive developments. Whereas if the meanings and interpretations developed by the recipients differ from those intended, the result is unintended consequences leading to outcomes different to those desired. Thus change implementation becomes partially emergent, as the processes of mediation engaged in by the change recipients in response to the planned initiatives and other message sending behaviour, leads to the creation of positive developments and unintended consequences.

The following explains how the theory of mediation accounts for patterns identified in this research on a step-by-step basis.

1. During the period of stability, prior to the changes, individuals were typically acting in a way pre-determined by their existing schemas and scripts. The on-going enactment of these schemas and scripts led to a relatively stable group level set of behaviours and beliefs, visible in the form of routines, rituals, systems, structure, stories, symbols and norms. (See (1) in figure 3a.)
2. During the period of change, the existing socially constructed reality and the existing ways of behaving at the group level were broken down. Changes were imposed by senior management, for example a new structure, to try to create the new organisation they wanted to achieve. Simultaneously they put in place communication events aimed at getting people to understand why the changes were necessary and what it all meant for them, and other interventions like appointments to the new structure. (See (2) in figure 3b.)
3. The planned interventions, such as communication events and appointments, all acted as sensemaking triggers for individuals, since the individuals could not respond to the triggers via their existing schemas. However, the imposed changes such as the new structure, and the behaviours of colleagues and senior managers, also acted as triggers giving (often unintended) messages which managers managing the change were not always aware of. (See (3) in figure 3c.)

Figure 3 : A Theory of Mediation

Figure 3a

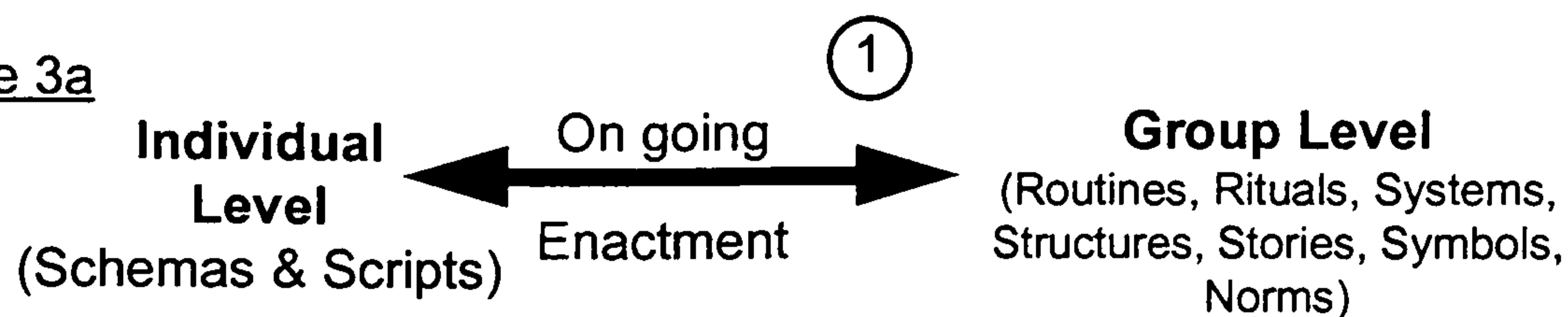


Figure 3b

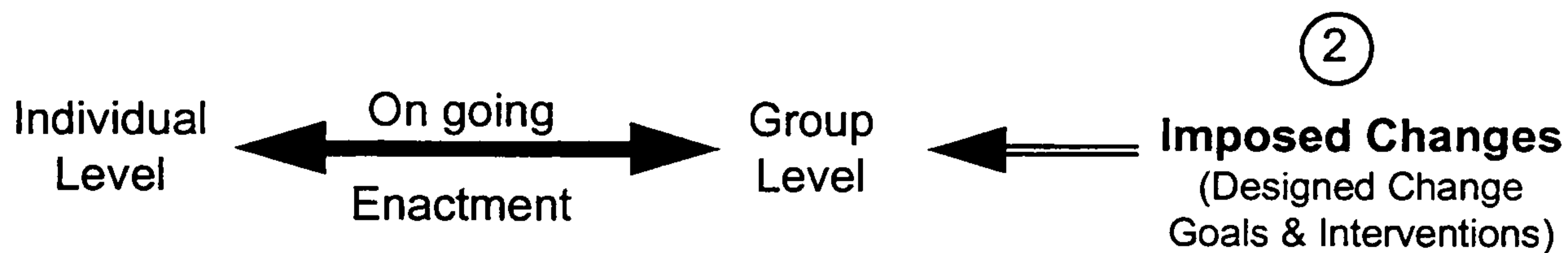


Figure 3c

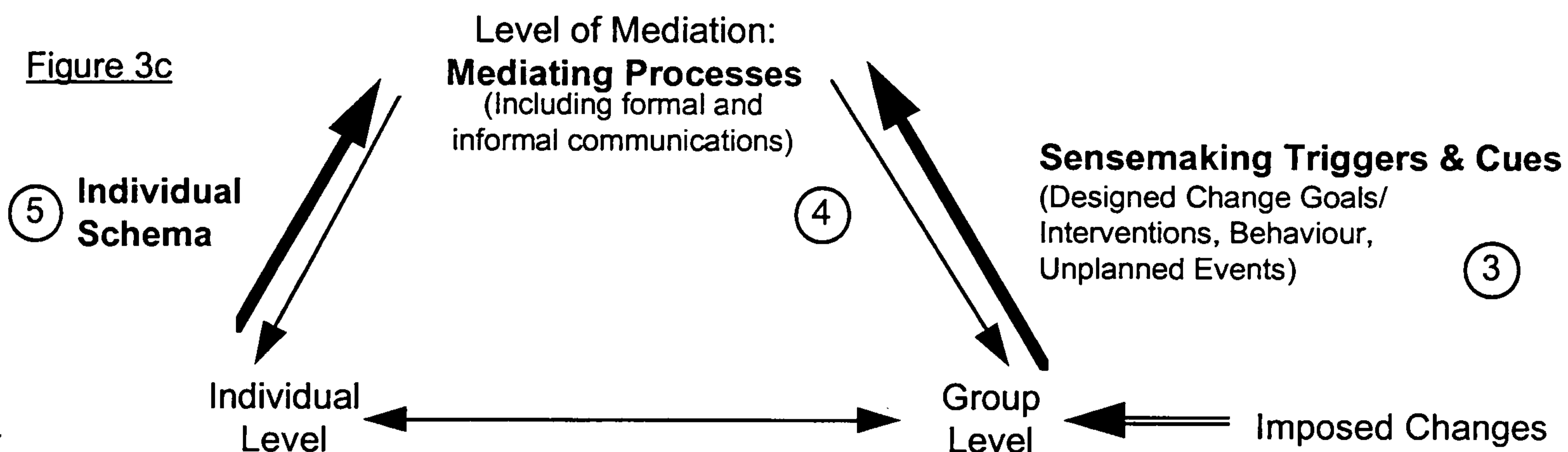


Figure 3d

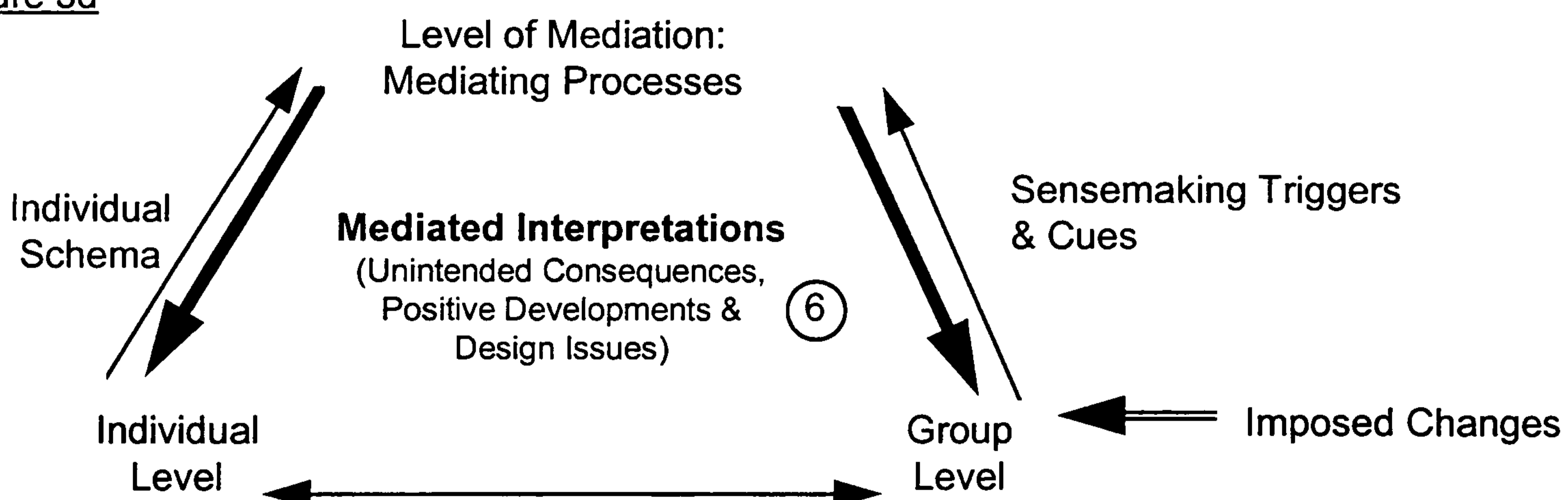
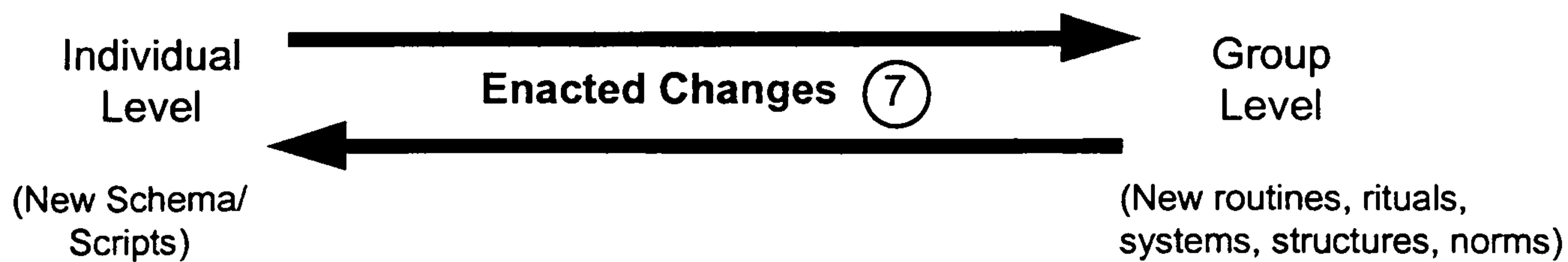


Figure 3e



4. In response to the sensemaking triggers, change recipients moved into a more active sensemaking mode at the level of mediation. (See (4) in figure 3c). They tried to interpret the messages conveyed within the context of their existing schemas on their working environment. (See (5) in figure 3c). To aid this interpretation process the change recipients also shared their interpretations with others via a variety of mediating processes. (See (4) in figure 3c). They discussed things with each other, shared rumours and gossip, and told each other stories about their experiences and their colleagues' experiences.
5. Gradually some sort of shared meaning, or mediated interpretations, developed among groups of individuals via the processes of mediation (See (6) in figure 3d). In some instances, the interpretations were in line with those desired by the designers of the changes, such as adapting to new roles and responsibilities, leading to positive developments. At other times the interpretations differed from that desired, creating unintended consequences, such as interdepartmental tensions between new departments and false expectations of the middle manager role in implementation.
6. Aspects of the designed interventions perceived as design issues by the middle managers were also an outcome of mediating processes. When the recipients could not get the information or help needed to resolve ambiguity or uncertainty caused by the changes, they perceived this as a problem with whichever intervention they thought should have provided this assistance. (See (6) in figure 3d.)
7. As individuals tried to enact their reality, they at times discovered that the practice did not match their expectations. They did not always encounter the behaviour they expected in others, or the characteristics they expected in their situation. This re-triggered the individual sensemaking and sharing.
8. Therefore, change recipients engaged in on-going sensemaking activity via mediating processes as designed change goals and interventions were put in place through time. The interpretations developed via the mediating processes led to amended / new individual schemas and scripts. Implementation became an emergent incremental process as the individuals enacted these interpretations stored in their schemas, leading to the manifestation of positive developments and unintended consequences at the group level. In instances where the interpretations became shared and established, the enactment of the shared interpretations gradually led to a new stable socially constructed reality at the group level, and individuals were once more able to operate in a more pre-programmed manner. (See (7) in figure 3e).

The proposed theory of mediation argues that the sensemaking and sharing mechanisms are acting as devices of *mediation* between interventions and effect. Its importance lies in its explanatory power. Change implementation becomes an emergent and unpredictable process, because the on-going mediating processes individuals engage in shape the outcome of change interventions, leading to not only positive developments, but also unintended consequences. Implementation becomes a series of mediated outcomes, rather than a series of planned outcomes, since it is underpinned by a cyclical process of recipient sensemaking. As such, intended and unintended change are not two different types of change, but are inextricably linked like the two sides of a coin. This suggests that managing implementation is not so much about control or *managing* in the traditional sense of the word, but more about aligning interpretations. The thesis discusses the implication of this point for both theory and practice in more detail in the final chapter.

1.5 What this Thesis Contributes

It is already known that change implementation can be an unpredictable process with both an intentional and emergent character. It is also known that sensemaking activity is important during times of change and uncertainty (Louis and Sutton, 1991; Gioia and Chittipeddi, 1991; Gioia, 1986). The central contribution of this research is to do with the way it builds on existing theory. The theory of mediation proposed here is able to add to the existing body of knowledge by 1) showing *how* sensemaking activity contributes to the emergent and unpredictable nature of change implementation; 2) more specifically, linking the change outcomes contributing to the emergent nature of implementation, in the form of unintended consequences and positive developments, to the mediating processes change recipients engage in as they try to understand the changes they are being asked to undertake; 3) explaining the nature of the mediating processes engaged in; and 4) providing the means to consider the implications for the management of an implementation process. To appreciate this it is necessary to examine how the findings here fit with existing research.

Most of the existing literature that characterises change as a context dependent, unpredictable, non-linear process (Pettigrew, 1985; Johnson, 1987; Pettigrew and Whipp, 1991; Dawson, 1994; Pettigrew et al, 1992), correctly challenges the more mechanistic, linear perspectives on change presented in many change management texts. Yet there is little attention paid to how individual change initiatives are translated into something other than intended by the *recipients* of the initiatives, and the impact of this. Whilst some studies, Pettigrew (1985) and Johnson (1987), do recognise the importance of symbolic mediation activity during change, how and why this activity affects individual recipient cognitions and interpretations through time is not analysed.

Similarly, the cognition based research on strategic change has not generally been used to explain the emergent and unpredictable nature of change implementation processes. It

provides valuable insights into the way change interventions can affect cognitive processing, and thereby schema change, in individual recipients (Poole et al, 1989; Bartunek, 1984; Gioia and Chittipeddi, 1991; Isabella, 1990), but this research primarily seeks explanations for how the *intended* changes were achieved. As such, the research does not link the mediating processes into change outcomes of unintended consequences, as well as positive developments and the achievement of designed change goals.

The theory of mediation proposed here therefore adds to this existing body of knowledge not so much because it shows that sensemaking activity accompanies change, but because it is able to demonstrate empirically *how* this sensemaking contributes to the emergent and unpredictable nature of implementation. It specifically links the sensemaking processes individuals engage in to change outcomes achieved, in the shape of unintended consequences and positive developments. The theory marries what is known about the emergent nature of change, with what is known about cognition and sensemaking - partly by placing the recipients of change centre stage, instead of the initiators of the change or the organisation. The findings suggest that intended change implementation needs to be characterised as an emergent incremental process, in which there are deliberate or *directed* processes put in place by managers as they intentionally try to carry out a piece of activity, but also *emergent* elements, in the form of the positive developments and unintended consequences created by the recipient interpretations of the planned interventions themselves.

This has implications for change management, both theory and practice. Designed change goals and interventions are an attempt to impose a different way of operating on an entity that is socially constructed by the members within it. Therefore, the effect of designed change goals and interventions will be determined by the way they have been interpreted by the change recipients, which will not necessarily be the same as was intended. There is no direct link between intervention and effect. Change is therefore difficult to impose. Intended change will also create unintended change. Managers leading change, and researchers studying it, should not reify change as something “done” to participants, since the recipients of change interventions do not play a passive role. However, these are not the principles on which the change management literature is based currently.

Most of the management of change literature makes it clear that major change implementation is complex and difficult due to issues such as culture, politics and the need to manage the human aspects of change (Beckhard and Pritchard, 1992; Barczak et al, 1987; Kotter, 1995; Leatham, 1989; McEwan et al, 1988; Carnall, 1986; Tichy, 1983). The tendency is to give lists of steps that will help if taken into account (Kotter, 1995; McEwan et al, 1988; Beckhard and Harris, 1987; Beckhard and Pritchard, 1992). The implication for the reader is that change can be planned and managed according to design as long as the necessary elements are given careful consideration. Even the literature that describes change

implementation as a process, emphasising the impact of unexpected events and how they make change unpredictable, and difficult to manage (Jick, 1993; Nadler and Tushman, 1989; Kanter et al, 1992), does not offer an explanation as to why change implementation develops like this. The unpredictability is more usually associated with unexpected internal and external events. It is only if it is acknowledged that some of the unpredictability comes from the way individuals interpret interventions, and that there is not a direct link between intervention and effect, that it can be seen that there may be a need to alter our view of the way change implementation should be managed. Change implementation is as much about the detection and management of the emergent elements of change as it is about the management of the planned elements. It is about creating a feedback loop between the deliberate and emergent change elements, which in turn involves working at the level of mediation. Again, the implications of this for both theory and practice are discussed in more detail in the final chapter of the thesis.

This research is a single site case study, although the implementation process is studied in three divisions creating three case studies within one. Thus it cannot be stated that the patterns and explanations discovered here apply to all change implementation situations. However, it is possible, with reference to other research, to extend the findings from here into implications for theories and other research on change, including the role of middle managers; to develop a future research agenda; and consider some of the implications for practice. This is done in the final chapter by expanding on some of the issues touched on above.

1.6 Structure of the Thesis

This chapter has laid out the key findings of the thesis. The rest of the thesis presents the evidence and supporting arguments for the conclusions drawn. The thesis can be split into three sections - literature and methodology; research site context and ethnographic stories of change; findings, theory development and implications.

Literature and Methodology

Chapter 2 contains a review of the literature on processes of strategic change in organisations. It draws the research agenda together from gaps in existing knowledge. The literature presented in this chapter is important as it is also drawn on later in the thesis, to help develop the sensemaking framework used to analyse the research findings. Chapter 3 explains the research methodology. It details the approach taken in the research to both data collection and analysis, and explains the structure of the research project.

Research Context and Ethnographic Stories of Change

The research context is described in chapter 4 by detailing the history of the organisation participating in the study, and explaining why and how the change implementation studied in this research came about. Chapters 5 and 6 are devoted to the ethnographic story of how the change implementation actually developed. Since the first step in the change implementation was in fact to split the business unit being studied into three divisions, a core division and two service divisions, there are three case studies here. However, to include all three ethnographic stories in the main body of the PhD could be tedious for the reader as all three stories contain similarities. On the other hand, the reader needs to understand the basics of what happened in each of the three divisions for the following section on findings to make sense. Thus chapters 5 and 6 are a compromise. Chapter 5 is the ethnographic story of how the implementation developed in the new core division. It details how the change implementation developed chronologically, to illustrate the ebb and flow of events and problems through time. Chapter 6 then contains a summary of how change implementation progressed in the two service divisions, in sufficient detail to leave the reader aware of the differences between these divisions and the core division. The chronological ethnographic stories for the two service divisions are given in the appendices. It is left to the reader to decide whether or not he or she wishes to read the full stories.

Findings and Theory Development

Chapter 7 contains the descriptive findings and explains the patterns of interaction identified between facilitating and obstructing processes. It provides evidence for the claims made above. Namely that change implementation becomes an emergent process due to effect of unintended consequences and positive developments, that are created by the interaction between the designed change goals and interventions put in place over time, and the organisational context in which they are enacted. This is shown by the use of examples from the stories. The chapter also examines which facilitating and obstructing processes the middle managers perceived to be most important in shaping the way change developed. This analysis reveals that the middle managers did perceive the unintended consequences and positive developments to play an important role in the way the implementation developed, but that several of the planned change interventions were also perceived to have been important. As such, although the overall planned change implementation became an emergent process, planning cannot be dismissed as irrelevant, since many aspects of the intended changes were achieved.

However, chapter 7 offers no explanation for the findings presented. Chapters 8 and 9 therefore take the analysis forward by seeking an explanation for the findings. In chapter 8, consideration is first given to the contribution of planning. It is shown that the change approach taken can be accounted for by the planning literature. It is also shown that the intent underlying the change design on the part of the senior managers was based on rational

assumptions, which presumed that careful planning and analysis would lead to the implementation of the desired changes. On the other hand, there appears to be little within the planning literature that can explain the development of unintended consequences, other than the implication that they are due to inadequate planning and forethought. Most of the planning literature is normative with a focus on content, whereas this research is descriptive with a focus on the process.

Chapter 8 then adopts a sensemaking perspective on change, and draws on the literature discussed in chapter 2, to develop a framework which enables the findings to be re-analysed in terms of recipient interpretations. By re-working the examples from chapter 7 in chapter 9 using this framework, it is shown that the majority of the unintended consequences and positive developments, and the design issues, can be accounted for by a sensemaking perspective, and in particular the mediating processes. This leads to a theory of mediation.

Chapter 10, the final chapter, first discusses what this research contributes and the extent to which it is possible to generalise from the findings of this research. The chapter draws on other research to show that the findings here can be substantiated from findings elsewhere and there is, therefore, reason to suppose that the theories developed here have application in other contexts. The rest of the chapter is then devoted to implications of the findings - in terms of theoretical implications, practitioner implications, methodological implications and future research possibilities.

CHAPTER 2: PROCESSES OF STRATEGIC CHANGE

2.1 Introduction

There are many different perspectives on what strategic change is and how it should be researched. It is shown that the key point of disagreement between these different perspectives is the degree to which it is believed that managerial choice and intent can deliver change within an organisation. This research acknowledges this by taking what could broadly be described as a strategic choice (Child, 1972) perspective, which allows for the role of managerial choice in organisational change, whilst recognising the possible limitations on the influence of choice raised by alternative perspectives. This chapter then examines what is known about the process of strategic change within organisations from existing research taking a similar perspective to illustrate how the research undertaken here can help advance our knowledge of change.

There are two main bodies of pertinent literature on the process of strategic organisational change - the strategy process research literature and literature on the management of change. Strategy process research investigates how and why strategic change occurs. It examines change as an integrative process encompassing both formulation and implementation, with an emphasis on description, analysis and explanation (Pettigrew, 1992). The management of change literature, for example, Beckhard and Harris (1987) and Tichy (1983), is more prescriptive. It focuses on the implementation of change with a lesser concern for the overall process of strategic change. The main contribution of the strategy process research has been to demonstrate that patterns of change found in organisations, with periods of continuity and incremental change, followed by shorter periods of more radical change, are better accounted for in terms of political, cultural and cognitive processes (Pettigrew, 1985; Johnson, 1987; Quinn, 1980), rather than rational, planned processes. This finding is supported by a growing stream of process research on change and cognition (Bartunek, 1984; Bartunek and Moch, 1987; Poole et al, 1989; Isabella, 1990; Barr et al, 1992; Barr and Huff, 1997), which is based on the assumption that strategic change is underpinned by changing organisational interpretive schemes, and explicitly sets out to examine the relationship between cognition and organisational change. The two streams of research when put together reveal the dual importance of understanding both the role of group level phenomena such as culture and politics in change, and the role of individual cognition, and how one contributes to the other.

Consideration of the literature on the management of change in organisations reveals that there is an assumption underpinning both this work and the strategy process research, and in fact the different perspectives on change, that change is the outcome of two sets of opposing forces. Much effort has been devoted to gaining an understanding of the different obstructing and facilitating change processes, primarily around the issues identified as important to the way change develops by the strategy process research, such as culture and politics. The

change management literature also acknowledges that change implementation can be difficult and unpredictable. Yet there are few studies examining individual instances of change implementation in depth, to establish how and why the interaction of obstructing and facilitating processes at more micro organisational levels may contribute to the way change implementation develops.

The relative neglect by the process research of the role of recipient interpretations during implementation, also suggests that a focus on the role of facilitating and obstructing processes from the *recipient's* perspective would form a good starting point for the investigation of how change implementation develops and why. This sets the agenda for this research.

2.2 Strategic Change: A Research Definition

2.2.1 *Different Schools of Thought*

Within the literature on strategic change there is a wide range of theories on what strategic change is and how it occurs. The different perspectives can be separated into deterministic and non-deterministic. All of them support the idea that there are pressures for change, whether they be internal or external to an organisation, and the belief in inertial forces inhibiting change, but disagree on the extent to which they believe managerial choice and intent can influence this to deliver change within an organisation. Therefore, different perspectives allow for differing degrees of choice versus environmental determinism. 'Deterministic' schools are those that see organisational actors as having little control over the fate of their organisations. An organisation's environment largely determines its future. 'Non-deterministic' schools advocate the role of choice (Child, 1972). Change occurs within organisations as a result of decisions taken by organisational decision makers, who, therefore, play an active role in shaping an organisation's future.

The more deterministic schools include population ecology and institutionalism. Both of these perspectives see the environment as highly deterministic of organisational form. Population ecologists stress the role of inter-organisational competition in the task environment. Organisations are subject to strong *inertial forces*, both internal such as existing structures, practices and procedures, and external such as exit and entry barriers. These forces make them inherently inflexible and slow to respond to changes in the environment, seldom, if ever, engaging in transformation (Hannan and Freeman, 1977, 1984; Ginsberg and Buchholtz, 1990; Aldrich, 1979). Since long-run organisational adaptation is improbable (Baker and Cullen, 1993), strategic change occurs within populations of organisations via variation, selection and retention mechanisms (Aldrich and Auster, 1986) in response to environmental change. Environmental selection replaces adaptation as the vehicle of change (Astely and Van de Ven, 1983).

Institutionalists place the emphasis on inter-organisational connectedness in the institutional environment¹ (DiMaggio and Powell, 1983). An “organisation's survival requires it to conform to social norms of acceptable behaviour” (Covaleski and Dirsmith, 1988: 563) leading to mimetic, normative and coercive isomorphism within organisational populations. As such institutional theory is more a theory of stability (Greenwood and Hinings, 1996: 1023) in which the isomorphic forces create inertia. Furthermore, given the emphasis on processes of legitimisation and organizational conformity (Oliver, 1992), there has been a tendency to “reify the notion of institution” (Barley and Tolbert, 1997: 95) with a lesser concern for the role of organizational processes. Therefore, change is still studied predominantly amongst populations of organisations, and institutional theory is “weak in analyzing the *internal* dynamics of organizational change” (Greenwood and Hinings, 1996). However, it is now increasingly recognised within institutional theory that explanations are needed for how organisations change (Barley and Tolbert, 1997; Scott, 1995), and how “deinstitutionalisation” occurs (Oliver, 1992). This in turn involves understanding the impact on organisations of more micro organisational processes such as politics (Oliver, 1992), meaning systems (Scott, 1995) and the role of organisational members actions (Barley and Tolbert, 1997). Yet there is little empirical work by institutionalists investigating the role of organisational processes.

There is a wider range of less deterministic perspectives on change whose proponents study change within individual organisations as opposed to populations of organisations. Some of these perspectives offer explanations as to why organisations change, but not how. For example, contingency theorists argue that for organisations to be successful there needs to be a ‘fit’ between an organisation’s structures and various contextual or ‘contingency’ factors, such as environment and technology (Donaldson, 1985 & 1996; Mintzberg, 1979a; Miller and Friesen, 1984). Change occurs when contradictions arise between the various contingencies (Greenwood and Hinings, 1988). Thus the contingency factors are deterministic factors limiting managerial choice, or the success of managerial choices, but the managers can still make choices about the form of their organisation. Life-cycle theory (Greiner, 1972; Mintzberg 1983 a and 1984; Quinn and Cameron, 1983) suggests that organisations change over time according to their stage of development or life cycle, passing through several phases such as creation, growth, maturity, and decline. However, different researchers differ in the degree to which they believe organisations experience temporal determinism in their later stages of development (Kimberley, 1987; Pettigrew et al, 1992).

¹. Institutional environments are defined by Scott (1983) as including the rules and belief systems as well as the rational networks that arise in the broader societal context. They are notoriously invasive as the belief systems and rules are not just 'out there' but 'in here' and are carried by all participants - clients, suppliers and so on.

Thus once more managers can exercise choice, but the choice of an organisational form unsuited to the stage of the organisation's development would lead to a poorer performance.

Other researchers adopt a strategic choice perspective, and contribute not only various explanations as to why and how strategic change occurs within organisations, but also contribute a set of tools and techniques that can be used to help achieve desired / intentional organisational change. The underlying feature common to all choice theories is that organisations are seen as possessing considerable self-determination in the design of their form (Oliver, 1988) and are, therefore, capable of change, both fundamental and peripheral, both revolutionary and evolutionary, in response to pressures for change. The forces for change may be internal to the organisation, for example, declining performance and management's aspirations, or external, for example changing technology and a shift in the basis of competition.

Since the adherents of this school also believe in the existence of organisational inertia, fundamental change is believed to be possible but still difficult. Organisational actors are able to exercise self-determination, but decision-making and choice occur within certain constraints. The constraints are often seen to be cognitive, cultural and political (Simon, 1957 and 1976; Pettigrew 1973 and 1985; Eisenhardt and Zbaracki, 1992; Johnson, 1987; Quinn, 1980) and can act to prevent the emergence of a new strategy, even in the face of changing environmental conditions. Further, organisations are open systems, composed of a number of inter-connected and inter-dependent parts (Nadler, 1980) which creates a web of internal inertial forces (Johnson, 1987). These forces can act to prevent the implementation of radical change even when it is perceived as necessary. Therefore it is sometimes argued (Quinn, 1980) that strategy formation should be a gradual and incremental process given the political and cognitive constraints experienced by organisational decision makers, creating a more emergent and evolutionary change process.

2.2.2 Position of this Research

The above brief review of some of the different theories on strategic change, shows that different perspectives attach a different meaning to strategic change, with supporters of environmental primacy concentrating on examining and explaining changes within populations of organisations, whilst supporters of the role of choice and learning in change, who believe organisational change is both possible and desirable, devote considerable time and energy to investigating change processes within organisations. However, it must be recognised that there is considerable overlap between the different perspectives. No choice theorists believe that there are not any constraints on decision making and choice. They acknowledge the role of inertia. Similarly institutionalists are acknowledging the need to understanding the role of organisational processes in organisational change. Therefore, it would be wrong to pigeon-hole particular researchers within one perspective. The clear cut

divide between supporters of environmental primacy and their denial of strategic organisational change, and the strategic choice theorists with their emphasis on executive action is breaking down (Greenwood and Hinings, 1996). Recently there has been more integrative research (Scott, 1992) and an interest in the interaction of choice and context (Greenwood and Hinings, 1996; Pettigrew, 1985).

This research is interested in strategic organisational change in which managerial choice and action are seen to play a key role in determining the fate of the organisation. As such it fits within the strategic choice perspective described above. On the other hand, it must be acknowledged that other perspectives also have something valid to say on the degree of choice open to managers, and the limitations. The problem becomes to what degree can managerial choice and intent deliver change within an organisation. It is also important to recognise when considering strategic *organisational* change, that research has shown that there are *patterns in strategy formation* (Mintzberg, 1978; Johnson 1987; Tushman and Romanelli, 1985; Greiner, 1972; Miller and Friesen, 1980). Relatively long periods of evolutionary change, in which change occurs slowly on an incremental basis, are interspersed with shorter periods of revolutionary change in which rapid change takes in most parts of the organisation. Revolutionary change, by its very nature, is also transformational change. Transformation or strategic change is “descriptive of magnitude in alteration in, for example, the culture, or strategy, and structure of the firm, recognizing the second order effects, or multiple consequences of any such changes” (Pettigrew, 1987: 668). It is radical (divergent) change, and is distinct from convergent change which is fine-tuning the existing way of operating within organisations (Tushman and Romanelli, 1985).

However, as Pettigrew (1990: 273) argues “In the final analysis, change is what the researcher defines it to be in his / her theoretical framework. Thus it behoves researchers to define explicitly what change means in their research design.” This research is interested in the shorter revolutionary periods of radical change. In particular, this research is interested in “*intended² strategic change: a course of action decided upon by the senior managers of an organisation with an intent to deliver change within the organisation.*” The phrase “intent to deliver change” is key as the changes may never occur. What matters is that the senior managers are embarking on a series of actions they hope will deliver change. “Strategic change” involves change in the main domains of organizational activity including strategy, structure, power distributions, culture and control systems (Romanelli and Tushman, 1994; Pettigrew, 1987; Ashburner et al, 1996).

². The word intended is used rather than planned, as planned change is often used in the literature to describe 'the way in which *internal and external experts* can help the organisation cope with difficulties and plan and implement changes' (Levy, 1986) in line with the Organisational Development (OD) tradition; and 'managed change' is used to refer to 'the way in which *managers* can plan and implement change' (Levy, 1986). This thesis will, therefore, avoid the use of terms such as managed and planned change when defining the type of change of interest to this research.

This focus helps to refine the review of the literature. Strategy research is often divided into content research and process research. It is the strategy process research which is of more interest here, since it is concerned with how strategies are formulated and implemented and the processes of strategic change (Chakravarthy and Doz, 1992). Whereas strategy content research, a field which dominated the strategy literature in the 70s and 80s (Hendry and Johnson, 1993), is primarily concerned with the subject of strategic decisions, and the position of the firm in relation to its environment and how this affects performance (Chakravarthy and Doz, 1992; Huff and Reger, 1987).

Strategy process research can be further sub-divided into formulation, implementation and integrative (Huff and Reger, 1987), although this division is not always clear-cut. Integrative strategy process research is so called since it ignores the implementation, formulation divide treating it as a 'false dichotomy' (Mintzberg, 1978). Research by academics such as Pettigrew (1985) and Johnson (1987) are good examples of this. The formulation research is of less interest here since this research focuses more on trying to make change happen than formulating it. Therefore, there are two bodies of pertinent literature - the strategy process research which seeks to understand and explain the overall patterns of strategic change that occur through time in organisations, often via a descriptive approach (Pettigrew, 1992; Huff and Reger, 1987); and the more prescriptive, and in some cases less academic, management of change literature which focuses more on implementation than formulation.

2.3 Strategy Process Research: How does Strategic Change Occur in Organisations?

Strategy process research examines patterns of strategic change in organisations encompassing change formulation and implementation over a period of many years (Pettigrew, 1985; Johnson, 1987; Mintzberg, 1978; Quinn, 1980, Pettigrew and Whipp, 1991). Change is examined as an organisational phenomena with explanations for the patterns found based on group level concepts such as politics and cognition. Although there is a continuum of explanations for the way strategies develop in organisations, ranging from explanations based on rational planning through to explanations based on more interpretive notions (Johnson, 1987), the strategy process research has lead to a growing acceptance of strategy development as an incremental process, rather than a rational and linear process, due to the effects of political and social processes.

A second stream of research investigating processes of strategic change in organisations is the growing body of cognition based research (Bartunek, 1984; Bartunek and Moch, 1987; Poole et al, 1989; Isabella, 1990; Barr et al, 1992; Barr and Huff, 1997) which adopts what could be described as a more bottom up approach to examining change. Two assumptions are central to this research. The first assumption is that that individual mental models or schema underpin shared organisational interpretive schemes (Bartunek, 1984) or organizational

schemas (Poole et al, 1989) creating some system of shared beliefs, values and meanings. The second assumption is that strategic organisational change involves changing organisational interpretive schemes and therefore individual cognitions, although it is increasingly recognised that there is a problem in extending the concepts of cognition, an attribute of individuals, to the group or organisational level (Barr and Huff, 1997). The research explicitly sets out to examine how and why these group level interpretive schemes and individual cognitions change during organisational change. A key concept is sensemaking (Weick, 1995) - how people make sense of things.

These two streams of research are complementary. Explanations for incrementalism based on cognitive, cultural and political processes also recognise the role of interpretation and sensemaking as central to the development of strategic change. However, the importance of understanding the links between individual cognition and group level phenomena such as culture during change becomes clearer when the two streams of research are put together.

2.3.1 The Process of Strategic Change

Strategy process research is primarily concerned with what could be described as the “non-linear nature of extended strategic change” (Pettigrew et al, 1992: 150), which encompasses overall patterns of change formulation and implementation in an organisation over a period of many years. Change is examined as an organisational phenomena with explanations for the patterns found based on group level concepts such as politics and cognition. The research does not examine either individual instances of change implementation in depth, or change from the recipients point of view since it relies primarily on the change leaders and instigators for data.

Pettigrew (1985) summarises the logic behind most strategy process research by arguing that too much strategy development literature concentrates on content rather than process, and that far too much change research has taken an ahistorical, aprocessual and acontextual approach, treating the change project with predefined start and end points as the unit of analysis divorced from its context (Pettigrew, 1987, 1990). The strategic management literature shows a bias towards formulation as opposed to implementation, and an “emphasis on prescriptive writing” with an insufficient concern for “description, analysis and understanding” (Pettigrew, 1988: 3). In his study of ICI (Pettigrew, 1985) he became, and continues to be, a strong advocate of the study of strategic change as an integrated perspective of change process, content and context (both inner and outer) and their interconnections through time (Pettigrew, 1987, 1988, 1990, 1992)³. Cross-sectional research should not be

³. Note that the interlinking of process, content and context also removes the distinction between process and content, which Pettigrew (1992) argues has become “more of an analytical hindrance than a help” (p 7).

used to study *processes*⁴ of strategic change (Pettigrew, 1992). Longitudinal, contextual and processual studies of change point the way to fruitful research in the future (Pettigrew, 1985, 1987, 1990, 1992). Therefore the empirical work relates to long time frames.

Pettigrew's in depth study of ICI (1985), along with studies such as Johnson's study (1987) of Foster Brothers, Child and Smith's (1987) study of Cadbury's, and Pettigrew's more recent processual and comparative studies (Pettigrew and Whipp, 1991; Pettigrew et al, 1992), has added greatly to the understanding of the process of organisational change and the impediments that stand in the way. This work develops many common themes about the overall strategy formation process, giving consideration to both what triggers and prevents the formulation of a new direction, and how a new direction once formulated gets implemented. All the studies discuss the role of particular individuals in driving change, of the effects of environmental change and / or the role of crisis, of the blocking power of corporate cultures and existing power groups, of the role of opportunity and chance, of the use of special mechanisms to help achieve change such as workshops and training, and of the effect of ideological shifts. Strategy formation is characterised as a political, cultural and cognitive process with the outcomes of this process driving periods of change and continuity (Pettigrew, 1985; Johnson 1987). The aim of such work is not to come up with prescriptions of how change should be instigated and implemented in organisations, but to gain a deeper understanding of how change, both evolutionary and revolutionary, actually occurs. The concern is with *description* as opposed to *prescription* (Pettigrew and Whipp, 1991).

Unfortunately, problems of access combined with researcher time and resources means that there are still few such longitudinal, descriptive studies of strategic change. Although there are increasing numbers of less substantial case studies or 'descriptions' of strategic change implementations. (For example, Cox on change at Burton Breweries (1990); Kennedy on change at Ciba-Geigy (1993); Nakajo and Kono on change in a Japanese brewery (1989); Hinings et al on change in an accountancy organisation (1991).) The themes within most of these articles are still similar to the ones raised by the more substantial work discussed above: why change was needed or what was driving change, what changed, how the changes were achieved, and what problems were encountered and how they were overcome.

One of the most important contributions of the strategy process research is that it has led to an acceptance of strategy development as an incremental process rather than a rational, linear process. Change in organisations cannot be explained in terms of the rational or planned, linear (Chaffee, 1985) perspectives on strategy development, such as those advocated by Ansoff (1965), Steiner (1969) and Andrews (1971) which emphasise the role of planning as part of an intentional, rigorous and analytical strategy development process. The patterns of

⁴ . Pettigrew (1992: 7) defines process as "a historical development perspective .. which thereby focuses on the sequences of incidents, activities, and actions unfolding over time".

change found in organisations, with periods of continuity and incremental change, followed by shorter periods of more radical change, are better accounted for in terms of political and social processes.

Exactly what is meant by ‘planned linear’ models should be explained before going further. In the 1960s and early 70s most models of strategy development were based on rational assumptions, placing an emphasis on analysis and planning (Johnson 1984, 1987; Pettigrew, 1985), with the implication that if analysis and planning were carried out well enough, new strategies could be developed and implemented. There was a concentration on content rather than process issues such as culture and politics:

“the rational approach describes and prescribes techniques for identifying current strategy, analysing environments, resources and gaps, revealing and assessing strategic alternatives, and choosing and implementing carefully analysed and well-thought-through outcomes ... the firm speaks with a unitary voice, can be composed of omnipotent, even heroic general managers or chief executives ...” (Pettigrew, 1985 p 441)

Research during the 70s concentrating less on change per se and more on overall patterns of strategy development and decision making, led to the development and acceptance of more process oriented views. Mintzberg (1978) and Quinn (1978, 1980) suggest that strategy development is not a linear process in which the planned, or intended strategies, become the realised strategy, but rather an on-going, cyclical process in which strategies emerge over time. Politics and cognitive limitations of managers, in terms of their inability to handle large amounts of complex information, results in managers developing strategies on an incremental basis. Quinn (1978 and 1980) writes of logical incrementalism. A process of strategy development where decisions are taken forward on a step by step basis as managers consciously try to manage what they know to be an uncertain and political organisational environment. This is not equivalent to “muddling through” (Lindholm, 1959), but “conscious, purposeful, proactive, good management” (Quinn, 1978: p19).

Such research, in conjunction with other work on strategic change and decision making (Hickson et al, 1986; Bower, 1970; Pettigrew, 1973; Grinyer and Spender, 1979) and their own work, led authors such as Johnson (1987) and Pettigrew (1985) to also reject the rational, linear, analytical perspectives on change in favour of more incremental perspectives explained by political, cultural, and cognitive organisational processes. Johnson (1987) and Chaffee (1985) develop ‘interpretive’ explanations for the incremental pattern of strategy development observed in organisations:

“strategy is seen as the product of individual, or collective, sense-making about the organisation and the environment in which it operates the emphasis is not so much

on rational analytic interpretation of complexity as on the cognitive and symbolic bases of interpretation that characterise the lived world of managers” (Johnson, 1987: p14).

“... the interpretive strategist deals with the environment through symbolic actions and communications..... Interpretive strategy emphasises attitudinal and cognitive complexity among diverse stakeholders in the organisation.” (Chaffee, 1985: p 94)

These process oriented views of strategy development are now so widely accepted that although a few strategy textbooks still in common use imply a rational approach to strategy, such as those by Porter (1980 and 1985), many recent books, such as Johnson and Scholes (1997) or Grant (1995), explicitly set out to ensure that readers are not given such a view of strategy development. Grant (1995) argues that it is vital to understand the limitations of analysis, and that the purpose of analysis and analytical techniques in strategic management is not to provide answers, but to help understand the issues.

Yet there is a difference between the more interpretive views of incrementalism and more deliberately managed views such as logical incrementalism presented by Quinn. Although Quinn does not preclude specifically the possibility of major change occurring, his view of change suggests that change should take place slowly and incrementally by adaptation. It does not, therefore, account for more radical periods of change identified by Mintzberg (1978), Tushman et al (1986) or Miller and Friesen (1980), in the way that Johnson’s interpretive perspective does by using the concept of the paradigm to account for periods of incremental continuity and more radical change. Further, as pointed out by Pettigrew (1985), the assumptions underlying Quinn’s work are still rational, embodying conscious, foresightful action. There is no acknowledgement of the possibly *unconscious* cognitive processes affecting the way strategies develop.

Thus although it is incorrect to describe recent approaches to strategy development as rational, it is fair to say that some authors still see the process as involving deliberate management and planning within cognitive and political constraints (Quinn, 1980; Hrebiniak and Joyce, 1984). Quinn emphasises conscious action, although he acknowledges the cognitive limitations of managers. Hrebiniak and Joyce (1984) refer to intended rather than bounded rationality in recognition of the fact that managers may intend to act rationally, but are in reality inhibited from doing so by limited cognitive and information processing capabilities. Decision making is not seen to be fully rational with perfect knowledge as in the traditional economic model, rather it is recognised that when making decisions people have cognitive limitations. This is not an uncommon principle to encounter now since:

“Outcomes of decisions are no longer assumed to be a product of rational or boundedly rational debates, but are also shaped by the interest and commitments of individuals and groups, forces of bureaucratic momentum, and the manipulation of the structural context around decisions and changes.” (Whipp et al, 1988: 51)

Other authors rely on explanations that have less to do with planning and deliberate management of the process, and more to do with (possibly unconscious) cognitive, political, and cultural processes. Examples include Pettigrew (1985) who uses the concept of the management of meaning to demonstrate that cultural and political explanations are strongly interlinked by processes to do with legitimacy, and Johnson (1987) who integrates cultural and cognitive perspectives to develop a sensemaking explanation. It is these explanations that have attracted the most interest over recent years. Such research makes clear that explanations need to be sought for patterns identified during change not only at the group and organisational level by means of phenomena such as culture and politics, but also at the individual level in terms of how individual cognitions affect organisational change processes. However, to gain a full appreciation of the role of individual cognition and sensemaking in change, and how individual cognition links to more group level cognitive phenomena, such as culture, it is necessary to consider the research on cognition and change.

2.3.2 Cognition and Processes of Change

Research into change and cognition is underpinned by concepts from social cognition about “how people make sense of other people and themselves” (Fiske and Taylor, 1991: p1). The research utilises concepts to do with individual cognition, such as schemas and scripts; shows interpretation or sensemaking to play a central role in change; and links individual cognition and group cognitive phenomena such as culture. The research takes what could be described as a more bottom up approach to examining change. It is based on the assumption that strategic change involves changing organisational interpretive schemes, and therefore changing individual cognitions, since individual mental models or schema underpin shared organisational meaning systems. The research explicitly sets out to examine how and why these shared interpretive schemes change during strategic organisational change. It reveals the importance of understanding the role of both individual cognition and group level phenomena such as politics and culture in change, and how one contributes to the other. As such, the findings link into the strategy process research viewing change as a cognitive, cultural and political process. However, it is necessary to be aware of the fact that it is increasingly recognised that the concept of group or organisational cognition is problematic, since as yet it has not been adequately operationalised (Klimoski and Mohammed, 1994: 403 - 404). What follows therefore separates out the discussion about individual cognition and the discussion about links between individual and group cognition.

Individual Cognition and Sensemaking

The essential argument discussed here is that people normally operate on the basis of learnt responses held within schemas and scripts. Further, since people operate on the basis of these responses most of the time, they normally react in a pre-programmed manner that can be resistant to change. It is only when existing cognitions break down that individuals start to

operate in a more active sensemaking mode. As such, sensemaking plays an important role during change as it is about noticing and interpreting triggers for change.

Individuals store their prior learning and experience, and their interpretations of what is expected of them, in memory as schemas (Gioia, 1986). Schemas can be described more generally as mental maps (Schutz, 1964), or memory models (Fiske and Taylor, 1991):

“a cognitive structure that represents knowledge about a concept or type of stimulus, including its attributes and the relations among those attributes” (Fiske and Taylor, 1991: p98).

These schemas are then used by individuals to make sense of what is happening around them, and shape future behaviours, interpretations and sensemaking activity. As such they simplify the cognitive task by acting as “templates against which members can match organisational experiences and thus determine what they mean” (Poole et al, 1989: p272). They reduce the need to continuously re-learn and re-interpret similar events and situations, enabling people to operate in a way that could be described as pre-programmed and non-conscious (Louis, 1980). Conscious thought, therefore, rarely guides everyday behaviour (Fiske and Taylor, 1991; Lord and Foti, 1986; Gioia, 1992) since schemas act as “data-reduction devices” (Bartunek and Moch, 1987: p484).

Categorisation by schemas extends widely to cover different kinds of things, activities and people, and, therefore, interpretation of events and actions (Fiske and Taylor, 1991). Particular event schemas often referred to in the strategic change literature, are known as scripts, “a coherent sequence of events expected by the individual” (Abelson, 1976: 33). Gioia (1986) calls them “specialised schema for action”, Barley (1986) “behavioural grammars that inform a settings’ everyday action”. Scripts link cognition and action since they simultaneously provide a framework by which information and events can be understood, and which guides behaviour appropriate to the situation (Gioia, 1992). Thus a script would contain information about what to do in a particular circumstance, a particular “habituated action pattern” (Westley, 1990) or routine.

Schemas and scripts underpin the process of sensemaking - the process individuals undertake as they try to understand what is going on around them, as they try to *make sense* of events and experiences (Weick, 1995). Sensemaking is an ongoing, often unconscious, processing of information which, as individuals interact with each other, leads to the social construction of reality (Gioia, 1986; Berger and Luckmann, 1966). The process of sensemaking is not only about how people’s mental maps, in the form of scripts and schemas, affect the way they see and respond to situations, but also how individual

cognitions then contribute to the creation of an *enacted* reality. People play a role in the creation of the environment they encounter (Pondy and Mitroff, 1979). Individuals:

“are not seen as living in, and acting out their lives in relation to, a wider reality, so much as creating and sustaining images of a wider reality, in part to rationalize what they are doing. They realize their reality, by reading into their situation patterns of significant meaning.” (Morgan et al, 1983: p24)

Individuals enact their environments, make sense of their enactments⁵ and then store this sense for future reference and use as cognitive maps (Ring and Rands, 1989). The retained sense is drawn on in future enactments. Thus earlier enactments then constrain future enactments or sensemaking as they determine the framework or lens through which an individual is viewing their environment.

Context does influence sensemaking and cognition. Circumstances such as previous experience, immediate problems and issues at hand, can influence what sense is made of an event. Weick (1995) explains this by likening sensemaking to a cone of light spreading back from the present, illuminating certain pieces of previously lived experience. Thus feelings and projects underway will affect what is illuminated. Interpretations become context dependent:

“the meaning of any episode of organizing is massively conditioned by the context or field in which it happens to be embedded, the inputs being processed, the cycles available, and the interpretations that are acceptable and unacceptable at that point in time.” (Weick, 1979: 144), and

“Sensemaking is about contextual rationality. It is built out of vague questions, muddy answers, and negotiated agreements that attempt to reduce confusion.” (Weick, 1993: 636)

Environments and contexts are enacted, not perceived. As such, existing enacted contexts, in the form of scripts and schemas, are drawn on to help understand new ones (Weick, 1979).

The levels of sensemaking activity are likely to increase during times of change under conditions of uncertainty, when old routines and shared understandings are disturbed, because “the stability, or organisation, of any group activity depends upon the existence of common modes of interpretation and shared understanding of experience.” (Smircich,

⁵ . Sensemaking is often said to occur retrospectively (Weick, 1979), after the event so to speak, to explain why things were as they were. However, some authors disagree with the idea that sensemaking is always retrospective (Gioia, 1986).

1983: p55). The adequacy of “existing scripts, routines, and recipes already in place” (Weick, 1995: p5) to explain interruptions and undermet / overmet expectations (Louis, 1980) will affect the amount of organisational sense-making. The less adequate existing practices are to explain what is required of people, as in situations of change, the more sensemaking will occur. Therefore, although people normally react in a pre-programmed manner, when existing cognitions break down, they move into a more active, non-programmed mode of sensemaking.

For sensemaking to occur there needs to be a trigger. Sensemaking is the process of not only making an interpretation, but also how people arrive at an interpretation, including the triggering of the need to make an interpretation in the first place (Weick, 1995). Louis and Sutton (1991) draw on Starbuck and Milliken to make a similar point:

“noticing may be at least as important as sensemaking. Perhaps sensemaking and noticing interact as complements ... Noticing determines whether people even consider responding to environmental events. If events are noticed, people make sense of them; and if events are not noticed, they are not available for sensemaking” (Starbuck and Milliken, 1988: p36).

Interpretation may be triggered by a number of different things. It may be to achieve a particular purpose such as the socialisation of a new recruit, or because an individual or group of individuals has experienced a surprise - maybe in the form of undermet or overmet expectations (Louis, 1980). Sensemaking is therefore triggered when individuals notice a gap between their experience and their expectations, as in change situations, and try to *make sense* of the gap. It is brought about by confusion over what the situation is (De Long, 1995). When scripts predict outcomes that do not occur, when anticipations are not matched, sense-making is triggered to account for the discrepancies encountered (Louis, 1980). Individuals start to operate less habitually in an effort to recreate meaning.

However, schemas are often resistant to change persisting even in the face of disconfirmatory evidence (Fiske and Taylor, 1991). Change involves both noticing disconfirmatory evidence and interpreting this evidence as important. Barr et al (1992) suggest that it is interpretation of changes in the external environment rather than noticing the changes that is the important pre-cursor to change, and that “organisational renewal is a continuous process of first and second order changes in cognitive maps” (p15). This is consistent with findings by Kiessler and Sproull (1982) and Nisbett and Ross (1980). Barr and Huff (1997) conclude that for organisations to undertake change, senior managers within an organisation not only have to notice environmental change, but interpret the events as having an impact on the firm, which requires specific change to central concepts in the

managers' strategic frame before action is initiated. Therefore, sensemaking is important during change.

Linking Individual and Group Cognition

Sensemaking provides a good platform from which to consider how individual and group cognition are linked. Although the above discussion concentrates more on individual cognition, sensemaking is an essentially social process (Weick, 1995). It is difficult to separate out individual cognition from collective sensemaking since individual sensemaking both contributes to, and is affected by, social sensemaking.

This does not necessarily mean the same thing as “shared meaning” however. Different individuals will react differently to the same stimulus. This may be due to individual differences (Defleur and Ball-Rokeach, 1989). The response of one organisational member may differ to that of another due to differing cognitive structures, as one might find, for example, between people who are adapters and those who are innovators (Kirton, 1980), but yet:

“groups do take organized action. It follows then that there must be some forms of communication by which groups voluntarily forge agreements to coordinate or interlock their behaviours, despite apparent differences in their interpretations of those behaviours.” (Donnellon et al, 1986: p44).

Social relationship theory (Defleur and Ball-Rokeach, 1989) suggests that individuals' responses are affected by their social networks. Vicarious learning (Manz and Sims, 1981), in which learning is triggered by observation of models (such as other employees) and the consequences for them of their behaviour, rather than by direct experience, may also play a role. “Members look to one another for clues regarding the meaning of events and circumstances facing the organization” (Armenakis et al, 1993: 686). This can lead to cognitive consensuality (Gioia and Sims, 1986) whereby after a time individuals within an organisation achieve a certain similarity in the way they think. They develop shared interpretive schemes. An alternative, although compatible theory, is that of equifinal meaning (Donnellon et al, 1986). Equifinal meaning occurs when individuals have dissimilar interpretations, but these interpretations give similar behavioural implications. Individuals may undertake action for different reasons and maybe also for different outcomes, but they still act in an organised manner. The implications of the two viewpoints are very different. Cognitive consensuality suggests much overlap between individual's schemas; equifinal meaning allows for considerable differences between individual schemas. The former implies that the same interpretations lead to consistent behaviour, whereas the latter implies that similar behaviour only occurs if different interpretations lead to a consistent behavioural intent.

This difference is important when considering the links between individual and group cognitions. Much of the literature implies that what sits in individuals' schemas underpins what is seen as enacted group level routines. The routine is made "real" via organisational enactment through its storage in many individuals' mental models:

"participants construct their social system, and are then constrained by their creation (Benson, 1977; Zeitz, 1980). Externalization occurs when elements of the synthesis become stable, accepted givens, or even formalized." (McGuire, 1992: 390).

Barley (1986: 83-84) makes a similar point stating that "what we traditionally call formal organization can be viewed as the grammar of a set of scripts." Scripts become the medium through which institutional behaviour becomes established via individual action, and in turn constrains action. A point of view similar to that of Giddens' structuration theory and duality of structure (1976, 1984).

Yet the literature is not clear on to what degree there is overlap between individual schemas, or for that matter how any overlap that is present develops to create some form of collective cognition (Klimoski and Mohammed, 1994; McClure, 1990). This is why group cognition as a concept is problematic. Group level phenomena such as paradigms and routines could be the result of each individual storing highly homogeneous schemas and scripts. This is what appears to be suggested by earlier strategy process research such as Johnson's (1987) concept of paradigms, and other research such as that by Poole et al (1989) and their notion of "organizational schemas":

"Expectations and assumptions underlying organizational experiences are contained in organizational schemas. By accepting institutionalized schemas, an organization member acquires trustworthy formulas for obtaining desirable consequences when handling situations and interpreting the organizational world. An organization can therefore be characterized by the schemas its members routinely use to make sense of situations" (Poole et al, 1989: 272-273)

Alternatively group cognition could be the result of a (small) area of overlap between fairly distinct schemas and scripts when individuals interact. This Klimoski and Mohammed (1994) refer to as the *overlapping* view. This overlap arises as a result of negotiation, debate and interaction within a group (Langfield-Smith, 1992; Walsh et al, 1988). Individuals will not have homogeneous schemas and scripts, but there will be sufficient overlap for co-ordination of activities.

A third approach is to see group cognition operating as a distributed network (Johnson, 1998). The understanding shared by a group does not necessarily reside with one individual, but is

shared among a group, with different group members having different overlapping pieces of the jigsaw. As such, this view is not necessarily mutually exclusive from the overlapping view. Weick and Roberts (1993) use this view of group cognition when they talk of “collective mind” rather than group or organisational mind, since collective mind better reflects the idea that it “refers to individuals who act as if they are a group” (p360). Group cognition is not so much the outcome of shared schema, but the result of interaction between individuals. Therefore, it could be argued that the more a particular group of individuals interact in a particular situation, the more probable it is that they will come to share similar representations of that situation, and an established way of interacting in that situation. But coming to a similar view does require some form of shared action, and that shared view is likely to be context dependent (Resnick, 1993). However, it is important to distinguish between “heedful interrelating” and habit. Habit is repetition of exactly the same behaviour time and time again. Heedful interrelating involves learning and unlearning, since previous actions may lead to modification of future actions (Weick and Roberts, 1993). The distributed view allows for heedful behaviour more so than the other views.

It does seem to be important to separate individual mental models from enacted, shared organisational aspects such as routines, as it allows for individuals’ mental models to be different in ways that at times they must be. For example, new recruits will not yet have mental models supportive of organisational routines (Louis, 1980). Individuals who are trail blazers may have mental models providing them with ideas of how things could be done differently. During change, individuals could be at different stages of adaptation, some still following their old scripts / routines, others with new mental models who have adapted to new ways of working, and others somewhere in transition. There may even be others who have misinterpreted what is expected of them and are, therefore, following new mental models, but models leading to behaviour different to that intended as far as the designers of the change are concerned.

However, since the purpose of this discussion is to establish that there is a link between individual and group level cognitions, it is not necessary to enter into the debate as to what degree of overlap exists between individual schema at this point in the thesis. What is important is that there is evidence that shared understanding is necessary to enable co-ordinated group activity (Barr and Huff, 1997; Langfield-Smith, 1992). This is the premise adopted by this thesis. Indeed, most writers in the field appear to accept the strong connection between individual cognitive structures and group level phenomena such as culture:

“Investigators of organisational ideologies and cultures have identified cognitive structures that are tacitly held and shared among members of groups and organisations. Just as individually-held schemas facilitate automatic cognitive processing, so too do shared schemas.” (Louis and Sutton, 1991: 62).

Culture is taken to be a group level cognitive phenomena, based on shared assumptions and beliefs (Schein, 1985) or the paradigm (Pfeffer, 1981b; Johnson, 1987). When schemas are extended to cover organisations they become the means by which meanings are shared among organisational members operating “as shared, fundamental assumptions about why events happen as they do, and how people are to act in different situations” (Bartunek, 1984: 355). This has implications for major change in organisations. It implies that organisational level change requires changes to the shared cognitive structures people have about the organisation (Benne, 1976; Poole et al, 1989), and their relationship to it, if the organisational members are to change their way of thinking and behaving. As such, analysis of cognition and change can be viewed as a cultural approach (Bartunek and Moch, 1987). The fact that there is a debate about the degree of overlap between individual schemas among the members of a group, does not detract from the position that on-going interaction during times of status-quo, particularly among a relatively stable population of individuals, leads to some form of established and shared way of doing things, and that for organisational change to occur, a change to this shared way of doing things is dependent on individuals changing their view of the way things should be done.

2.3.3 Linking Research on the Process of Strategic Change and Cognition

The two streams of change research discussed above effectively converge, arriving at explanations for change based on cognition and culture, but from different starting points. The research on change and cognition makes the link between individual cognition and group level phenomena such as culture more explicit than the strategic change process research, illustrating how concepts of individual cognition underpin to some extent shared understandings at the group level. Thus, future processual studies of change need to seek explanations not only at the group and organisational level by means of phenomena such as culture and politics, but also at the individual level in terms of how individual perceptions and interpretations affect the overall change process. The need to understand individual interpretations and how they contribute to group level responses to change also highlights a gap in existing research. Most research to date takes the perspective of the change leaders and instigators (Bartunek et al, 1996). If individual interpretations and sensemaking are important, research should also examine the interpretations occurring and contributing to change amongst change recipients. These two arguments, the need for future processual research to examine how individual perceptions and interpretations affect processes of change, and in particular to understand recipients’ interpretations of change, form the basis for the research agenda to be developed here.

2.4 Change Management: How do we Manage Strategic Change in Organisations?

The body of research on the management of change in organisations concentrates primarily on change implementation rather than the overall process of strategy formation. Some of the earliest work is on planned change from the OD perspective. The aim of OD is often described as the use of interventions aimed at people and / or technology to achieve an intervention outcome of improved task accomplishment and / or human fulfilment (Sashkin and Burke, 1987). Goodman and Kurke (1982) in a summary of OD identify the five major themes of OD as intervention methods, large-scale multiple system interventions, assessment of change, failure and the level of theorising.

Traditionally OD interventions were aimed at changing individual attitudes and beliefs as part of incremental change efforts, often in individual organisational units. The field has subsequently developed to encompass more system level or holistic interventions as its ideas were mixed with other developing change concepts such as the socio-technical systems based analysis emanating from the Tavistock by researchers such as Trist and Bamforth (1951) and Emery and Trist (1965) (Ashburner et al, 1996). Those that have written within the field of OD and planned change include Nadler (1981); Golembiewski (1979); Beer and Walton (1987); Bennis et al (1985), Burke (1994). Their writings give consideration to such topics as strategies for change, intervention tactics, resistance and implementation problems.

Lewin (1947), who could be described as the father of OD, has probably contributed the most famous of all models for planned change with his 3 step process of unfreeze, move and refreeze. However, the planned change literature, both within and outside the OD perspective, contains many more phased or step models of change, for example, Beckhard and Harris (1987) identify present, transition and future states; Kirkpatrick (1985) presents a seven step model; and Kilmann (1988) develops a five stage model. There are also many step models within the preserve of the OD literature for changing individuals - Conner and Patterson, 1981; Hersey and Blanchard, 1980; Buckley and Perkins, 1984.

More recently Beer et al (1990) have disputed the effectiveness of 'programmatic change', top-down change aimed at changing individual attitudes and beliefs championed and supported by top management teams, citing such programmes as the most common reason for the failure of organisational change efforts. Instead they argue for the achievement of change via task alignment. Roles, responsibilities and relationships should be changed to force behavioural change, thereby leading to attitudinal change, rather than using interventions aimed at isolating and changing individual attitudes and thereby behaviour. Furthermore, change should be introduced by the use of initial peripheral change in one part of the organisation. As change starts to succeed, it should then be spread through other parts of the organisation by similar means. Organisational change should be institutionalised and consolidated towards the end of the process, rather than at the beginning, with changes to

formal systems and structures such as management information systems and remuneration systems. Doz and Thanheiser (1993) similarly dispute the success of programmatic change and also the viability of evolutionary change models, proposing instead a combined approach using interventions such as temporary system(s), specific task teams and discovery workshops.

As for the strategy process research, there are clear themes running through the literature. Many authors present phased models with a consideration of particular levers and mechanisms such as 'task alignment' (Beer et al, 1990), strategic cultural, technical and political change levers (Tichy, 1983), and action vehicles (Kanter 1983 and 1983b). All such authors offer similar logic for the need of some form of change levers - change is not seen as easy, people resist change (Tichy, 1983), they attempt to subvert it with political activity and in extreme cases practice sabotage (Kanter, 1983), attitude change is difficult to achieve but will follow on from changed behaviour (Beer et al, 1990) and so on. Change occurs if the forces resisting change can be overcome by the pressures for change and the levers and mechanisms put in place.

Some texts emphasise leadership, for example, Tichy and Devanna (1990), Beckhard and Pritchard (1992). There are also 'contingency' change models: the tactics that should be used dependent on the type of change to be undertaken and the context (Nutt, 1989; Casse, 1991; Dunphy and Stace, 1990). Recently there has been a growing interest in the role of learning in organisational change (Senge, 1990). Finally there is a large body of literature on culture change. Some of this is academically well grounded, such as that by Schein (1985) who links cultural change with leadership, and Kilmann et al (1985) who raise the issue of whether culture change can be managed as do Whipp et al (1989). Other authors have written more prescriptive management texts on culture change such as those by Drennan (1992) and Deal and Kennedy (1982).

The less academic texts amongst the change management literature are aimed more at practitioners and address the question of how to achieve organisational change. The texts primarily concentrate on the planning for organisational change rather than the actual change process and many fail to recognise the difficulty of linking "strategic and operational change" (Pettigrew and Whipp, 1992). This body of literature can be found in both books and management journals and includes Beckhard and Harris (1987), Grundy (1993), Scott and Jaffe (1990), Plant (1987), Kissler (1991), Carnall (1986 and 1991), Drennan (1992), and Beckhard and Pritchard (1992), to name but a few. These texts contribute little to our knowledge of how change occurs in organisations, but throughout most of them "the logic of presentation assumes sets of driving and inhibitory forces explaining change and continuity", (Pettigrew et al, 1992: 270). Most of the texts discuss how to identify various obstructions to change, and how to put in place a particular range of levers and mechanisms to overcome the

obstructions and make change happen, as do the more academic texts. However, there is also a mechanistic implication underlying many of the practitioner texts, that there is a direct cause and effect relationship between interventions and outcome.

2.5 Facilitating and Obstructing Processes in Strategic Change

The above discussion reveals an assumption underpinning both the strategy process research and the management of change literature that change is the outcome of two sets of opposing forces. Even the review of sensemaking and cognition highlights how existing schemas, scripts and routines can act as barriers to change leading to interpretations, and therefore behaviour, consistent with the past, and the need for sensemaking triggers to create new interpretations. Much effort has been devoted to gaining an understanding of different obstructing and facilitating change processes, particularly for the phenomena identified as important to the way change develops by the strategy process research - namely culture and politics.

The common theme throughout all the change literature is that change occurs when the forces for change become greater than, and overcome, the forces resisting change within an organisation (Huff et al, 1992; Lewin, 1947; Ginsberg, 1988; Miller and Friesen, 1984). This notion of change as the outcome of opposing forces for and against change is also reflected in the different theories on change. The population ecologists view change as occurring within populations of organisations as a result of forces for variation, selection and retention. Environmental change creates pressures for different organisational forms, that existing organisations cannot respond to due to the strong inertial forces they are subject to. Institutionalists see isomorphic forces constraining yet driving change within populations of organisations. Life cycle theorists argue that pressures of growth and development contest with the power of the existing elite for change. Strategic choice theorists view change as a struggle between forces for change and against change. All these theories, therefore, support the idea that there are pressures for change, whether they be internal or external to an organisation, and the belief in inertial forces inhibiting change

2.5.1 Obstructing Processes

The belief in organisational inertia runs as a strong theme throughout the strategic change literature. There is a close overlap between the forces cited as resisting change by non-deterministic theories of change and the inertial forces proposed as inhibitors of change by the more deterministic schools of thought. For example, the internal inertial forces cited by population ecologists include political coalitions and interests; existing beliefs, practices and procedures; sunk costs; communications structures; strategies extended past their point of usefulness due to past success; hardening of vested interests and homogeneity of members perceptions (Aldrich and Mueller, 1982; Hannan and Freeman, 1984). Most of these themes are echoed in other literature, particularly the cognitive constraints. Miller and Friesen (1980)

argue that momentum (continuity of existing strategies) is pervasive. Staw (1982) writes of “behavioural persistence” and “escalation situations” as explanations of why organisations find change so difficult. Pfeffer (1981b) and Johnson (1987) write of paradigms, Spender (1989) of recipes, Bartunek (1984) of interpretive schemes, and the learning literature discusses the need for unlearning (Nystrom and Starbuck, 1984; Argyris and Schon, 1978).

Cognitive constraints are often cited as the forces preventing the emergence of a new perspective within an organisation, whereas other forces prevent the implementation of a new perspective once formed (Ginsberg and Abrahamson, 1991). These other forces include the open systems nature of organisations (Senge, 1990); the interlocking aspects of the cultural web (Johnson, 1987) such as organisation structure, power structure, control systems, rituals and routines, stories and symbols; political activity and implementation games (Kanter, 1983a; Bardach, 1977); entrenched interests of stakeholders (Ginsberg and Abrahamson, 1991); lack of organisational capability including competence and resources (Fombrun, 1992); mechanistic as opposed to organic organisation structure (Burns and Stalker, 1961); and transactional as opposed to transformational leadership (Nadler and Tushman, 1989; Tichy and Ulrich, 1984).

The most commonly discussed inertial force preventing the implementation of a new perspective is in fact individual resistance to change. There is much written on the subject in academic journals, books and the popular management press. Much of this literature deals with resistance to change from the traditional OD perspective. For example: Baker (1989); Beckhard and Harris (1987); Caruth et al (1985); Honey (1988); Kirkpatrick (1985), Kotter and Schlesinger (1979); Nadler (1981); Ordione (1981); Recardo (1991); Tichy (1983), Scott and Jaffe (1990) and Plant (1987). Most of these texts also discuss levers, mechanisms and intervention tactics that can be used to overcome resistance.

2.5.2 Facilitating Processes

Driving forces for change have also attracted much attention. Levy (1986) describes the driving forces for change as the “why” of change as opposed to the how (process) or what (content) of change. He splits driving forces into permitting conditions, enabling conditions, precipitating conditions and triggering events. Johnson (1990) talks of the need for “unfreezing mechanisms” or triggers of change. Pettigrew et al (1992) in the NHS studies look at not only barriers to change but also the “motors” of change. Burke and Litwin (1992) cite the external environment as a major cause of transformational change in organisations. Institutionalists, such as Oliver (1992), point to the role of the state in creating de-institutionalisation in organisational populations as well as isomorphic stabilisation. Contingency theorists would cite “contradictions” (Greenwood and Hinings, 1988) between contingency variables as a source of strategic change in organisations. Life-cycle theorists talk of the role of organisational growth and development, pressures for effectiveness and

changing political coalitions (Greiner, 1972; Quinn and Cameron, 1983) in driving organisational change. Others, primarily the choice theorists, cite internal drivers for change such as feedback on past performance (Ginsberg, 1988) and managerial aspirations (Cyert and March, 1963) and external drivers for change such as changing technology (Fombrun, 1992), organisational slack (Bourgeois, 1981), changing competitor behaviour, changing competitor dynamics, changing customer needs and external stakeholder demands (Ginsberg, 1988; Ginsberg and Buccholtz, 1990) as reasons for undertaking strategic change.

Recent work by Huff et al (1992), and other work on cognition mentioned earlier in this chapter such as that by Barr and Huff (1997) and Barr et al (1992), suggests that for change to occur, it is not only necessary for a new perspective to be formed, but for the forces for change, or stress, to be greater than the forces against change, or inertia. Associated changes are also required in the mental models or cognitive maps and schemata (Bartunek and Moch, 1987) of an organisation's members. Revolutionary change is risky, traumatic (Nadler and Tushman, 1989 and 1990) and expensive (Miller, 1982). The need for change has to be compelling for a firm to undertake it. "Organizational change requires both motivation and ability" (Fombrun and Ginsberg, 1990: 299).

Finally, the range of levers and mechanisms for achieving change in organisations discussed by both the academic literature and the less-academic prescriptive literature is vast. For example, intervention tactics and techniques for reducing resistance to change (Nutt, 1989; Kotter and Schlesinger, 1979); political games, activity and tactics (Schein, 1977; Buchanan and Boddy, 1992; Johnson, 1997); symbolic behaviour (Johnson, 1990); symbolism (Peters, 1978); stories (Feldman, 1990; Boje, 1991); metaphors (Cleary and Packard, 1992, Hill and Levenhagen, 1995); communication (Beckhard and Harris, 1987); rhetoric in communication (Huff, 1983); rituals and rites (Trice and Beyer, 1985); routines (Johnson and Scholes, 1997), leadership and change agency (Burns, 1978; Nadler and Tushman, 1989; Schein, 1985, Hamilton, 1988); unfreezing mechanisms (Johnson, 1988); rumour control (Isabella, 1990), new roles, relationships and responsibilities (Beer et al, 1990); Structures and Systems (Goodstein and Burke, 1991); transition planning, the transition curve and mourning (Bridges, 1986; Carnall, 1986; Sheldon, 1980; Tunstall, 1983); the need for "re-framing" (Bartunek, 1988; Levy, 1986); empathy, communication and participation (Kirkpatrick, 1985); structural, process and symbolic principles (Warren, 1984); the need for vision (Nadler and Tushman, 1989; Tichy and Ulrich, 1984) or strategic intent (Hamel and Prahalad, 1989). The list is considerable!

Many of these levers have been studied intensively on their own. More recently attention has been focused in particular on the cultural aspects of organisations identified as critical to the way strategies develop by the strategy process research. It is argued that if the role of naturally occurring phenomena, such as symbolism, rituals, language, or stories, in change

can be understood, then maybe it will become possible to understand how to use these phenomena to help achieve change.

2.5.3 *Current Position*

This brief summary of the research into facilitating and obstructing processes emphasises the theme running through the literature on strategic change that change is driven by two opposing sets of forces. There is an almost taken for granted belief in the importance of the role played by inertial forces and resistance in preventing change, and levers and mechanisms in creating change. If the forces for change win, then change results; if the forces against change win, then change does not occur (Huff et al, 1992). This in turn has encouraged an exploration of individual barriers and levers and mechanisms, and the role of naturally occurring phenomena such as stories and symbols, in enhancing the forces for change.

The existing contextual and processual change research literature also reveals something very important about obstructing and facilitating processes. Namely that whatever the inhibitory and driving forces are called, be it inertial and stressor forces, or barriers and levers and mechanisms, they are dynamic in nature - which is why they are referred to here as obstructing and facilitating *processes*. The dynamic nature of these processes comes through particularly clearly in the NHS study by Pettigrew et al (1992), where many of the findings reflect the dynamic, and at times emergent, nature of obstructing and facilitating processes:

“Change processes are better conceptualised in the language of probability, indeterminacy, precariousness and reversibility” (Pettigrew et al, 1992: 297).

This point is reinforced by Pettigrew and Whipp (1991: 199):

“The importance attributed to linking strategic and operational change is because the process has both intentional and emergent character. The need is to appreciate therefore how intentions are implemented - and hence transformed - over time.”

Other writers, such as (Duck, 1993), echo a similar theme. She likens an organisation to a mobile in which change in one part causes ripple effects in another making, change a dynamic process with unexpected challenges.

Similarly, the complicated ‘cause and effect’ nature of change is well documented:

“Equally well, one has to take into account the impact on managerial attitudes and behaviour of the conduct of industrial relations, and changes in the educational system and in social values going on contemporaneously with life at Billingham. One cannot talk comfortably here about linear causal relationships, in a world more realistically characterised as a complicated mosaic of cause and effect.” (Pettigrew, 1985: 152)

Therefore, importance is attached by the change literature to the dynamic role of facilitating and obstructing processes during change. Furthermore, it is known that change implementation can be difficult and unpredictable (Jick, 1993; Kanter et al, 1992; Duck, 1993; Pettigrew and Whipp, 1991). Yet little of the literature gets to grips with the detail of all the interventions taken during a change implementation, and examines the interactions between facilitating processes, obstructing processes and the change context at a micro organisational level, to determine how they may contribute to the unpredictable nature of implementation.

There are some survey based studies of obstructing and facilitating processes during change implementation. Covin and Kilmann (1990) investigate 'participant perceptions of positive and negative influences on large-scale change' and identify different perceptions of the influences on change between internal consultants, external consultants, managers and researchers. Vandermerwe and Vandermerwe (1991) examine top level executive perceptions of obstacles to making change happen as part of a wider research project also investigating how to make strategic change happen. These studies lead to summaries of the types of facilitating and obstructing processes encountered most commonly during change.

The only processual study that includes explicitly as one of its objectives the study and identification of facilitating and obstructing processes, appears to be the Pettigrew et al (1992) study of change in the NHS, in which the "Motors of, and Barriers to, Strategic Change" (p 301), are examined. As already stated, this study reveals the dynamic and emergent nature of facilitating and obstructing processes. Facilitating and obstructing processes ebb and flow through time. It also reveals how the particular facilitating and obstructing processes encountered in any change situation are context dependent and, therefore, not necessarily predictable. They are impacted by unexpected events, both internal and external to the organisation. Furthermore, different change participants encounter different drivers for, and barriers to, change.

Finally, it should be noted, that although it has been shown earlier in this chapter that it is important to understand the role of individual cognitions during change, little of the research examines obstructing and facilitating processes from the *recipient's* perspective. Questions that could be asked include which barriers to change are encountered by recipients during implementation, how these barriers are perceived to prevent change implementation, how these barriers evolve during implementation, which planned and unplanned events are perceived to facilitate change for recipients and why, which of these events are found by

recipients to be most effective⁶ and why, and how perceptions of obstructing and facilitating processes differ between recipients. Many of these questions cannot be answered by taking a snap shot of a change process at one point in time or in retrospect, since the dynamic and at times emergent nature of obstructing and facilitating processes requires investigation through time.

2.6 Pulling it all Together: The Research Agenda

The purpose of this section is to draw the above discussion of strategic change research together. First, the review of strategy process research reveals that the non-linear and emergent nature of change processes in organisations is best accounted for by political and social processes. This finding is supported by a growing stream of process research on change and cognition (Bartunek, 1984; Bartunek and Moch, 1987; Poole et al, 1989; Isabella, 1990; Barr et al, 1992; Barr and Huff, 1997). The two streams of research when put together reveal the dual importance of understanding both the role of group level phenomena such as culture and politics in change, and the role of individual cognition, and how one contributes to the other. Yet it is also fair to say that most studies to date rely primarily on senior managers for data collection. The role of recipient perceptions and interpretations during change has received little attention (Bartunek et al, 1996). Second, the review of the strategy process research also reveals that there are few studies which undertake an in-depth processual analysis of individual instances of intended change⁷ implementation. In the main the studies concentrate on extended strategic change looking at the major incidents and interventions through time spanning strategic change gestation, formulation and implementation, and examining the interconnected patterns between formulation and implementation.

As stressed before, it is known that planned change implementation is difficult and unpredictable (Dawson, 1994; Duck, 1993; Kanter et al, 1992), but there are few studies examining individual instances of change implementation in depth, to establish how and why this unpredictability occurs, even though it is known that it is not possible to understand the incremental and emergent nature of strategic change, without recognising the impact of micro organisational processes on the way change develops (Pettigrew, 1973 and 1985; Johnson, 1987; Mintzberg, 1978; Quinn 1980). The importance attached to obstructing and facilitating processes by the literature, and the relative neglect of the role of recipient interpretations during change, suggests that a focus on the role of facilitating and obstructing processes during implementation from the recipient's perspective would form a good starting point for such an the investigation. Particularly since the patterns of change

⁶. The term effective is used to mean *which facilitating processes managers find more or less helpful in achieving change* from their perspective. Effectiveness is not referring to the effectiveness of the overall change process.

⁷. In fact, it could be argued that generally most research has concentrated on strategy formulation, when the difficult part is really implementation (Kiechel, 1982; Priem & Harrison, 1994). This is a deficiency that the strategy process research reviewed has tried to remedy.

experienced at operational levels within organisations may be very different to those experienced at more senior levels (Ashburner et al, 1996; Kanter et al, 1992; Bartunek et al, 1996). This logic sets the research agenda, which is to examine the role of *facilitating and obstructing processes in intended change implementation* from the perspective of *change recipients*.

However, any change implementation affects a wide range of change recipients. This particular piece of research will therefore target middle managers as recipients. Middle managers play a key role in making change happen, since they often have the task of translating the plans and objectives into changes in everyday working practices (Wooldridge and Floyd, 1990; Floyd and Wooldridge, 1992). Their role in strategic change may have been very much underestimated (Wooldridge and Floyd, 1994). Since the intent is to develop a detailed understanding of what factors are facilitating and obstructing change *implementation* and why, middle managers, as a recipient group, may provide a valuable source of data previously neglected.

2.7 Conclusion

This chapter has examined a broad range of literature on processes of strategic change, with a particular focus on strategic *organisational* change. It was stated at the beginning that this research is particularly interested in *"intended" strategic change: a course of action decided upon by the senior managers of an organisation with an intent to deliver change within the organisation*. The chapter has shown that in relation to this broad research interest, there are two main relevant bodies of literature - the primarily descriptive strategy process research literature, and the more prescriptive literature on the management of change. It has used this body of literature to illustrate that change is an unpredictable process, which cannot be understood without getting to grips with the role of micro political, cultural and cognitive organisational processes. Furthermore, the brief review of the different perspectives on change also reveals that other researchers, particularly the institutionalists, who have traditionally studied change within populations of organisations rather than within individual organisations, are starting to show an interest in the role of micro organisational processes in organisational change. So there is an acknowledgement in the literature of the need for more work in this area.

However, there is little empirical work that sets out to specifically examine the role of micro level processes during change implementation. On the other hand, there is a strong agreement in the literature on the importance of the role of obstructing and facilitating processes in change: change only occurs when the forces for change overcome those that oppose change in an organisation. These are the themes have been drawn together to

formulate a more specific research agenda on the implementation of intended strategic change, namely to examine the role of *facilitating and obstructing processes* in *intended change implementation* from the perspective of *change recipients*.

For this research question to be addressed, there are still many methodological issues that have to be considered. If obstructing and facilitating processes are dynamic and emergent in nature as suggested by other research (Pettigrew et al, 1992), this has implications for the research methodology. Similarly some explanation is required of the terminology used such as 'perceived' and encountered. This raises questions of researcher ontology and epistemology, in other words, what constitutes valid knowledge on obstructing and facilitating processes? The answer to this question for this research is managerial perceptions, or experience. These topics will be revisited and extended, by necessity, in the next chapter on methodology.

CHAPTER 3: RESEARCH METHODOLOGY

“The term methodology in a broad sense refers to the process, principles, and procedures by which we approach problems and seek answers. In the social sciences the term applies to how one conducts research. As in everything we do, our assumptions, interests, and goals greatly influence which methodological procedures we choose. When stripped to their essentials, most debates over methods are debates over assumptions and goals, over theory and perspective.” (Bogdan and Taylor, 1975: p1)

3.1 Introduction

Methodology is defined by Harvey (1990) as an interface between epistemological underpinnings, substantive theory and methodic practice. In other words, views on the social world and what constitutes valid knowledge, the philosophies related to a particular subject matter as opposed to formal or abstract theories and research methods, designs and the technical issues of implementation. This can be expressed more simply by saying that methodology needs to form a match between:

- researcher epistemology and ontology;
- suitable research methods and designs and epistemological underpinnings for the research topic;
- prevailing wisdom on appropriate research methods for the research topic.

To this list could also be added the use to which the research findings are to be put.

This chapter on research methodology addresses the above issues first and then considers the research design and activity. The aim of the chapter is to show how the research methodology has been devised to enable the researcher to examine the research question set out at the end of the previous chapter, the role of *facilitating and obstructing processes in intended change implementation* from the perspective of middle managers as *change recipients*. It is shown that the desire to examine middle manager perceptions of the way change implementation develops is consistent with a symbolic interactionist approach, and how this places the focus of the study on the managers themselves, rather than the organisation or the change process. The chapter also explains why a real-time, longitudinal and processual, case study design is selected for the research.

3.2 Research Methodologies

Rose (1982) cites the two dominant tendencies in social research as research designed to test theories using structured techniques and quantified data, and research designed to build theories using less structured techniques and predominantly qualitative data. These are of course extremes with many other types of studies in between. Theory testing research can use qualitative data and theory building research quantitative data (Layder, 1993 commenting

on Rose, 1982). Similarly, case studies, often considered a qualitative research tool, can yield quantitative data (Yin, 1984).

Yet the divide argued to exist by Rose does seem to be dominant in the research literature. Most work is either written on qualitative or quantitative techniques (Miles and Huberman, 1984; Bogdan and Taylor, 1975; Berg, 1989; John Van Manen, 1979; Oppenheim, 1966; Hoinville et al, 1978), or the work differentiates between qualitative and quantitative techniques (Gill and Johnson, 1991). This suggests that the most appropriate starting point to determine which research approach to follow may be to consider the research question(s). This is the approach recommended by Strauss and Corbin (1990) and Yin (1984).

Here the research is exploratory, with an emphasis on explanation and emergent processes. As such it is more about theory building for which qualitative research is appropriate (Strauss and Corbin, 1990). However, there are other considerations, such as the nature of the research topic. The research topic, obstructing and facilitating processes, could be approached from a more positivistic viewpoint. The danger is that in a complex research area in which relatively little is as yet known, the use of more positivistic frameworks, which in certain situations can be argued to be more applicable than qualitative approaches, may yield findings of little value (Mintzberg, 1983b). Further, what is known about the *nature* of obstructing and facilitating processes supports the choice of a qualitative approach.

Obstructing and facilitating processes are dynamic: they emerge and recede through time and are affected by unexpected events and the change context (Pettigrew, 1992). Other longitudinal research discussed in the literature review supports such findings. What obstructing and facilitating processes will be encountered in any change situation will not necessarily be predictable. Change research also requires a pluralist approach (Pettigrew et al, 1992): the need to understand the experiences of different individuals who may have different interpretations and view points. “The social process is constructed, created by human agents - individual or collective - through their actions” (Pettigrew, 1992: 8). This is compatible with the discussion on sensemaking and the need to understand how individuals perceive change in the previous chapter. Individuals:

“are not seen as living in, and acting out their lives in relation to, a wider reality, so much as creating and sustaining images of a wider reality, in part to rationalize what they are doing. They realize their reality, by reading into their situation patterns of significant meaning.” (Morgan, Frost and Pandy, 1983: 24)

This is supported by Bittner (1965), and Bogdan and Taylor (1975) who argue that individuals’ actions are determined by their interpretations not the organization, and that a situation only has meaning via an individual’s interpretations of it.

Further, people involved in a change process ‘make’ that process as the change unfolds by their interpretation of events and their reactions based on their interpretations:

“Human beings interpret or define each others actions instead of merely reacting to each others actions. Their 'response' is not made directly to the reactions of one another but instead is based on the meaning which they attach to such actions” (Blumer, 1967: 139)

This research therefore requires a methodology which makes it possible to explore the experiences of different individuals of change through time, yet requires no pre-conceived ideas as to the type of obstructing and facilitating processes that will arise. Such assumptions move the focus of the study from how an organisation undertakes change, or even the change process, to how managers *perceive* what is going on during the change process in an organisation in terms of obstructing and facilitating processes. It becomes necessary to consider how managers experience and interpret what is going on around them. This is a sensemaking perspective, consistent with the research agenda proposed in the previous chapter, in which the intent to understand the role of individual perceptions and experiences.

A focus on managerial perceptions and interpretations is also consistent with symbolic interactionism (Denzin, 1989):

“Symbolic interaction involves interpretation, or ascertaining the meaning of the actions or remarks of the other person, and definition, or conveying indications to another person as to how he is to act. Human association consists of a process of such interpretation and definition. Through this process the participants fit their own acts to the ongoing acts of one another and guide each other in doing so” (Blumer, 1966: 538)

Symbolic interactionism is based on both pragmatism, which defines human experience as the only valid source of knowledge (Hammersley, 1989), and phenomenology which seeks “to grasp the meanings of a person's behaviour” by attempting to “see things from that person's point of view” (Bogdan and Taylor, 1975: 14). It implies a need for understanding how individuals interpret and respond to situations, and how this affect's their behaviour. As such, there is a clear link between symbolic interactionism and the aims of this study. However, this also raises questions of researcher epistemology and ontology. Denzin (1989b) comments:

“The perspectives and experiences of those persons who are served by applied programs must be grasped, interpreted, and understood if solid, effective applied programs are to be created.” (p 12).

The quote is a little out of context because Denzin is writing on Interpretive Interactionism, but Interpretive Interactionism is underpinned by the tenets of symbolic interactionism (Denzin, 1989b). The quotation supports the researchers own position.

The focus on personal experience and perceptions as the unit of data in this research does not absolve the researcher from the need to also consider the context in which the phenomena being researched are occurring. “The behaviour settings of interaction and symbolic observations must be recorded” (Denzin, 1989: 18). Context is important. Furthermore, contextualism involves more than “embeddedness” - studying change in the context of interconnected levels of analysis (Pettigrew, 1990). It also involves consideration of “temporal connectedness”, locating change in past, present and future; and “context and action”, how one affects the other. Therefore, it will be necessary to obtain not only the manager's perceptions of facilitating and obstructing processes at work during the overall change process, but also their perceptions of the context.

However, the attention paid to historical aspects must not distract from the need to pay considerable attention to what is actually happening from the managers' perspective during implementation. Layder (1993) has developed a *research map* which includes self (individual's social experience), situated (social) activity, setting (social organisation) and context (macro social organisation). Since it is likely that a project will involve a number of elements in combination, a researcher needs to practice “selective focussing” - concentrating on one or two areas while the others remain in the background. In this study the focus is self and situated activity as consistent with symbolic interactionism, but the organisational and sectoral contexts cannot be ignored.

There are also issues to do with generalisations of the research findings. The use of a symbolic interactionist approach requires the study of a small number of organisations, maybe only one, in depth. It is, therefore, often argued that the findings are only generalisable within the context of the study. The use of a more positivistic framework can enable a wider degree of generalisation. However, since case studies often build on theory, and can be viewed as testing theory as well as developing it, they can provide theoretical generalisability. Further, the aim of this study is to investigate an as yet little understood area of strategic change. Wide generalisability is not sought. The purpose is to seek explanation and understanding that can help illuminate the current way of thinking and perhaps provide food for subsequent research, not to look for “regularities and causal relationships” (Burrell and Morgan, 1985).

Thus it seems the fit between researcher epistemology and ontology, suitable research methods and designs for the research topic and suitable epistemological underpinnings for the research topic can best be achieved via the use of a qualitative methodology based on the principles of symbolic interactionism. The choice of methodology is also supported by the remaining issue of prevailing wisdom on appropriate research methods for the research topic. Several writers, such as Lyle (1990), Chakravarthy and Doz (1992), Hosking and Anderson (1992) and Van de Ven (1992), have commented on the need for more strategy process and

organisational change research to be contextual, longitudinal and real-time with the aim of providing more assistance to practising managers, possibly via the use of action research.

3.3 Research Strategy

It has been stated above that the intention is to use qualitative research methods consistent with a symbolic interactionist perspective to achieve a greater and in depth understanding of a complex phenomena. Also that the unit of study is not to be the organisation or the change process, but the managers. It has further been stated that the fact that obstructing and facilitating processes are dynamic in nature needs to be reflected in the research methodology. The implication is that they cannot be studied in an aprocessual cross-sectional manner (Pettigrew, 1990). Some kind of longitudinal, contextual, processual approach is needed (Pettigrew et al, 1992).

There are two main options for longitudinal studies - to study obstructing and facilitating processes as they emerge during change efforts on a 'real-time' basis, or as they were encountered during change on a retrospective basis. Many academics have called for more real-time research (Van de Ven, 1992; Chakravarthy and Doz, 1992). These calls can be backed up by concerns over the use and validity of retrospective data on change processes. Green (1987) states that:

“The ideal would be to show how interpretations matter; how they differ; how these differences relate to cognitive, cultural and political positions; and how outcomes are shaped by interpretations. Unfortunately, the need to rely on retrospective rather than real-time accounts, generally leads to a more modest agenda.” (p 215)

Kanter (1983) discusses how the process of change gets re-written over time under the heading of “rewriting history”. The past is revised to meet the needs of new players and demands. Individuals disappear into collectives, early events and people disappear into the background as later events and people come forward, conflicts disappear into consensus, equally plausible alternatives disappear into obvious choices, and so on. Kanter sees this re-writing of history as an essential part of the change process though and argues that “we should not confuse the results - an official, retrospective account of organizational actions - with lessons about guiding organizational change” (p 21). There is a need to understand what really happens and create a picture of how events unfolded and not how they are retold. If the rewriting of history is inevitable, real-time and longitudinal research is the only way to study and understand such emergent change processes.

Therefore the use of real-time research is the preferred choice here, but it can be difficult to know when a change process starts and ends. “Truth is the daughter of time” (Pettigrew, 1990: 271). To determine which part of the change process to research on a real-time basis,

and which part retrospectively and for how far back, it is necessary to consider several factors, including the themes and research questions; the research setting; the researcher-subject relationship; resource constraints and the researcher's theoretical framework (Pettigrew, 1990). Here, since this research is interested in change implementation as opposed to formulation, the part of the change process to be studied on a *real-time* basis is the change implementation, or rather, the part of the change process the organisation(s) involved in the research consider to be the intended implementation phase. This implies that it will be possible to identify a formulation / implementation divide, although as discussed in the literature review, some authors do argue that this is not possible. The implementation will then be put within the context of its formulation by use of retrospective data. There is also a practical reason for this choice. Although change programmes including culture change may take up to several years to occur (Nadler and Tushman, 1989), when undertaken intentionally there is likely to be an initial period of 'high activity' in which many planned interventions are put in place. It is this high-activity phase that will be studied on a real-time basis.

It is also necessary to decide how many organisations should be involved in the research. The implication of managers as the unit of study is that any managers within any organisation undergoing radical change can participate. On the other hand, the need for a real-time longitudinal and pluralist stance, and the practicalities of getting access, matching contexts and obtaining historical and contextual data if many managers from many different organisations are involved, suggests that getting access to a group of managers really means getting access to an organisation(s) undergoing change that will allow their managers to participate.

It was, in fact, decided to limit the research to only one real-time case study of an organisation undergoing intended strategic change. Although multiple and comparative studies are often advocated as preferable, see for example Pettigrew (1990), or grounded theory (Glaser and Strauss, 1967), these researchers do not dismiss the value of initial single-organisation studies to provide illumination on a topic for further study. Pettigrew himself has added much to our knowledge of strategic change by his single organisation research studies (Pettigrew, 1973; Pettigrew, 1985), as has Johnson (1987). Yin (1984) also supports the use of single case designs. They are legitimate when using a critical case to test a well-formulated theory; an extreme or unique case; a revelatory case to study a phenomenon not previously studied; a case as a prelude to a further study, or a pilot case. This research is revelatory since it will be studying facilitating and obstructing processes during change implementation through the eyes of middle managers on a real-time basis, which does not appear to have been done before. It will also belong to Yin's embedded design category since the study is focussing on a particular organisation and particular change processes, but to study obstructing and facilitating processes from the perspective of many managers.

Most people citing multiple cases as an improvement in design (Leonard-Barton, 1990; Eisenhardt, 1989; Bourgeois and Eisenhardt, 1988) do so for reasons such as replicability and improved generalizability. Campbell and Stanley (1963: 6) when writing on case based research argue for the need for at least one comparison. Their stance is shaped by the positivistic epistemology and assumptions underlying their work which leads them to seek causal relationships. Generalizability, however, and the establishment of causal links is not a major aim of this study as already explained.

Further, there are practical implications. Whilst the eventual aim of the researcher may include extending an initial study to see in which other situations the findings hold and in which situations they do not, from the point of view of this research as a PhD, the richness of data that can be gained from an in-depth real-time embedded case study design involving many managers of one change process in one organisation will probably better serve the purposes of an intentionally exploratory study than will a less in-depth multiple case study design. This stance is strongly supported by Mintzberg (1983b: p108), who points out that in-depth data from a small sample size “has often proved superior”. There is also other research conducted along the same lines as this research using single organisation case studies, for example, Poole et al (1989) investigating schema change during organisational transformation; and Cleary and Packard (1992) investigating the use of metaphors in organizational assessment and change.

3.4 Site Selection - A Regional Electricity Company - Utilco

The first criteria for site selection is that the organisation must be implementing *intended strategic change*. The second is that the organisation must be prepared to grant access. Fortune in fact played a role in the site selection process. Access was granted for research purposes to a recently-privatised Regional Electricity Company (REC) referred to here as Utilco, undertaking anticipatory planned strategic change in response to changing environmental and competitive patterns. Privatisation occurred a few years prior to the start of this study and involved a major change in the way the Utilco operated: it had to become a profit making, market focused organisation. In 1992 / 1993 it was deemed necessary to undertake strategic change to protect profitability from forthcoming, and probably tight, regulation of prices. A major re-structuring was put in place including the implementation of new working practices and the start of a culture change within the core business of Distribution employing around 3,500 people. It was the implementation of this re-structuring and associated changes in the Distribution Business, that was the focus of the research. The Division was split into three new divisions, a small core division and two other divisions that were to move to working on a contractual basis with the core to provide the required services. This in fact improves the research design as it provided the researcher with three case studies rather than just one within the same context. Further details of the organisation and the change context will be given in Chapter 4.

Access was granted to the organisation in April 1993. At this point the design phase conducted with the help of consultants had just been completed and the intended implementation phase was just starting. It was, therefore, possible to identify what the senior managers leading the change effort considered to be the end of the formal formulation phase and the start of the intended implementation. The research started in earnest in August 1993 once the middle managers participating in the research had been appointed to the new structure. Participant selection will be discussed later. The research project tracked the change implementation in detail for a period of 11 months to July 1994. However, data collection, in terms of change context and history, started in April 1993.

3.5 Research Design and Activity

“A research design is an action plan for getting from here to there.” (Yin, 1984: p28)

3.5.1 *The Use of a Single Case Research Design*

The research design follows what Yin (1984) refers to as an embedded single case design. Yin (1984: 23) defines a case study as “an empirical enquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used”. He proposes five important components for any case study research designs - 1) questions; 2) propositions, if any; 3) the unit(s) of analysis; 4) the logic linking the data to the propositions; and 5) the criteria for interpreting the findings.

The sorts of questions this research is interested in have been outlined in chapter 2. Propositions are not applicable as this research is aimed at theory generation rather than theory testing. The third component, the unit of analysis is not so straightforward. It could be conceived of as the organisation, the change process or the managers. In fact, as already stated, it is really the managers. However, Layder’s (1993) approach will be used, whereby it is necessary to take data from individuals on their perceptions of their self and their situated activity, but also to consider the setting and context of the individuals under study since these will impact the individuals and their behaviour and experiences.

Linking data to propositions involves such analysis techniques as pattern-matching (Campbell, 1975). This will be dealt with in more detail later under data analysis. The same can be said for the fifth component - the criteria for interpreting data¹. Although it can be stated at this point that since the case is to be used to build theory the analysis will take the form of some type of qualitative data analysis.

¹. In other words, how is data interpretation to be done, by comparing patterns and being able to explain the differences, by statistical tests, and so on?

The quality of a case design can be judged by how well it addresses the issues of construct validity, internal validity, external validity and reliability (Yin, 1984). Construct validity is to do with operational measures for the constructs studied. This is best addressed by the use of multiple sources of data collection and triangulation, both of which are discussed later. Internal validity is to do with the validity of hypothesised relationships and is to do with data analysis, which is again addressed below. External validity is to do with the domain of generalisability. Whilst wide generalisability is not, and cannot be, the aim of this research, it will be the intent to generalise within the scope of existing theory. Finally, reliability is to do with replicability of, for example, data collection procedures. Yin recommends the use of a case protocol for this.

The case study was designed to have two phases. The first phase was to do with investigating how the obstructing and facilitating processes operate during the change implementation. The second phase concentrated on assessing the effectiveness of facilitating processes and the degree of obstruction provided by the obstructing processes. Effectiveness is defined as to do with which facilitating processes the managers participating in the research find more or less helpful in overcoming obstructions to change and moving change forward. Such a question, by its very nature, requires retrospection on the part of the person the question is applied to since no process is likely to have an immediate effect. Thus the second phase used the information gathered from Phase I on the obstructing and facilitating processes encountered by the managers participating in the study, and then asked these managers to consider how effective in their view the various facilitating processes were, and why and which obstructing processes were most problematic. Data collection for these two phases is explained below.

3.5.2 Data Collection - Phase I

Use of Diaries

In case studies, multiple methods of data collection are advised to improve construct validity. There are many sources of evidence - documentation, archival records, interviews, direct observation, participant-observation, questionnaire surveys, and physical or cultural artefacts (Yin, 1984; Layder, 1993). The advantages of multiple methods of data collection will be discussed under triangulation. What will be discussed here are the main data sources for Phase I of the research. Phase II data collection is addressed separately later on.

The main source of data collection in the first phase was by diaries, a form of “personal document” (Bogdan and Taylor, 1975; Denzin, 1989). Middle managers involved in the change implementation kept diaries to do with obstructing and facilitating processes they perceived as occurring in the change process. They were also entitled to report on colleagues and subordinates issues, concerns and reactions when they saw them to be relevant. As such, the diaries were a solicited log (Burgess, 1984) rather than an intimate journal.

Diaries are a type of life history material (Denzin, 1989) suitable for studies based on the principles of symbolic interactionism. Possible alternatives include questionnaires, interviews or verbatim reports (Denzin, 1989). Diaries were selected as the primary source of data collection for a variety of reasons. In diaries “the author sets down only such events, thoughts, and feelings as have importance to him; he is not so constrained by the task-attitude that frequently control the production in letters, interviews, or autobiography” (Allport, 1942: 95). A diary author is free to record things as and when they happen. He is not constrained to remembering events to order as at interviews. There is less opportunity given the frequency of event recording to forget events or experiences. “The diary represents the immediate recording of experiences, unimpaired by reconstructions and distortions of memory” (Denzin, 1989; 193) and is less susceptible to the “fallacy of motive attribution”.

The design of the diaries was based on Burgess (1984). He offers similar reasons to Denzin and Allport for using diaries. Namely that they provide a first hand account of situations that researchers may not be able to get direct access to, and provide an insider’s account of a situation. Burgess differentiates between highly structured and unstructured approaches for diaries. He opts for the unstructured approach since the structured approach “appeared to overlook spontaneity, detail and specific insights that individuals could provide about their encounters” (p 129). An unstructured approach was adopted here for the same reasons.

The diaries contained five open ended questions relating to obstructing and facilitating processes (see appendix 1 for questions and examples of diary data), that the managers were asked to complete on a fortnightly basis. The fortnightly time period was selected for reasons of manageability for both the diarists and the researcher. In the early period of implementation there was a lot of activity. A longer time period would have provided more scope for diarists who did not have time to record pertinent issues on an as and when basis to forget things. From the researcher perspective, a longer time period would have meant dealing with very large volumes of data monthly, rather than more manageable volumes of data fortnightly. The fortnightly recording period also created more frequent contact for the researcher.

Whether the diarists chose to complete the diaries on an as and when basis, or on a once fortnightly basis was up to them. An as and when basis would have been ideal, but since many of the diarists had a heavy workload and were travelling around a lot, the ideal had to be diluted with what was also practical. In fact, many diarists took notes on issues for the diaries as they encountered the issues, and then wrote the diaries up once a fortnight. Also, as with Burgess and his teachers, each manager at Utilco was given their own specially printed diary with a set of dated sheets for each fortnight giving the date on which completed sheets were to be sent to the researcher. On completion the diaries were then forwarded to the researcher for analysis and for addition to the “case data base” (Yin, 1984). Thus the data

collection method could be said to display reliability since the collection method was obviously replicable through time and across participants.

Twenty six middle managers were recruited to maintain diaries. The level of manager selected will be referred to as team leaders, since the majority of the diarists came from more technical areas of the business and were engineers running profit centres with teams of staff composed of other engineers and industrial staff. Some diarists working in less technical areas of the business, for example, administrative posts, did not always have teams of staff to manage, but for the purposes of the research are given the same title. Two diarists were business managers, a level higher than team leaders. All diarists were either 2 or 3 levels removed from their Divisional Director, depending on the reporting structure in their part of the business. The diarists represented over a quarter of the managers at the middle manager level within the Distribution Business since there were approximately ninety managers of the team leader grade within the new structure. The rationale for the involvement of this middle manager group was that they had been through communication sessions designed to ensure they understood the change background and process, and they were responsible for some aspects of implementation, but as team leaders they were also in contact with non-managerial staff in a way that the senior managers were not, putting them in a good position to witness how change was being received and was progressing in their part of the business.

Diaries were also maintained by three divisional change managers. Each of the three newly created divisions had a change manager appointed to work alongside the three Divisional Directors and help implement the changes. They were responsible for the roll-out and day-to-day management of the change process. These change managers became the main contact point during the research for the researcher, and also maintained diaries because they had a wide exposure to a variety of staff due to the nature of their responsibilities.

Use of Unstructured Interviews

The other main form of data collection used in Phase I was periodic interviews:

“diaries may vary in terms of depth and detail which may result in the researcher requiring more detailed data. In order to obtain the telling detail that is associated with field studies, the diary can be used as a resource to raise questions and queries that may generate further data.” (Burgess, 1984: 135)

Therefore the collection of data by diaries had to be supplemented by both telephone and face-to-face interviews. Whilst diaries provide high quality and rich data, the detail may vary from person to person and there may be points the researcher needs to clarify and questions and queries prompted by the diary entries that require probing. A further motive for the use of interviewing to supplement the process relates to what Burgess (1984) terms “distortion

and deception on the part of the author”(p 137). Attempts may be made to exaggerate, misrepresent or reconstruct a situation differently and omit material.

Brief phone interviews were held with the participants after every set, or every other set, of diary entries were received by the researcher. These phone interviews were “diary interviews” (Burgess, 1984) based on the completed diary entries. The researcher was seeking explanation for comments not understood and more detail where necessary. The phone interviews also kept the researcher in regular contact with the participants, helped foster a stronger researcher-participant relationship, and reduced the need for more frequent face-to-face contact.

The face-to-face interviews were held three months into the research and were not so much diary interviews as general information gathering interviews. They were used to determine the manager's perceptions of the context of the change process, but also to identify any manager who was nervous about recording honestly what he actually thought about the change process. Managers only recording in the diaries what they thought the senior managers wanted to hear would not have provided valid information for the research as pointed out above. The interviews gave the researcher the opportunity to probe the managers for their degree of comfort with the diary system. In fact only three diarists, all reporting to the same senior manager, were found to feel vulnerable in their role as diarists. However, this problem was resolved by their Divisional Director and change manager.

The interviews were unstructured, in-depth, standardised interviews (Burgess, 1984; Taylor and Bogdan, 1984; Denzin, 1989). Burgess (1984: 102) argues for the use of the unstructured interview which “employs a set of themes and topics to form questions in the course of conversation” since it “gives informants the opportunity to develop their answers outside a structured format.” The structured interview is more a survey data collection device with pre-set questions and question order. The interviews were standardised as well as unstructured. There was no predefined interview schedule or detailed questions to ask, but the interviewer directed the flow of the interview, and worked with “a list of information required from each respondent” (Richardson et al, 1965: 45). The aim was to understand “informants' perspectives” (Taylor and Bogdan, 1984: 77) on the change process and the events leading up to it.

Eliciting honesty and openness from individuals in an interview situation is not easy. It is often necessary to put them at their ease and create a rapport. Brenner (1985: 151) writes that “the ultimate purpose of the data collection must be to obtain valid information from those questioned”. A common way to get the required openness is to treat interviews as conversations (Burgess, 1984; Taylor and Bogdan, 1984) Thus a very flexible interview format or 'protocol' was followed.

At the start of each interview its purpose was explained and assurances of confidentiality given. Since the interviews were taped, the use of the tape recorder was also explained. None of the diarists objected to the recording of the interviews, although there was one interview in which the diarist requested the tape to be turned off at one point whilst he explained a rather sensitive issue. Two other diarists waited until the end of the interview when the tape had been switched off to mention personal issues. The initial question was to ask the interviewee to describe his/her current job within Utilco and how he/she got there to relax the interviewee. The interviewee was then asked to discuss what changes he / she had been through with the Utilco since the mid 80s, and in particular since privatisation in 1990. Also their role in the change process. The interview finally went into some more detail on the obstructing and facilitating processes. All interviews were held in Utilco's offices and most lasted about an hour and a half.

Regular and informal discussions were held with the change managers both over the phone and on a face-to-face basis every six weeks to eight weeks. The research design was set up to include periodic reviews of progress on the diary system with the change managers and the diarists. These reviews took place every six to eight weeks on a divisional basis. For each division the researcher had an individual meeting with the change manager and then a meeting with all the diarists from that division. Access to the three divisional directors was limited. The researcher informally met with the Core Division Director who sponsored the project several times and interviewed him as part of the Phase II data collection. Both the other two Directors were seen only once. However, this was not considered problematic as the focus of the research was the middle managers. Further, the change managers worked closely with the Directors and knew the change plans and progress.

All interviews were transcribed (verbatim) into word processing documents as were the written diaries. Informal notes were taken on the telephone interviews and any other meetings.

Data Collection Design Modifications as Research Progressed

To start the research, the researcher made three separate visits to Utilco, one for each of the new Divisions, between the last week of July and the first week of August 1993. At each visit she spent the morning with the Divisional change manager discussing progress to date and plans for their Division. In the afternoon she had a meeting with the diarists from that Division to brief them on the diary system and their role and responsibilities.

The diarists became highly supportive of the diary system: it continued because they wanted it to continue, were prepared to continue to commit time to it and felt it fulfilled an important role in the change process. The degree of support for the system was shown by

the fact that over the 11 months only three diarists were lost. One Core Division diarist gave up very early on (November) because of his workload. The staff for his department were not fully in place until April 1994 and there was no-one to replace him. This reduced the number of diarists to 25. A second Core Division diarist gave up for personal reasons seven months into the research. He was replaced when the change forums, discussed next, were put in place. However, he still took part in the final interviews.

The design of the data collection mechanism varied slightly through the project. At first the diaries were maintained on a fortnightly basis. In November, at a joint meeting between all diarists and change managers, with the researcher, it was agreed that the frequency should be reduced to a monthly basis. The pace of change had slowed down and diarists were finding that they were repeating themselves in the diaries given the reduced rate of change activity.

A second more significant modification was made towards the end of the research project. Originally it had been agreed that the diary monitoring system would run for the first year of change until April 1994, when most of the major changes would be in place. However, since changes were still being implemented come April 1994, particularly culture change initiatives, the participants and the change managers wanted to continue to monitor change progress. On the other hand, the diary system in terms of its original design was no longer valid. As change progressed, the diarists discovered there was no retribution from the Directors or senior managers for the comments made, and they became bolder and more confident with their participation in the mechanism. This reduced the need for such strict preservation of anonymity, and the participants were more willing to speak of problems being experienced openly in the feedback meetings. The system also acquired a considerable degree of support from the change managers who found it a useful way of acquiring information on the progress of change. They wanted to be able to continue the system once the researcher had left, and create a more flexible system where new people could be involved to give the original participants a rest. Therefore, a move was made to use what were called 'change forums', a type of focus group, instead of the diaries to collect information on progress.

Instead of the diarists maintaining diaries they started to attend the change forums. At these meetings the same sort of information that used to be recorded in the diaries was discussed openly amongst the diarists, and afterwards the researcher wrote a report summarising the issues discussed. In the Core Division the researcher ran three change forums between March and July since the Core Division piloted the new mechanism first. In the other two divisions, given the success of the first Core Division forum in the opinion of the change manager and diarists, the researcher ran two forums between May and July. The change managers took over responsibility for the change forums from August 1994.

It should also be noted that in the two new service divisions additional diarists were recruited. In one four foremen joined in January 1994. In the other division, foremen effectively replaced the original diarists after March 1994, although the original diarists still participated in Phase II. These changes were due to the nature of the Divisions and will be explained more fully in the stories of change.

The closeness of the researcher to the organisation's change process raises some methodological issues. These will be addressed shortly.

Data Reliability

The guidelines of Gottschalk et al (1945) for data reliability include: the closer a subject is to an event the greater the reliability; the more a researcher's intention is to make a 'mere record', "the more dependable the source"; the more confidentiality is assured, the greater the reliability; the more "expert" testimony is used, the greater the reliability and finally, the use of a form of triangulation or rather "corroboration" which will be discussed later. Certainly with the use of diaries the subject was close to the event and the researcher then used their diaries as a "mere record". Expert testimony was not really an issue here. Who can know what a person has perceived and interpreted better than the person themselves?

The source of possible lack of reliability in this research lies in the point of confidentiality - especially given the extant culture of the organisation which was to tell senior managers what they wanted to hear². The original intention was for the participants keeping the diaries to do so anonymously to solve this problem. However, potential participants feared this would have been seen as spying. Instead participants were known to everyone, including their colleagues and subordinates, and could also record issues raised by colleagues and subordinates on a no names basis which provided a type of anonymity. Further, the change managers constantly reinforced the message that senior management *wanted* to hear from their staff about what was going well and what was going badly.

Validity of use of Personal Documents

Bogdan and Taylor (1975) define personal documents as "those materials in which people reveal in their own words their view of their entire life, or a part of it, or some other aspect about themselves" (p6). They list personal documents as including diaries, letters, autobiographies and transcripts of long, open-ended interviews. This definition makes it clear why personal documents are appropriate to research such as this aimed at obtaining participants perceptions and experiences. Personal documents enable researcher's to "gain an

². This aspect of the culture is clear in the change stories.

intimate view of organisations, relationships, and events, from the perspective of one who has experienced them him- or herself” (Bogdan and Taylor, 1975: 7).

However, it is not the only form of data collection that could have been used. Bogdan and Taylor, along with Denzin (1989) cite participant observation as an alternative. This was ruled out for practical reasons. First, it was not possible for a part-time researcher to spend long periods of time in an organisation ‘observing’. Second, it would be difficult to observe a large number of people in different locations, as would have been necessary to obtain the spread of data obtained by the use of diaries, kept by different people working in different parts of an organisation employing around 3,500 people. Third, the use of personal documents can be as powerful as participant observation in certain circumstances. The life history method, which “presents the experiences and definitions held by one person, one group, or one organization as this person, group or organization interprets those experiences” (Denzin, 1989: p183), is interchangeable with the use of personal documents. Denzin (1989, table 1-1) shows in a comparison of methods that both the life history method and participant observation score highly on a match with the principles of symbolic interactionism. In this comparison, the life-history method fairs slightly less well than participant observation overall as the method is described as retrospective, but in this research since the diaries are to be maintained on a real-time basis this doesn’t apply.

Denzin (1989: p183-184) also cites four assumptions which underpin the life history method, which illustrate the appropriateness of the use of personal documents for this research:

- Human conduct should be “studied and understood from the perspective of persons involved”. Participants are able to express to a greater degree their views and interpretations without the restrictions of other methods. For example, questionnaires / surveys place the language and subject range of the researcher on the participants, which may be appropriate in many situations, but not so appropriate in instances of exploratory research such as this research.
- The observer “will be concerned with relating the perspective elicited to definitions and meanings that are lodged in social relationships and groups”. It is possible to capture not just individual views of the change process, but also to develop some understanding of why different groups have different experiences.
- The aim will be the capture of events over time by recording the unfolding history of one person’s, one group’s, or one organisation’s experiences. Thus, the life history method is particularly appropriate for studying emergent processes, such as facilitating and obstructing processes, within their historical context.
- It is possible to obtain the participants own experiences and interpretations as data, rather than the researcher’s interpretations of his / her observations - a required feature of this research.

There was one major disadvantage to the use of diaries: the lack of research to date that had attempted to use this approach. Buchanan and Boddy's (1992) research into the attributes required of change agents is one of the few change studies using diaries. The research found the diary technique to be effective, but the participants only kept diaries for a fortnight, and recorded their experiences of change onto a tape for the researchers. Other studies of change using diaries used them to capture quantitative work performance related data (Clark et al, 1988), or for more structured data capture (Schilit, 1987 on upward influence attempts by middle managers). So this data collection technique, as far as the author knows, had not been previously utilised in strategic change research to track the progress of change longitudinally.

The Use of Intervention

It could be argued that there is a problem with the research approach adopted here, in that it intervened in the change process it was set up to examine. The senior managers were given information on the progress of change that they may not have had access to in the absence of the research. As subsequent chapters of the thesis will reveal, the diary mechanism also had other impacts on the change process, since it became one of the recognised facilitators of the implementation process for the diarists.

One response in defence of the research approach taken here is what Clark (1972) refers to as "privileged access" (p 22). Clark uses the principle of privileged access to defend action research as a research approach. When techniques such as participant observation are used to study change phenomena on a real-time basis, getting access to the appropriate people and then getting the needed time from them can be problematic. It requires top management support within the organisation (Froham et al, 1976). Action research, giving the organisation something in return, is one way of achieving this (Clark, 1972). The research approach taken here was built on a similar rationale. Getting the level of access and the time commitment for the type of research the researcher wanted to undertake, suggested the need to offer something in return to any organisation involved. Access was negotiated to the organisation on the basis of the researcher providing formal feedback to the Directors on the progress of the change process from her analysis of the diary research data.

It would be wrong to suggest that the research approach adopted here is action research. There is an on-going debate about what constitutes *valid* action research (see for example Human Relations, Vol 46, No. 2, 1993 and Journal of Applied Behavioural Science, Vol 29, No. 4, 1993). However, all definitions have certain elements in common. Action research is aimed at *solving practical problems* of practitioners in *situations of change*; it is *collaborative or participative* with the researcher working in the client organisation with the

client; it is some sort of *cyclical enquiry process* (Elden and Chisholm, 1993) with several phases such as scouting, entry, data collection, data feedback, diagnosis, action planning, action implementation, evaluation (Froham et al, 1976); it aims to *produce new knowledge* that contributes practical solutions and general knowledge (Elden and Chisholm, 1993); and it will be *context-bound* (Susman and Everard, 1978) as the methods of data collection and so on will need to be designed to match the situation in which the researcher is working.

This research meets some of these criteria, since it aimed to solve a practical problem for the organisation concerned, as well as providing research data, and it was collaborative. The client organisation was involved in the design of the diary mechanism in several ways - including who the diarists should be, when to change the frequency of diary reporting from a fortnight to a month, and how to develop the diary system into the change forums. On the other hand, the researcher is doing little other than to collate and feedback information to the client organisation. Reports did not include any recommendations on actions to take, to enable the researcher to retain an objective view of the change process. It was up to the Directors to respond to issues raised as they saw fit. Therefore, this research is not classified as action research, but it is argued that the research approach can be defended on the same grounds as action research. It enabled the researcher to gain a level of access and draw insights that might not have been possible with a less interventionist approach.

Triangulation

Denzin (1989) defines triangulation as the use of “multiple methods in the study of the same object” (p 236). Each method “implies a different line of action toward reality - and hence each will reveal different aspects of it” (p 235). Therefore, multiple methods of observation must be used to get at the different aspects of reality, but also to remove researchers from the personal biases that can stem from single methodologies, and overcome the problems inherent in the use of every method. As discussed above, data from personal documents will not be accurate if participants are not honest about the way they feel, or do not provide complete information, and it can be difficult to reconcile different perceptions to build an event history. Interviewing is therefore needed to identify problems that may occur with diaries such as accuracy and completeness. Other data sources such as planning and briefing documents, and interviews with people responsible for implementing events such as the change managers, can be used to build an event history and pin-point when events such as workshops or redundancies occur.

However, there will still be individual interpretations of what happened and also group interpretations remembered by, for example, cultural artefacts such as stories. This is important. The purpose of triangulation is to add “breadth or depth to our analysis”, not the pursuit of “objective truth” (Fielding and Fielding, 1986: 33). It was necessary to recognise

during the data analysis that what was perceived to be the truth by one diarist, was not perceived the same way by another. What was important was that the two different truths had been captured, and that the researcher was able to investigate why one diarist saw a situation one way and another diarist saw the same situation differently.

Denzin (1989, but also earlier in the first and second editions) cites four types of triangulation which have become the basis upon which most other writers write on triangulation (for example, Burgess, 1984; Layder, 1993). The four types are:

- Data triangulation - the use of different data sources to investigate the events under analysis. Data triangulation can be split into time triangulation in which data is collected on the same phenomena at different points in time; space triangulation in which data is collected at different places; and person triangulation in which data is collected at the individual level, the interactive level and the collective level.
- Methodological triangulation - the use of different methods. It differs from data triangulation in that the emphasis is on methods of generating data rather than sources of data. Methodological triangulation can be split into “within-method” triangulation, that is the same method used on different occasions, and “between method” triangulation when two or more different research methods are used to explore the same object of study.
- Investigator triangulation - the collection of data by more than one researcher.
- Theory triangulation - “pitting of alternative theories against the same body of data”.

Data triangulation was used in many ways, although the research at all times remained a qualitative study using primarily the experiences of individuals as the source of data. Data was collected on the same phenomena (facilitating and obstructing processes in change) at different points in time and places via diaries, interviews (telephone and face-to-face) and secondary documentation such as team briefings. Data was also collected from a variety of different individuals - the various diarists and the change managers. The change managers had a slightly different perspective on the change process as they worked closely with their Directors and senior managers on the design of change interventions. Finally, data was collected both individually and collectively. At feedback meetings and change forums, diarists were able to share experiences providing a means by which differences and similarities could be explored.

Data triangulation proved very useful in ensuring completeness of data collection. Telephone interviews made it possible for the researcher to question issues raised in the diaries that she did not understand. It could also be difficult to follow through all the myriad changes occurring. This was complicated by the fact that the diarists themselves understood what was happening in their department, but not always what was going on in other departments.

Meetings with the change managers were used to determine what planned changes were happening when and how, and then to compare the intended activities with the experiences of the diarists. The face-to-face interviews made it possible to explore similarities and differences in perceptions in greater depth, and come to an understanding of contextual aspects that made certain issues more of a hindrance or help for some diarists than others.

The diarists themselves also carried out a type of data triangulation since they saw all the reports produced by the researcher for the senior managers. If they agreed or disagreed with points in the reports, they would say so. Finally, secondary source data such as team briefs, also provided the researcher with information on what interventions were being put in place. This information could be compared to what was being reported in the diaries. The same was true of the periodic feedback meetings.

Data triangulation via the use of secondary source data was important in the construction and the analysis of the event history during the change process. This included workshop documentation, team briefs, newsletters and so on. The secondary data was especially useful in providing background information about the planned interventions taking place, and in establishing when particular events occurred. This research also needed to explore the history of Utilco and how the current changes sat within the history of the organisation. Participants were questioned at interviews about this, but this is where another source of secondary data in the form of published accounts and newspaper articles was of great benefit.

Between-method methodological triangulation was used extensively, particularly in terms of the diaries and the interviews. The reasons for this methodological triangulation have been discussed in some detail above and will not be repeated here. Suffice it to say that the methodological triangulation was essential in ensuring the validity of the data collected rather than its completeness. Also in combating the weaknesses of one methodology with the strengths of another. So, for example, the diaries were an effective way of getting regular information on the progress of change from the diarists' perspective, but not so effective in getting detailed explanations. The interviews could be used to get the detailed explanations, but were not such an effective way of getting frequent information from a large number of participants. Thus, here, the same research methods were used to obtain both data and methodological triangulation.

Investigator triangulation was not used. Theory triangulation applies more at the analysis stage since it "simply asks the researcher to be aware of the multiple ways in which the phenomenon may be interpreted". Issues relating to theory triangulation are discussed in more detail in the section on data analysis.

3.5.3 *Data Collection - Phase II*

Phase II, by the nature of the information sought needed to be very different from Phase I. Here the participants, the same as those from Phase I, were asked to consider from their perspective the effectiveness of facilitating processes and which obstructing processes presented the greatest problems. The aim was to elicit some of the constructs managers use when reflecting on the role played by obstructing and facilitating processes in change implementation. As stated above, questions about effectiveness of particular events and activities by their very nature requires retrospection. Thus Phase II occurred towards the completion of Phase I between the beginning of April and the end of May.

The methodology selected - a multiple sorting procedure for studying conceptual systems (Canter et al, 1985), reflects the aims of this phase to capture the way managers think of obstructing and facilitating processes. A more obvious choice, and a more common way of examining constructs in conceptual systems, would have been the repertory grid (Kelly, 1955). However, Canter et al advocate the use of the multiple sorting procedure on the grounds that there are no limitations placed on how the sorting of elements is done "The multiple sorting procedure advocated here asks little of the interviewees other than that they assign elements to categories of their own devising" (p 88). The reasoning behind this is that the explanation of each of sorted category is as important as the way elements are placed within the categories. Daniels et al (1993) in a study of manager's mental models of competitive industry structures has found that similar card sort mapping techniques are not only easy to administer and "minimally intrusive", but also lead to similar results as do the use of repertory grids. Also, the number of elements on obstructing and facilitating processes that may be identified by each participant was likely to be sufficiently large as to make the use of repertory grids extremely time-consuming in terms of interview length.

The multiple sorting procedure works as follows. The elements of the subject area on which constructs are to be elicited are written onto cards. Each interviewee is then asked to sort the cards into groups in such a way that the cards in each group are similar to each other in some way or another, yet different to those in the other groups. The interviewee is then asked to explain the reasons for the way the cards have been sorted and explain the within-group similarities and the between-group differences. The interviewee is asked to sort and resort the cards for as many times as he can think of different groupings. Many different items have been used on cards for sorting - photographs of buildings, labels of places to stay and activities (Canter et al, 1985). The results can then be analysed for differences between interviewees, differences between elements sorted, and differences between concepts and categories to which elements are assigned. The elements for the sorting may be generated by the investigator or the respondents.

This methodology is unusual however. It had to be pilot tested first. Thus it was piloted in the researcher's university. The school of management was undergoing a change to a culture in which research is as important as teaching. This change process provided the subject matter to test the methodology. A senior member of the faculty involved in this cultural shift was interviewed for her opinions on what was helping the change to occur, both planned and unplanned, and what was obstructing it. This interview data was used as a substitute for the diary data at Utilco. Based on this data, a set of obstructing processes and a set of facilitating processes were developed and written onto cards. Six other members of faculty then agreed to be interviewed to pilot the card sort technique. They were deliberately selected to represent a cross-section of faculty on a continuum from experienced to less experienced researchers. All interviews were taped. See Figure 4 for the interview protocol.

Pilot interviewees were asked to comment on the technique. All thought the technique enabled the interviewer to elicit more accurate and detailed information from them than would a questionnaire, and that they understood the technique. All thought three categories for the ranking were right (5 would be too many), and that the sort order requested was the best one. The main issue raised was that it was difficult to understand the purpose of step 4. The researcher included this step since she wanted to identify for the Utilco in the Phase II interviews what the diarists thought could be done about the perceived major obstructions, so this information could be fed back in a final report. However, the pilot interviews were taking longer than an hour, even though the pilot involved less cards than would the Phase II interviews at Utilco. Since question 4 was not necessary for the research, it was decided that it would only be asked in the Phase II interviews if there was time.

The researcher also made a number of notes about the technique. It was important to check before each interview that there were no cards missing. It was important to get the interviewee to elucidate and explain what they were doing with the researcher ensuring that the card being talked about was clear for the tape. It was also necessary for the researcher to be sensitive to interviewee style. For example, some interviewees liked to sort and categorise in silence, then explain. Others liked to talk and discuss as they sorted.

FIGURE 4: PILOT TEST INTERVIEW PROTOCOL

The interview protocol for the first interview was as follows:

1. Explain purpose and use of cards, and meaning of terminology obstructing and facilitating processes.
2. Working with cards for facilitating processes first. Get interviewee to do following:
 - 2.1 Look through the set of cards and reject any facilitating processes that in their opinion are not, or have not been, helpful.
(Note: done to address issue raised by Canter et al that “the more concrete and specific the elements are and the more familiar the respondent is with the elements, the more likely it is they will be able to produce a number of rich and varied sorts” (p 93))
 - 2.2 Explain why rejections made.
 - 2.3 Sort through cards retained and sort into 3 categories. First, the facilitating processes that are / have been very helpful, second those only slightly helpful, and third those somewhere in the middle.
 - 2.4 Explain reasons for classification of each facilitating process.
 - 2.5 Suggest any facilitating processes that are missing.
 - 2.6 Comment on any other way the facilitating processes could be sorted (other than by effectiveness)
3. Repeat above for obstructing processes with the interviewee ranking by degree of problem caused.
4. Ask interviewee to select the facilitating processes that are helping / have helped with the major obstructing processes

After the first interview, this protocol was amended to include an additional and initial question under steps 2 and 3. The interviewees were asked what they thought the main facilitating processes / obstructing processes had been from memory before they saw the cards. This amendment was suggested by the first interviewee as he felt it would help ease the interviewees into their task. No further changes to the interview protocol were suggested.

The main problem was how to analyse what was highly qualitative data from a sample size too small for statistical methods. It appeared that the best way to analyse it was to use weighted averages. Given that there was a set of facilitating process cards and a set of obstructing process cards, each set of cards was analysed separately. For the facilitating processes, for each interviewee, a process was awarded a 3 if it was ranked as very effective; a 1 if it was ranked as not particularly helpful, a 2 if it was ranked in the middle category; and 0 if rejected. Thus the average score for each facilitating process could be calculated by summing the individual rankings and dividing by 6. Similarly for obstructing processes, for each interviewee, a process was awarded a 3 if it was ranked as very obstructive; a 1 if it was ranked as relatively trivial, a 2 if it was ranked in the middle category; and 0 if rejected. Again, the average score for each obstructing process could be calculated by summing the individual rankings and dividing by 6.

It was not necessary to allow the interviewees to give a facilitating process a negative score to indicate that it was an obstruction rather than a facilitator, or to allow them to rank an obstructing process as a facilitator. This was because any facilitating process required as an obstruction, or any obstruction required as a facilitator, was put on a card and sorted with the other obstructing / facilitating processes. This made it easier subsequently to assess the most and least effective facilitating processes, and the most and least obstructive obstructing processes, overall. Differences and similarities in rankings for each process were explored and explained using the qualitative explanations. For example, the importance of things such as research training and writing groups varied between experienced and less experienced researchers. More experienced researchers did not put as much value on such activities.

Given the satisfactory results from the pilot study, it was used to develop the protocol for the phase II interviews at Utilco. Data extracted from individual participants' diaries and interviews in Phase I on the obstructions encountered and facilitating processes used, along with the researchers knowledge about the planned facilitating events, and any other information gathered at feedback meetings, was used to generate sets of obstructing and facilitating processes. The cards used and the results are included in appendices 4 - 6. However, this analysis will make no sense until after the chapters on the story of the changes at Utilco. A later chapter will discuss the cards used and the results. Each participant was, of course, interviewed individually and all interviews were recorded on to tape and transcribed. Manual data sheets were also used to record the card sorts.

Appendix 2 contains an outline of the interview protocol used, and a copy of the set of data sheets used to record the data. This protocol was also piloted at Utilco by interviewing one of the change managers and one of the diarists in advance of the others to ensure it worked. No changes were found to be necessary. In fact, the Core Division change manager was so impressed with the technique, (he thought it helped him reflect back on all that had been

done), that he persuaded his Divisional Director to be interviewed. An unexpected bonus! The information generated was passed back to Utilco as learning points for the future since this was the purpose of the Phase II interviews for Utilco.

3.6 Data Analysis

“Data analysis refers to a process which entails an effort to formally identify themes and to construct hypotheses (ideas) as they are suggested by data and an attempt to demonstrate support for those themes and hypotheses” (Bogdan and Taylor, 1975: 79).

3.6.1 Data Analysis - Phase I

Qualitative data analysis can be problematic. The unwary can suffer “death by data asphyxiation” (Pettigrew, 1990: 281). Qualitative data is an “attractive nuisance”, and data analysis often becomes an “emergent” rather than a planned process in which the “best laid plans can go wrong” (Miles, 1983). Sieber (1976) reviewed seven well-respected texts on field methods only to conclude that the texts do not really address the problems of analysis, since typically no more than 5 to 10 percent of the texts are devoted to analysis issues.

Sieber did come up with some general guidelines, though, that can be used to formulate an approach to analysis for Phase I of this research when joined with work by other writers. The version here is from Miles (1983):

- Intertwine data analysis and collection by starting to form ideas of categories, themes etc. as the research progresses.
- Formulate classes of phenomena. This is a process of creating categories.
- Identify themes by creating linkages between categories and concepts and starting to develop hypotheses.
- Test provisional hypotheses. This can involve use of rules of thumb such as do generalisations hold true for different people, groups, roles or occasions? Is there any negative evidence? Is there an else to the generalisation? What other inferences may it be possible to make if this generalisation holds true?

Step one, intertwining data analysis and collection, involves creating and maintaining a good filing system. In this research this included filing participant details and notes, diary entries, researcher notes and memos, interviews and interview notes, meeting minutes and observations, any secondary source documents such as workshop handouts and team briefing material, and so on. Miles and Huberman (1984) comment that initial codes and coding at this stage may involve annotating diary entries and interview notes with “reflective” and “marginal” remarks. However, since reports were prepared for Utilco for each set of diary entries, these reports were in fact part of the early coding. Although it was necessary not to confuse the simple categories used for feedback purposes with those for research purposes.

During this phase it is also important to read and reread the data and to keep track of themes, ideas, hunches and interpretations: emerging themes and patterns must be looked for (Taylor and Bogdan, 1984). This is because qualitative data analysis is all about discovery which requires “total immersion” in the research data (Mostyn, 1985). Again, the nature of the research, which involved discussing the reports written with the change managers and attending feedback meetings, helped with this process.

Grounded Theory (Glaser and Strauss, 1967) can be used for the initial coding discussed in step one and extended in steps two, three and four. “A grounded theory is one that is inductively derived from the study of the phenomenon it represents. That is, it is discovered, developed, and provisionally verified through systematic data collection and analysis of data pertaining to that phenomenon.” (Strauss and Corbin, 1990: 23). The appeal of grounded theory is the detail it gives on how to conduct qualitative data analysis in comparison to other texts, and on the focus on theory generation from data as opposed to the use of data to test pre-formed theories and hypotheses. However, it is also potentially very time consuming in instances where there is a large body of data. Nevertheless, the coding and initial theory generation principles of grounded theory (known as the constant comparative method) can still be used to inject more rigour into the skeleton of a data analysis strategy presented above.

The first step in grounded theory³ is open coding. Open coding is part of step one and also covers step two above. It is about developing concepts and categories from the raw data “the process of breaking down, examining, comparing, conceptualizing, and categorizing data” (Strauss and Corbin, 1990: 61). Strauss and Corbin also suggest several techniques to “enhance theoretical sensitivity” whilst coding, such as the use of questioning, the flip-flop technique, and systematic comparison of two or more phenomena. The researcher attempted to take all this advice into account when doing the initial coding. The final output of the coding was as recommended - a number of categories and related properties of facilitating and obstructing processes.

Having coded which obstructing and facilitating processes occurred during the change process at Utilco, it was necessary to then provide an explanation for these processes via steps three and four above. Step three is the identification of themes by creating linkages between categories and concepts and the development of initial hypotheses / propositions. In this research the terms propositions and hypotheses will be used interchangeably. A proposition is “a statement of relationship between two or more concepts” (Denzin, 1989: 58).

³ . The text on grounded theory is undoubtedly the original book by Glaser and Strauss (1967), but this text is a little indigestible and thus from now on most references to grounded theory will come from the more recent text on the subject by Strauss and Corbin (1990).

Step three equates to axial coding in grounded theory:

“a set of procedures whereby data are put back together in new ways after open coding, by making connections between categories⁴. This is done by utilising a coding paradigm involving conditions, context, action / interactional strategies and consequences.” (Strauss and Corbin, 1990: 96)

Similarly, step four, the development of theories, is equivalent to “selective coding” in grounded theory. This is “the process of selecting the core category, systematically relating it to other categories, validating those relationships, and filling in categories that need further refinement and development” (Strauss and Corbin, 1990: 116).

Other researchers use analytic induction (Denzin, 1989) instead of the constant comparative method. The two approaches are not identical. The constant comparative method generates theory from data without extracting and then testing a set of hypotheses separately from the data coding:

“The constant comparative is concerned with generating and plausibly suggesting (but not provisionally testing) many categories, properties and hypotheses about general problems.” (Glaser and Strauss, 1967: 104)

Whereas analytic induction codes the data collected and then:

“tests a limited number of hypotheses with *all* available data, consisting of numbers of clearly defined and carefully selected cases of the phenomena. the theory is generated by the reformation of hypotheses and redefinition of the phenomena forced by constantly confronting the theory with negative cases”. (p 104)

The hypotheses tested may be developed from other research or existing theoretical frameworks, not necessarily from the research data. Analytic induction involves a search for a fit between propositions and data. Negative evidence involves either a reformation or scrapping of existing propositions. It is “a procedure for verifying theories and propositions based on qualitative data” (Taylor and Bogdan, 1984: 127).

It is possible to combine the constant comparative method with analytic induction (Taylor and Bogdan, 1984). Hypotheses can be formulated using selective coding *and* data inspection if so desired, and then verified using the rules of analytic induction. Berg (1989) recommends interrogative hypothesis testing which can be used to do just that:

1. Make a rough hypothesis based on an observation from the data.
2. Conduct a thorough search of all cases to locate negative cases.

⁴. Note that Denzin’s “concept” has to be exchanged for “category”

3. If a negative case is located, either discard or reformulate the hypothesis to account for (or exclude) the negative case.
4. Examine all relevant cases from the sample before determining whether “practical certainty” (Denzin, 1978) in this recommended analysis style is attained.

This is the approach that was adopted here for step 4. However, there were not several “cases” to draw upon, although each of the three divisions could be treated as a separate case. Hypotheses had to be examined across the different life histories rather than between cases: comparisons were made between managers, between managers and change agents, between divisions and so on. Related literature was also used to compare findings with existing similar and conflicting literature. “Tying the emergent theory to existing literature enhances the internal validity, generalizability, and theoretical level of theory building from case study research” (Eisenhardt, 1989: 545).

Pettigrew (1990) recommends data reduction and display techniques as one way to avoid “data asphyxiation”. This is a theme echoed by Miles and Huberman (1984) who advocate data reduction, data display and conclusion drawing / verification. Strictly speaking the above four steps are about data reduction and conclusion drawing / verification. They omit *data display*: “an organized display of information that permits conclusion drawing and action taking” (Miles and Huberman, 1984: 11). This research has attempted to find ways other than narrative text to display data, but in many instances has found narrative the best method.

The tedium of much of the coding was relieved by the use of specialist software - NUD.IST. NUD.IST is a software package for the analysis of non-numeric data which can also help with the formulation of theory given its advanced enquiry capabilities. This software works off word processing documents which is why all data was transcribed onto word processing. Although it can also store data on off-line documents such as archive material and other secondary source documents. NUD.IST allowed the on-line coding of all collected data and the development of a coding classification.

Given advice such as “Content analysis stands or falls by its categories” (Berelson, 1971), and ideas such as Mostyn’s (1985: 132) “concept book”, a loose leaf folder in which all ideas on coding and hypotheses are kept as a flexible way of keeping track of the research analysis to date, NUD.IST provided valuable support enabling the majority of coding tasks to be automated and speeded up. However, it was not able to do the “thinking” for the researcher.

3.6.2 *Presentation of the Stories of Change*

The data analysis and write-up follows an approach used by Gioia and Chittipeddi (1991). The analysis was split into two phases: first-order analysis and second-order analysis (Van Maanen, 1979). The first-order analysis is a summary of what takes place from the perspective of the participants. It is a narrative or story in the ethnographic tradition (Agar, 1980). The second-order concepts are the "theories" developed by the researcher to explain the first-order analysis (Van Maanen, 1979). Therefore, second-order analysis involves the development of a theoretical framework, and is usually equivalent to the data analysis discussed above.

However, in this thesis the second-order analysis is further sub-divided into two levels. It became clear as the analysis progressed that at a descriptive level, although there was a very wide range of facilitating and obstructing processes in general, overall there were four main types of facilitating processes, and also four main types of obstructing processes. These formed a series of *descriptive* findings. Explanation of these findings then required the development of a theoretical framework. This was done by employing the principles of qualitative data content analysis and the constant comparative method described in the previous section. The findings are, therefore, on two levels. The first level is descriptive, and to do with observations on the patterns of interaction between obstructing and facilitating processes perceived by the middle managers as the change implementation progressed. The second level is theoretical, providing an explanation for the patterns observed.

In line with the generic first-order and second-order analysis approach, the stories of the change process in the three divisions at Utilco were written up separately to the coding to provide an overview of the entire process which could be held in mind when doing the coding. The stories are written through the eyes of the diarists and the change managers rather than the researcher, to reveal how the change process developed from the participants' point of view. Thus many words like 'appeared' and 'it seems' are used in the stories, since the researcher is attempting to write from the participants' perceptions. It is possible that other members of the organisation would not agree with the record of events, effects and reactions reported here, but they are the ones reported by the diarists. The stories are representative of their view.

The thesis presents the ethnographic stories for all three divisions to enable the reader to make sense of the findings from second order analysis presented after the stories. The stories are written to show the ebb and flow of the obstructing and facilitating processes through time. They are historical accounts detailing what happened when as a chronology from the diarists' perspective. There is no attempt to structure them in a way that supports

the second order analysis. However, reading all three ethnographic stories in full can be a little tedious. Therefore, the main body of the thesis contains the full ethnographic story for the Core Division to give the reader a feel for how change developed and progressed, and summaries of the stories for the two service divisions. The summaries highlight key differences between the divisions, and are written in a way that will ensure the reader will be able to understand the analysis that follows. The full ethnographic stories for the two service divisions are included in the appendices for the reader to read if he / she wishes to.

The stories attempt to create a balance between the different voices of the diarists. Some diarists were more vocal, particularly on certain issues, than others. To rely on their accounts extensively could have led to a biased, unbalanced account of change. It was also essential that the stories retain confidentiality for the organisation and the participants. Therefore, quotes are sometimes altered to hide the identity of a person. All participants are referred to as 'he' for the same reason. Job descriptions are used rather than names for individuals, and false departmental names and in some instances job titles are used, to help conceal both the identity of the organisation and the participants. The organisation is referred to throughout as a REC (Regional Electricity Company) as agreed with the company concerned.

3.6.3 Data Analysis - Phase II

Data Analysis in Phase II of the card sort data was done in two ways. First the interview data was analysed as part of the Phase I data to complete the story of the change process and extend the analysis of the role of obstructing and facilitating processes. Second, the interview data was analysed as stand-alone data, to assess the effectiveness of facilitating processes and degree of obstruction of obstructing processes. This analysis was done on a divisional basis as different interventions were used in the three divisions, and even when a common intervention was put in place, such as vision workshops, they were planned and run on a divisional basis. Weighted averages were calculated for each facilitating and obstructing process on a divisional basis, in exactly the same way as the weighted averages were calculated in the pilot project. Examples of how the analysis was carried out is given in Appendix 3.

This analysis enabled the researcher to assess which facilitating processes were more effective than others, and which obstructing processes were more obstructive than others, on a divisional basis, although it was also possible to compare rankings across divisions. The aim was not to obtain a strict ranking of processes, but rather an assessment of their relative effectiveness / degree of obstruction. Thus more sophisticated statistical techniques were not required. Explanations as to why a facilitating process was effective or not, or an obstructing process problematic or not, were established by using the qualitative interview data. These

qualitative explanations were also used to explain differences between rankings between participants.

The complete analysis of the Phase II data analysis, showing the cards used, the relative rankings and explanations for the rankings are shown in appendices 4 - 6. The analysis is shown separately for each of the three divisions. This data is drawn on in chapter 7 of the thesis to support conclusions drawn about facilitating and obstructing processes.

3.7 Conclusion

This chapter has discussed the various alternatives available to enable the researcher to explore the research question set out at the end of chapter 2, namely to examine the role of *facilitating and obstructing processes in intended change implementation* from the perspective of middle managers as *change recipients*. The discussion has allowed for the clarification of the research agenda. It has been shown that given the dynamic, emergent and unpredictable nature of facilitating and obstructing processes, a methodology which makes it possible to explore the *experiences* of different individuals of change through time, yet requires *no pre-conceived ideas* as to the type of obstructing and facilitating processes that will arise, is appropriate. This also shifts the focus of the study from the organisation and the change process, to the middle managers and their perceptions of what is happening during change. As such this research is an interpretive study to do with issues of sensemaking which is consistent with a symbolic interactionist perspective.

Another implication of the dynamic nature of facilitating and obstructing processes, is that they cannot be studied in an aprocessual cross-sectional manner. Some kind of longitudinal, contextual, processual approach is needed. Consistent with this, a single site real-time case study design was selected, in which data was collected via a variety of techniques suitable for tracking participant interpretations through time, including diaries, short phone interviews, unstructured interviews, and meetings. Other data in the shape of back-up documentation was also collected to provide adequate levels of triangulation. However, data collection involved two phases, the real-time tracking of the progress of change from the perspective of the diarists participating in the study, and also a retrospective consideration by the diarists of the most / least effective facilitating processes, and the most / least problematic obstructing processes.

The story of change implementation at the research site, the REC, through the eyes of the diarists participating in the study is recounted in the chapters that follow.

CHAPTER 4: THE CONTEXT OF CHANGE

4.1 Introduction

This chapter, and chapters 5 and 6, present the change context and the ethnographic change stories as a summary of what took place from the perspective of the diarists participating in the study. These chapters form what is described in the previous chapter as the first-order analysis. However, as is explained in chapter 3, although the main body of the thesis contains the full ethnographic story for the Core Division in chapter 5, only summaries of the stories for the two service divisions are included in chapter 6. The reader can gain a feel for how change developed and progressed from the Core Division story. The summaries of the stories for the other two divisions in chapter 6 will give the reader a sufficient appreciation of the key differences, to ensure the reader can then understand the analysis that follows. The full ethnographic stories for the two service divisions are included in the appendices for the reader to read if he / she so wishes.

These three chapters are an essential part of the analysis carried out to understand the role of *facilitating and obstructing processes* in the *intended change implementation* taking place at the REC from the perspective of the middle managers as *change recipients*. The analysis that is subsequently presented in chapters 7 onwards, will make no sense to any reader of this thesis, unless they have an understanding of the change context, and the way change developed from the perspective of the middle managers acting as diarists for the study. The ethnographic stories of change also form an integral part of the data analysis, since it is the stories themselves, that provide the data for the descriptive and theoretical findings subsequently presented.

4.2 Privatisation

The REC, Utilco, was privatised in 1990 along with the other 11 RECs in England and Wales. From interviews with diarists it was established that few changes took place then that affected them. Transfer pricing was introduced between the various Divisions within the REC, and the 'Board' was lost from the end of the RECs name. Staff were given clocks to commemorate the change.

Supply Division performed the core electricity business activities of Supply and Distribution. 'Supply' was the purchase of electricity and its sale to the end customers, and 'Distribution' was the process of taking electricity from the grid and delivering it, at the appropriate voltage, to the final consumers in the REC region. At privatisation price rises for both Distribution (the delivery of electricity) and Supply (the provision of electricity) charges were controlled by two 'x' factors. A Distribution X factor and a Supply X factor.

Distribution was considered to be the core business of the RECs accounting for 85% of their profits at privatisation (Williams, 1990).

In the years after privatisation various changes were made at the Corporate level. For example, the REC diversified, like many others, into Gas Supply and Generation. Diversification activity was pursued through joint ventures. However, the Supply Division remained relatively untouched post privatisation until February 1992. The Division had two parts to it:

- *Customer Services* responsible for sales, marketing, customer accounts, supplies and metering;
- *Engineering* responsible for the engineering functions.

In February 1992 the Division was reorganised and split into two to form two new divisions performing the two core electricity business activities:

- *Supply* responsible for the supply (purchase and sale) of electricity to the end customers and also other customer service functions such as customer accounts and marketing;
- *Distribution* responsible for the distribution (delivery) of electricity to the end customers, the engineering functions and metering.

The Distribution Division, the focus of this research study, became the "owner" of the local electricity distribution network, responsible for its up keep, future development, new connections and so on.

4.3 Change in Distribution

There were considered to be a number of business imperatives driving change in the newly formed Distribution Division: the forthcoming regulatory Distribution price review in 1994 was widely expected to inflict tough new Distribution 'x' factors on the RECs; there was increasing competition as the electricity market was opened up to competition; and there were the shareholder and city perceptions. As for most of the RECs at this time, in particular, it was deemed necessary to reduce costs if the Division was to retain profitability and remain competitive following the forthcoming price review. To respond to these pressures a strategic business review was carried out at the end of 1991 / beginning of 1992. The proposals from this review led to the appointment of consultants in the second

half of 1992 to help with the design of a series of changes in the Distribution business, including a fundamental re-structuring.

Once the consultants were appointed, the combined REC / consultant team that was then put together split the analysis and implementation of the Distribution Business changes into three phases:

Phase I: a review of the Distribution Business proposals. This was completed in November 1992. The output was a report detailing a proposed new structure for the Distribution business and an overview timetable for the implementation. This timetable proposed that Phase II would be complete in early 1993, with Phase III, the actual implementation, taking place immediately afterwards.

Phase II: the identification of the needed managerial competencies for each new business unit, the development of the business plans for each business unit and the development of the implementation plan. Phase II output included a strategic plan rather than detailed implementation plans, showing major milestones for the development of the Distribution business. Phase II output also included job descriptions and process flow descriptions for the new business units which were incorporated into information packs for managerial staff along with other details about the working of the new structure.

Phase III: Implementation. Putting the business units, people, structures and relationships in place.

The proposed new structure split the Distribution Division into 3 new divisions - a small core division, the Distribution Management Division, responsible for the core Distribution business activities, and two service divisions - Engineering Services and Metering. Engineering Services and Metering were to provide Distribution Management with the support services it required, such as repair, maintenance and development of the distribution network. Engineering Services was to include three businesses - Repairs, Maintenance and Construction. Construction was to primarily deal with new business connections, and also included a specialist engineering group for major projects. Metering was to include all metering related activity such as installation, maintenance and reading.

The customer interface was also redesigned. The Distribution business included Control Centres responsible for monitoring and controlling the network, and Call Centres responsible for receiving calls from customers on faults and loss of supply, and passing the details on to engineers to deal with the problems. There were three Control Centres and

four Call Centres - one for each of the REC's main geographical areas. The three Control Centres were to be centralised into one (as had been planned for some time) and the four Call Centres were also to be centralised into one. The single Call Centre would provide the primary point of contact for customers with supply problems. There was also a Connections function, again one in each area, responsible for dealing with enquiries from customers on new connections. This function was also to be centralised to provide a single contact point for customers requiring these services. The new centralised departments would all be part of Distribution Management and would then be responsible for issuing work instructions to the service divisions to get the appropriate work done.

The service divisions were to work with Distribution Management in a new form of trading relationship. The service divisions were to become suppliers for Distribution Management working for them on a contractual basis. What this meant in practice was that contracts were to be introduced between Distribution Management and the two service divisions, leading to the creation of a buyer-supplier relationship between the three divisions. The contracts would specify what services were to be provided to Distribution Management by the other divisions and in what quantity and at what price. Initially all contracts would be placed with the new service divisions, but if these divisions failed to get their prices down to 'market rates', then Distribution Management would be able to go elsewhere for equivalent quality services at lower cost outside of the REC. Thus the service divisions were to be exposed to competition. However, ultimately, the service divisions could also to be allowed to tender for work other than that within the REC. The overall aim of this was to drive down the cost base of the Distribution business.

The 'Distribution vision' was to realise the true potential of the Distribution Business, maintain high standard of security of supply, have high customer service standards and good industrial relations. This was a case of intended strategic change that fits the definition given in Chapter 2: *a course of action decided upon by the senior managers of an organisation with an intent to deliver change within the organisation*. The intended changes are strategic since they involve change in the main domains of organisational activity including strategy, structure, power distributions, culture and systems (Romanelli & Tushman, 1994; Pettigrew, 1987; Ashburner et al, 1996).

What exactly happened between November 1992 and April 1993 is not completely clear. It is evident from interviews with diarists that the review group grew in size taking on many of the Distribution middle managers to help with the Phase II work in terms of determining numbers of staff for each division, and the roles and responsibilities. Also to help with the development of outline business processes to provide guidance on the activities and

responsibilities within and between each of the new divisions, and the development of draft contracts.

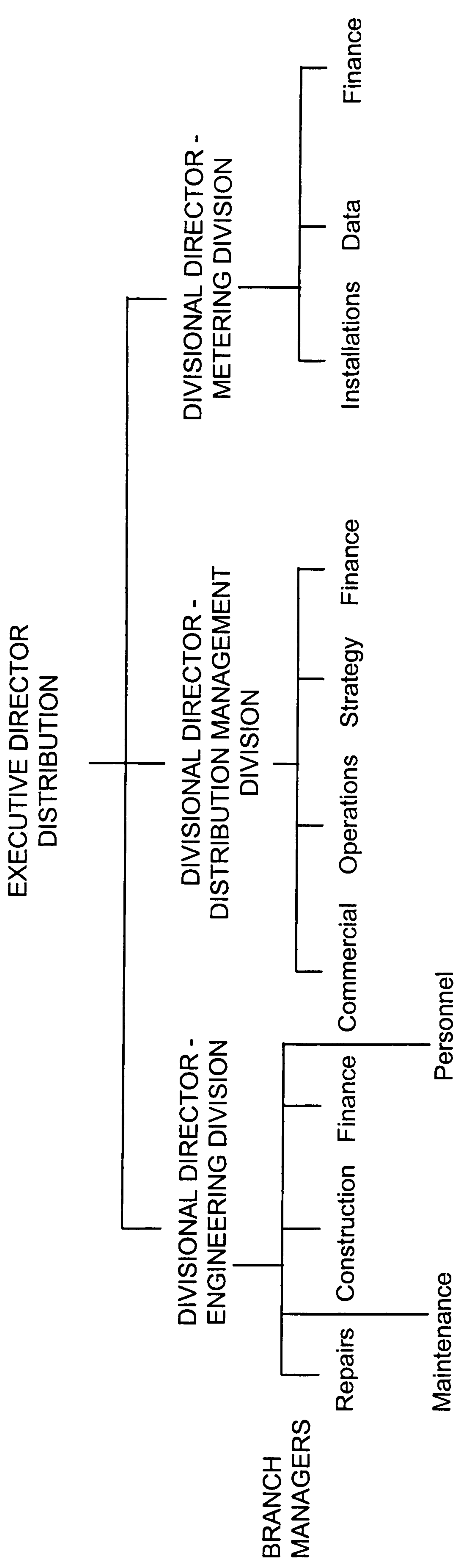
4.4 Change Gets Underway - April 1993

Phase III, Implementation, had just started at the beginning of April when the researcher first visited the REC to discuss the set up of the research project. Three Divisional Directors responsible to a Distribution Executive Director had been appointed. Each division's senior management team (known as branch managers) had been appointed and also three divisional change managers. See Figure 5. The change managers had been given a weeks intensive training by the consultants. In Engineering and Metering, the activities of the change managers were primarily to do with co-ordinating all the change related activities and communications within their Divisions. In Distribution Management, the change manager was also to be responsible for other activities such as business planning.

The next level of management within each of the divisions below the branch managers, the business managers, had also been appointed and had taken up their posts as of the first of April. These managers were responsible for either running a particular function, such as Connections within the Core Division; or a geographic area for either Maintenance or Construction within Engineering (see figures 7 - 9 later in the chapter). The rest of the staff had not yet been appointed to the new structure.

Below the business managers were the middle managers of the Distribution Division, the team leaders. These team leaders could be engineers responsible for a team composed of engineering, industrial and clerical staff within a technical function, such as Repairs in Engineering, or a member of the administrative staff responsible for a predominantly administrative / clerical team, such as Quality Assurance in the Core Division. Below the middle managers were the industrial foremen and clerical supervisory staff, who formed the lowest management level of the hierarchy. However, the number of levels in the hierarchy varied from department to department. In some departments the team leaders reported directly to a branch manager.

Figure 5 : The Distribution Division



The current changes were considered to be a radical change for the REC in comparison to other change attempts. Previous changes had included some re-structuring (that mentioned above) and the introduction of TQM techniques. In fact the Distribution Management Director commented a year later when reflecting back on the change process:

“we mustn’t underplay what we’ve done in the last 12 months, all of this is the most radical change that this organisation has ever undertaken since nationalisation ... it is absolutely enormous and it is very easy to forget where we’ve come from and what we’ve achieved ...”

Distribution Management was to employ about 330 people, Engineering about 2,300 and Metering about 600. This meant reductions in staff numbers. Whilst it was hard to get an exact figure on levels of staff reductions at this stage, the September 1993 team brief announced that all staff had now been allocated to the new structure or otherwise, with 190 staff who would have retired by the end of September and a further 150 by the end of March 1994. This was confirmed in the November 1993 team brief which stated that by March 1994, the Distribution business would be employing 340 less staff. The appointments to date had already led to some staff reductions. At the business manager level, only 50 appointments had been made, representing a reduction in numbers of staff at this level by about 30 from 80 plus previously.

Staff leaving were referred to as taking ‘exit’. Redundancies was not a word used often, mainly because the REC had a no ‘compulsory redundancy’ policy. A programme called Transition '93 developed by Group Personnel was in operation to manage the exits. Transition '93 co-ordinated the exits telling the exiting staff details of their exit package in terms of remuneration, and working out exit dates.

90 team leaders, the middle management level below the business managers, were to be briefed and in place by 1 May. Then the appointments process was to be applied to 500 - 600 non-managerial engineers, then the non-managerial administrative staff and the industrial staff. The industrial staff in Engineering and Metering formed the bulk of the staff. The appointment of the team leaders was in fact delayed by a month. They were not in place until 1 June. Non-managerial engineers were briefed in June, and the administrative staff and industrial staff in August.

The old structure was effectively being moved to the new structure on a level by level basis. At each stage the staff who would be offered positions in the new structure were selected, and those to be made redundant (taking exit) also identified. Letters were sent out confirming new positions to those appointed, and those to be made redundant went through

the Transition '93 programme. Transition structures were being used to prop up the old structure and keep Distribution working. Effectively this meant that during the transition staff appointed to the new structure had two roles: their old one with their old staff still reporting to them and their new role. The aim was to have the new structure in place by November 1993.

The appointment process for managerial and engineering staff worked as follows:

- staff at level to be appointed attended briefing meetings explaining the positions available;
- staff given information packs with the details of the positions available and the work involved;
- staff then counselled and allowed to express their preferences for positions, or if they were interested in exit;
- appointments decided upon and staff re-counselled to explain what position they had been given and discuss options if they had not got one of their chosen positions.

Those staff taking exit would then attend special exit briefing meetings as part of Transition '93. The planned appointment process for industrial and administrative staff was less clear, although as far as the administrative staff were concerned, the Distribution Management change manager did imply that they were to be treated in a similar way.

Staff were to be put through an extensive communications programme including a “road show” with a video on what the changes were about, what was to change, the planned changed process and next steps. The road shows were to be 'honest' and 'very open about implications'. During the review phases there had been a general communications exercise telling staff that consultants were on site helping to develop a new direction for Distribution, but that was all staff were told. Staff were to find out more about the changes at the road shows. These roadshows were completed by June. A communications manager responsible to the Executive Director had been appointed to be in charge of the communications exercise. He collected feedback via a feedback questionnaire on the video and roadshows. Reactions to the video from diarists are discussed in more detail in the stories of the change process in the following chapters.

A required culture change had also been identified (see Figure 6) by the design team, although most of the work on the new culture had been done prior to the current changes by a different group of consultants¹.

Figure 6: The Old and New Distribution Business Cultures

OLD CULTURE	NEW CULTURE
• A job for life	• A job if you and your business perform
• Technically Driven	• Commercially Driven
• Cautious and Reactive	• Entrepreneurial
• Avoidance of Risk	• Management of Risk
• Diffuse Accountability	• Clear accountability
• Pay for seniority	• Pay for performance
• Skill Demarcation	• Skill flexibility
• No news is good news	• Recognition and feedback
• Good customer service	• Excellent customer service
• Safety and Operational integrity are paramount	• Safety and Operational integrity are paramount
• Quality organisation	• Total quality organisation

The old culture was 'technical' and the new, required culture more customer services oriented. A story told to illustrate the old culture was "If you ask one of the engineers to design and make you a penknife, it will take 6 months and cost 150K, but it will last forever." It was felt that engineers needed to understand that their work had to be fit for purpose and cost effective, rather than just technically superb. Also the new culture was to be about "If you find something wrong put it right, rather than push it up the line to your

¹. The outline of the new culture had been prepared by a group of consultants for the organisation, but the proposed changes were not implemented. This piece of work had been completed before the changes that are the focus of this research were started.

superior". In other words, greater responsibility and accountability was to be encouraged at the lower levels. Thus the changes were to include training in total quality (TQ) techniques for all staff not already trained.

However, the change plans included no specific actions aimed at helping to achieve the desired culture change. The Distribution Management change manager stated the approach to culture change as follows:

"We think that by changing the structure, by changing the working relationships and the systems and locations and responsibilities that the culture change occurs by that ... You can't just change culture."

Training was to include change management skills at the higher levels. It was also intended that priced contracts would be in place by April 1994.

By May the workings of the diary system had been agreed. It was felt that total anonymity, whereby people would be keeping diaries but no-one knew who, would be seen as spying. Thus, the diarists were to be recruited by the change managers and known to all staff so that other staff could feed comments to them. However, the reports would preserve the diarists anonymity in terms of who said what.

The system was to start on 9 August 1993. The researcher would run briefing meetings for the diarists on a divisional basis with the change managers. The diary mechanism would be publicised via the team briefing mechanism. The change managers would select the diarists and also be diarists themselves. There were to be 11 diarists from Distribution Management, 5 from Metering² and 12 from Engineering (including the change managers). The diarists were selected to cover representative areas from each of the three divisions. The details of the diarists on a divisional basis are given later on.

In July a glossy leaflet was issued to go up on all notice boards in Distribution. It had pictures, by Division, of the Divisional Directors and their senior management teams. The leaflet also outlined the responsibilities of each of the new divisions and each of the branch managers.

The main co-ordination mechanism during the transitional period was to be "business as usual". Distribution Management in its co-ordination role was to take on some of the tasks

². There were initially 6 diarists in Metering, with the business manager in charge of a specialist Metering section also maintaining a diary. However, this section given the nature of its work, was not directly affected by the changes taking place and therefore did not contribute anything to the research.

traditionally performed by staff and departments now in Engineering and Metering. Similarly, some departments in Engineering were due to perform some tasks that had traditionally been performed by staff and departments now in Metering. “Business as usual” meant that staff and departments would continue to do the work they used to do until whichever department was to be responsible for that work in the new structure was ready to take it over. Planned staff levels for the three divisions, and numbers of staff exits, were based on the tasks each division was eventually to be responsible for. The three change managers also spent some time working with the consultant’s change methodology to produce a bespoke one for themselves that could be used to implement the forthcoming changes in the three divisions. However, this was never used.

By August when the diary monitoring mechanism started, the three divisions were operating individually. Thus by the beginning of August 1993, when the researcher became actively involved, the story needs to split into three. However, it is first necessary to set the scene for how change developed in each of the three sections by explaining the planned changes for each of the Divisions and the progress prior to August.

4.5 Change for Distribution Management

Distribution Management was to have about 330 staff. It was to manage the strategic responsibilities and activities of the Distribution business. The trading relationship between Distribution Management and the two service divisions was aimed at maximising profit by making costs transparent, and being driven by business and customer needs.

The change plan for the Division between August and end of March 1994 included:

- the completion of appointments by October
- the relocation of the Division to a new office;
- the communication of the Distribution Management vision (vision workshops and action plan launches) by November;
- the completion of contracts ready for implementation;
- the completion of plans for the centralisation of the Control Centres in 1996 and a new Control System for the new Control Centre;
- the completion of plans for the centralisation of the Call Centres in 1995;
- the development of appropriate working practices and procedures;
- the centralisation of Connections;
- the completion of TQ training for all staff by March;
- change management training workshops in October;

The centralisation of the Control and Call Centres had significance for the staff there. The engineering numbers needed at the centralised Control Centre was known. Therefore, the engineers at the Control Centres were appointed on two bases: engineers who would stay on in the new centralised Control Centre, and engineers who would take early retirement on centralisation in 1996. Thus some engineers at the Control Centres knew they would be going in 2 to 3 years. The administrative staff, however, did not know what would happen to them on centralisation as it was felt appointments could not be made until the full plans were known. Similarly, at the Call Centres, which employed administrative staff only, staff did not know what would happen to them on centralisation.

It was normal for each department to have an action plan. This year the action plans had been developed from the overall change plans and were presented on a departmental basis, with the Director and appropriate Branch Manager in attendance, from August.

By the end of July, progress with the changes was as follows:

Appointments: The business managers, team leaders, senior administrative staff and all non-managerial engineers were appointed. The engineering staff had been appointed at the end of June to be in place by the end of July. The only staff left to appoint were the junior administrative staff who were to be counselled at the beginning of August. However, some engineering staff would not be moved into their new posts until March 1994 as they were needed in Engineering to see the Division through the transitional period. The aim was to have everyone else in their posts by the 1 September 1993. Distribution Management did not have any industrial staff. It also had a high ratio of managers to other staff in comparison to the other divisions because of the strategic nature of the division's work. The only sections this was not true of were Connections and the Control and Call Centres who had many administrative staff.

Communication: By July all staff had seen a corporate video telling them how well the company was doing and seen the Distribution video launching the changes at the roadshows. Further, they had had a comprehensive team brief on the progress of the changes to date in July. Vision workshops were underway for all appointed staff and had been completed for most managerial staff by August. Vision workshops for non-managerial engineers and administrative staff were to start in August. All staff would attend vision workshops eventually. The length of the vision workshops decreased as the staff became more junior. All workshops included briefing on the rationale for change and the new structure and ways of working. At vision workshops for more senior staff there was more time for syndicate work on the changes and also change management practice.

Roles and Responsibilities: Everyone in Distribution Management had jobs with very different roles and responsibilities to the ones they used to have. Distribution Management contained a lot of 'new' work. Staff had been given information packs with job descriptions which, according to the change manager, had "changed significantly".

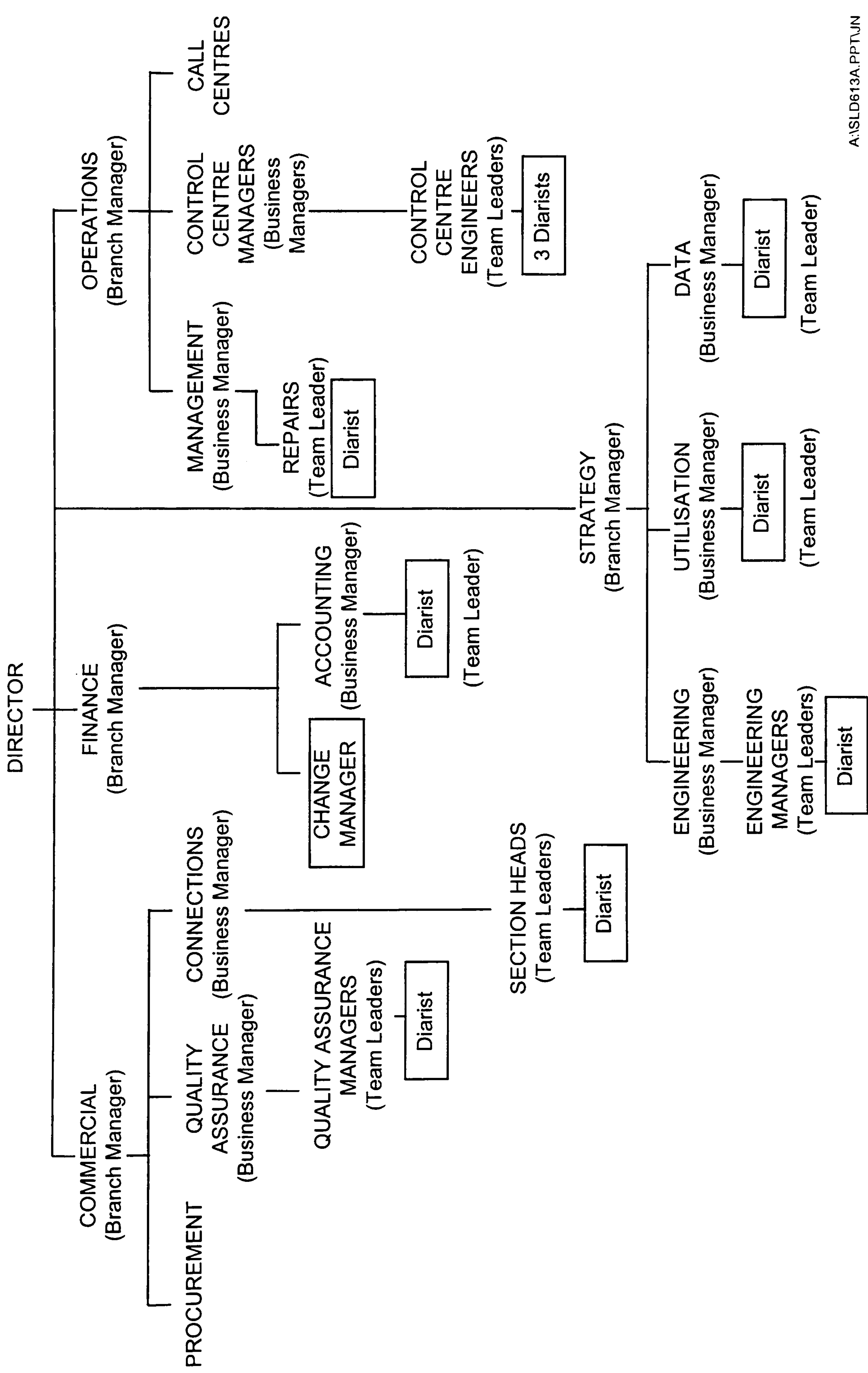
Diary System: The July team brief informed staff that the diary system was to be put in place to monitor the progress of change, and that the researcher from Cranfield School of Management was to help run the system. As a result the system subsequently became known as the 'Cranfield Diary System' or 'Cranfield' for short. In Distribution Management there were originally 10 team leaders acting as diarists plus the change manager. The diarists were picked to provide cover for all the major Core Division departments and inter-divisional interfaces with Engineering and Metering. See Figure 7. The intent was to ensure that all aspects of Distribution Management's work could be monitored by the diarists. However, the Construction diarist did not fulfil his role for long because of his workload. Most of his team were still on loan until March 1994 to Engineering. Thus there were really only 10 diarists.

4.6 Change for the Engineering Division

Engineering was split into three further businesses: Repairs, Maintenance and Construction. Construction was sub-divided into four regional based units, (as were Repairs and Maintenance), and one central unit to deal with special projects. This represented a break from the past. Previously most staff had been in a central resources pool and allocated to jobs, be they Repairs or whatever, as appropriate. Now staff were to be appointed to work within one of the businesses only, in other words, become dedicated Repairs, Maintenance or Construction staff. When there was a need for the businesses to use each others staff or equipment this would be charged for on a transfer charging basis (inter-business trading).

The rationale for this was that the three businesses required a very different mode of operation. For example, Construction and Maintenance work was, in the main, done on a planned basis, whereas Repairs work was unpredictable. The three businesses were also set up to have dedicated staff of the type they used on a regular basis only. Types and grades of staff the businesses needed occasionally, and staff needed to cover for an unexpected workload such as a large amount of unexpected faults in Repairs, were to be borrowed by agreement from the other areas / businesses. The borrowed staff were then charged and paid for via the inter-business charging mechanism.

Figure 7 - Distribution Management Diarists



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The ultimate long-term aim was for the three businesses to be able trade independently. However, in the short to medium term, after re-structuring, the division needed to introduce productivity gains; put in place integrated business management systems; become a total quality business and achieve market competitive rates of performance. The Division had some steep business objectives to achieve since it needed to reduce its cost base by around 25% if it was to become a profitable standalone business. The strategy was to re-organise in the immediate future, and concentrate on cost reduction and change implementation in the medium term to achieve market rates of performance¹.

A number of change milestones were set for the division. In the year to April 1994 the aim was to introduce the new organisation structure. This was to be facilitated by communication, such as the vision workshops for staff, and would include the introduction of inter-business charging between the divisions. There would also be a significant reduction in staff numbers by exits. Exact numbers of exits were difficult to obtain, but later in the year it was announced that redundancies in the financial year to March 1994 would include 280 in Engineering. After exits it was expected that there would be around 2,300 staff in Engineering. For industrial staff the exit age was 58+, for engineering and administrative managerial staff 50+.

All staff not yet trained in total quality were to be trained by April 1994, and quality teams set up on completion of training. A new business system was to be developed, the first phase of which needed to be implemented by April 1994. Contracts were to be in place for April 1994. There was to be a reduction in discretionary charges via depot and workshop rationalisation; a review of transport and stores; and a review of the use of central IT. Plans were to be developed by March 1994 and implemented the following year.

Another big change was to be the devolution of some duties from qualified engineering staff to industrial staff to achieve greater skills flexibility and higher productivity. Multi-skilling was also to be introduced in some areas. This was to start, especially in Repairs and Maintenance, in the year to 1994. Time recording to enable accurate costing of work was to be introduced for engineering staff, and flexible working was also to be investigated. All these changes required extensive union negotiation.

By the end of July, progress with the changes was as follows:

Appointments: Appointments had been made down to the level of foremen. Industrial and administrative staff were to be briefed at the start of August, and staff informed of

¹. The phrase used to indicate the targets for productivity and cost levels was “market rates of performance”.

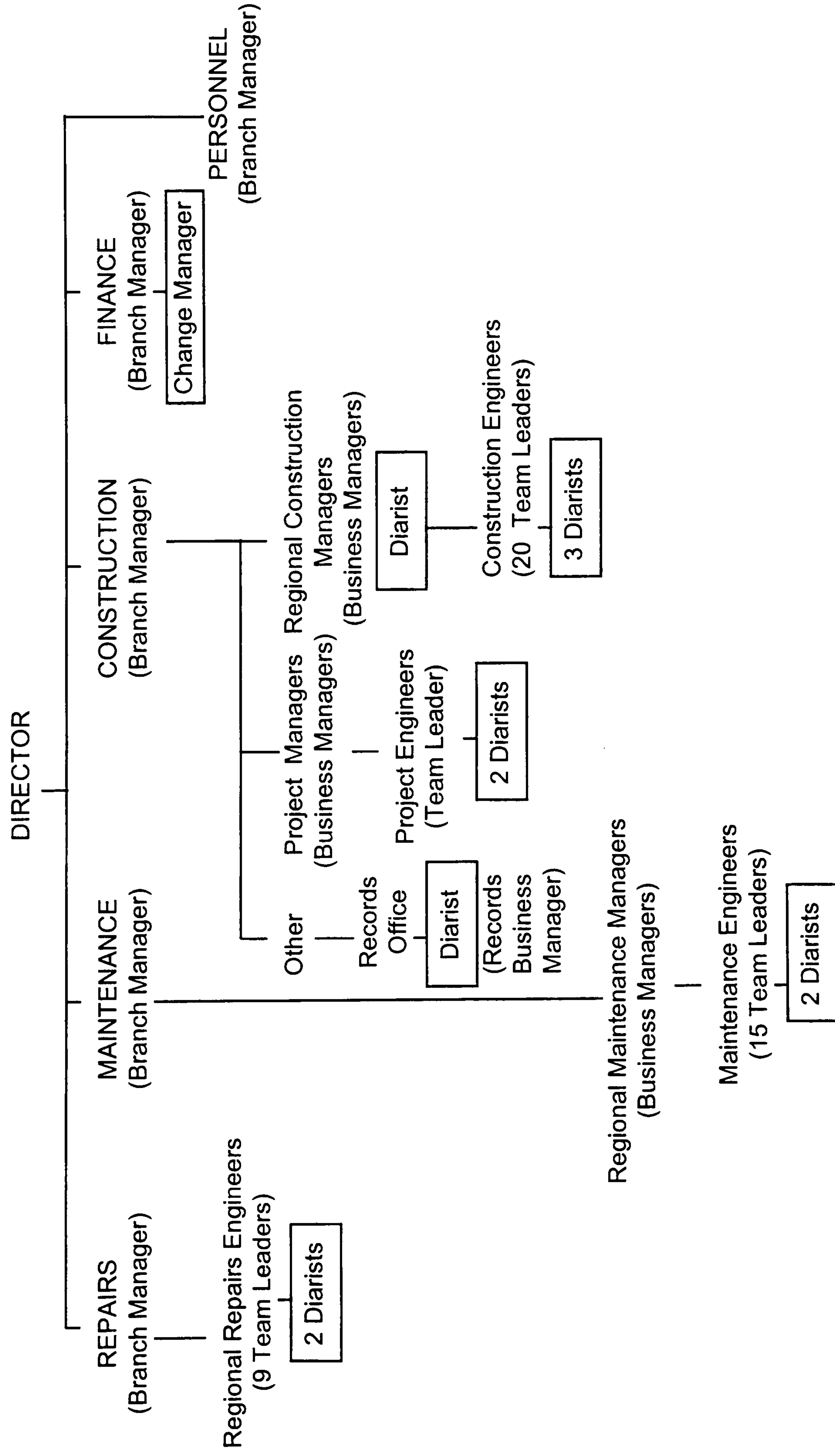
appointment decisions at the end of August / beginning of September to complete all appointments to Engineering by mid September. The original intention had been to make the managerial appointments, give them some time to settle and then make the other appointments for 1 January 1994. However, feedback from staff suggested they did not want the uncertainty for this length of time, so the process had been speeded up. Further, the transitional structure started to break down. People left to run the old structure were now leaving and a complete transition was needed. Thus all staff, although not the administrative and industrial staff, were in place by the end of July. In Engineering the industrial staff formed the bulk of the Division in terms of staff numbers.

Vision Workshops: Vision workshops were underway with those for foremen, engineers and senior administrative staff planned for the beginning / middle of August. Vision workshops were to be given to engineering staff as well. These workshops were to be called management workshops rather than vision workshops, but the principle was the same - to develop a deeper understanding of the work of Engineering and a greater awareness of the changes needed. However, it was decided that industrial staff and administrative staff would receive their vision workshops as part of the Total Quality training.

Other Communication: Engineering had to communicate with the unions as well as their staff since all working practice changes required negotiation and all industrial staff and engineers belonged to unions. Attempts were made to communicate with the unions fairly early on. A big meeting was held with the full-time trade union staff representatives and shop stewards and they were told about the types of changes to working practices sought, such as devolution and flexible working. Action plan launches were not made on a departmental basis following most appointments as in Distribution Management.

Diary System: The eleven diarists in Engineering were selected to form a balance across the four geographical regions covered by the REC, and the three main businesses of Repairs, Maintenance and Construction, but also included representatives from the specialist engineering group, Projects, and the Records Office. See figure 8. Nine of the diarists were team leaders. The diarist from the Records Office, and one of the diarists from Construction, were business managers rather than team leaders. The change manager also kept a diary. The diary system and the diarists were publicised via the team brief.

Figure 8 : Engineering Diarists



4.7 Change for the Metering Division

Metering was to deal with all aspects of metering including installation and maintenance of meters, as well as data collection and management. The division was sub-divided into two main departments: Installations and Data. These two departments both operated within four 'zones'. A zone was equivalent to one of the four geographical regions that Distribution was split into. Each zone had Data staff and Installations staff.

Installations covered the majority of the division's activities, and for each of Installation's geographic zone there was an installation manager - a team leader. In the year up to March 1994, Installations were to combine some of their sub-sections, for example, High Voltage and Low Voltage Meter Installations to get greater staff flexibility. This meant that cross-fertilisation of skills training was underway. Work on a new work management system to help with scheduling of work was also to commence during the year. Ultimately it was intended to introduce flexible working and working from home, but not until such working practice changes had been introduced in Data.

Data was responsible for meter reading. In the year to March 1994, the aim was to introduce flexible working, install the technology and systems for working from home rather than depots (hand held instruments), reduce the amount of skills demarcation and vacate some of the depots. Changes to working practices, such as flexible working, were to be investigated by working parties with staff, management and shop steward representatives. Hand held instruments implementation was aimed for February 1994. A new walk order system to support the flexible working package was also to be introduced.

The key divisional actions were to complete appointments to the new structure by September 1993, communicate the vision by November 1993, reduce staff numbers by March 1994 and determine the future location of the division by March 1994. Metering was also likely to be affected by the introduction in April 1994 of the competitive market for electricity users using between 100kW and 1MW a year. Customers won by the REC within this market would need appropriate meters installed by the Metering Division.

The Metering Division was different in character to both Distribution Management and the Engineering Division. Like the Engineering Division, the bulk of its staff were industrial staff, although the meter reading function within the Division meant that there were also a number of administrative staff. However, given the smaller number of staff in comparison to Engineering, and without the range of managerial level roles in Distribution Management, the number of managerial staff was small.

Most of the staff within the Division had also been part of Customer Services in the Supply Division, until 1992 when this Division was split into two as explained earlier in the chapter. This had required a shift in focus from the staff from a technical focus to a customer driven focus from day one of privatisation in response to regulatory imposed customer service levels. Thus, the Metering diarists felt they had been exposed to a greater degree of change since privatisation than the other staff in Distribution. In fact, some of them even traced the difference back further than that:

“A substantial part of Metering was traditionally part of what was known as the commercial part of the company. They were attached to a part of the same team that did contracting work ... they had the same boss and a similar sort of commercial customer orientated approach anyway, and I think a lot of that culture has remained within the section.”

By the end of July, progress with the changes was as follows:

Appointments: The structure down to the foremen was in place. The industrial staff were to be appointed via 'cap badging'. 'Cap badging' meant that staff would receive a letter saying that they were appointed to the position they already held. This was because most industrial staff would be required to carry out the same duties as before until new working practices were introduced. Staff would be offered counselling if they wanted it, but exits were not on offer at the moment. Changes to working practices had to be agreed before exit numbers could be determined. Staff were to attend a briefing meeting at which cap badging would be explained. Administrative staff were still to be counselled as in the other divisions since they gave the impression at the road shows that they wanted counselling. The aim was to complete appointments by the end of August. The original target for completion of appointments, as in Engineering, had been January 1994.

Appointment Problems: A group of shift technicians (who did shift work) could not yet be appointed. They were due to have become part of Engineering at the end of June. Then it was discovered that some of them spent more time than originally realised on Metering work, so they could not all be transferred. The staff affected were now waiting for the problem to be resolved and meanwhile did not know what was to happen to them.

Exits: About twenty six 58+ staff were already going via Transition 93. The Division was anticipating exits of about 80 once details of working practice changes were known.

Video Roadshows: Staff had seen the video road shows in mid-June at their normal team brief. They were also told then about the cap badging. Questions raised had been

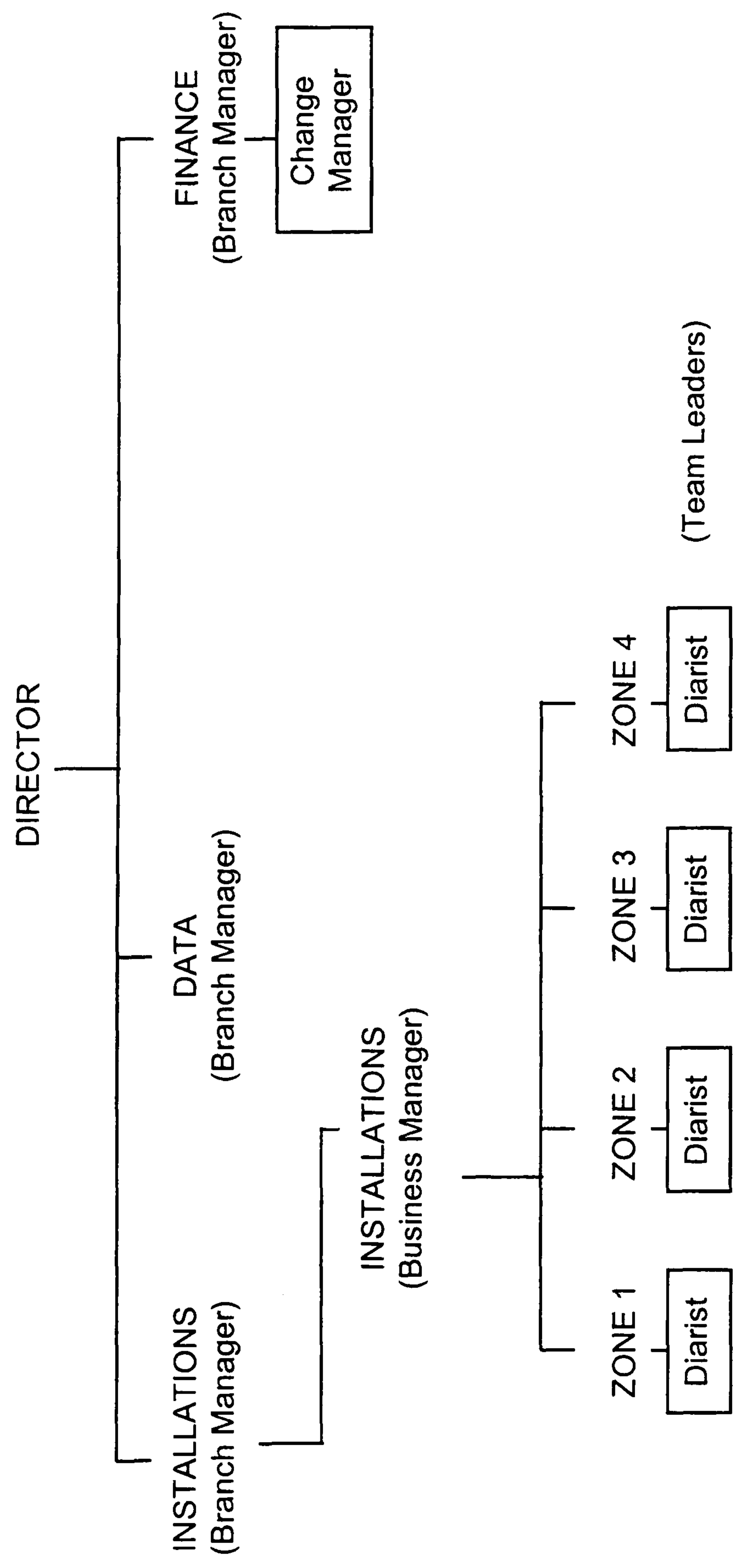
answered in the July team brief. The most common questions were to do with issues such as how much did the video cost, when will we be briefed, when will we know exit terms

Vision Workshops: Staff to foreman level had attended vision workshops. As in Distribution Management, the length and format of the workshops varied with the level of staff. Non-supervisory industrial and administrative staff would receive their workshops once appointed. The aim was to have a workshop for around 60 people at one time lasting about 2 hours, taken by their foremen / supervisors. However, the Director was committed to attending and contributing to all of the vision workshops. The workshops were to be held in October and November. Training for the vision workshop presenters, on content and presentation skills, took place in September. There were to be no departmental action plan launches as in Distribution Management. Instead there had been Metering wide action plan launches in June.

New Working Practices: At the appointment briefing meetings, staff were also told about the required changes to working practices such as flexible working, hand held instruments, and working from home. The unions and shop stewards had already been briefed on the proposed changes. The investigation of the hand held instruments on offer from suppliers was already underway.

Diary System: There were only four team leaders that could be involved: those in charge of the zones within Installations each managing a team of 60-70 staff. See figure 9. The change manager also kept a diary. There were no team leaders to involve from Data. Thus it was felt that come December it may be necessary to involve additional staff as diarists to capture the working practice changes to be implemented in Data. As in other divisions, staff were briefed on the diary system as part of the team brief, including the names of the diarists, in August.

Figure 9 : Metering Diarists



4.8 How Change Developed in the Three Divisions

The following two chapters tell the stories of change in the three divisions. As explained in the introduction, to include all three ethnographic stories here could be tedious for the reader as all three stories contain similarities. On the other hand, the reader needs to understand the basics of what happened in each of the three divisions for the following section on findings to make sense. Thus chapters 5 and 6 are a compromise. Chapter 5 is the ethnographic story of how the implementation developed in the new core division. It details how the change implementation developed chronologically, to illustrate the ebb and flow of events and problems through time. Chapter 6 then contains a summary of how change implementation progressed in the two service divisions, in sufficient detail to leave the reader aware of the differences between these divisions and Distribution Management, and to understand the following analysis. The chronological ethnographic stories for the two service divisions are given in the appendices. There is no overview provided on cross divisional interventions from August as these were few and far between. The divisions took separate paths from August.

What it has not been possible to do in the ethnographic stories is to include details for each division of every single facilitating and obstructing process identified and coded. The stories are written to support the findings of importance in this research, and to give the reader a feeling for the ebb and flow of events and responses. However, the accompanying analysis provided in the appendices do detail all facilitating and obstructing processes identified.

CHAPTER 5: CHANGE IN THE DISTRIBUTION MANAGEMENT DIVISION

5.1 The Early Days of Change: August and September 1993

As chapter 4 explains, by August staff had received a lot of information about the changes via the video roadshows, and what the change manager described as a “very comprehensive” team brief in July. However, the only formal feedback on the change process to date was that collected via the roadshow feedback questionnaire issued by the communications manager. The feedback was not all positive. The video was aimed primarily at industrial staff which meant that non-industrial staff such as engineers felt it did not address their information needs. Further, it did not address the concerns of some industrial staff, such as what changes they would be expected to undertake and when.

During August and the first half of September there was much upheaval, with people in the three Divisions moving into their new roles and responsibilities. The first three diary entries covering this period revealed that initially the changes had been given a rather mixed reception. This is summarised by the conclusion of the first Distribution Management Division report put together by the researcher from the comments in the first set of diary entries:

"Although most people are coping with the change well, some are finding adjustment hard. In some sections there is a sense of anger, frustration and hopelessness. Whilst the staff fully understand the need to change and wish to do their best to achieve the aims set out for the Distribution Management Division, they feel it is difficult for them to move ahead towards these goals. This is in part due to the lack of clear lines of responsibility which is making it difficult for people to identify what they should be doing.

There is a theme underlying the diaries that the Distribution business has a number of unhappy people working within it. The grapevine within the organisation is rife with rumours, and there is a belief that there will probably be another re-organisation next year with more redundancies. All this reflects a great amount of uncertainty among the Division's staff about their future, not helped by the lack of contracts and clearly defined work procedures. Staff demotivated because they have been denied exit as requested, are adding to the problems, as are concerns over the tensions developing between the Distribution Management Division and the other two divisions.

On the other hand, there is a great willingness among the staff to make the changes work. They are showing commitment to working the problems out. Staff are obviously appreciative of the effort that has been put into explaining the need for this radical restructuring of the Distribution business."

Some diarists expressed their feelings very strongly in phone comments: "Moving forward is such a struggle!" However, the second and third diary reports suggested that the first report had been written during a trough and things were getting better. There were more

positive comments such as "staff seem to have a positive attitude to the changes" and are "responding to changed duties well". It was reported that liaison was increasing between sections, staff were committed to making the changes work despite the problems, and were "settling down now that appointments have been made and uncertainty reduced". Other evidence of good morale was cited such as low sickness, good attendance at social events and the planning of Christmas functions. At the Control Centres the training of new engineers was going well due to their "experience and enthusiasm".

5.1.1 Understanding of the need for Change

The understanding of the rationale for change appeared to be good among the diarists. Most of them had something like the following to say:

"I understand that the need for change is driven by the forthcoming regulatory review, increasing competition, and the need to perform well in the eyes of the city. The aims are thus to protect the Distribution Management of the company and to ensure we win against any competition both now and more importantly in the future."

Non-managerial staff were also reported to have a grasp of the reason for the changes, although there was some cynicism and resistance:

"Some of the older and more cynical engineers expressed a view that it was just a method of staff cutting."

There had been a lot of uncertainty in the build up to change with some "trauma" leading up to the counselling and concerns about "will I get my first choice". The time between the decisions on appointments and staff being told was not long, but as one diarist pointed out, staff "first knew the review was occurring in November 1992." Other staff were said to be uncertain about what the immediate future held for them, or finding change difficult.

5.1.2 Communications

The vision workshops were well received. They were a type of communication not utilised before and were encouraging the development of divisional identities:

"The vision workshops have drawn together a group of people who are required to be like minded . It was put quite clearly why we are doing what we are doing, and it quite clearly puts us where we want to go, I think, so that alone is something that has not happened before, in the way that it has happened this time..."

"Staff see themselves as belonging to the Distribution Management Division and working towards its goals. The same appears true of Engineering and Metering staff. This is probably due to the vision workshops and creation of individual identities by the Directors."

Similarly the action plan launches received many positive comments for providing an opportunity for teams of staff to meet each other, and for staff to get to know their sections objectives and aims for the year, and for staff to understand their individual roles. It also gave the staff the opportunity to meet their Director and senior managers:

“The Director and Branch Manager performed very well and perceptions of them by some staff who had little previous chance of seeing them 'in action' were enhanced. The Director especially came across as honest, open and totally committed to the success of the division and Distribution.”

The launch video received more criticism both in the diaries and in the first interviews with the diarists in October. Typical comments were:

"...well you know, it was a bit patronising, it was not telling us anything we don't know, it all seemed a bit false, but I think by the very nature of things like that, it can be, and I think there was this feeling that it was just touching at the edges, what people really wanted to know was what was going to happen"

"I personally felt it was sort of biased towards the lower level staff really it didn't tell us anything we didn't know, and it didn't address issues that we were interested in, whatever they were, ... they were talking about where they'd be jobs lost and all that stuff, which we felt well it's hard luck on some, but it's not a lot to do with us is it? We all had our own pain anyway, we had different issues to worry about."

The main communication issue raised was that staff did not know enough about the change progress made, in terms of how far change had got and what was planned next.

5.1.3 Problems Encountered

5.1.3.1 Counselling and Appointments

Counselling of managerial staff appeared to have been a success. However, the counselling of administrative staff and engineers was said to be "paying lip service" to the principles it was supposed to embody. Some staff believed appointments had been pre-arranged, based on managerial rather than personal preferences. These negative perceptions were heightened by a delay in the administrative counselling process with appointments made one week late. There were other comments that staff had had to ask for briefing documents, had not been given appointment letters yet, and had been told what positions they had without receiving counselling. There was also confusion as to whether administrative staff who wanted to take exit would be allowed to do so. One diarist summed it up tactfully as follows:

"There have been some comments following the Administrative Counselling that this process was somewhat cut and dried and that in reality Administrative staff had little

choice. This need for minimal disruption of administration should have been briefed to all Administrative staff - it makes one wonder just how effectively the briefing was carried out."

The administrative staff in particular seemed to be unhappy with the changes following their rushed counselling. One diarist quoted them as saying that "the perception is that they are the forgotten lot".

5.1.3.2 *Inter-divisional Friction*

A more serious issue commented on extensively in the diaries was the development of a "them and us situation" between the Distribution Management Division and the other two Divisions. There were said to be managers who were being protective of information, and rumours that the three divisional directors were disagreeing over some issues.

It was felt that senior managers were sending out the wrong messages. For example, one diarist commented that at a vision workshop for assistant engineers it was implied that the Distribution Management Division was not too concerned about what happened to the other divisions as long as it got what it wanted. Rumours circulating in Engineering were also recorded by the Distribution Management Division diarists, such as "The Distribution Management Division are taking all the staff but little work and responsibility". The Quality Assurance (QA) team in the Distribution Management Division (who would ultimately have the responsibility for monitoring the contracts) were being referred to as "the hit squad". Other comments made included the belief that in Engineering the message being given to staff was "not to co-operate" with staff in the Distribution Management Division on contract drafting and other issues.

The diarists recording these problems were concerned about them. They felt "something needs to be done quickly." Some diarists strongly condemned the them and us attitudes saying that managers in the other divisions needed "to get their heads out of the sand" and be less protective of their own business.

Until the first diary report the Distribution Management Division Director had been unaware of the inter-divisional issues. According to one diarist, this related to the old culture: issues senior managers would not like to hear were not raised with them.

The diaries also recorded the fact that staff in the Distribution Management Division felt Engineering were "lagging behind with the changes" and had a "lack of understanding of the Distribution Management Division's role". The Distribution Management Division was trying to build an identity separate from head office where it was currently based. It was

hoped the relocation to another office would help. Yet it was commented that the Division was often referred to as "working for head office" by Engineering staff. It was also felt that inter-divisional problems were exacerbated by the fact that people were unsure about who was supposed to do what across the interfaces.

On the positive side some co-operation was reported. The QA section reported that they were negotiating with Engineering to solve problems. The Distribution Management Division Finance Department also said that they had a very co-operative working relationship with Engineering, and in one instance their diarist described the co-operation on the development of the new working practices between the Divisions as "excellent". However, some other diarists suggested that the section's more positive relationship was possibly due to the fact that they were not to have contracts with Engineering.

5.1.3.3 *Senior Manager Behaviour*

There was some criticism from staff of their own senior managers, who were "notable for their absence and lack of communication to staff". There was felt to be a need for the staff to see the senior managers "out in the office and on site reinforcing the message of change". In general there was thought to be a lack of direction for staff.

On the other hand, there was also appreciation for the senior management team's efforts with communication. Staff at one action plan launch had commented that "it makes a refreshing change for management to be so approachable, visible ... they genuinely seem interested in the staff and make a point of speaking."

5.1.3.4 *New Working Practices and Contract Details*

Another issue was the lack of knowledge of the contract details. Staff were reported to be reluctant to do work that was not going to be in their contract. Further, it was felt that there were no clear lines of 'demarcation' leading to duplication of effort in some areas. Practical problems listed included staff unfamiliar with new duties, IT problems due to system changes, and lack of definition of management information requirements and work procedures. QA were trying to overcome this in their department by drawing up detailed process flows for activities.

One view expressed was that it was expected that "the review group would solve, or have thought out, more of the present problems being experienced than it has." In other words, it was expected that the review group would have produced detailed specifications of new working procedures, who was responsible for what, how the interfaces worked and so on:

"Initially people became disorientated, lacking positive direction and are confused about their role when appointed to their posts. They were also surprised to find that the review group had not dotted all the Is and crossed all the Ts. Many are not yet switched on to the need to make their own decisions about the way their job will operate."

In fact, as one diarist commented, the review group had drawn up flowcharts showing only a "broad brush split in responsibilities". Also:

"there was an expectation I think that we would come out with a set way of working, saying this is how you work in your job, you know, this is the formula for the new part of the structure, but we didn't go down to that sort of detail, we kept it very broad, methods of working, and then left the detail to the managers who took it on - quite rightly too!"

Certainly it seemed the false expectations of the review group output were in part due to a lack of communication prior to April / May time, but people were coping with the unexpected job of having to develop their own role:

"There's been quite a bit of .. where we weren't quite sure where the boundaries of our job were, where did Distribution Management's role end and Engineering's begin, that wasn't clear, and I think what we thought was that the review group would announce on the 1st of April where all these boundaries lay, and I think this was our vision, that someone would say, right, your job is this and the boundaries of it are this, but that never sort of happened and we're still even now trying to establish, well we now see it as part of our job, to establish where the job is. I think people soon got down to the fact that the jobs weren't as clearly defined as what they originally had in mind, and people just started getting on with it."

"The things going as well as possible are things like responsibilities and roles are evolving ... The message that came out of the review group was that new structure was to be in place for the 1st of April... the perception came out that things would be in place for the first of April ... and that the structure would be up and running, no way was that going to happen, the review group took a broad brush approach because of the workload they had from the minute people were put in place, they had to sort of find, define their own parameters, which caused problems that's obviously had a knock on effect, but other than that it has gone pretty well, all things considered"

5.1.3.5 *Short-term Problems*

Some short-term problems had arisen. There was not enough desk space for all the Distribution Management Division staff at head office where they were currently based until they relocated. One diarist jokingly remarked that "once you've got a desk you don't leave it in case you lose it". Further, staff who had been based at head office for a number

of years and lived close to it, were not happy about the forthcoming relocation as it would mean a longer journey to work. There were many rumours about when the office relocation would or would not take place.

Another short-term problem was that staff were not being released to take up their new posts until their replacements were in place, leaving holes in the new structure in the short-term. In instances where people were moving around, it was felt that others were not being kept adequately informed of their movements. This was a particular problem for the Control Centres who had to try and find staff in Engineering who were now split into three businesses. This led to a delay in locating the right people to deal with reported faults and added to people's workload. It also fuelled fears that that as a result the customer may be suffering.

5.1.3.6 *Control and Call Centres*

For one group of staff, their uncertainty remained high. This was the administrative staff at the call and control centres. They knew there was to be a centralised Call Centre at the new office site from late 1994, and that there was to be a centralised Control Centre sometime in 1996 on the same site. But that was about it:

"I think in control they are aware of what's going on outside, but they're more worried about what's going to happen to them in 1996. As yet we don't know the staffing levels, that's supposed to be announced in December it's all hypothetical at the moment, nobody knows what's going on. We know where we're going to go, we know we're going, but what job you're going to have and things like that...."

"the staff are wondering whether they've got a job or what kind of job they'll have. They've said they'll be a job for everybody, but what job they won't guarantee. A lot of people work shifts and want to carry on working shifts, but there is no way they can guarantee that, a lot of people might have to go on day"

Since it was known that the Call Centres were to be centralised before the Control Centres, the administrative staff at the Control Centres were also worried that all the best jobs would go to the Call Centre staff leaving few administrative jobs for Control Centre staff on their centralisation.

5.1.4 *Initial Response to the Problems Encountered*

Some action was taken in response to all this. The Executive Director was worried about the reports of inter-divisional friction and arranged a weekend team building exercise for himself and the three divisional directors. The Directors decided as a result to also hold an

inter-divisional senior manager meeting in October, to discuss inter-divisional issues and try and diffuse tensions that might be developing. The main purpose of the meeting was for the senior managers to make some recommendations on what they, the Executive Director and the other directors, needed to do to resolve the inter-divisional issues.

To appraise the diarists of the actions being taken as a result of the diary reports, the Divisional Director attended the first diarists feedback meeting, thanked all the diarists and said how much he valued the feedback. He pointed out that he did not have answers to all the questions raised, but explained that the inter-divisional senior manager meeting was to be held as a result of the diaries. He also referred to other actions, such as the information in the September team brief telling staff that they would all be moved to the new office by the end of the financial year, in response to concerns about this raised in the diaries.

Discussions with the change manager revealed that the pace of change was mitigating against response to all problems encountered. For example, the administrative staff discontent. He explained that for the administrative staff appointments, it could not really have been a matter of choice, it had to be for the good of the business. He felt there had been a "misinterpretation" of the meaning of counselling. Staff thought it meant "they are going to be given all these choices", when it was not possible to give all of them a choice, although they could be offered exit if they really wanted it:

"What we did for the administrative staff is what we call a desk top exercise. Effectively they said right lets agree where it is sensible to put these people there were some people we changed our minds about but not wholesale, we were not moving people around a chess board."

The change manager did not feel things could have been handled that differently. The counselling could have been given more time rather than rushing it to meet the deadline, but even the managers and senior managers were not given a completely free choice about their job. They were allowed to state preferences, but these could not always be granted.

However, when reflecting back on the change process a few months later, the Director appeared to blame himself for the problems with the administrative staff's counselling. He recognised that by trying to get through the appointment process by September, the counselling had been too rushed, "we did things like sending sheets of paper out to the more junior staff saying tick your box on your options on here". Although he had not agreed with this at the time, "I didn't dig my heels in and say I am not having that for the Distribution Management staff". The appointments were handled like this "for the best of

motives”, but “it was an absolute downer for staff”, it created “second class citizens ... a total anathema to what we are trying to do”.

There had also been a change in the planned timescales for the introduction of contracts. Now the contracts that would come into force in April 1994 would be unpriced, shadow contracts rather than priced contracts as originally planned. This change effectively delayed the start of commercial relationships between the divisions until the introduction of fully priced contracts in April 1995.

5.1.5 How the Diary System was Working and its Role

The first opportunity to explore how well the diary system was working was the first feedback meeting in mid-September. Most of the diarists appeared comfortable with their role. The main point of concern was about how actions taken as a result of the diary system should be communicated if it was to maintain its credibility with staff. The diarists were strongly of the opinion that the team brief should have a section saying what had been done as a result of 'Cranfield'. The change manager agreed to do something in the next team brief - and did.

The inter-divisional issues were discussed since they were one of the major concerns of staff. The diarists decided to offer an invitation to the diarists from the other two divisions for a joint meeting as a gesture of goodwill - which was done and accepted. Other suggestions made on possible actions included the circulation of a summary of contract contents and a contract programme, the production of a leaflet summarising the main responsibilities of each section to help overcome the 'who does what issue', and that senior managers should practice more management by walking about (MBWA). Some of these suggestions were subsequently taken up, others not.

5.2 The Pace of Change Slackens: October - December 1993

As the end of September approached with the majority of Distribution Management Division staff in place, bar one or two administrative positions and those staff still on loan to Engineering, the pace of change started to slacken. The team brief reported good progress against action plans for the first six months of the year in the Distribution Management Division. Also that some of the major contracts were nearing completion with user guides underway. Summary charts on the contracts were issued in November for briefing to staff (as requested by the diarists).

Some staff felt that the responsibilities of the various sections were becoming clearer and staff had a better idea of who to contact for what. However, the issue of who does what appeared to remain the major communication issue - "people know the names of other staff members and their job title, but not what others actually do". This was true even within the Distribution Management Division itself. Control Centres were concerned that the continuing difficulties for them in contacting fault engineers in Engineering could affect customer service standards. It was suggested that the solution to this was a list detailing the responsibilities of each section as current telephone lists only gave names and job titles.

The various departments continued to work on the development of their new working practices and procedures and new systems were being implemented. There was also evidence of team building. Diarists commented that staff within teams, even those not as yet located in one place, were starting to liaise more.

The planned one day change management seminar for senior managers, which was then intended to be cascaded downwards, was delayed because of the need to hold the inter-divisional senior manager meeting. However, the change manager did carry out change management training for one of the Division's sections at their request.

Other problems persisted, such as the concerns about the future at the Control and Call Centres. The complaints about the lack of knowledge about relocation dates got louder. Staff were said to be asking questions about time scales, desk layouts, IT requirements and so on. Some new problems appeared.

5.2.1 *Inter-Divisional Friction*

The inter-divisional senior manager meeting took place and an action plan (consisting mainly of actions for the senior managers) was drawn up as a result. One action arising from the meeting was for the change managers to produce an inter-divisional transition plan

for the next six months (to end of March 1994). Once developed the plan was to be issued with the team brief and progress reported in subsequent briefs. It was also decided that the inter-divisional manager meetings should be held every 3 months since the meeting was the first time the senior managers had been together since April. A further suggestion was that there should be inter-divisional meetings arranged for the next level down, but this did not happen.

However, diarists commented that the "them and us" situation between Distribution Management and Engineering remained, with no visible action as a result of the inter-divisional manager meeting. Rumours persisted such as "the Distribution Management Division are taking staff to watch Engineering do the work" and information is not being shared across the divisions because "That's Engineering's information". There were comments that Engineering believed that the Distribution Management Division staff thought they would be all right as they would be "calling all the shots, with no worries and the destiny of Engineering in their hands". Concerns continued to be expressed that Engineering were getting a "different message" to the Distribution Management Division and did not understand the Distribution vision.

There were still comments that responsibilities and duties were not clear between the Divisions. Diarists suggested that "work gets done because people are prepared to help out by doing work that is no longer their responsibility" because "staff have been told that a particular piece of work is not their responsibility anymore, but no-one knows who is responsible". However, some sections, such as QA, Data and Finance, continued to report efforts to liaise with Engineering.

5.2.2 *Workload*

Workload started to become more of an issue, particularly for the middle managers:

"people are working very long hours, not everybody. I wrote off 40 hours last month, so I did an additional weeks work, plus what I took home ... there are a lot of people like that..."

The concerns about the workload were linked to concerns about the pace of change. Some diarists were worried that the timescales meant that systems and procedures developed would not be the best ones and may need changing at a later date. The volume of day-to-day work that had to be handled meant that managers, from their perspective, had insufficient time to devote to the development of new working practices:

"we need a management system which we haven't seriously started looking at yet well I feel I am not being given the time to get on with it, there's a lot of routine stuff coming through"

5.2.3 *Connections*

Indications started to appear in the diaries of problems with the centralisation of Connections. Some problems were being experienced in getting the new centralised department up and running, particularly in getting staff trained. Experienced staff were being put under pressure as they were helping with training and carrying other less experienced staff as well as doing their own work. The new people were finding that they "couldn't get stuck in": they couldn't share the workload as training was taking longer than expected. The work of one sector was so complicated that staff were being trained in another sector then moved over. There were also other difficulties, such as communicating changes to all the people the department had to interface with. However, staff were believed to recognise the need to be flexible and take on greater responsibility, and they were working additional hours to help sort the problems out.

Connections was having particular interface problems with Metering and Engineering. Staff in Metering no longer wanted to do work that Connections thought they should be doing under 'Business as Usual', but Metering staff thought they were no longer responsible for. This was creating friction. The Connections diarist felt that Metering staff were "taking a rather uncompromising attitude":

"Basically its a case that for some reason their staff have been put under the impression that installations are moving towards being a solely metering function and any other duties they used to do as part of installations they have got to shed - and you know the staff at the front line are picking this message up and where an enquiry comes in that's not now related to this - its well we shouldn't be doing this, it should be somebody else and there are a lot of things being bounced back on the basis that they've not been clearly defined where they are.... "

It became evident that there were differences in perceptions exacerbating the interface problems with Metering. Metering were continuing to do some work under 'business as usual' that they felt should belong to Connections. They understood that Connections did not as yet have the people to do this work, but given their own workload wanted to hand this work over. They felt Connections were not acknowledging this situation and instead were accusing them of being difficult.

However, the first Connections centralisation went ahead in October without creating "the major disruption anticipated". It was believed that the difficult task would be developing common working practices for the centralised department from the diverse set of four area

working practices that existed previously in the different offices. The second area centralisation also went ahead to plan at the end of November although there were warnings of growing workload problems in Connections in the November diaries:

"Backlogs of work are developing because of problems with untrained staff, and time spent by inexperienced staff in training. New staff feel they are being a burden and experienced staff are working 12 hour days. Concern that speed of change too quick and staff think manager is being pressurised to centralise too quickly."

5.2.4 Actions Taken

A special communications team was set up to inform staff of the relocation details, arrange pre-move office visits and co-ordinate the move. The first sections started to move to the new office towards the end of November and the diarists felt the moves went smoothly with the necessary information issued to them. The only problem at the new office was insufficient parking space.

The October team brief reported on progress to date, gave a relocation time table and gave feedback on actions taken as a result of the diary system. Many diarists commented on a positive response to the issue of this information, although the staff at the Call and Control Centres were not said to respond particularly positively to it as it did not really affect them. Each senior manager had also received a report detailing progress against action plans for his section's performance. These reports were intended for use at team briefings to inform staff of progress.

Workshops on progress with contracts to date were run for staff, and during November joint Distribution Management Division / Engineering contract workshops got underway. However, there were concerns expressed about the impact of the introduction of the contracts, and how the Distribution Management Division could enforce the contracts with such few people to monitor them:

"I don't think they are going to be easy to police, and I think it is commercially naive and unfair to expect Engineering to play totally by the rules."

5.2.5 Staff Reactions to the Change Process

The interviews with the diarists in October revealed a lot of loyalty and support for their Divisional Director and a commitment to making the new structure work. For example:

"I think the creation of Distribution Management and the culture within it and the communication of where we are going has gone well and I think that is partly because in the structure there are only 300 people, it is also because of the Director and senior management team, all of whom are very positive, very committed. I also think that

people have taken on board what has had to be done and they are motivated and they are committed, and they are providing the goods, against a lot of odds."

The diarists did feel that greater responsibility and accountability was coming down the hierarchy to them as promised. Further, they felt that their staff were acquiring a good understanding of why change was taking place:

"I think they've got to be, yes, because I mean, we've been to the workshops, they've been to the workshops, we've had an internal vision workshop, as well as an action plan launch, and I think, unless they are either deaf or blind or whatever, its gone into them and I would like to think, yes, they do understand, and they really do, they've got to understand it because the work's being done across them"

A general desire to foster good working relationships with Engineering and to help them succeed was also revealed:

"Everybody I've talked to have said, we want to work together, I haven't spoken to anyone who's said they want to screw Engineering. We need to succeed together, there's no way personally I want to see Engineering fail, I'd like to see them succeed, purely for the strength of the Distribution division ... in Engineering there is still the strong feeling that it is their system, they own the system, you've still got that feeling of ownership"

The reaction to the existence of inter-divisional barriers was disappointment. Although it was said that there were one or two people in the Distribution Management Division who were not helping relationships. Their attitude was described as "Oh, well that is Engineering's responsibility why should we help out I'm not there to serve Engineering". However, it was suggested that this was because of the pressure of work, and that maybe this was not the message intended, although unfortunately it was the one that was projected.

Other diarists felt it was just the structure and its interpretation that was causing the problems:

"Well, ...divide what was a united pack ... Straight away you've got this sort of barrier being built up ... us and them, I believe it is just human and I think because straight away there was a threat of competition in the Engineering business, but not immediately in the Distribution Management business, quite clearly if you're in Engineering, you say well we've got it rough, they've got it easy, so straight away there is a barrier there"

On the other hand, at the individual level, where team leaders had to negotiate with their colleagues in other Divisions, the diarists had found few problems apart from in Connections.

The other issue that became clear was that staff were confused still about when the contracts were to be in place and what was in them. For example, one diarist when asked when his department's contract was to be implemented replied: "Oh I've no idea, quite frankly I have no idea".

5.2.6 The Diary System Undergoes its first Evolution: November 1993

At the interviews, the diarists were all supportive of the diary system and were all willing to continue as diarists. Although they wanted the frequency of reporting reduced to match the slower pace of change and more feedback on action being taken. This was discussed at the second feedback meeting with the diarists held in mid November. It was agreed that in future the reporting frequency for the diary system should be reduced to a month. The change manager also explained that he was producing action reports from the diary reports that were circulated to the branch managers for their comments on actions to be taken.

At the meeting the transition plan which had now been developed for issuing with the November team brief was also discussed. For the Distribution Management Division the plan showed the following:

- communication of contract principles to staff in November and December;
- training of staff on contracts as appropriate in December and January;
- contracts (contractual details) to be ready between January and March;
- for Connections, the completion of the IT specification for the new system in January, the completion of outstanding appointments in February and the establishment of a single operation by March;
- completion of the plans for the new Control Centre in December followed by communication of the plan to staff in January and the identification of an implementation strategy in February and March;
- relocation of the various Distribution Management Division departments to the new office by January;

At the feedback meeting it was also commented that the diary system was helping to create a culture change in the division. Staff were able to feed comments up and senior managers were listening to them and having to respond because the Director was pushing them to. Previously staff did not comment, and if they did they were not listened to.

5.2.7 Some Inter-Divisional Problems Become Clearer: November 1993

The joint diarists meeting also took place in mid November. The meeting was not a success and the Metering diarists subsequently complained that it was a waste of their time. Thus there were no more such meetings.

However, having staff from the three divisions together did reveal issues not previously pin-pointed. For example, when discussing the interface problems Connections was having, it became evident that in part the lack of resolution of the problems was because there was no senior decision maker at the meetings with the authority to either enforce a resolution or explain / interpret the review group's intentions. Thus little progress was being made. If it was a question of who was to do a piece of work, and no-one wanted it as they did not have the resources, a stalemate situation arose. Further, it was commented by one of the Engineering diarists in relation to inter-divisional tensions, that whatever was said, nothing could change the perception of many of the staff in his Division that in 2 years time half the Engineering work force would be "down the road"¹.

¹. Made Redundant.

5.3 The Division Establishes Itself: January - March 1994

Moves to the new centralised office were completed in January with the exception of the Control and Call Centre staff. Staff seemed happy with the move. Any outstanding staff vacancies were filled as the sections moved to the new offices. There continued to be comments about a lack of MBWA by managers, although it was thought to improve on the move to the new office and over Christmas. Meanwhile contract training continued, as did concerns about how the contracts would be monitored and how Engineering would react when they had to start working to contracts.

5.3.1 Connections

The remaining Connections area office centralisation was delayed until the end of February rather than the end of January as originally planned, because of the problems being experienced by staff. The department seemed to pass through a series of ups and downs. In December following the delay of the final centralisation, their diarist commented more specifically on the problems being experienced:

"Administrative staff are feeling the strain of centralisation changes (trying to do the same job 3 different ways so that it fits with existing practices in each area). However, staff are coping extremely well especially our experienced staff who are also doing an excellent job of "on job training" at the same time. We are now seeing new systems set up and agreeing new practices with Metering and Engineering which will help to alleviate the working difficulties we are facing."

Yet inter-divisional tensions remained with Metering and Engineering. Meetings were being held to try and resolve problems. However, by February diarists from the other Divisions were commenting on the problems in Connections:

"A lack of experienced staff is causing problems in planning work and waste visits."

"Jobs now take a lot longer from receipt of enquiry ... An extensive training exercise is required to bring all staff up to speed. Since this has to be done in parallel with getting the work done, it is thought that as a result the section's work is suffering"

The Connections diarist did also report that Connections themselves thought that the backlogs of work had become a real problem. Staff were very demotivated by the volume of work, the number of complaints was said to be on the increase, and staff were also said to be suffering with "signs of staff frustration". However, once the Divisional Director was fully aware of all the problems steps were taken to resolve these problems as the final area centralisation took place. Temporary staff were employed to relieve the backlog of

routine work; new working systems started to be introduced to ease the workload; work on quality initiatives to improve systems and procedures were initiated; it was agreed to monitor and review the workload and long term resource requirements; stress counselling was offered to any staff who may feel in need of it; and the outstanding total quality training of staff was delayed by a month until March when centralisation would be complete.

5.3.2 Unresolved Issues

The inter-divisional tensions continued to bubble away below the surface. At the Control and Call Centres the problem continued to be the location of Engineering staff for faults. There were concerns that these problems were starting to have a detrimental effect on some performance indicators.

The Director recognised that inter-divisional tensions were unlikely to disappear, but wanted to move to a situation where there were good business relationships with other divisions. In line with this a second inter-divisional senior manager meeting was held in January. At the meeting it was decided to set up two inter-divisional problem groups to sort out problems between the divisions. This was reported on in the January team brief.

Unhappiness also remained at the Control and Call Centres. The January diaries included the following:

"There are still concerns being expressed by Control operators regards: what shift arrangements have been planned for control operators on centralisation (how many on full shift, part shift, days, etc.)? Will control operators be on the same pay as Call Centre staff? How many control operators will be needed? Will alternative employment be found for people who do not want to move out of the area? Will compulsory / voluntary redundancies be implemented. If so, will exit arrangements be available for those having to leave the company? When will operators be counselled regarding their future?"

Attempts were also made to take staff off flexi-time once all staff were relocated to the new offices. This was not popular.

5.3.3 Change Management

In January it was decided that the diary system would move to a focus group forum from March in the Distribution Management Division. Originally it had only been intended to run the system to April. The change manager and the Director felt it needed to be continued beyond that because of the amount of change still to come, for example, contract implementation and the launch of a new values and behaviours programme to help drive in

culture change. It was felt that the move was also compatible with the desired shift to a more open culture since staff would openly discuss problems at the focus group and senior managers could attend and listen. Staff were believed to be comfortable enough now with the principles of the diary system to give the same information in an open session.

The change manager was to be responsible for the 2 year culture change (values and behaviours) programme. The culture change programme was the initiative of the Executive Director as it had been realised that culture change was not really taking place. The overall culture and supporting values and behaviours had been developed by the Executive Director, the change manager had to translate the generic values and behaviours into ones suitable for the Distribution Management Division with appropriate supporting measures to help drive them in.

One of the diarists decided to resign². He had been pressurised to give information on the source of a rumour to his senior manager. This rumour was not related to the diary system but he felt it destroyed his authority as a diarist and that none of his staff would feel he could guarantee them confidentiality for their diary comments. It was felt by the other diarists that the senior manager had been right as the diary was not supposed to replace day to day management and the rumour was not connected to a diary comment. It was just unfortunate that the manager had picked on a diarist!

A document or 'telephone directory' was put together outlining the responsibilities and duties of each section and issued in February. At the instigation of the change manager a staff survey was also conducted.

5.3.4 The End of the First Year of Change: March 1994

Staff did not yet know of the planned culture change process with the new values and behaviours. They would be told of the new values and behaviours programme at the business / action plan launches in April. The change manager had prepared a plan to promote the new values and behaviours throughout the division via a series of workshops. The first for the Divisional Director and his senior management team and their direct reports was to be held at the end of April. All staff were to have attended by September.

One of the purposes of the values and behaviours was to help develop and select appropriate staff for the Division. There had been an element of expediency in the appointments process. The age based exit policy meant, according to one diarist, that "we

². As explained in the methodology chapter, he was replaced for the change forums and he was still interviewed for the final interviews.

weren't choosing the best man for the job in every instance". The values and behaviours would allow for the identification of staff who were not performing, so that they could be told that they were not performing and what they had to do to improve.

Progress was being made on some fronts. A paper had been produced in response to concerns expressed in the diaries (more by Engineering staff than Distribution Management staff) about a decline in the company's share price. This paper was thought to answer most people's concerns. The March team brief also included information on the total quality plans for the next few months in response to staff concerns expressed via the diaries that no action would be taken following the total quality training.

There had been a 62% response rate to the staff survey. The results were issued to everyone in early April along with a thank you letter from the Director. The results suggested that the staff felt they had interesting work with a good working environment and employment conditions. On the down side, staff doubted that the Division got full potential from its staff. 60% of staff thought a divisional identity had been established and that the division had adopted commercial criteria. 50% of staff also thought communications had improved. However only about 39% of staff thought they had improved service to customers and had improved their concern with quality. The Director took all of this as an indicator that there was a way to go with the culture change.

5.3.5 *Diarist's opinions on Progress*

Staff were of the opinion in looking back over the last year that they had done well:

" ... there has been quite a bit of re-appraising going on because it was very difficult to visualise how this year was going to go. For example, with the way we started out, we all had a sort of routine job to do but it appears that the vast majority of what we are expected to do is development of the section, and development of management information rather than relying on the same old stuff to set up the new business ... I don't think any of us knew what that role was going to be, we have had quite a rude awakening this year, but the extent of the change in the way the business has run has been phenomenal. We could never have imagined it... people who have traditionally churned out loads of paper and things on computer and this and that and now people don't have time to deal with all that stuff that we churn out the degree of flexibility you need now to do your job is higher than it has ever been, you are not coming to a job now and somebody says here is the notes, this is what you do, you come to a job now, you vaguely know and then you have got to create your own job because there is no parameter, you have got to be so flexible to survive.

Another diarist:

"the amount of change we have gone through, actually that is something that I think has gone incredibly well, that we are where we are now, having achieved so much, all right we might not have got everything right, there are still problems, but we have actually achieved an incredible amount ... work has evolved and being piled upon us and we have risen to it, we have achieved it and we have brought in new systems, we have consulted everybody, we are getting more and more work put upon us and different types. My job description is totally different to what it was in June, and people have accepted it and risen to it and have put in the hours of work and the commitment is there, and that is not just in our section, you can see it across where ever."

It was believed that people had changed, in terms of the way they thought about their work and in terms of the work they were doing. There was also a recognition that some staff were finding the adjustment tough though, and it was felt that thanks had been too slow in coming from the senior managers to the staff for their achievements:

"I don't know if anybody else feels that we haven't see the 'thank yous' that perhaps we should have done, the Executive Director letter says something like that on the invite to the next management conference, but that needs pushing down the line without a doubt."

Many diarists were of the opinion that the recent attempts to take some staff off flexi-time was not helping morale. There was a strong feeling that branch managers were not aware of how hard their staff had been working. Certainly, there were some strong feelings of resentment expressed:

"when the hours have been put in, when people are putting in over the top to then say ... by the way, okay carry on working as your are, but you are losing flexi-time ... the ability to have, in effect, a day off a month which you quite often need to get sane again."

However, within the Division, roles and responsibilities were definitely much clearer and 'things were settling down'. Progress was being made at the Call Centres with the plans known for the centralisation of the Call Centres. All Call Centre staff had been counselled by their branch manager about the plans, although as yet had not been told the final outcome for themselves. The Control Centre operators remained in limbo because as yet there was no information for them on their futures.

Staff in Connections were reported to view the future positively. Backlogs were not getting any worse with the agency staff in place, despite the significant time spent by permanent staff on total quality training in March. The staff were also encouraged by the arrival of the Communications Manager in Connections to help sort the problems out.

For all the diarists, the relationship with Engineering and the potential problems this could cause when the contracts were introduced was the major concern. One big problem the diarists foresaw was the lack of training in Engineering on the contracts. An example was the Repairs contract. The diarists were of the opinion that the equivalent of the specific Repairs contract training the Distribution Management Division staff had received had not been given in Engineering, which the contract manager believed would cause him problems. The previous joint contract law training workshops were considered not to have provided a sufficient level of training because it was not contract specific. Similar problems were anticipated with all the contracts, especially since Engineering had more people to train than the Distribution Management Division. Further, there was also still some confusion in the Distribution Management Division as to when all the contracts would be in place, and concerns about the lack of knowledge in Engineering about the contract contents. For example:

"We are anticipating problems with all the contracts that come in, because there is a view, and we keep telling them it isn't the case, but with things such as complaints handling, that once the contracts come in to place that the Distribution Management Division will be doing it all, and we keep saying, no, answering complaints, responding to the deadlines, if affected within Engineering, they will carry on being responsible for doing it"

Overall, the diarists thought these kinds of issues were going to cause problems in the next few months as the Distribution Management Division attempted to implement the contracts, and that the contracts could make tensions between the Divisions worse. Contract implementation was seen as a potential minefield. These concerns in turn raised concerns about the monitoring of the contracts and ensuring the quality of work done against them. It was believed that the audit staff would have problems in monitoring the contracts and that there would be major problems in monitoring progress against the contracts. Also that there were not enough people to cope with the work.

Control and Call Centres were still experiencing difficulties in working with Engineering. They thought this was partly due to the fact that Engineering staff "think they are doing their job and our job as well". However, it was said that the main problem was really the barriers that had developed between the three businesses within Engineering. As a result they were not always co-operating with each other, which could make locating staff for repairs difficult. The diarists felt that the problems, such as the difficulties in Engineering and the inter-divisional friction, had been reported in the diaries for some time now, but the lack of action could have a knock on effect on customer response times.

It was also decided that it was time for the diary system to continue its evolution. It was felt that the forum meeting had been successful, and that such meeting should be held on a six weekly basis from then on. When the researcher left, the change manager would start to run the meetings. The success of the meeting was attributed to the fact that diarists had realised that there was no come back on them for what they said and the support for the system from the Director. The change manager summed it up as follows:

"we are now seeing the report and we are now saying it doesn't matter what we put down, it gets recorded, and it goes up and there hasn't really been any repercussions.... It is all down to the Director I think and the way he reacts .. he doesn't look for someone to kill - it just hurts him"

Further, it was decided that it was time for some of the diarists to step down and that over the next few meetings new diarists would be included and the old diarists phased out to bring some new faces and opinions into the meetings. However, the diarists remained concerned about how the information on response to the progress reports should be disseminated to staff. In response to diarists concerns about the lack of information on action being taken as a result of the diary system, the change manager included a copy of the latest action report in the April team brief.

5.4 A Review of Progress: April 1994

The second interviews revealed some patterns about the obstructing and facilitating processes. Whilst the diarists varied in the degree to which they perceived the processes as helpful or obstructive dependent on individual circumstances, there were similarities. The ranking of the processes with the reasons for the rankings are given in appendix 4 and not here. The facilitating processes consistently ranked as being effective were the communications, the staff attitudes and their adaptation to the changes, the management style of the Director, team building activities, relocation to a new office and the role of the Cranfield Diary System in helping communication.

The Divisional Director firmly believed that the communication efforts had played an important role in the change process. He saw it as a key issue and felt that for the first time in his experience, “and it’s a long experience”, they had actually taken trouble to explain things and taken time out to talk to people. He recognised that there remained some pockets of mis-understanding and disbelief, but on the other hand felt that this was maybe inevitable given the scope of the changes. The Director also recognised that there was criticism of the fact that he was not visible enough commenting light heartedly that “they keep saying I don’t walk about, I’m always walking about”. He also knew that some staff felt he should have made more effort to attend every vision workshop which, given the demands on his time, he had found impossible to do.

Most of diarists believed the staff attitudes and their adaptation to the changes had played a very significant role. For example:

“Staff Attitudes - that’s got to be up there. The one thing I will say is the majority of staff, that I have dealt with, really have tried to make things work, whether it is because they think they are saving the Division I don't know, and I want to keep it that way, I am feeling that they are happy to be within the division and because of that ... they are willing to put the time, effort and the commitment into it.”

Yet again the interviews revealed a lot of support for the Director with comments like “he is an excellent leader”, and “when he doesn’t know something he doesn’t try and bull shit”. The reservations expressed among the praise were that for junior staff and outposted staff at the Control and Call Centres he was not visible enough:

“The Director is a great guy and I know he has done a lot of work in the background, because he is not a up front guy, that is his problem... not a problem but that is a fact, he is not a very high profile chap. I have know him for a long time and obviously I do realise when he is around and when he is not, but it is an awful thing to say but I would say for Joe Average he is on that pile.”

Staff were positive about the relocation - with the exception of the Control and Call Centres who were yet to relocate. The Director confirmed that although the primary purpose of the move was to get all his Division's staff into one building, for him the move was in part a symbolic gesture with a hidden agenda:

“I was determined to get away from head office, I know we don't all come from head office, but a lot of people did, and a lot of people think of us as head office. I want us to be thought of as an operational division...”

Intended facilitating processes consistently ranked as not very helpful included the communications prior to April 1993 and business as usual - both of which were counted by many as obstructions. Diarists that thought the communications prior to April 1993 was good admitted to having had inside information. The general response to business as usual was summed up by one diarist:

“It was essential .. I think we were misled here or misled ourselves. Business as usual was a way to try to explain that during the transitional period from where we started to where we wanted to be, things are not going to be like either of those so that is what it was there to mean. I think if we had thought it through a lot more, if we had realised that actually during this interim period we needed all sorts of different controls of management style and mechanisms that we never dreamt of ...”

The most problematic obstructions were seen to be the poor inter-divisional problem resolution, the lack of detailed review group output, inadequate educational communication (the who does what issue), negative inter-divisional attitudes, the senior management approach (continued use of old management style), the old culture (in Engineering rather than in the Distribution Management Division), the workload and the inter-business barriers in Engineering.

One member of the review group felt it was foolish to believe that the desired new trading relationship would be easy:

“friction is probably what we've had, but we are trying to create a trading relationship, those are not always comfortable relationships, but they have to be professional relationships, a supplier customer relationshipwe want a high quality service for which we will pay a quality price ...”

He also pointed out that although they had created barriers between the divisions, “it is that barrier that is actually going to create the change, that is actually going to drive in the culture that we need....”

The response to the lack of detailed review group output varied. Some felt that the output was not detailed enough, although they also recognised that the review group had done a good job given the timescales they were operating within. However, it was also thought that expectations of the output, and the lack of clarity about the role the staff had to play in the change process, were as much of a problem as the actual output:

“they came into this situation, totally in the dark, certainly we thought the review group would hand over something that worked, this is it, this is how it works, but we didn't inherit any of that, we inherited a sort of concept and we were going to make it work, and it took a few months to realise that what had happened, or a few weeks.”

“they didn't make that message clear and I think it is critical that message because of what I said before, we have never done it before..”

A member of the review group suggested that the realisation that the review group had not prepared details of how the new structure was to work in detail, had come about slowly because of the old culture. Further, that even if staff had been very clearly told that they were to be expected to play a part in developing their own job roles, it would still have taken a while to sink in because staff were “coming from that culture where they've been told exactly what to do, there was no empowerment”.

Workload was considered to be a problem in the sense that there were too few resources during the transition period. It was difficult to keep the business going plus find the time to establish new working procedures. It was felt by some that the redundancies had contributed to the problem by letting staff who could have been helpful during the transition go too soon. For others the workload was connected to the pace of change. One diarist summed it up as follows:

“it is all down to this ... start here with so many staff and an old culture and an old vision, we want to be there and we don't allow the right resources for the transition, to do all the things that need to be done ... I didn't realise and the thing that you have got to appreciate, that this bit, the middle, is completely different to either side of it.”

However, overall there was a belief that the pace of change was right. The problem was the resource levels “because of trying to do the business as usual and introduce new things, and because of the resource problems there has been little time to develop new ways of working.”

5.5. The Second Year of Change: April to June 1994

By the start of the second year of change most of the planned changes for the Division were in place. The contracts still had to be implemented and the Call and Control Centres still had to be centralised, but plans were progressing. Connections was slowly overcoming its problems with a number of quality teams underway looking at new ways of working. Culture change seemed to be slow in developing across all three Divisions though.

The Division was now working on improving its performance in its areas of responsibilities. A Telephone Complaints Monitoring System was put in place and audits of the quality of response to customer complaints, and the quality of compliance with internal customer service standards, undertaken. The Division was also taking continuous improvement forward now that total quality training was complete via the use of Quality Teams.

5.5.1 Relocation

The parking problems at the new office site remained. In response, the Divisional Director decided to put in place a new parking scheme for his staff. A certain number of parking slots close to the office were reserved for Distribution Management Division staff only, and were available on a first-come-first-serve basis, effectively abolishing reserved parking places for the Distribution Management Division senior managers. The Director himself was said to be setting an example for other managers by always parking away from the offices even though he regularly arrived at work at 6.30 am and could get one of the spaces reserved for the Division.

Staff approved of the management policy on parking in the Division, but were concerned about the lack of compliance with the new parking scheme by some middle managers who were doing things like parking on double yellow lines:

"the Director and the Branch managers seem to walk or park in a yellow space ... they are trying to instil on people to do this ... but there are still middle to senior managers that just aren't doing it ... all right, it's a small issue when it's parking, but it is a big issue when it's something else, 'do as I say not as I do'. If you are going to start bringing in things like values and behaviours, it is quoted back at you all the time ... when I am standing up in front of 18 people saying these are the values and behaviours and they throw back well you can't even get them parking properly ..."

5.5.2 Re-structuring

As the Distribution Management Division moved into the second year of change, there was an unexpected re-structuring of the Division in terms of responsibilities at the senior

manager level. An asset management system project, part of original change plans for the division, was now underway and one of the Division's senior managers took over responsibility for the implementation. Thus there had to be a re-shuffle of responsibilities at the senior manager level. Staff responded relatively well to the re-organisation within the Division. It was felt it was communicated well and promptly and that the managers were making efforts to get to know new staff who were now their responsibility.

5.5.3 Planning

The action plan launches took place between April and May at which the business plans were presented and the values and behaviours programme launched. The diarists were pleased that a message of thanks had been passed to staff from the senior managers:

"I have to say I thought it came across quite genuinely it was good that they took the message on board and they actually said thanks."

The video accompanying the business plan launches to staff was also well received because:

"it was nice to see both sides of the coin, with this video, there were bad things being presented, we were sort of prepared to have the bad things that have happened, it wasn't going quite as well as we thought it was going."

5.5.4 Culture Change

The Distribution Management Division staff continued to believe that culture change was occurring within the Distribution Management Division - particularly in terms of losing the "Head Office" label. The Division was thought to have benefited from bringing in "people from the areas" and the number of the staff "that have come straight out of head office into our Division must be relatively small". One diarist commented:

"I don't feel any attachment to head office at all ..."

Other changes had also been noticed:

"I see a lot of cultural change in Distribution since we were part of head office. I've not been in Distribution very long, about 2 or 3 years. When I first came and it was the old regime and there was a lot of politics ... what I see this team doing, is being very business like and trying to achieve things they need to do, so I see people hitting targets and producing action plans and expecting to have a performance review, expecting to hit targets"

"The other thing is that a couple of graduates who have worked for me have said that they see a different culture in the Division and that it is the best in the company, not because it is the most secure, but because it has got the right attitude and people have got

their own culture and it is where people want to be... one said well you come into the building, there is a buzz about the place enjoying it - laughter"

There was also pride in the developing culture. "I think it is important that people outside see the Distribution Management division as different" and "Whenever anyone else comes up with a good idea, we've already done it.."

The series of workshops on values and behaviours planned by the change manager was also underway. The first was at the end of April, and a second workshop was held at the end of June. Progress was not as rapid as the change manager would have liked, partly because of his own increased range of responsibilities and a bigger team of staff to manage following the re-organisation of the division, and partly because of the number of managers involved in extra work for the regulatory price review.

5.5.5 Contracts

The April team brief informed staff that all the major contracts between the three Divisions had been issued. Contracts would operate in parallel with the normal trading relationship until April 1995, when fully-priced trading relationships would be put into place. Some problems were being experienced with the implementation of the contracts and managing the new contractual relationship:

"we have left it now six weeks and are finding it a little bit difficult to.. well we are going to have to get some work done. So we are going to get some nasty lessons quite quickly about working in a contract environment soon, because we are going to have to come down quite hard on some of these issues, we are still settling into the relationships with these new contracts....."

Yet a contractual relationship between the Distribution Management Division and Engineering had to be sorted out, although it was difficult:

"It is difficult working with people who you have worked with previously alongside them now having to work with them as a contractor/client relationship that is difficult, we trying to get it right and ... it is not just the fundamentals of knowing contract law that's a separate issue altogether, this is just personal relationships."

Many diarists believed that the contracts in Engineering were still not understood by the people that would have to work to them. The implementation of the contracts also highlighted the fact that there was some confusion over business as usual and whether or not it was continuing. The Distribution Management diarists understood that the current year was supposed to be a parallel run with the contracts being used as guidance. Black holes were to be reported and resolved. In general, Distribution Management Division

staff were happy for the contracts to run in parallel with business as usual, whereas Engineering, partly because of workload, wanted the contracts to put an end to business as usual. Some of the Distribution Management Division staff felt that in some instances they were expecting Engineering "to do business as usual for nothing." Others that there was a misunderstanding due to poor communication about the fact that the year from April 1994 to March 1995 was a parallel run, with business as usual to iron out any problems.

One diarist thought that some of the problems were due to the changing nature of the relationship:

"I think in the past a lot of work was done on the basis of goodwill wasn't it and that has gone, I think within Engineering as well as between Engineering and us now, because everybody is looking at their own budgets and if it used to be done on good will and someone now refuses to do it for you, the first thing they do is look at the contract and see who they can get to pay for it to do it instead."

However, the good news in the third change forum was that it seemed that many of the problems anticipated with the contracts did not develop. Further, the diarists felt that Engineering were learning from problems with the first contracts implemented which they were then taking steps to avoid with the subsequent contracts:

"I think back on the contracts again, there was a lot of doom and gloom about the contracts at the last meeting. I think from the repairs contracts, the problems have been seen by other managers in Engineering ... they have been a lot more involved with the other contracts and actively seeking information to brief down to staff, so that they are ready when it is actually negotiated and goes in"

Whilst there were still some problems with the interpretation of the Repairs contract for the Control and Call Centres, some of the earlier problems were resolved as Engineering sorted out problems over their own internal boundaries. Problems for the Control and Call Centres in defining responsibilities under the Repairs contract though remained:

"one of the problems is defining responsibilities, if it's not in the repairs contract then we are not interested, if it is not specified in black and white then it's not my responsibility so therefore it is your problem to go and sort out."

This attitude was thought to be due to the problems Engineering were experiencing with their workload. The result was that Control Centre staff had to get somebody to do the work and afterwards sort out the internal politics on pricing which was putting more workload pressure on their staff.

5.5.6 Inter-Divisional Issues

Come end of June, relationships between the divisions did seem to be slowly improving at the individual level. For example, it was thought that the co-operation with the Engineering Division had improved at the Control and Call Centres. The Centres were experiencing less friction in getting the right person for the work that needed doing and actually getting things done when the right person was contacted. The Construction section also felt that their working relationship with Engineering was improving.

However, there was evidence that there was still an overall level of tension between the Divisions. Staff in the Distribution Management Division remained worried about morale in Engineering.

5.5.7 Control and Call Centres

Control Centre administrative staff were counselled on the plans for and progress on the Control Centre centralisation in the following April. Control and Call Centre administrative staff were then given some definite indication of what was going to happen in the future. Some Control Centre administrative staff were offered severance, and in May letters were issued to Call Centre administrative staff confirming their position in the new centralised Call Centre.

5.5.8 Connections

Morale in Connections was believed to be good despite the earlier problems, with a number quality teams underway in which staff were involved:

"there is a definite positive feeling at the moment from the staff because they are getting involved and they are having a little bit of say in the problems that have been going on and we have just announced we have got two temporary supervisors which is another thing that we asked for because there weren't enough supervisors."

There was in fact a display of the work done by the total quality groups posted up outside Connections. The arrival of the Communications Manager in April to help was also appreciated:

"I think he has really geed us up quite a bit, got things moving, he is looking at the problems."

There were still some work backlogs. The main concern was the long term manpower levels for Connections. Given the workload, Connections staff were still working hard even with temporary staff in place, so what would happen if the temporary staff left? However, as the second year of change progressed, the quality initiatives got well

underway to improve processes and reduce workload within Connections. It was believed that "this will allow Connections to maintain its current position and turn work round faster".

5.5.9 Communication

Social events such as a Quiz Night were well received by staff primarily because it provided staff with an opportunity to get together and mix with the senior managers on an informal basis.

Communication between the divisions was raised as an issue. Re-structuring in both Distribution Management and Engineering Divisions had not been communicated well to the other Divisions on a timely basis. It was felt that part of the problem was the fact that the Distribution Management Division telephone directory had not been updated and properly circulated:

"the telephone directory in the Distribution Management Division which was a really good idea, everybody in the Division knows what each other is doing, people in Engineering still haven't received that, we are still getting complaints from Engineering, we don't know who to ring. It is a great idea, its a solution to a problem that we have been bringing up for the last six months, but it has just not happened in Engineering, so it has not solved the problem, it is a shame because a lot of work has gone in to it."

The Distribution Management Division directory was in fact updated and re-issued in June. Further, from May, the team briefs started to incorporate information on progress and changes taking place in Engineering and Metering Divisions.

5.5.10 Managerial Visibility

The issue of the lack of visibility of senior managers remained for staff not in the main office and at the Control and Call Centres. However, by now the Director was aware about the concerns about the lack of visibility of himself and his senior managers, and as a result decided to start attending departmental team briefs on a periodic basis and persuade his senior managers to do the same thing. Staff appreciated the gesture:

"I would like to just voice appreciation really, I don't know if anyone else has benefited, but the Director actually came out from his office and visited us at our Control Centre, it was only a short visit at a team briefing, but it was a magnanimous move forward in the management by walking about, so it was noticed and appreciated he said he was planning to go round every location, but it was certainly appreciated and it was obviously an informal atmosphere, you could ask him questions directly which you probably wouldn't ask in a large meeting, like a roadshow."

5.6 The End of the Research: June 1994

The researchers last visit to the Distribution Management Division was at the end of June. Things in the Division were continuing to move forward. Values and behaviours workshops were being cascaded down and were due to take place at the departmental level by the end of August. Improvements were still being reported in the relationship between Connections and the other divisions. Staff continued to be appreciative of the attendance of senior managers and the Director at their team briefings. Divisional team building was continuing with further social events. Overall, the change manager felt that the Distribution Management Division had achieved an enormous amount in a short space of time and could be proud of its achievements.

CHAPTER 6: CHANGE IN ENGINEERING AND METERING

This chapter describes the chief differences between the way change progressed in the Distribution Management Division, and the way change progressed in the Engineering and Metering Divisions. As a reminder, the aim of this chapter is to provide the reader with sufficient information to be able to understand the analysis of the way change progressed in the three divisions in the following chapters. The full ethnographic stories for the Engineering and Metering Divisions are included in the appendices should the reader wish to read them.

6.1 Engineering Division

The Engineering Division experienced a number of different issues to the Distribution Management Division due to the contextual differences. A large number of new working practices had to be introduced, and the new structure also involved the creation of three new businesses within Engineering. Further, there was a far greater number of staff in Engineering than in Distribution Management. The following summarises issues that are similar to Distribution Management Division, but describes in more detail the issues that were different.

6.1.1 *Understanding of the Need for Change*

This was perceived as a radical change for the staff in the Engineering Division by the diarists since it was about more than just re-structuring. Further, it was hard to communicate a positive message of change. As one manager said, “its very hard to find a sunny-side up way of saying what's happening, very very difficult, because there really isn't any ... for the next 18 months .. if you win you keep your job, that's as good as it gets”.

As in Distribution Management, the diarists themselves appeared to have a good understanding of the need for change. Concerns were about the degree of understanding of the need for change and its implications among non managerial staff. However, resistance to the new structure, expressed as a lack of understanding of the way the new structure was to operate, became apparent at the team leader / business manager level as well as lower down. Even some diarists confessed to being unsure about the logic for the repairs / maintenance split.

6.1.2 *Communication*

The pattern of communication in the Engineering Division was different to that in Distribution Management Division as explained in chapter 4. The main form of

communication with staff was the team briefing mechanism. As change progressed, this mechanism of communication received much criticism for being one-way with too much general information, making it difficult to stress information of local importance. One area did institute management workshops for foremen and engineers, to keep them apprised of change plans and discuss the implications of the changes for them. But this was an exception. Information on progress was therefore considered poor by all levels of staff.

As in the Distribution Management Division, the video received a lot of criticism. However, the main communications issue was “who does what”: which departments were responsible for which work, not just between the three Divisions, but also between the three Engineering businesses of Repairs, Maintenance and Construction. This led to the development of many “black holes”. Staff were also unsure of the plans and timescales for changes to working practices.

To overcome the problems reflected in the diary system, about a lack of understanding of the way the new Engineering structure with three businesses was to work, and a lack of knowledge about change plans and the implications of the changes, the change manager organised a series of change management workshops for senior and middle managers in November / December 1993. The workshops were to instil the realisation that change was going to happen in the way specified, and that it was up to the managers to make it work. However, the workshops also needed to ensure understanding of the new working practices proposed by the review group for Engineering, such as “Design and Build”, about which there was obviously confusion.

The workshops were considered to be successful by the diarists as they enabled two way discussion of problems and areas of mis-understanding. The intent, as far as the change manager was concerned, was for the managers who attended to then take responsibility for running similar workshops for their staff. However, there was confusion about this, and overall not many of the managers ran such workshops. For example, one of the diarists noted that he thought the Construction Branch Manager was going to be organising something on an area basis. Another took immediate action and organised a workshop for his staff. The change manager felt that the reason the managers were not taking responsibility for running their own workshops was in part due to their workload, but also the old culture. They were not used to taking such initiatives.

6.1.3 Staff Reactions

Diarists reported a mixture of staff responses, varying from the positive with staff seeing change as providing opportunities, to the despondent with staff feeling they were getting increased responsibilities with no extra reward. Some older staff were reported to feel that

they were not wanted. Industrial staff were worried about future job prospects, engineers about devolution of duties to industrial staff, and generally there were concerns about the pace of redundancies. Engineers were perceived to be more resistant than the industrial staff.

The main issue for industrial staff was the uncertainty. There were many rumours on the grapevine about the proposed depot rationalisation and relocations. These rumours continued until staff were told of the depot rationalisation plans in February. There were also many other rumours on the grapevine, such as rumours that more work was to go out to contractors, of further staff cuts in 94/95, that industrial staff's salaries would be reduced, and that some foremen were to be down graded.

According to the diarists, the outcome of the many rumours, was ongoing uncertainty among staff. In some departments low morale was fuelled by ongoing departmental reviews for staff reductions and future viability. Morale remained low in the Division as change moved into the second year, with the engineers, especially the older ones, continuing to exhibit resistance and cynicism.

6.1.4 Counselling and Appointments

The briefing and appointment of industrial staff took place in August. They were briefed by team leaders who had themselves been trained on how to brief the appropriate message. The message was that although staff could state preferences as to location and business on the forms they were given at the briefings, there would be some staff with little choice. The counselling for staff on their appointments was to be done in some instances by the foremen who were also given training.

In terms of progress there were no problems with the counselling despite tight timescales, but reactions to it were mixed. Counselling was described as “only paying lip service to the principles it is supposed to embody”; “a rubber stamping process”, “a bit of a farce”. Strength of opinion varied. One diarist commented that counselling “was a sham”, whereas other diarists reported that in their sections allocation efforts were very successful. Several diarists thought that most industrial staff had been allocated their first choice.

Some blamed the dissatisfaction with the counselling on the launch video:

“in the video it was said we will counsel everybody, so they all expected to get the same counselling that I got, which was sort of 15 to 20 minutes with a very senior manager, whereas what in fact happened was they got 5 minutes with either a foreman or in some cases a team leader if the foreman was absent.”

Not everyone agreed with this interpretation saying that staff other than the industrial staff had been unhappy because “it wasn't a counselling really, it was just, tell us where you want to go really, it was fitting people into holes....”.

All staff were allocated to businesses by October. Staff were thought to be much happier once allocated since the diarists received fewer negative comments from their direct reports. However, the Construction diarists felt that engineering staff and industrial foremen allocations had favoured Repairs at the expense of Construction in terms of both experience and numbers.

6.1.5 New Working Practices

Some resistance to new working practices was expected - especially the devolution of duties from engineers to industrial staff. The change manager described the ingrained beliefs about working practices, such as engineers never needing to fill in timesheets, as “the ‘I love’ tattooed on the arm.” In fact the possibility of the devolution of duties to industrial staff given suitable training had been investigated and recommendations made before, but never implemented.

Work started on devolution of duties with training for Repairs industrial staff in September. The devolution training in Maintenance started in October. Industrial staff were said to welcome the move, with some of the “younger lads” seeing it as adding interest to their work. Engineers showed resistance as devolution proposals were made public expressed via concerns about safety and quality. Stories and rumours circulating indicated the degree of resistance:

“Story circulating around Engineers about devolution of their duties to industrial staff Engineers are to be trained in counselling. This is so that they can visit industrial staff in hospital and give support when they have blown themselves up.”

“Concerns are for Jobs, Quality, Safety ... Staff are saying that they are working twice as hard to train industrial staff to do their job, only to be told at a later date that 'they' are now out of a job.”

Towards the end of the first year of change, as predicted by diarists in January, the Repairs devolution training for some aspects of the work was taking longer than planned. It was proving difficult to “run a business and also take staff out for long periods to train them.” An on-site training programme was to be introduced to speed up the process.

Timesheets for the engineering staff were introduced in November. This caused some unrest with the unions discussed under union reactions later on. However, the overhead to

the engineers time was also an issue since “although the majority of the staff appreciate the reason for bringing it in, they see it as another obstacle in the way of doing the actual job.”

Total quality training for industrial staff started in October, and was completed as planned by March 1994. All the diarists recorded positive comments about the training at one point or another. The consensus was that industrial staff were finding it interesting and useful. As each section finished the training, teams were put in place to help deliver some of the needed working practice changes and improvements. By February, quality initiatives had been identified for each of the three businesses. Positive results started to be reported by the quality teams as early as March.

In November, the Director agreed with the industrial staff unions that a productivity agreement should be put together. The change manager was to be responsible for running a working party to do this. The group had consultants to help, but a trial of the productivity agreement did not get underway until June / July. A special productivity scheme was also put in place in May to reduce work backlogs in Construction.

6.1.6 Inter-Business Trading (IBT)

IBT, a mechanism which enabled businesses to trade internally in terms of staff and equipment, was introduced earlier than anticipated in September. However, it was initially implemented as a paper based system rather than a computer based system, which created a management workload problem given the volume of paper generated. An automated datafile was implemented in January to try and reduce the workload issues.

Responses to IBT were in the main enthusiastic because it enabled the team leaders to develop their sections as stand alone businesses, consistent with the intent that in the new structure each section / department would operate as a profit centre rather than a cost centre. However, there were many concerns to do with the way the system for recording the associated information had been introduced since it could turn into “paper chase”:

“The mechanism and theory is straight forward but little time has been given to consider the processes for handling the paperwork.”

Unfortunately, the response to the introduction of the datafile in January was not much more positive, since “the implementation of the datafile system has been poorly organised, by rushing it in.”

In general, the new systems led to complaints about increasing bureaucracy. These complaints became louder as change progressed through 1994:

“... there is now more paperwork and bureaucracy than there has ever been. Administrative type work has doubled in the last year.”

6.1.7 Contracts

The implementation of the Repairs contract in April cleared up a number of issues to do with who does what and who charges who. Although there was still some business as usual to be done, “at last, we are moving away from "Business as Usual" and towards a final "contractor position".”

As in the Distribution Management Division, as the contracts came in, the fears of negative effects did not materialise. Relationships were reported to improve between the divisions, although there was still a lot to be sorted out in the contracts. However, the Repairs diarists disagreed over the extent to which business as usual was declining. One said the Distribution Management Division was doing things like taking on customer issues that were their responsibility, the other that there were certain customer liaison responsibilities that they had not taken on yet. The diarists also disagreed as to how quickly the Distribution Management Division could be expected to take up such duties. The concern was that Engineering was now staffed following exits to meet only the work specified in the contracts, thus any additional work created a workload overhead for staff.

For Maintenance and Construction, their relationship with Distribution Management started to improve prior to their contract implementation as it was felt that the Distribution Management Division was taking over more of the things that had been done by Engineering under business as usual. The Maintenance contract was implemented in June and the Construction contract in July.

6.1.8 Senior Management Approach

The Divisional Director did make an effort to go out on site with the industrial staff. Comments made by the diarists about a lack of visibility were more to do with the branch managers. Throughout many of the first diaries there was also a theme of lack of support from senior managers. There were complaints that team leaders did not have regular contact with their senior managers, and a concern that senior managers were not aware of the problems the staff and middle managers were experiencing. There were also comments about a lack of recognition for effort from senior managers. However, some senior managers did appear to be making efforts to be more visible to industrial staff by visiting depots.

6.1.9 New Values and Behaviours

In line with the new values and behaviours programme launched by the Executive Director, the change manager wrote a paper on values and behaviours. He hoped to be able to introduce the paper to staff by the end of the financial year, April 1994, but this did not happen. By April the change manager had issued his paper to the senior managers within Engineering, and had posters printed for notice boards of the seven key Engineering values and behaviours. By July no senior manager meeting had yet been held to discuss them.

6.1.10 The Diary System

The main problem with the system itself from the diarists perspective was the lack of response to, and action on, many issues raised. By January the reports were being circulated in all three businesses, although there were concerns that the branch managers were not responding as well as they could. The Divisional Director did start to respond more by answering some of the concerns raised in team briefs.

In November it was decided by the diarists and the change manager that four foremen should also become diarists in January - one from repairs, one from maintenance and two from construction. At the April feedback meeting it was decided to move to change forums as they had done in the Distribution Management Division for May. The first change forum at the end of May was considered to be a success. As a result a second one was arranged for mid-July. Following that, the change manager was to run the change forums.

6.1.11 Exits

Engineering needed to achieve far greater levels of exits than the Distribution Management Division. Given the number of exits, a concern as they started to occur, was that they were leaving gaps in skills, experience and knowledge. Comments made in the change forums showed that the diarists continued to be concerned about the impact of exits well into the second year of change. Diarists who had previously not been concerned started to become so, raising issues such as cover for sickness, holidays and training. Cover could be difficult to arrange since the smaller pool of staff reduced flexibility.

Rumours started to circulate early on in the first year of change about changes to exit terms and additional staff reductions extending uncertainty towards the end of 1993. The announcement of the exit plans for 94/95 added to this concern. Exit terms, as had been rumoured, were improved in March to encourage more exits. Further, a decision was made to re-counsel for exits among industrial staff in February. This all fuelled staff uncertainty.

6.1.12 Inter-divisional Friction

Evidence of inter-divisional friction was as strong in Engineering as in the Distribution Management Division, with comments made about Engineering having to do work they thought was Distribution Management's responsibility, and the development of a 'them and us' situation. It was also reported that not all staff agreed with the split of Distribution into separate divisions. Engineering staff used to have a "pride in the ownership of the network". Perceptions such as "Distribution Management the elite" appeared to be adding to the inter-divisional tensions. It was hoped that the contracts would resolve issues of who does what and therefore improve relationships.

A new inter-divisional problem arose with Metering. A group of staff known as shift technicians, originally within Metering, were due to move to Engineering. However, there was an unresolved dispute between the two divisions about the exact nature of the re-allocation and who was to cover their old duties. This situation was not resolved until the second year of change.

The problems in Connections started to have a bigger impact on Engineering as change progressed. There were complaints that the needed systems between Engineering and Connections were not in place, which meant Engineering were not getting the information they needed for work to be carried out for Connections on a timely basis and were "having to chase it all the time." This had a knock-on effect on Engineering's workload. It was accepted that Connections did not yet have enough trained staff, but with the systems not in place, it was "making life in construction extremely difficult".

6.1.13 Inter-Business Friction

A problem for Engineering was not just inter-divisional friction, but also inter-business friction between the three businesses:

"The workloads between the three businesses seems unbalanced, Construction numbers have been reduced, yet Repairs seem over-staffed for the amount of work. Low fault incidence means that staff are under utilised."

"Worries of staff re differences between branches e.g. overtime and standby arrangements between businesses."

Difficulties in getting other businesses to loan needed staff via inter-business trading, particularly in Projects, did not help the situation, with one diarist complaining that staff were only lent subject to certain restrictive conditions. Problems were also experienced with the division of equipment and the willingness to help each other out since "Plant and equipment is being locked away or chained up." This was not true of all areas, however.

One diarist reported that in his area, Repairs, Maintenance and Construction managers were working closely together to ensure a smooth transition.

A black holes committee was also set-up to deal with the inter-business black holes (who does what). However, the committee could not solve all problems as there were no contract details to help as yet and much work was still being done on the basis of business as usual outside of the new structure. The working party was not popular with ex-review group members - the 'red books', the information packs issued to managers when they were briefed on their appointments, had answered most questions as far as they were concerned.

Yet tensions between businesses in terms of who does what, and helping each other out, did not abate. Some diarists continued to believe that IBT was exacerbating the problem by creating disagreements about which business was responsible for what. Others thought that perceived "unjust" differences, such as differences in numbers of staff for foremen to supervise between the businesses, and different levels of overtime and workload between businesses, were the problem. One diarist said that the issues "generally boil down to if he has a new coat why haven't I." The businesses had to start doing things differently, but the industrial staff did not like it if they perceived the staff in one business to be treated differently in some way. Others thought the problems were still due to the lack of knowledge of contract details to overcome the "who does what" issue.

As change progressed into the second year in April 1994, the contracts may have resolved the who does what issue between businesses, but did not resolve tensions at the lower levels. There were continuing reports about a lack of co-operation between businesses in the same area. At the change forums there was some humour about this situation, "It is always Repairs who mashes the tea as well". On the positive side it was reported that staff were developing an affinity with the businesses they were allocated to, referring to themselves as, for example, Construction staff. One area did find that moving the three businesses into different offices helped to improve the relationship between the businesses.

6.1.14 Lack of Culture Change and Empowerment

The first diaries revealed concerns and confusion among diarists about how changes perceived as needed to working practices could be made in the absence of formal procedures for agreeing and implementing changes. This related to confusion over empowerment:

"Empowerment. There seems to be no progress in empowering managers to do the things they need to do, i.e. reduce office space, reduce/rationalise workshops.

There was a feeling among the diarists that they were now profit centre managers, yet they did not have the authority to “manage”. They did not know if they were allowed to take decisions locally or not, and appeared reluctant to initiate anything that would have previously required negotiation. It was felt that since most decisions had to be ratified by an immediate superior, there was little decision making power. Managers had no discretion over things such as rewards. Further, there were perceived inconsistencies. They could authorise large amounts of capital expenditure, but relatively small claims expenses and monthly mileage claims, had to go further up the hierarchy for authorisation.

Frustration continued with the lack of empowerment throughout 1993 and into 1994. Some diarists believed that empowerment was against the culture of the organisation. It was felt that the old culture encouraged people to pass problems upwards for resolution, and that this was still encouraged by the senior managers. This was reinforced by the system of key performance indicators on such things as overtime and expenses. One diarist suggested he had more scope sideways, but no more decision making authority. Another said:

“I have to basically ask my Dad on everything that I want to do that's radical. The power is at the top. If you want things signing, you want things to happen, you go upwards, in my opinion there is a definite reluctance in all levels of management to let go and devolve the power.”

Another diarist had a slightly different view. Staff were afraid of making mistakes in the current environment, since middle managers had been “dragged over the coals” recently for taking actions that had “upset the apple cart”. Thus they were not being as pro-active as they could be about taking on more decision making authority.

The issue of empowerment grew rather than abating. The decision of a senior manager to countermand a decision made locally to issue cell phones to certain types of staff was cited as an example of how managers were becoming less empowered not more. Comments such as the following were made at one change forum:

Diarist 1: “Well personally I think we had more before than we do now.”

Diarist 2: “Yes me too ... I didn't used to think twice about trying something out a initiative or anything, but you do now.”

Diarist 3: “You can't now.”

At the final interviews the senior management approach, the old culture, and the continuation of the old management style, were very much inter-linked by the diarists. There continued to be little delegation of decision making. The old control systems such as authorisation levels and overtime restrictions were an annoyance, and also contradicted the

new espoused way of operating. Senior managers were not sufficiently visible to staff. All diarists were concerned about the lack of response to the issues raised via the diary system.

6.1.15 Workload

Diarists were finding the juggling of their priorities and the pick-up of new work difficult:

“Staff are being expected to carry out the same amount of work (Business as Usual), in addition implement and cope with change, as well as providing information and facts on various aspects of their work.... The unit has the same amount of work but fewer staff with 25% of the staff new to the unit requiring training I am not the only person in this position.”

In many sections during the transition period, there had to be a trade-off between getting work done and training new staff. The training needs, particularly for devolution of duties, reduced the amount of productive time. Concerns developed in Repairs that given the training needs for devolution and total quality, on top of the other workload, devolution implementation would take longer than planned. These fears proved to be true. Similar concerns were echoed in Maintenance.

The pressures of workload did not decrease for the diarists as change progressed towards the end of 1993. There was a feeling among some of them that they were working hard, 50-60 hours a week, yet this work was invisible to the senior managers as they did not charge overtime.

Continual information demands, from Distribution Management as well as the Engineering senior management, did not help. Nor did the overtime restrictions imposed. These restrictions were described as “ill-considered”, and as “conflicting”. If you were under on your salary budget, what did it matter if you were over on overtime levels, especially if staff were working overtime at normal rates to clear work backlogs? Similarly, if you were making profits, again, did it matter if you broke performance measures such as overtime? Further, if you had to meet customer service standards and overtime levels, which one did you break when the two conflicted?

6.1.16 Union Reactions

Concerns started to be raised in the diaries as change progressed through the Autumn and into the Winter about problems with the engineers union, particularly over the introduction of timesheets for engineers. The issue appeared to be that the senior managers thought they had agreement from the union to proceed with the timesheets, but not all union negotiators had the same understanding. The result was that when timesheets were introduced in their area they responded badly. The problem appeared to be a misunderstanding, but it was

resolved. The Director held a special meeting to explain the situation to the team leaders. There was no escalation of the situation. There also appeared to be a corresponding drop in morale among engineers:

“There is a bad feeling among some Engineers. The perception is that "their job can be done by anyone". This devalues their contribution, lowers their self esteem and consequently demotivates them.”

These problems highlighted one of the cultural shifts taking place. The aim was to move to a culture where the managers talked directly to their staff, rather than following the historical routine of talking to the staff via unions. However, negotiations with the unions did continue to progress despite the concerns. For example, the productivity deal discussed above was agreed and implemented with shop stewards working alongside other staff on the working party, and subsequently helping to sell the deal to staff.

6.1.17 Transition Management

Confusion about the responsibilities over the interface with Distribution Management remained into 1994. Business as usual was gradually becoming an irritant to the diarists as they were unsure when Distribution Management were to take over the duties they were ultimately to be responsible for. Meanwhile, staffing levels in Engineering continued to decline as exits progressed. Yet when there was an inter-divisional problem, “you get a glib answer 'oh it is business as usual, we've not taken that duty on yet, you sort it out' so that puts my back up a bit really we are waiting for the contracts we need to know when Distribution Management are actually going to start doing some work... ”. Several of the diarists had stories to tell illustrating this point. Prolonged business as usual combined with reducing staff numbers was adding to the workload and, therefore, resentment:

“We were set up as a department, to act as a contractor, to carry out work required by Distribution Management. As a result of that we exited staff accordingly. The problem of the prolonged business as usual is that our staff were exited and Distribution Management have failed to take on the duties they should have done. Structures and numbers are out of sync with where they should be.”

Some thought the phrase ‘Business as usual’ itself had been unhelpful as people in the Distribution Management had used it as an excuse for not taking on their new duties. Several diarists expressed a belief that a more definite change over period to new duties had been needed to prevent the extension of the transition phase. One of the effects of business as usual was that some of the “internal customers” i.e. Distribution Management, expected them to continue to do the duties they always had done, whereas their managers were telling them they were only supposed to do a certain proportion of those duties as specified

by the contracts. As one diarist put it, “We are sort of running out of the honeymoon period quite rapidly now.”

The only diarist supportive of business as usual was one of the Projects diarists who felt that without business as usual, his department could not have continued to function during the transition.

6.1.18 Progress

The March team brief announced that all three businesses were on target for the year-end on workload programmes, and Construction would “over-achieve”. In terms of the financial performance, Engineering were ahead of their business targets for 93/94 by several million. Therefore, by the end of the research in July 1994, Engineering had made a different type of progress to the Distribution Management Division. Operational change was being achieved and cost reduction targets were being met and in some instances exceeded. New working practices were slowly being implemented despite resistance. The implementation of the contracts was helping to sort out inter-divisional and inter-business issues. All interface relationships were improving.

However, cultural change had not occurred in the way it appeared to be developing in the Distribution Management Division, and morale still seemed low.

6.2 Metering Division

Most of the changes taking place in Metering were operational changes associated with new working practices. As chapter 4 explains, the staff moved into Metering had a different history. Originally they were part of Customer Services. As a result, staff had been exposed many years earlier to the pressures of customer service performance measures, and the diarists therefore perceived themselves as ahead of the other two divisions with less of a cultural shift needed for their staff:

“when you think about it, the people who work within the customer service team, they are the people who are in day to day contact with the customer in the customer's home, they are not road digging, they are literally on site in front of people, and I think that has changed the attitude of our industrial staff, far more than the Engineering industrial staff.”

6.2.1 *Understanding of the need for Change*

As in the other divisions, the understanding of the rationale for change appeared to be good among the diarists. However, it was commented that some staff felt the changes were “simply a method of reducing staff and costs”. And that others may be aware of the reasons, but may not perceive them to be “real”, as “we have always done it, worked like this and ‘not my job’ attitudes still exist in some cases.” There was also some cynicism reported in the first two sets of diary entries, such as “What change process? We've heard it all before.”

Overall, however, the diary entries suggested a positive response from staff. Staff were said to be adapting to new roles after training, showing a positive attitude, to be willing to learn new skills, and liaising to keep the “show on the road”. At the final interviews in May, all the diarists felt that the Division had achieved a lot over the last year, partly because they had obtained commitment from their staff:

“Overall we should remember that things have gone very well in Metering, we have made tremendous headway, we've taken the staff with us all the way, and that has been a tremendous success.”

6.2.2 *Communications*

As in the other two divisions, the feedback on the video at the roadshows in mid-June had not all been positive. One diarist commented that the type of information the staff had been looking for in the video included information on how quickly working hours were to be changed, when market rates were to be introduced, and how it was going to affect pay packets and working hours:

“Really most people until they know what's happening to them are not bothered about what is happening to somebody over there ... He's going to get a job, he's going to get a 50% pay rise, when it comes down to us there's going to be less of us and we are going to take a pay cut. That was the feeling that came through.”

There were indications as change progressed that staff felt there was a lack of on-going information. Diarists reported concerns about information on markets rate of pay, flexible working hours, Saturday working, and withdrawal from depots. In response to comments in the diaries about uncertainty, the team brief regularly gave some information on progress on new working practices, plans for total quality, and the exit policy. However, concerns among the diarists that not enough update information was given out on new working practices continued on a regular basis into the second year of change.

The vision workshops for industrial and administrative staff got underway in October. Diarists received positive staff feedback for both the workshops and the Director's involvement in all of them. All major concerns raised were recorded and once the workshops were completed in December passed to the relevant project / branch managers so they could visit depots and talk to staff about their concerns.

6.2.3 Appointments

The cap badging exercise for industrial staff appeared to be well received. However, about 60 staff requested counselling indicating, in the change manager's opinion, high levels of uncertainty. Not surprisingly, some despondency was reported among the administrative staff who had not got their first choice, primarily in Data. It was felt that any problems there were, were due to a misunderstanding among staff that they were to be allocated by business needs and not personal preferences.

The main problem was the shift technicians who had not been appointed to either Metering or Engineering and were, therefore, remaining in Metering for the time being. A meeting was held in mid-September to discuss the issue with the trade unions, and the staff were re-counselled at the beginning of October. By November it was known that the transfer of shift technicians would take place in January 1994 and it did. However, the diarists were concerned that this was not the end of the story, and that once transferred, Engineering would not want the technicians to continue to do their Metering duties plus their new Repairs duties as had been agreed. These concerns proved to be true. The issue remained unresolved until May.

6.2.4 Exits

In Metering, no further exits were allowed once the 58+ staff had taken exits. Details of the new working practices, particularly flexible working in Data, had to be decided on and examined for workload implications before it could be decided how many staff could be released. This meant that come early 1994, there were several rumours circulating about Exit '94. Attempts to allay staff uncertainty and concern about future exits was made by issuing details about when and how "opportunities for some staff to take advantage of the companies voluntary transition package during 1994 / 95" would occur.

The details of Exit '94, in terms of the package and who could apply for it, was announced at the end of May. By the end of the exits resulting from the introduction of flexible working in Data and the centralisation of administrative work, the Division would shrink in size between July 1994 and April 1995 by 190 staff reducing staff numbers from about 750 to around 560.

6.2.5 Inter-divisional Friction

Early on, most of the inter-divisional friction appeared to be with the Supply division rather than the other Distribution Divisions. The Supply Division, for whom Metering did a lot of Metering work, had been re-organised and staff centralised. Now their staff, with whom the Metering Staff interfaced for customer appointments, no longer sat close to their Metering counterparts. The result was that traditional lines of communication had broken down. This created a lot of tension:

"Supply division will not talk to us, they say everything is our problem, we now get a much higher volume of telephone calls that should have been dealt with by them, they seem to think we have endless resources to take any work they send us. We get duplicate jobs from Supply because if they change an appointment they just send out another job without cancelling the original. This is a waste of everyone's time."

Come October, the introduction of electronic documentation from Supply Division did provide quicker and more accurate transfer of information and relieve some of the problems, but problems with duplicate jobs and appointments remained. More meetings were held with Supply Division and revised guidelines were issued to Supply staff to try to resolve these issues. However, as one diarist commented, "this does not appear to be making much of an impact". So there were further meetings and discussions, and relationships between the Divisions did slowly improve, "the situation is being monitored - they do now seem more prepared to listen and help now they realise it is in their customers interest". But it was recognised that not all of the problems could be resolved until the new Metering work management system was implemented.

Problems with other Distribution Divisions were only hinted at and were not as explicit as in the other two divisions. “Engineering and Distribution Management staff still do not seem to be properly aware of the need for change giving rise to liaison difficulties with Metering staff”, and “business as usual appears to be interpreted as pass the work/complaint/customer to Metering” were the types of comments made. As mentioned above, the main issue was that Metering diarists felt they were used to having to provide customer service, whereas Engineering were not. There was an underlying feeling that Metering were being “held back” by slower change in the other divisions and business as usual.

Like their Engineering and Distribution Management colleagues, they were of the opinion that some of the inter-divisional issues were dragging on because, with no continuity from the review group, there was no-one to make decisions necessary to resolve the problems. As in Engineering, the interface with Connections in particular started to cause problems. It was put down to a lack of experienced staff in Connections which created problems with planning work and wasted visits. One Metering diarist felt very strongly about the problems commenting in the new year:

“Connections seem good at talking but nothing happens. All we seem to get are empty promises. Lack of experienced staff in Connections is causing problems in planning work/waste visits.”

New diarists joining the system in March seemed to share their predecessors feelings about relationships with Connections. The problems were still on-going. The diarists main concern was that the problems were sorted one way or the other in terms of who was responsible for what between Metering and Connections.

6.2.6 New Working Practices

Many new working practice initiatives were put in place including flexible working, use of hand held instruments for meter reading, and the development of a new work management system for Installations. Working parties were used to plan for the new working practices. Cross fertilisation of skills training also took place for some groups of staff to improve flexibility.

Flexible Working

Trials for some of the proposed working practices were undertaken in October. Presentations of the findings by the working party to the senior managers took place at the beginning of November, and to the full-time trade union officials in mid-November.

However, agreement on the principles of the new flexible working arrangements was not reached until January with the unions. Further, one outcome of the negotiations was that hand held instruments and flexible working would be introduced as one package, and not separately as originally intended. The time taken to reach agreement meant that flexible working and hand held instruments were implemented later than originally intended. Following the acceptance of the working party recommendations, discussions took place on the introduction of flexible working as a package with the unions in February. The aim was to have a deal agreed by the end of March, which it was.

Briefing of the foremen and shop stewards on the agreed flexible working package took place at the beginning of May, with the briefing of administrative and industrial staff a week later. The Director headed the briefing and was described by the change manager as “absolutely brilliant” at the two non-supervisory industrial staff briefings, spending at least an hour on his feet answering questions at each session. All staff were also issued with a document summarising the flexible working proposals. Following the briefing, staff were balloted at the end of May on whether they were prepared to accept the package. The staff voted to do so, but only by a narrow margin. Further, a significant number of staff abstained. This surprised the change manager, and made him think that perhaps the industrial staff did not realise how important it was they changed to meet the new competitive environment.

Following the “yes” vote on the flexible working package, implementation started at the beginning of June in one zone with the other zones also starting to work flexibly by the end of June. Some resistance was reported, with some staff members saying they would not do it. However, even the staff members that were against it gradually accepted it. The zone that had been running flexible working for 4 weeks by July at the second and last change forum, felt things were going well with all their staff “up and running”. The foremen were supporting the staff on a voluntary basis, by providing home numbers on which they could be contacted in the evenings and at the weekends if staff should encounter a problem when working outside office hours.

Work Management System

An order was placed for the work management system with the chosen supplier in January. It was planned to implement the system by October. A lot of importance was attached to the system, with an expectation that the system would deliver considerable benefits. The diarists saw it as the solution to many of their problems, since it would reduce the amount of paperwork and phone calls needed, and, therefore, the number of administrative errors that could occur when staff were put under pressure by the workload. The system would

also improve the interface with Supply, and resolve the outstanding problems between the two divisions.

Total Quality

Total quality training got underway in the Autumn. Whilst diarists recorded many positive staff comments about the training, there was also some cynicism as to whether any thing would happen after the courses. Training was completed in February. To take total quality forward in the Division, Metering set up a continuous improvement group in January. The group was responsible for deciding what quality teams were to be set up given the lists of recommendations from the training, and managing them.

6.2.7 Contracts

The February team brief told staff there was to be a dry run period for the contracts with both the Distribution Management Division and Supply Division from the beginning of February to the end of March. Then from 1 April, the contracts would run in parallel for a year with existing arrangements to enable the Division and its customer Divisions to monitor progress and resolve issues before going “live” in a year’s time.

Come May, diarists were confused about whether contracts were in place or not. Although they had been told shadow contracts would be in place from 1 April 1994, business as usual continued along with the staff frustration it caused (see Transition Management below). It was commented that some work that staff felt should have been picked up by the other divisions was only getting done due to “staff goodwill”.

6.2.8 Unexpected Restructuring

Some unexpected re-structuring of the Division was announced in November. There was a need to bring forward the development and implementation of the work management system to October 1994. That needed a full-time project management. Therefore it was decided to merge two of the Metering Zones (both Data and Installations) to free up one Installations’ team leader to manage a business support section responsible for the work management system project. The other team leader would manage the combined Installation Zone. Some Data supervisory staff would similarly be freed to devote more time to the Data projects (flexible working etc.). The diarists believed the changes were seen by many to be a “positive move to secure the future position of Metering”. The zones were amalgamated in December.

6.2.9 Values and Behaviours

As in the other two divisions, the change manager started work on the new values and behaviours in early 1994. They were to be launched at the Metering Action Plan Event on 28 April 1994. They were then be cascaded through workshops and other communication exercises, with finally the production of a booklet in November / December.

The values and behaviours were to have been discussed with the Director and branch managers on the 18 April at the strategic conference and launched at the middle managers action plan launch at the end of April. Due to the amount of time spent discussing other issues at the strategic conference, this did not happen. As a result, the change manager arranged a special values and behaviours workshop for not just the branch managers but also the middle managers at the end of June.

6.2.10 Diary System

The Divisional Director attended the second feedback meeting to thank the diarists for their work. It was decided that Data foremen and Installation engineers were to be bought in from December. Two of the existing team leaders would continue, and a third who had taken over the project management of the work management system would continue in that capacity. Thus from January, one of the existing diarists would give up keeping his diary. In fact, additional diarists were not brought into the diary system until March 1994. The change manager decided that with the on-going negotiations over flexible working, January was not an opportune moment to involve foremen in the diary system.

By the end of the first year of change the new diarists, Data Foremen and Installations Foremen and Engineers, were taking the place of the middle managers as diarists. They submitted diaries for March, April and May, before a move was made to forums as in the Distribution Management Division. The main concern, also raised by the original diarists, was about the lack of response to the issues raised by the diaries, apart from some additional information put into the team briefs.

6.2.11 Transition Management

There was agreement among the diarists that the biggest problems had been the non-resolution of the interface issues and prolonged business as usual. Most diarists thought this was to do with the lack of transition management to oversee the transition period:

“I think they’ve got the broad principles right, and I think that outcome is spot on, I like that, but they didn’t get down to enough detail They closed the room up, when everybody had finished, and just hoped it was all going to work out, and they probably needed some form of overview team, to pull it all together and iron out the wrinkles.....”

The diarists were of the opinion that the lack of effective co-ordination and problem resolution mechanisms had been an issue. The ones that were there, such as the inter-divisional senior manager meetings, were not seen to have been helpful. Further, business as usual was unpopular with all the diarists. They all thought it was useful in the early days, but had outlived its usefulness and been used as an excuse by the other divisions for not taking on new work:

“Well we needed it to start with because you couldn’t just say right we will abandon everything ... but I think it could have been structured better with a bit of a plan ... "you will do this job for so long" but it never happened, all you ever heard from people was it’s still business as usual. I found that was used as an excuse. I think it was probably a mistake saying business as usual ...”

The ongoing business as usual created despondency among Installations staff. This frustration was exacerbated by the introduction of what staff believed were “shadow” contracts in April. They interpreted this as meaning there should be less business as usual. One diarist said in July:

“We were led to believe that on April 1st 1994 we would ghost the contract and then on April 1st 1995 we would run them properly, and on April 1st 1994 what we find is we are ghosting the contracts except nobody else understands it, so it is business as usual nobody seems to know what should be done and who should do it.”

In particular, the contracts did not relieve the negative feelings among staff in Metering about Connections. For example:

“Connections are staying where they were, still wanting us to do the work we have always done ”

6.2.12 Workload

The pressures on staff to learn new duties and at the same time keep pace with the existing work did create some concerns about workloads. It was felt the workload problems were in part due to the staffing levels changing in advance of the introduction of new working practices such as the work management system. Staff were lost “without tools in place to recompense”. Thus transitional workload problems would remain until there was no need to continue business as usual and new working practices were in place.

However, the diarists found that they were under pressure themselves given their own workload which prohibited them “from making a full contribution to the management role”. In general, they no longer had time to manage by walking about. They did not have as much time to see their staff and discuss any issues with them. This was supported by the

October interviews. There were two main concerns. The fact that staffing levels and the new systems were out of synchronisation, and the lack of time for managing their staff.

6.2.13 False Expectations of the Review Group Output

The issue was also raised, as in the Distribution Management Division, that the initial perceptions was that everything would be sorted out for the 1st of April 1993.

6.2.14 Lack of Empowerment

Empowerment issues had not been raised through the diaries as in Engineering, but some were raised at the first interviews. Generally, as in Engineering, empowerment was thought to have been disappointing. Some decisions still had to be referred upwards to more senior managers, and expense claims still had to be signed off by branch managers. This created dissatisfaction:

“it is silly little things like the signing of expenses form, you've got the responsibility of the profit centre, but you can't sign for some expenses”

“Yeah, I think we still ... do have a blame culture.... there seems to be an insecurity all the way up the management ladder. Again, I've been in the industry long enough to remember when .. managers at all levels were reasonably secure in their jobs, and were able to make decisions and live with the consequences whatever they were ... and I think now that there is more edgy management throughout the company, and when things go wrong you feel that edginess Perhaps that will wear off as we develop as an individual group.”

6.2.15 Staff Uncertainty

There were many rumours adding to uncertainty for staff. A common rumour was that there may be salary reductions. These rumours appeared to be fuelled by the reduction of wages for staff in other, but associated, companies. Uncertainty was also caused by staff interpretation of the impact of future changes on them, such as technology enabling staff reductions and centralisation, which in turn could mean relocation or job loss. Other rumours circulating suggested that all staff over the age of 50 would be offered exit packages next year, that there would be a transition 94 package targeted at 45-50 age group, and that market rates of pay could equate to pay reductions.

The uncertainty being experienced by the staff was discussed by one of the new diarists at a briefing meeting arranged for them at the beginning of March. One said, “are they intending to employ or deploy, staff want to know what sort of future they've got ... 2 years or 3 years?” They were referring to the fact that with uncertainties about future job prospects, staff were finding it difficult to plan their future.

6.2.16 Progress

The January team brief announced that for the 9 months up to the end of December, the Division had performed to plan. In February it was announced in the Distribution brief that the Service Standards performance for January was the best for five months. Staff were given encouragement to “keep up the good work”, but also warned of the likely deterioration in some performance measures. The April team brief thanked staff for their hard work over the last year and informed staff that the Division had performed well against the plans in terms of income and cost control.

Come the end of July things appeared to be going well in Metering. The needed changes to working practices were being implemented, and staff were responding well. The new work management system, which would ease things considerably for Installations, was on target for implementation in the Autumn. As in Engineering, the outstanding issues were primarily to do with culture change. On the one hand the diarists felt they were already more customer oriented than Engineering. On the other hand, there were still concerns that empowerment at the profit centre level had not happened for the team leaders, and that the predominant culture in the Division remained more of a control culture.

6.3 Conclusions on the Change Stories

The change stories illustrate quite clearly the way different facilitating and obstructing processes ebb and through flow time. Some facilitators and obstructions, such as the Distribution Management Division Director's management style, or the inter-divisional friction, remained throughout the entire stories. Others, particularly more trivial issues, such as a shortage of desk space for Distribution Management Division staff in the early days of change, came and went very quickly. The stories also illustrate the wide variety of facilitating and obstructing processes that can occur, how different change recipients in different parts of the business experience different facilitators and obstructions, and, particularly for the obstructing processes, the unpredictable nature of them.

On the one hand, these stories substantiate what is already known about facilitating and obstructing processes - they are dynamic in nature and can be emergent. On the other hand, the stories also start to suggest that some of these processes can be to do with the way the change recipients interpret the change interventions put in place. Many of the facilitating and obstructing processes result from the designed change goals and interventions, and problems that arise with these interventions, such as a lack of information. Other obstructing processes are clearly to do with the old culture, particularly in Engineering, as other research (Pettigrew, 1985; Johnson, 1987) would lead us to expect. However, obstructing processes, such as inter-divisional tensions, inter-business barriers in Engineering, and differences of opinion over business as usual, appear to be due to change recipient *interpretations* about the impact of the re-structuring goals and interventions. Similarly, some facilitating processes, such as in the Distribution Management Division, middle manager adaptation to cope with constant evolution of their job roles, also appear to be due to a gradual process of interpretation development by the middle managers about the significance of change for themselves. These interpretations also appear to be affected by the way things used to be, or the organisational context.

Finally, it is clear throughout the change stories that the facilitating and obstructing processes that arise have an impact on the process of change implementation. Unexpected obstructions have to be dealt with, whereas facilitating processes, such as staff adaptation and commitment, help implementation along. As a result, the change implementation did not work out entirely as planned.

The research question that this thesis has set to examine is the role of *facilitating and obstructing processes* in *intended change implementation* from the perspective of middle managers as *change recipients*. Initial observations on the change stories start to suggest that:

1. There are many different facilitating and obstructing processes perceived by middle managers as change recipients throughout change implementation, and also different types of facilitating and obstructing processes;
2. The emergent facilitating and obstructing processes, but particularly the emergent obstructions, may be due to recipient interpretations, and as such something to do with the way the interventions put in place are received within the organisation context in which they are deployed;
3. Facilitating and obstructing processes are likely to be context specific;
4. It is the emergent facilitating and obstructing processes that cause the unpredictable nature of change implementation.

It is these initial observations that form the basis of the descriptive findings presented and discussed in the next chapter.

CHAPTER 7: PATTERNS OF CHANGE IDENTIFIED

7.1 Introduction

This chapter presents the descriptive findings from the research. It discusses the main themes for the facilitating and obstructing processes derived from the stories of change in the first-order analysis, and shows how the various types of facilitating and obstructing processes interact through time to create an emergent implementation process. It is shown that designed change interventions put in place through time achieve some of the planned change goals, but also create other effects for those involved in the changes. Some of these effects are beneficial, helping to move change forward, but others are undesirable and obstructive. These 'positive developments' and 'unintended consequences' (Giddens, 1976, 1984) were some of the most commonly occurring obstructing and facilitating processes. They emerge through time as the change interventions put in place interact with the context in which they are enacted. As such, these emergent elements of change are context specific, and not necessarily predictable or foreseeable. The unintended consequences and positive developments explain why a planned implementation changes from a planned series of activities into an *emergent incremental* process, in which intended and unintended change are inextricably linked.

The findings support other research suggesting that change implementation is not a linear sequence of planned events. On the other hand, what is presented in this chapter is only a *description*, it provides no theory or *explanation* of the findings. Furthermore, the findings suggest that planning still plays an important role in the achievement of change objectives, although it may have its limitations, since it is the intended elements of change that also lead to unintended consequences. It is, therefore, necessary to extend the depth of the analysis presented in this chapter, by first of all considering to what extent planned perspectives on change can account for the findings presented here, and if this literature cannot offer an adequate explanation, seek an alternative explanation which can. This is done in chapter 8.

This chapter discusses in detail only two specific examples of how unintended consequences and positive developments develop through time, as a result of the designed change goals and interventions put in place. These two examples are sufficient to illustrate how the change implementation studied here became an emergent incremental process as change progressed. However, more examples are given in appendix 8 for those who wish to read them.

7.2 Overall Patterns of Change Identified in the Three Divisions

Analysis of the middle manager's accounts described in the stories of change reveal that they perceived complex patterns of interaction, (summarised in Figure 10), between the designed change interventions and the context in which they were enacted, leading to emergent facilitating and obstructing processes. The obstructing and facilitating processes detailed on

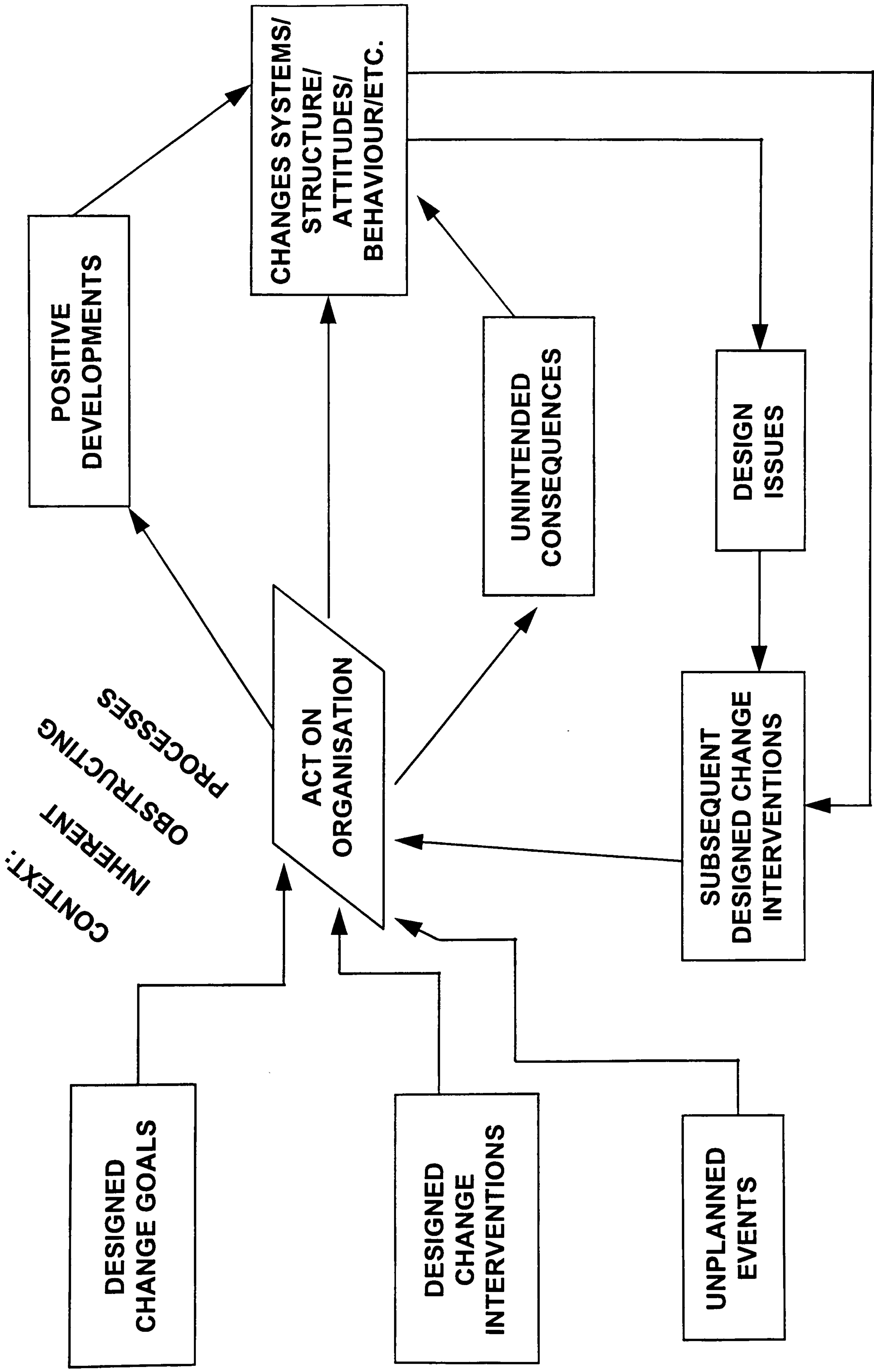
Figure 10 correspond to the main themes identified for the interacting processes from the analysis of the individual accounts.

Facilitating processes were of three main types. *Designed change goals* were the planned outcomes of the changes established by the review group, such as the new structure, roles and relationships, downsizing and new working practices. *Designed change interventions* were the enablers put in place to help achieve the goals, such as communication, training and appointments. Some of these interventions were designed by the review group, such as the appointments. The detail of others, such as the communication events, were designed by the senior managers and / or the change managers. As these interventions were put in place, some were perceived by the diarists to create *positive developments*. An example of this is the reported increased understanding of the need for change resulting from the launch communications such as the vision workshops. Such positive developments were outcomes hoped for by the designers of the interventions. Other positive developments happened more at the initiative of staff, such as staff being prepared to work long hours to implement the changes and cope with the workload.

Obstructing processes were also of three main types. *Design issues*¹ were the aspects of the designed interventions that were perceived to become problems and hinder the change process in some way. For example, little formal inter-divisional transition management was blamed by the diarists for slow resolution of inter-divisional problems. *Unintended consequences* were the negative effects perceived by the diarists to arise from the interventions put in place. Most of these unintended consequences were neither expected nor anticipated by the designers of the interventions. One example of this was the reported inter-divisional friction and negative attitudes across the interfaces between the new divisions. Another example was the false expectations staff had of the amount of detail there would be in the review group output. Subsequent interventions were sometimes put in place to tackle these obstructing processes as they arose. Such as the quarterly inter-divisional senior manager meetings to try to overcome inter-divisional problems. *Inherent obstructing processes*, obstructions to the change process created by the existing way of operating and the organisation's history such as the old culture and old management style, were also noted in the diaries.

¹ . These processes are called design issues rather than design problems, because although the diarists viewed them as problems, managers responsible for designing the change process did not necessarily agree. Further, the middle manager participants did not always agree about the nature of the problem.

Figure 10: Patterns of Interaction Between Facilitating & Obstructing Processes



Finally, instances of *unplanned events*, occurring internally and externally to the division, were recorded in the diaries as having an impact. Some of these were thought to be helpful, for example, the way change leaders responded to staff and organisational situations. Others were described as disruptive, such as uncertainty created by redundancies and pay reductions in associated companies, or local press coverage about the company.

What became clear through the examination of the diaries, interviews and meeting notes was that some of the most commonly occurring facilitating and obstructing processes were the positive developments and the unintended consequences. Further, although the diarists were not always in agreement as to the exact cause of unintended consequences and positive developments, they could all offer explanations as to why they emerged as change progressed. These explanations revealed that many unintended consequences and positive developments were due to the interactions between the interventions put in place and the organisational context. However, demonstration of how these interactions occurred during the implementation is best illustrated by example. The following are extracts drawn from the stories of change across the three divisions. They re-structure parts of the story already told to make explicit the linkages between the different facilitating and obstructing processes perceived by the participants.

7.2.1 *Some Examples*

Figures 11 and 12 are a type of causal network (Miles and Huberman, 1994). Figure 11 shows how a series of unintended consequences developed as a result of the re-structuring interventions put in place, and the design issues arising. Figure 12 shows how a positive development in the form of middle manager adaptation arose as a result of the change interventions as change progressed. In the figures, different types of facilitating and obstructing processes, such as designed change goals and interventions, positive developments, and unintended consequences, are represented by different symbols. The following descriptions explain what figures 11 and 12 illustrate pictorially, and are also cross-referenced by alphabetic references to the figures.

7.2.1.1 *The Development of Inter-Divisional Friction - Figure 11*

As the previous chapters explain, the review group developed a *designed change goal (a)* of a *new structure (b)* with three divisions working together on a commercial basis within a framework of customer / supplier contracts. This new structure was an important part of the change process. One member of the review group described it as follows:

“we are trying to create a trading relationship, a supplier customer relationship, that is what the vision is all about we’ve all worked very much together in the past, and

we've now created a barrier an artificial barrier, but it is that barrier that is actually going to create the change”

Separate divisional identities had to develop to enable the divisions to perform effectively what were essentially different types of work and responsibilities. An additional aim was to improve efficiency of operations within the Engineering and Metering Divisions to achieve market rates of performance.

However, despite the messages given to staff in the *launch communications* (c) of the intent for staff across the three divisions to work together to successfully establish co-operative working arrangements in the new structure, the form of the new structure *implied certain negative messages* (i) to some staff, particularly in Engineering. They felt they were now contractors rather than owners of the company's assets, and that the Distribution Management Division held future employment levels in their gift:

“Staff generally agree with the need for change but some (engineers) do not agree with what we are doing - ie splitting up the Division. Engineering staff have had a pride in the ownership of the company's assets but now are made to feel like contractors. We must be careful not to destroy this pride.”

“Distribution Management is a small core of people, and the feeling out there is that everybody else is ... they are not going to be tied to the company, and this company is my company, I worked 27 years here, and they don't like losing it”

“what's been difficult for my staff has been the fact that they have owned the records, and have taken a great deal of pride in most cases .. in their work, and they thought they were responsible for the records, and suddenly they are not their records, so they have had to really get their heads round that one, that they are just doing it for someone else some people find that really tough, because they are our records, we created them, we've worked on them, we've looked after them, and they are not ours any more...”

“Distribution Management all feel as if they will be all right and 'calling all the shots, with no worries and the destiny of Engineering in their hands'”

Others felt the new structure created a perception of a core elite and the rest, and others that the new structure, because it “divided a united pack”, would automatically have created tensions anyway:

“I think there is a bit of sour grapes between a lot of people that wanted to be in Distribution Management but never got there because I think there is still the impression that if you made it through to Distribution Management Division you are one of the elite”

“just the act of splitting us into divisions made people confrontational at first”

“On a personal level speaking to individuals there doesn't seem to be any great problem between the divisions, but on a group basis people in Engineering, and I feel this and I'm sure most other people do as well, that Distribution Management to start off with, prima donnas that type of attitude, in what they are and what they aren't going to dictate to Engineering, who up until 5 or 6 months ago were their colleagues who they had to work with.....”

Thus resentment developed leading to *inter-divisional tensions (e)*:

“Selection of Engineering / DM staff - Distribution Management the elite; Engineering the rest. Result friction between the two.”

“The dividing line between Distribution Management and Engineering is still there and so is the "nasty" attitude of Distribution Management Division.”

The messages read into the new structure by staff indicates how context affects the way interventions are received. There was a *long history (f)* of the staff in all three divisions working together as colleagues of equal power and status, “we've all worked very much together in the past, and we've now created a barrier”. Further, staff in Engineering were used to viewing the assets of the company that they built and maintained as theirs and they “had a pride” in this. Problems were sorted out between colleagues on the basis of “I owe you one” or goodwill. The new structure changed the traditional working relationships and ownership patterns even though many staff were still doing the same work. Thus context was important in affecting the messages the new structure gave to staff not in Distribution Management Division, such as ex colleagues are now “calling the shots” and we no longer own the assets.

There were also two other suggested influences on the development of *inter-divisional tensions (e)*. First, the *launch communications (c)* which were reported in some instances to give a message of competition between the divisions rather than co-operation:

“Managers not giving the same messages - Engineering aggressive at their briefing”

“Creation of individual divisional identities is putting up barriers. Already a view that the Divisions are working against each other, rather than together.”

“The new structures across the Distribution business has polarised opinions. Strong feelings between Divisions of competition.”

Second, diarists attributed *rumours* about a lack of harmony among *senior managers (g)* across the divisions as a cause of some of the inter-divisional tensions.

In other words, there was a complex series of interactions at work, which led to perceptions of friction and *negative attitudes* (j) at the divisional interfaces. This was substantiated by examples of “*protection of turf*” (i) and negative perceptions of the behaviour of other divisions:

“There is still a reluctance in some quarters to accept responsibilities. The approach from some Engineering staff is "unless you can prove it is me who should do it - I'm not interested"”

“Reported Rumour: "Distribution Management are taking all the staff but little of the work and responsibility."”

“my problem is that we are under a lot of pressure with less staff and Distribution Management have taken the staff ... and if there is an inter-divisional problem, you get a glib answer 'oh it is business as usual, we've not taken that duty on yet, you sort it out' so that puts my back up a bit”

“people in Engineering, still don't understand commercialism and they come from a lower base”

“ ... polarising by the senior management is being reflected by the way the middle managers seem to be defending 'their' ground, 'their' workload and 'their' staff against the good of the business as a whole ...”

These examples show that Engineering and Metering believed Distribution Management Division were using business as usual as an excuse for not taking on their new responsibilities. Distribution Management Division thought Metering and Engineering were being defensive and unco-operative. Metering thought Engineering were behind them in terms of a transition to a customer service oriented culture because of a previous lower exposure to the need for customer service.

Meanwhile *black holes* (k), (work and responsibilities overlooked, or not clearly or appropriately specified by the review group), were appearing:

“There is a great deal of uncertainty regarding the split of responsibility of who does what between Maintenance and Repairs and between Maintenance and Distribution Management Division”

“Difficulties are still being experienced with the interfaces between the new divisions as a result of policy and areas of activity still requiring further management decisions. Metering still appears to be in front of the other divisions and progress continues to be held back.”

Some of these black holes were resolved, but other inter-divisional issues became *on-going irritations (l)* for the people affected. Examples given in the stories include the transfer of the shift technicians between Engineering and Metering, and the relationship between Connections and the other divisions. The slow resolution of many of these problems was blamed on the lack of *adequate inter-divisional transition management (m)*. As the stories reveal, business as usual was seen as an inadequate means of transition management, and there was no one to take responsibility for resolving inter-divisional problems unless they were passed up to Director level:

“I think the output was great but the review group was wound down too quickly and I feel that some of the team that were there should have been left sorting some of the obvious interface problems out.”

“They probably needed some form of over view team, to pull it all together”

“it just finished and that was it, nobody actually stayed in place, I think we needed probably a bigger team with someone there to actually see that what the review group said we should do actually happened.”

Between some departments, for example, Connections and Engineering and Metering, this led to an *extension of business as usual (n)*. Although it was also thought that the lack of goal posts for the cessation of business as usual enabled it to be prolonged by those who wanted to exploit it and not take all their new duties on board as rapidly as possible:

“from Meterings’ viewpoint we thought business as usual had finished yet we had Distribution Management still saying it's business as usual and there was nobody there to resolve real interface issues.”

“I think they ought to have put some goal posts in as per the review group brief, as to where we were going, and put a timescale on an action plan in how we were going to get there.”

The *prolonged business as usual (n)* and *unresolved inter-divisional problems (l)* also added to the *tensions (e)* between the divisions. This was especially true for Engineering and Metering: the *implementation plans (o)* had reduced their manpower on the assumption that they would be fulfilling only their new duties. Thus as long as they were performing old duties as well as the new, with reduced manning levels, they had to cope with a heavy *workload (p)*:

“Distribution Management can back heel any responsibility they like that they don't want to pick up, knowing full well that we'll end up with the customer, really out of the goodness of our heart, but we're not staffed to do it.”

“... there seems to be this huge ball that they seem to be able to throw around everything to say if we can't do it in Connections, Engineering will do it and we'll pay them through the contracts. But what they don't seem to understand is that a contractor has a limited resource as well, there is only a limited amount of work and extras that we can actually take on to do and with every decreasing numbers of staff and cost reductions that will become less and less”

Running alongside these problems, however, was a positive development. There was a recognition of the problems among staff and a desire to see the changes work:

“Major problem is barrier between Divisions. Will create greater problems in the future. Soon it may get like with transfer pricing - no one prepared to do anyone a favour and a decrease in goodwill. On an individual basis we are liaising and working together as much as possible”

“Distribution Management staff seem so committed, enthusiastic and want it to work.”

“The aspects that have gone well, I would say at the top of the list would be the willingness of people to change”

“the thing that has gone really well has been the co-operation and the commitment of the staff, I think without that I don't think we'd have got where we have got to.”

Thus despite the resentment and complaints, staff took *initiatives and liaised (q)* to keep the business going. As a result, by the end of the first year, the new structure was in place with all staff in their new roles, and contract implementation was underway as planned. Although as the stories reveal, many examples of business as usual continued as there were still some departments not ready to take up all their new duties as yet, particularly in the Distribution Management Division.

The example shows, by using the diarists own descriptions of their perceptions, that the diarists perceived a complicated series of cause and effect interactions which unfolded through time thereby shaping the way change developed. The unintended consequences and design issues discussed in the example had an overall impact on the way change developed because they affected the intended outcomes of change, and the planned change process. In terms of the intended outcomes, the intention had been to create co-operative working arrangements between the divisions until it was possible to move to a full customer - supplier relationship. The inter-divisional tensions led to a less co-operative working relationship than the one wanted. Whilst the arrival of the contracts sorted out a lot of the black holes, some of the tensions remained.

The planned change process was amended as additional interventions were put in place to deal with some of the unintended consequences. The quarterly inter-divisional senior

manager meetings were put in place to overcome the inter-divisional tensions developing, which in turn led to the implementation of other interventions such as the transition plans. Meetings were put in place between Connections and Metering in an attempt to resolve the inter-divisional issues. The change process was therefore modified as the senior managers implementing the changes took action to try and resolve the unintended consequences that arose.

7.2.1.2 *The Development of Middle Manager Adaptation - Figure 12*

In the early days of change, the *communication prior to April 1993 (a)* encouraged *uncertainty (b)* as staff knew radical changes were to come, probably including redundancies, but not what the changes would be or the level of redundancies. As the *appointments (c)* were made, the *staff uncertainty started to abate (d)* for those who were to have jobs in the new structure, although these staff members were unsure of the exact implications for them:

“During the review group: apprehension as to the outcome, numerous rumours, uncertainty about future / jobs, scepticism about re-organisation, low morale, little factual information filtering out. Post the review group: relief (when found out still had a job), worry about wealth of experience leaving the company, frustration at not being able to 'get on with the job' (numerous comments that "this should all have been sort out already"), still uncertainty about new systems - who does or is doing what.”

“Everyone was happy with the counselling process if they got the outcome they wanted ... There was 'trauma' leading up to the counselling 'will I get my first choice'. The time between making the choice and being told was not long, but we first knew the review was occurring in November”

The *communication there was before April 1993 (a)* contained little about the review group and its work. One diarist involved in staff communications prior to the start of implementation commented that, although he appreciated the need for confidentiality, trying to get information out of the review group about their work for team briefs had been extremely difficult. This combined with the *old culture (e)* in which staff rarely contributed to the development of working practices and fulfilled a fixed job role, also led to *false expectations of the review group output and of the middle manager role in change (f)*. It was thought that the *review group output (g)* would explain all new roles and responsibilities. Therefore, when diarists and their fellow middle managers received their manuals on the work of the review group, and these manuals only gave outlines of roles and responsibilities, there was *dissatisfaction (h)* with the output:

"The things going as well as possible are things like responsibilities and roles are evolving ... The message that came out of the review group was that new structure was

to be in place for the 1st of April... the perception came out that things would be in place for the first of April ... and that the structure would be up and running, no way was that going to happen, the review group took a broad brush approach because of the workload they had.... from the minute people were put in place, they had to sort of find, define their own parameters, which caused problems that's obviously had a knock on effect, but other than that it has gone pretty well, all things considered"

"I think its started to disappear a bit now. We have got over most of the initial problems. But certainly it was quite a strong feeling that if the review group had spent six months looking at how the business should work, it was a mess when we tried to split it up. They just took the big lumps out, but forgot about some of the bits and pieces that are linked in together. We were just left with lose ends or black holes or whatever you want to call them. They are being resolved now. There are still one or two and it causes a bit of friction between departments."

It was felt that more of the roles and responsibilities "should have been sorted in the beginning". Meanwhile the *launch communications* (i) such as the vision workshops (and action plan launches in Distribution Management Division) were creating a better understanding of the rationale for change and encouraging the managers to identify with their new divisions and senior managers:

"The Action Plan Launch occurred this week It also gave the opportunity for staff to be aware of the aims of the section and helped to put the individuals position into perspective."

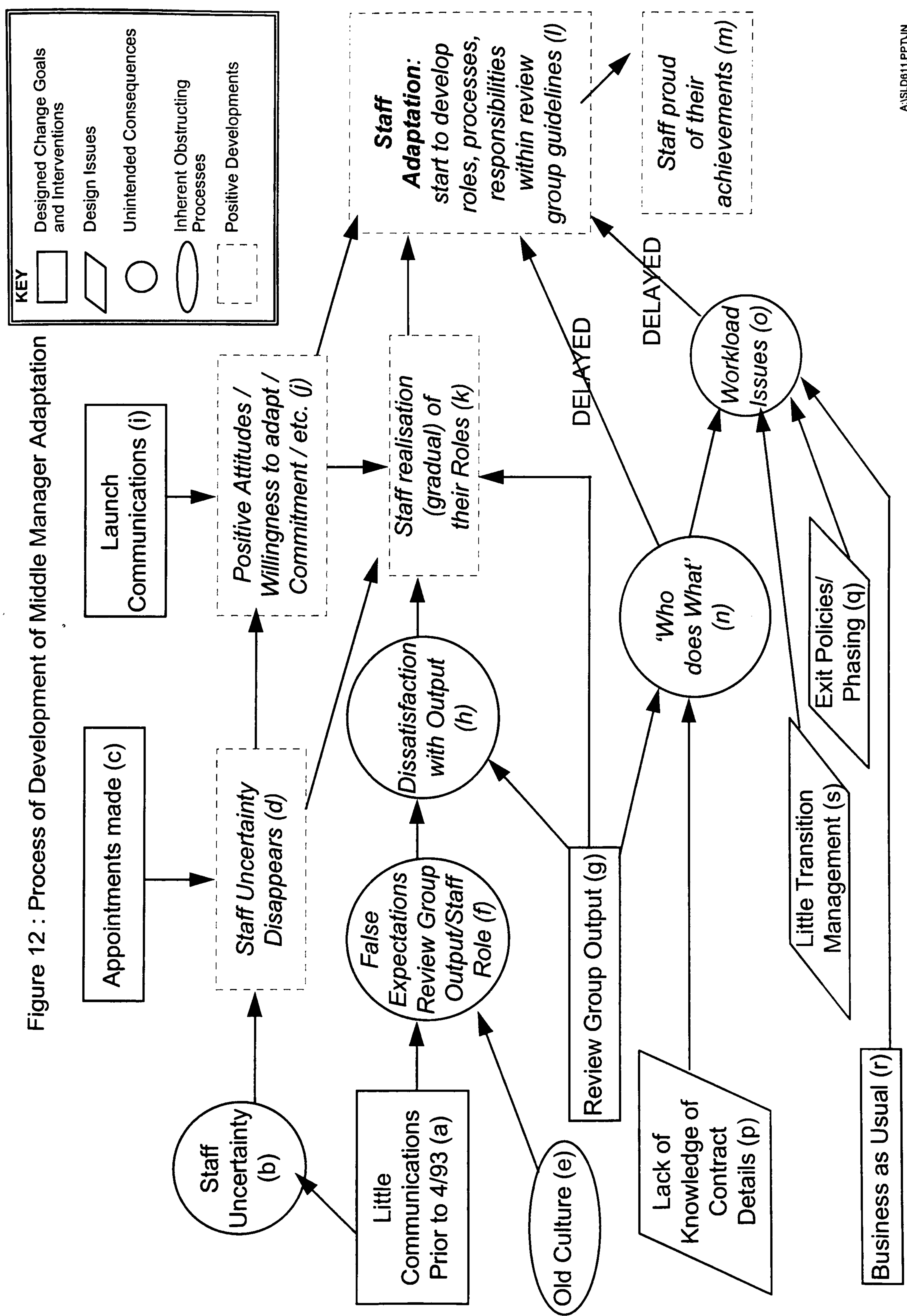
"The Action Plan launch brought the branch together and increased knowledge of the various challenges and workload of each section with the branch. Clarified objectives and aims for next year."

"I thought the vision workshops went well, that they sort of put a lot of flesh on the bones for me in what we are trying to achieve and they made my life a lot easier, once I understood what I was trying to do it was a lot easier for me to implement."

Although this was not the case for all diarists:

"the vision workshops I still can't see what benefit they had Because basically what happened was, I think they gave a vision but many things have been overtaken since then, the vision that I have got now isn't the vision that I had then, so I put that down to the briefing."

Figure 12 : Process of Development of Middle Manager Adaptation



The increasing knowledge levels helped staff to develop more *positive attitudes and commitment to the changes (j)*. At the same time, as their *uncertainty disappeared (d)* and they tried working within the new structure using the *review group output (g)*, it became obvious that the review group had not prepared detailed job roles and working practices, and that staff had got to help to develop this detail themselves:

"There's been quite a bit of .. where we weren't quite sure where the boundaries of our job were, where did Distribution Management's role end and Engineering's begin, that wasn't clear, and I think what we thought was that the review group would announce on the 1st of April where all these boundaries lay, and I think this was our vision, that someone would say, right, your job is this and the boundaries of it are this, but that never sort of happened and we're still even now trying to establish, well we now see it as part of our job, to establish where the job is. I think people soon got down to the fact that the jobs weren't as clearly defined as what they originally had in mind, and people just started getting on with it."

Thus *middle managers gradually started to realise (k)* that they had a role to play in the change implementation, and develop their new working practices and job definitions. *Staff started to adapt (l)* to their new roles. As staff perceived themselves to have succeeded at making the necessary changes, over time they became *proud (m)* of their achievements:

"Overall we should remember that things have gone very well in Metering, we have made tremendous headway, we've taken the staff with us all the way, and that has been a tremendous success."

"We will have achieved a hell of a lot... far more than we ever thought we would"

" ... there has been quite a bit of re-appraising going on because it was very difficult to visualise how this year was going to go ... I don't think any of us knew what that role was going to be, we have had quite a rude awakening this year, but the extent of the change in the way the business has run has been phenomenal. We could never have imagined it.... the degree of flexibility you need now to do your job is higher than it has ever been, you are not coming to a job now and somebody says here is the notes, this is what you do, you come to a job now, you vaguely know and then you have got to create your own job because there is no parameter, you have got to be so flexible to survive."

"the amount of change we have gone through, actually that is something that I think has gone incredibly well, that we are where we are now, having achieved so much My job description is totally different to what it was in June, and people have accepted it and risen to it and have put in the hours of work and the commitment is there, and that is not just in our section, you can see it across where ever."

However, there were also other issues that slowed the process of change and adaptation down. As the stories indicate, the *review group output (g)* gave little detail as to *who did*

what (n). Tracking the appropriate people down took time and added to *workload (o)*, and also made it difficult to know who to contact to sort out issues that arose about roles and responsibilities. This was not helped by the *lack of knowledge of future contract details (p)*. The *phasing of exits (q)* also had an impact on workload. As they progressed leading to reduced numbers of staff in Engineering and Metering, *business as usual (r)* continued, therefore the manpower reductions and working practices became out of synchronisation. The lack of resolution of inter-divisional issues due, in the diarists opinion, to *little transition management (s)* was another factor impacting on the workload. Thus, the process of staff adaptation in terms of developing new working practices and procedures was slowed down by the workload and the lack of detailed knowledge about who was to be responsible for what.

The middle manager adaptation had an important impact on the overall process of change: it facilitated the implementation of the changes. Had the middle managers not overcome their initial false expectations of their role and adopted a less pro-active stance, it would not have been possible for the Directors leading the changes to achieve as much as they did.

7.2.1.3 *Other Examples*

Other examples like the ones above have been worked through to illustrate how the participants perceived the interactions between the different types of facilitating and obstructing processes. These are in appendix 8 should the reader wish to refer to them. However, the two examples given here are sufficient to illustrate the point. Other examples only reiterate the same point - change became an emergent process as designed change goals and interventions put in place interacted with the context, leading to the development of positive developments and unintended consequences.

7.2.2 *The Importance of Positive Developments and Unintended Consequences*

The above examples show how the various facilitating and obstructing processes were perceived to interact to create emergent elements within the planned changes. It also illustrates the other point made that such emergent elements are due to the interaction between the designed change interventions and the existing context, although this will be discussed in more detail later. However, this still leaves important questions to do with the significance of the emergent unintended consequences and positive developments. Change progressed despite the unintended consequences. Many of the goals were achieved. Were the unintended consequences only an irritation? Could change have been achieved without the benefit of the positive developments?

To illustrate the perceived importance of the positive developments and unintended consequences for the diarists it is necessary to use the data from the final interviews. As

described in the methodology chapter, in the final interviews diarists were asked to assess the facilitating processes for their degree of effectiveness, and the obstructing processes for the degree of obstruction they caused, using a card sort technique. To discuss all the facilitating and obstructing processes identified and ranked by the diarists in detail here would be very tedious for the reader. Therefore, the detail by division is given in appendices 4 - 6. What is given here are some specific examples.

Unintended Consequences

<i>Process Type</i>	<i>Core Division</i>		<i>Engineering Division</i>		<i>Metering Division</i>	
	<i>Mean Ranking</i>		<i>Mean Ranking</i>		<i>Mean Ranking</i>	
Negative Inter-Divisional attitudes	2.6	1 = / 35	2.0	9 = / 40	2.2	4 = / 34
Prolonged Business as Usual	1.7	11 = / 35	2.7	3 = / 40	2.6	2 = / 34

This table summarises the mean score for the above two named unintended consequences by division, and their ranking relative to the other obstructing processes. This detail is extracted from appendices 4 - 6. So in Distribution Management Division, the mean score out of 3 for negative inter-divisional attitudes across all Core Division diarists is 2.6. In Distribution Management Division there were 35 obstructing processes identified prior to the interviews, and the mean score of 2.6 for inter-divisional attitudes ranked it as the most serious issue out of the 35.

The first point to be made is that the perceived impact of the individual unintended consequences varies by division. The negative inter-divisional attitudes are perceived to be less of a problem for the Engineering Division than the other two divisions. Whereas prolonged business as usual is not perceived to be such an issue for Distribution Management Division. These differences can be explained by the different divisional contexts. The Engineering and Metering Divisions saw prolonged business as usual as more of an issue because they believed it was in part perpetuated by Distribution Management Division, leaving them to cope with the resultant heavy workload (See appendices 5 and 6). Distribution Management Division diarists were less concerned about prolonged business as usual only perceiving it as an added source of inter-divisional bad feeling (See appendix 4). Inter-divisional tensions were less of an issue for Engineering as they had other problems to deal with internally to the Division (see appendix 5).

Despite these issues the message of the above table is clear. Given that the maximum mean score possible for any process is 3, and the minimum zero, it is clear that some unintended consequences are perceived to play a major role in the way change develops. Tables 1, 3, and 5 at the back of this chapter are extracts from appendices 4, 5 and 6. They summarise all mean scores and rankings for the obstructing processes by division, ordered from those perceived to be most obstructive to those perceived to be least obstructive. (Appendix 7 takes the facilitating and obstructing processes discussed in the final interviews, and others identified as a result of the final interviews and subsequent change forums, and re-classifies them in detail by the analytical themes to provide a data audit trail for these tables.) The tables show a number of things.

The number of obstructions perceived to be really obstructive overall are few in number. At most the top five in Distribution Management Division, and the top eight in Engineering and Metering. However, of these over half of them are unintended consequences. Similarly by looking at the other end of the table, it can be seen that few of the unintended consequences were perceived to be only minor problems (in Distribution Management Division about 4 of the 16 unintended consequences, in Engineering none of the unintended consequences, in Metering 5 of 13 unintended consequences). In fact, in all three divisions, half of the obstructions in the top halves of the tables are unintended consequences. Thus it can be concluded that the unintended consequences were perceived to have an important impact on the change process by the diarists.

Positive Developments

<i>Process Type</i>	<i>Core Division</i>		<i>Engineering Division</i>		<i>Metering Division</i>	
	<i>Mean Ranking</i>		<i>Mean Ranking</i>		<i>Mean Ranking</i>	
Understanding of Need for Change	2.1	9 = / 33	2.2	6 = / 35	2.4	1 = / 36
Staff Attitudes	2.7	2 = / 33			2.2	5 = / 36

The above table shows that some positive developments were considered to be among the very effective facilitating processes. Again the detail is extracted from appendices 4 - 6. And again there are differences between division. Staff attitudes was not originally identified as a facilitating process for Engineering as the diaries and interviews revealed more comments about the reluctance of engineers to change, than positive comments about staff who were willing to change. On the other hand, the diarists at the interviews regularly mentioned positive staff attitudes as a missing facilitating process.

Tables 2, 4, and 6 at the back of this chapter are extracts from appendices 4, 5, and 6. They summarise all mean scores and rankings for the facilitating processes by division, ordered from those perceived to be most effective to those perceived to be least effective. (Again, appendix 7 can be used to provide an audit trail for these tables.) The tables reveal that most of the positive developments are perceived to be high up the list of helpful facilitating processes. These tables also show that there are far less positive developments than there are unintended consequences, although the positive developments that exist are perceived by the diarists to have played an important role in moving change forward.

Thus it is clear that emergent elements of change are not only perceived to be present, but are also perceived to play a major role in shaping the overall outcome of planned change interventions. However, there are less emergent facilitating processes than obstructing processes. Most of the facilitating processes are planned interventions and goals, many of which are also perceived as helpful in achieving change. Even most of the positive developments were outcomes that the designers of change hoped for. In other words, most facilitating processes are to do with expected and / or intended events². Whereas most of the obstructing processes were to do with unintended consequences and design issues, which by their very nature had to be unexpected and unintended. The only expected obstructing processes were some of the inherent obstructing processes such as the old culture.

Therefore, the planning also played an important role in the achievement of change, although it appears to have had its limitations since the intended elements also led to the creation of unintended obstructive elements. Yet it would be wrong to speculate at this stage about the benefits and limitations of planned change before adequate consideration has been given to explanations for the findings.

7.3 Change Implementation as an Emergent Incremental Process

So far it has been established that emergent processes, in the form of positive developments and unintended consequences, created by the interaction between the change interventions and the context in which they were enacted, shaped the way change implementation developed in the organisation. Further, it has been shown that:

1. the unintended consequences and positive developments are perceived to have an important impact on the change process;
2. the designed changes still play a positive role in the change process;

². Not all of the facilitating processes were expected at the outset of the changes as some of the interventions were put in place as change progressed to deal with the unintended consequences and design issues.

3. but it is the designed change goals and interventions themselves that can lead to the development of the unintended consequences, since the unintended consequences are created by the interaction between the change interventions and the context in which they are enacted.

As such the findings support the increasing number of writers arguing that change implementation cannot be viewed as a rational, linear process (Dawson, 1994; Jick, 1993; Kanter et al, 1992; Duck, 1993; Pettigrew, 1985; Pettigrew and Whipp, 1991; Pettigrew et al, 1992; Johnson, 1987). It is unpredictable and hard to manage. However, this research does also provide partial support for planned change models found in texts such as Hrebiniak and Joyce (1984). The plans did not always unfold as intended, and there were unexpected outcomes. Yet the planned goals such as the restructuring, and new ways of working, were achieved, and many of the planned change interventions did facilitate change.

This study was looking at the implementation of a particular strategic decision, rather than a stream of strategic decisions as much other strategy process research has done, yet the patterns identified here during implementation do bear resemblance to findings discussed in chapter 2 for more macro strategic decision making organisational levels. Using Mintzberg's (1978) terminology, there were:

- a. *Intended* changes that took place as planned becoming part of the *realised* changes. For example, the new structure and job roles. (There were also intended changes that did take place, but more slowly than originally envisaged. For example, the contracts and the move to contractual working between the divisions, and the creation of a centralised Connections.)
- b. *Intended* changes that became *unrealised*. For example, part of the intended culture change was to create greater staff empowerment, but staff generally felt this had not happened. In fact, in Metering and Engineering, some staff felt they had less autonomy than they had had before the changes.
- c. *Emergent* changes that were not intended but developed as part of the *realised* changes. For example, unintended consequences such as inter-divisional tensions, prolonged business as usual, etc.
- d. *Emergent*, and in some cases hoped for, positive developments that became part of the *realised* changes. For example, positive staff attitudes and understanding of need for change.

There is a pattern of individual deletions and additions to strategy (Huff, 1982). Such a pattern Johnson (1987) describes as incremental since it arises from “the apparent tendency of organisations to ‘feel their way’ through the uncertainty and complexity of their environment” (P 20). The process became more incremental as it moved from formulation into implementation. Formulation and implementation became mixed as original design decisions had to be altered, such as the delay of implementation of fully priced contracts by a year. Additional interventions had to be put into place as some intended changes did not take place, such as the values and behaviours programme which was introduced once it was realised that the intended cultural change was not taking place. Other additional interventions had to be put in place to overcome particular unintended consequences, in particular additional communication events which were put in place to resolve misunderstandings, and the inter-divisional senior manager meetings initiated to reduce the developing inter-divisional friction.

Yet this was not intentional incrementalism in its purist form as described by Quinn involving “conscious, purposeful, proactive, good management” (1978). It was more like unintentional or *emergent incrementalism*. There was no evidence to suggest that senior managers in charge of the change process had expected or intended to manage the change process incrementally. In fact, given the planned approach taken, the evidence suggests the opposite - the senior managers had not intended to manage the change process incrementally, but had to do so when things did not work out as planned. Some small examples support this. In Distribution Management Division, the senior managers were surprised when messages already communicated about the proposed office relocation had to be repeated, because staff had already been told once, so why did they need to be told again? In the Engineering Division, there was a tendency to respond to problems raised in the diary system with verbal assurances in team briefs that the planned initiatives would work, rather than taking any action on the problems raised. This prompted the diarists to comment that more definite action was needed. This is not to say that the senior managers did not anticipate that at times events would over take the plan necessitating, for example, the unexpected restructurings in the Metering and Distribution Management Divisions. But they did not appear to have anticipated the need for continual incremental adjustments to existing planned interventions.

The concept of emergent incrementalism during change implementation effectively juxtaposes planned elements of change with unplanned elements to create a less predictable process. It suggests that theories such as chaos theory (Stacey, 1992), muddling-through (Lindholm, 1959), and garbage cans (Cohen et al, 1972), in the shorter-term, take the notion of unpredictability and unmanageability too far. Similarly, like Johnson (1988), that planned change models underpinned by notions of rational organisational actors, including such theories as logical incrementalism which imply

intentional incremental change management, overlay the degree to which change implementation can be consciously controlled³ by managers. Viewed from the perspective presented here, intended and unintended change are not two different types of change, but are inextricably linked like the two sides of a coin. These findings are supported by Pettigrew and Whipp (1991), who argue that the evidence from the companies they studied “does not support those who view managing strategic and operational change as totally chaotic and unmanageable” (p 169), and that the change process has “both an intentional and emergent character” (p 199). However, the findings have slightly different implications to those of Mintzberg (1978). He suggests that intended strategies can become partially emergent as they are “realized” (p 946), but not always so. Whereas this research suggests that within the implementation of an intended strategy, unintended or emergent change will always occur as part of any intended change.

The notion of change implementation as an emergent incremental process in which the emergent elements are in part caused by the context of action is supported by a structurationist perspective. Giddens (1976, p 77) argues that “intentional acts characteristically bring about a whole series of consequences, which are quite legitimately to be regarded as doings of the actor, but were not actually intended by him.” Therefore, managers as agents of change putting in place interventions which they intend to have particular effects, must be aware that not only may these interventions not have the effect intended, but even if they do, they may also have other unintended, and not necessarily desirable, consequences. This is almost a complete reversal of the logic underlying planned change designs with their focus on control. Giddens (1976: 121) also talks of the “duality of structure”, and of “unacknowledged conditions”. In other words, context affects action and outcomes, which in turn affects context. Context is the “medium as well as outcome of (managerial) action” (Willmott, 1987: 259, brackets author’s own).

7.4 Conclusion

This chapter takes a first step towards addressing the research question of the role of *facilitating and obstructing processes in intended change implementation* from the perspective of *middle managers as change recipients*. It reveals that there are patterns of emergent incrementalism in the change implementation studied here. Emergent facilitating and obstructing processes, in the form of positive developments and unintended consequences, are perceived by the middle managers to have shaped the way change implementation developed in the organisation. Further, it has been shown that:

³. Although it has to be acknowledged given that this study has only looked at one organisation, that how far the overall implementation in any one organisation approaches either of the extremes may vary.

1. the unintended consequences and positive developments were perceived to have an important impact on the change process;
2. the designed changes were perceived to still play a positive role in the change process;
3. but it is the designed change goals and interventions themselves that were perceived to lead to the development of the unintended consequences, since the unintended consequences were created by the interaction between the change interventions and the context in which they were enacted.

Yet what this chapter provides is a *description* of what was observed, not an *explanation* for the findings. It does suggest that despite the fact that the designed changes are still an important part of the implementation process, that planning alone cannot account for the patterns observed. However, given the perceived importance of some of the planned change interventions in moving change forward, the planning perspective cannot be dismissed as irrelevant without further consideration. Therefore, it is necessary to extend the depth of the analysis presented in this chapter to find an explanation for the findings. This is done in chapter 8, by first considering to what extent planned perspectives on change can account for the findings presented here.

Once chapter 8 has established that the planning literature cannot offer an adequate explanation for the patterns of facilitating and obstructing processes identified, an alternative explanation is sought. To do this, attention is focused on a sensemaking perspective which draws on explanations from the strategy process research based on more cognitive, cultural and political phenomena. It is this examination in the following chapter that leads to the theory of mediation mentioned in the introduction. Namely that the unintended consequences and positive developments arise as a result of mediating processes, activated by the designed change goals and interventions put in place through time. Individuals try to interpret the meaning of the imposed group level changes and interventions for themselves, within the context of their existing schemas and scripts. If the meanings and interpretations individuals develop as a result of this mediating activity are consistent with those intended by the designers of the changes, then individual behaviour is likely to lead to outcomes consistent with that intended. If the meanings and interpretations differ from those intended, the result may be unintended consequences and effects different to those desired. Implementation becomes an emergent incremental process as change recipients' interpretations evolve through time.

Table 2: Distribution Management Division - Facilitating Processes

Process Ranking	Process	Mean Score
Very Effective	Launch Communications	3.00
	<i>Staff Attitudes</i>	2.67
	On-going Communications	2.67
	Diary System	2.44
	<i>Staff Adaptation</i>	2.33
	One-off Communications	2.33
	Team Building	2.33
	Relocation	2.22
	Divisional Director	2.11
	<i>Understanding of Need for Change</i>	2.11
	New Structure	2.11
	Plans & Planning	2.00
	External Influences	2.00
	Change Management	1.78
	Training	1.67
	Re-engineering	1.67
	Review Group Output	1.56
	<i>Inter-Divisional Co-operation</i>	1.56
	Appointments New Structure	1.56
	Appointments Completed	1.44
	Appointments Process	1.33
	Redundancies	1.33
	Transitional Co-ordination	1.22
	Controls	1.22
Less Effective	Executive Director	1.11
	Senior Managers	1.11
	Business As Usual	1.11
	<i>Staff Profile</i>	0.89
	Total Quality	0.89
	Contracts	0.78
	Communications Prior to April '93	0.67
	Empowerment	0.33
	Removal Flexi-Time	0.00

Key: xxx Designed Change Goals & Interventions
 xxx *Positive Developments* xxx *Unplanned Events*

Table 4: Engineering Services - Facilitating Processes

Process Ranking	Process	Mean Score
Very Effective	Plans & Planning	2.50
	Ongoing Communications	2.40
	One-off Communications	2.30
	New Structure	2.30
	Launch Communications	2.30
	<i>Understanding of Need for Change</i>	2.20
	Executive Director	2.20
	Diary System	2.10
	Introduction of New Working Practices	1.90
	Market Rates of Performance	1.80
	Change Management (er)	1.70
	Team Building	1.70
	Appointments Process	1.70
	<i>Union Co-operation</i>	1.60
	<i>Local Initiatives</i>	1.50
	Divisional Director	1.40
	Work Location Changes	1.40
	Review Group Output	1.30
	Introduction of New Systems	1.30
Less Effective	Training	1.10
	<i>Inter-Divisional Co-operation</i>	1.10
	Total Quality	1.10
	Threat External Tendering	1.10
	Transitional Co-ordination	1.10
	Contracts	1.00
	Controls / Measurements	1.00
	External Influences	0.90
	Redundancies	0.90
	Communications Prior to April '93	0.90
	Appointments New Structure	0.90
	Values and Behaviours	0.90
	Senior Management	0.80
	Business as Usual	0.40
	Rewards	0.50
	Empowerment	0.30

Key: xxx Designed Change Goals & Interventions
xxx *Positive Developments* xxx *Unplanned Events*

Table 6: Metering Division - Facilitating Processes

Process Ranking	Process	Mean Score
Very Effective	Launch Communications	2.40
	One-off Communications	2.40
	<i>Understanding of Need for Change</i>	2.40
	Training	2.40
	Appointments & Process	2.20
	<i>Staff Attitudes</i>	2.20
	Ongoing Communications	2.00
	Team Building	2.00
	Total Quality	2.00
	New Working Practices	2.00
	New Systems	1.80
	External Influences	1.80
	New Accommodation	1.80
	<i>Unexpected Restructuring</i>	1.80
	Divisional Director	1.60
	<i>Union / Metering Co-operation</i>	1.60
	Working Parties	1.60
	Diary System	1.40
	New Structure	1.40
	Plans and Planning	1.20
	Contracts	1.20
Less Effective	Senior Management Behaviour	1.00
	Change Management	1.00
	Redundancies	1.00
	Rewards	1.00
	Review Group Output	0.80
	Executive Director	0.80
	Threat External Tendering	0.80
	Values and Behaviour	0.80
	Centralisation	0.80
	<i>Inter-Divisional Co-operation</i>	0.60
	Communications Prior to April 1993	0.20
	Transitional Co-ordination	0.20
	Business as Usual	0.20
	Controls / Measurement	0.20
	Empowerment	0.00

Key: xxx Designed Change Goals & Interventions
xxx *Positive Developments* xxx *Unplanned Events*

CHAPTER 8: DEVELOPING AN EXPLANATION: PLANNING VERSUS SENSEMAKING

8.1 Introduction

The previous chapter shows how emergent facilitating and obstructing processes, in the form of positive developments and unintended consequences, turn change implementation from a planned series of events into an emergent incremental process. The designed change interventions put in place at Utilco by the senior managers were still perceived to play a positive role in the change process by the middle managers, since it was thought that they had contributed to the achievement of some of the goals of the change process. On the other hand it was these designed change goals and interventions that were also perceived by the middle managers to lead to the development of unintended consequences, as well as positive developments. The unintended consequences and positive developments were created by the interaction between the change interventions put in place and the organisational context in which they were enacted

These findings support other research suggesting that change implementation is not a linear sequence of planned events. On the other hand, what is presented in chapter 7 is only a *description*, it provides no theory or *explanation* of the findings. Furthermore, the findings suggest that planning still plays an important role in the achievement of change objectives, although planning may have its limitations, since it is the intended elements of change that also lead to unintended consequences. It is, therefore, necessary to consider to what extent planned perspectives on change can account for the findings presented here, rather than just dismissing such perspectives as irrelevant. This is done in the first half of this chapter. It is concluded that the literature taking a planned approach to change, for example, Hrebiniak and Joyce (1984), can account for the approach taken to implementation at Utilco. Yet there is little within the literature accounting for change in terms of planning and deliberate managerial action and intent that can offer an adequate explanation as to why and how many of the unintended consequences and positive developments identified arise. As a result, it is necessary to take the analysis forward to seek alternative explanations for the patterns found.

Chapter 2 suggests that, in line with other process research, an alternative approach is to try to account for the change patterns identified via concepts to do with individual cognition and group level phenomena such as culture and politics. Furthermore, chapter 2 shows that attention has to be focused not just on the group and individual levels, but also on the interactions between the two levels, and the processes of sensemaking that occur as the old ways of operating break down and new ways of working are established. Other research makes clear the link between individual cognition and culture (Bartunek and Moch, 1987), and the importance of sensemaking (Isabella, 1990; Weick, 1995). Chapter 2 also explains that there is a debate about the exact relationship between individual cognition and group

cognition, **and** group cognition as a concept. However, to explore any linkages that occur between the individual and group levels during change, requires a framework that for analysis purposes enables concepts to do with individual cognition, such as scripts and schema, to be placed alongside concepts associated with the group level, such as routines, norms and systems, and the sensemaking processes that occur during periods of change.

The second half of this chapter builds such an explanatory framework, by drawing on the literature reviewed in chapter 2 and the data from chapter 7. It is argued that a central element in the framework is the level of mediation as a level of activity positioned between the individual and group cognitive levels. As chapter 2 explains, during times of stability, individuals tend to act in a pre-programmed manner largely autonomous of conscious awareness (Reger and Palmer, 1996) and shaped by the mental models held in their schemas. Schema elements either held in common by individuals, or shared in some way as they interact, lead to a common enacted reality at group level. The constant re-enactment of the group level reinforces the individuals' schemas. However, during times of change, when individuals experience a "gap" in their expectations versus their experience (Louis, 1980; Louis and Sutton, 1991), this state of stability breaks down and they are forced to interact in a more conscious mode (Weick, 1995) at what is here referred to as the level of mediation. The sensemaking processes of interpretation and meaning generation that individuals within groups engage in at the level of mediation, as they attempt to resolve the novelty and surprise caused by change for themselves, are in turn referred to as mediating processes.

Using this framework the analysis of the way unintended consequences and positive developments arise from the previous chapter is subsequently re-shaped in chapter 9. The framework itself is not the central contribution of this research. The purpose of building the framework is to establish an explanation of why and how unintended consequences and positive developments arise during change implementation, and therefore why change implementation becomes an emergent incremental process.

8.2 The Role of Planning

The previous chapter established that there are patterns of emergent incrementalism in the change implementation process studied here. As for other research (Mintzberg, 1978; Johnson, 1987; Pettigrew and Whipp, 1991), this suggests that there are limitations to the role of planning in change. Yet, as it has already been pointed out, it is wrong to speculate about the benefits and limitations of planning before adequate consideration has been given to explanations for the findings; especially since the findings in chapter 7 still only constitute a *description* of what was observed, not an *explanation* for the findings:

"Once it is shown that a pattern of strategy can be identified, the next task is to ask how that pattern comes to take the form that it does" (Huff, 1982: 121).

To account for the patterns of emergent incrementalism identified, it is necessary to return to the perspectives examined in the literature review. In particular, since it has been shown that the designed change elements still make a positive contribution to the change process alongside the more emergent elements, it is necessary to establish which aspects of the patterns identified can be accounted for by those perspectives based on concepts to with planning and “bounded rationality”.

There are two sets of pertinent literature. The first set is to do with approaches to strategy formulation based on analysis, planning and objective choice, for example the work by Porter (1980 and 1985), and those following the more rational models (Johnson, 1987). The second set of literature is to do with more planned approaches to change implementation, with again a concern for analysis and planning. Here work such as that by Hrebiniak and Joyce (1984), but also change implementation models advocating a phased approach such as Lewin’s (1947) unfreeze, move refreeze, or Beckhard and Harris’ (1987) present, future and transition states, are of interest.

8.2.1 Assumptions Driving the Design of the Change Process

The first set of literature is of little help. It is more appropriate for looking at the design phase of the change process, a phase for which the researcher was not present. However, it does appear that the approach taken to strategy formulation did conform to planned models of strategy development. For example, in putting the new strategy together, a full analysis was conducted of the REC’s strategic position, including not only an external analysis of the characteristics of the market in which the REC was competing and the forces for change, but also an internal analysis of the organisations capabilities and resources. Analysis during phase 2, the period spent developing the implementation plans, included activities such as workload analysis, manpower requirements, and budgeting and costing. Outputs included the purpose, aims and structure of the new divisions; descriptions of the responsibilities of the different divisions and departments within them; process flow diagrams of the work processes to be carried out by each division; managerial job descriptions and a timetable showing major milestones for the development of the Distribution business

The findings that the design phase took a planned approach is not surprising, as this is probably fairly standard for any major strategic change project. What is perhaps of more interest in this study given its focus on implementation, is the approach taken to *implementation*, which relates to the second body of literature. The approach taken conformed to a cross between what Bourgeois and Brodwin (1984) refer to as the ‘Commander’ and ‘Change’ models of change. In the commander approach the new strategy is decided upon and detailed plans developed. Managers are then told to implement the strategy by following detailed plans based on clear objectives and preferences. The CEO

is a 'rational actor'. It conforms to a rational approach to strategy formulation (Whipp et al, 1988), and uses "economic and competitive analysis to plan resource allocations in the achievement of explicit objectives" (Bourgeois and Brodwin, 1984; 241). The change model is similar, except that once the main strategic decisions have been taken by the chief executive, or architect of the change, there is involvement of other managers in the development of the plans on how to implement the decisions. This model deals explicitly with strategy implementation in terms of considering how structure, compensation, control systems, etc. can be used to achieve the adoption of a new strategy. Thus it can be seen as an extension of the commander model since it tackles implementation rather than formulation. The assumptions underlying such linear, planned approaches to change are similar to those underpinning the planned approaches to strategy development. Namely that good change is all about planning and a type of *rational* analysis. The problem situation is analysed, the various options are systematically assessed for their appropriateness, and the most logical one implemented.

The combination of the commander and change models is very similar to what was done at Utilco. A group of senior managers developed the strategy during Phase I using rational analytical tools. In Phase II there was then an involvement of a wider number of managers, including those from more junior levels, on the detail of the new working structure and the implementation plans.

A good example of a change model of implementation, consistent with the Bourgeois and Brodwin definition above, is advocated by Hrebiniak and Joyce (1984). They argue that for an implementation model to be useful it must be based on three criteria - logic, action and contingent prescription. The approach must be logical so that managers faced with a bewildering array of choices as to what they should do, given limited "information handling and decision making capabilities", are provided with a "cognitively manageable implementation model" (P 3). The criterion of logic is based on the principle of intended rationality by Hrebiniak and Joyce as explained in chapter 2 (section 2.3.1, page 27). Under 'Action', Hrebiniak and Joyce discuss the problem that some variables, like satisfaction, are inaccessible. They, therefore, suggest that implementation approaches must emphasise variables that are "manipulable", or at least relatively objective, whilst recognising the constraints placed on action by the less manipulable variables. This leads them to concentrate on hard levers for change. Contingent prescription is to do with knowing not just the choices available, but also the criteria for choosing - "it is not enough to know that "it all depends"; we need to know what it depends on, *and* what to do about it" (p 4).

The model advocated by Hrebiniak and Joyce (1984) becomes a type of contingency approach, in which the primary structure, operating level objectives, the operating structure and incentives and controls are designed to provide a match or fit with the newly

formulated strategy. Again, this matches what was done at Utilco, although there were to be no new incentive systems in the short-term. The Distribution Division was bound by the new company wide agreements which had only recently been negotiated with the unions. These agreements applied to all staff below the business manager level. Only staff at the business manager level and above had performance related pay.

Consistent with a planned / linear approach, the approach taken at Utilco was top-down and based on more rational / behaviourist, systems assumptions (Felkins et al, 1993). The 'levers' put in place were primarily hard levers. Cultural change was to be brought about by appointing people to new roles and responsibilities with new working relationships (see chapter 4). Very little of the interventions were to do with softer levers such as symbolism or participation. The required pace of change was seen to mitigate against staff participation in the early stages.

Vision workshop documentation talked of change as a process with the three Beckhard and Harris states of current, future and transition. The documentation shows clearly that the future state and the present state were identified, but again more in terms of hard structures rather than softer cultural components - although there was an outline of the old culture versus the new desired culture based on work done by some consultants prior to the review group. The year from April 1993 to April 1994 was to be the transition phase, although it is not clear how much attention was given to the design of the transition phase or transition management. The main transition co-ordination mechanism was the team of the four Distribution Directors who met regularly, and also the phrase 'business as usual'. However, there were transition plans. All the divisions prepared plans showing when change management activities such as vision workshops and total quality training were to be put into place. There were also the business plans showing when the main change milestones for each division were to be achieved, such as the centralisation of Connections and the movement to a new office for the Distribution Management Division, the implementation of the contracts, and so on.

The concept of unfreezing, or at least the importance of getting employees on board, was recognised. An extensive communications exercise was developed. There was an intent to ensure that everyone understood why the changes were being implemented, the new business and divisional visions, and how it was to affect them.

The designed change goals and interventions are listed in appendix 7 by division and have been discussed in the stories of change. Levers included restructuring, new working procedures and systems, training and so on. With few symbolic or HR interventions, most

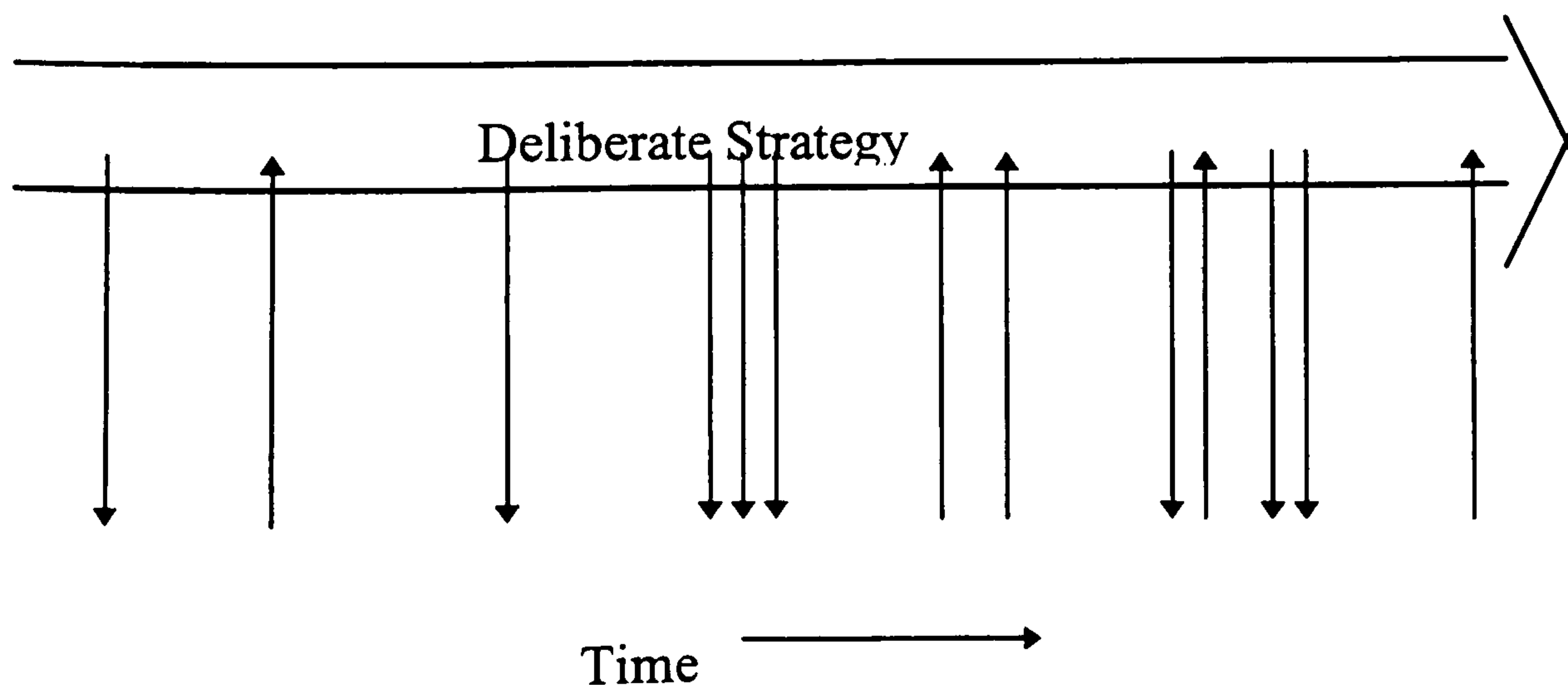
of the levers and mechanisms applied can be seen to belong to what Tichy (1983) would refer to as the organisational 'technical' system as opposed to the organisational cultural or political systems. This reinforces the suggestion above that the change process was based on what Felkins et al (1993) term systems and rational / behavioural interventions based on objective data collection, problem solving, organisational structures and process, and planning.

Chapter 2, section 2.3.1, comments that although it is incorrect to describe recent approaches to strategy development as rational, it is fair to say that some authors still see the process as involving deliberate management and planning within cognitive and political constraints (Quinn, 1980; Hrebiniak and Joyce, 1984). Other authors rely on explanations that have less to do with planning and deliberate management of the process, and more to do with (possibly unconscious) cognitive, political and cultural processes (Pettigrew, 1985; Johnson, 1987). The point being made here, is that whichever of these two different perspectives more closely mirrors what actually happens in organisations, the managers at Utilco were using the methodology and approach advocated by planned approaches to change consistent with the former perspective. They were exhibiting 'intended rationality' (Hrebiniak and Joyce, 1984). Thus more rational perspectives to strategy formulation and implementation can account for the approach taken to the design. The next question is, they can they also account for the way change developed?

8.2.2 Possible Explanations for Identified Patterns

Chapter 7 has already discussed how the patterns identified in the process of change as implementation progressed resemble those identified by Mintzberg (1978). Strategy, from this perspective, can be viewed as a stream of decisions through time, made up of both intended and unintended elements. Huff (1982) suggests that by drawing on the work of Mintzberg (1978) and Miller and Friesen (1980) the strategic pattern generation can be viewed as shown in Figure 13.

Figure 13: Patterns of Strategy Development

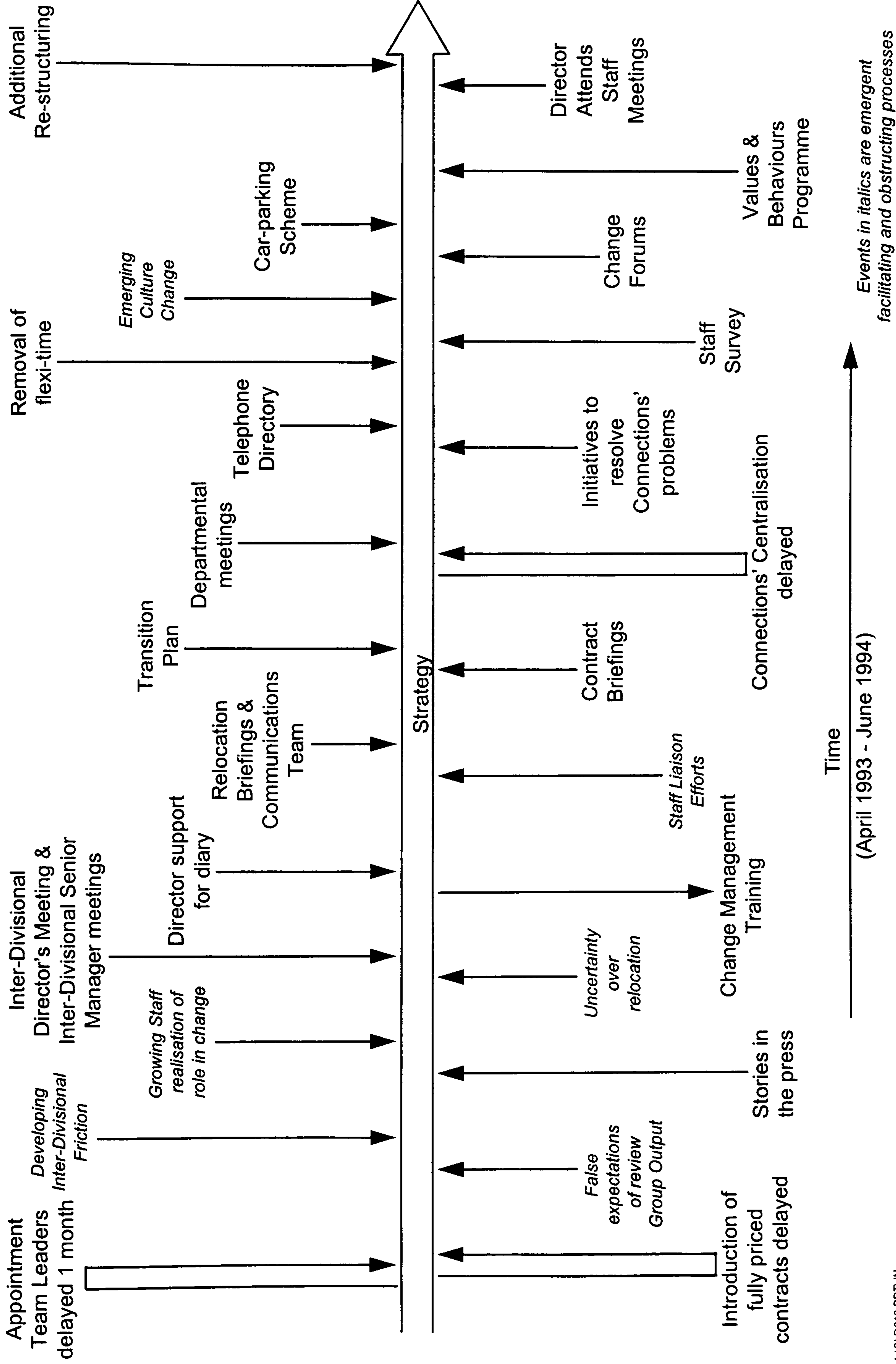


This suggests that strategy consists of a stream of decisions in which, through time, old concepts are dropped and new concepts added. We could re-conceive of the patterns identified during implementation as a series of planning initiatives. The arrows in the above diagram could be said to represent points in time at which re-planning occurs. The frequency of this activity may vary dependent on progress. At each re-planning point, progress is assessed, those activities which are working well are kept; those that no longer seem feasible are dropped or changed; those activities that are not working or not happening but are still considered important are bolstered with additional interventions; unexpected events and unintended consequences are discussed and steps added to address them if necessary.

Thus it could be argued that the patterns of emergent incrementalism identified during change implementation in the previous chapter are due to an on-going monitoring of progress and planning, a series of planning initiatives. The above diagram could be re-drawn to represent the implementation process at Utilco as an ongoing series of planning initiatives, in which interventions are added to address unintended consequences and intended changes that are not happening, and other intended changes are changed or delayed as they become unfeasible. See Figure 14. This diagram is for Distribution Management Division and shows some of the key additional interventions and changes. Note that this figure is not drawn to scale, and is not comprehensive featuring only some of the key changes to the deliberate strategy. The arrows going into the strategy implementation process are those things added, such as the values and behaviours programme, or things that are emergent, such as inter-divisional friction and staff adaptation. The U shaped arrows show planned activities that have been altered. As can be seen, little was taken out as such, instead things were delayed, or additional interventions added to help with aspects of the change process that were not going to plan.

In fact, this is how the senior managers probably saw it - a series of planning adjustments to keep their overall plans on track. Yet as Huff (1982) stresses, and as has already been pointed out in the last chapter, "the next task is to ask how that pattern comes to take the form it does." Figure 14 includes unintended consequences - even re-drawing the implementation process as a series of on-going planning events does not account for why these unintended consequences appeared. It only indicates that some unintended consequences were noticed and acted upon in some way. Further, there is still no explanation of why some planned activities become unfeasible, or need to be delayed, when others do not; why some activities need to be bolstered with additional interventions to make them happen, when others do not; why positive developments arise as a result of some interventions but not others; why some unintended consequences are addressed and others are not; and finally why some unintended consequences persist whereas others do not.

Figure 14: Distribution Management Change Process as a Series of On-Going Planning Initiatives



Answers could be to do with inadequate planning, poorly designed interventions, or over-optimistic planning. For example, Buchanan and Boddy (1992) write on project management:

“The emphasis in this approach lie with the clear statement and definition of objectives, responsibilities, deadlines and budgets. Successful change implementation in this model is attributed to the clarity with which those dimensions are specified , and to the effectiveness of the monitoring and control which ensure that the project stays on target. Ineffective implementation in this model is attributed to the failure to specify goals, tasks, milestones and budgets clearly, and to poor project control” (p 8)

Project management is an extension of the planned literature on implementation with much emphasis on planning and control (Harrison, 1985). It supports rational / linear models of change. The assumption is that change can be planned and controlled, and that what is implemented is a solution selected as the most appropriate from a range of options given the problem to be resolved. Deviations from plans can be monitored and remedied (Buchanan and Boddy, 1992).

Thus a planning perspective on change would suggest that problems experienced were due to the fact that the senior managers did not plan well enough. From such a position the delays to the centralisation of Connections would be due to over-optimistic planning initially and poor project control. Similarly, the lack of culture change would be blamed on poorly designed, timed and monitored interventions, as would things such as inter-divisional tensions, and misunderstandings about expectations of staff. Unintended consequences and design issues in general would be ascribed to insufficient thought at the design stage. On the other hand, the analysis in chapter 7 suggests that unintended consequences are hard to foresee and predict, since they are context specific, emerging through time as the change interventions put in place interact with the context in which they are enacted. If this is true, then however careful the planning, not all unintended consequences could have been foreseen.

One of the issues with trying to develop explanations for the findings of this research from the planning literature, is that this literature is largely normative and content based. It does not provide a good source of material for analysing what is a descriptive and processual study. Thus it is necessary to resolve the differences between what the findings seem to suggest, and what a planned change perspective would suggest, by seeking alternative explanations for the patterns identified. To do this, attention is next focused on a sensemaking perspective, which draws on explanations from the strategy process research based on more cognitive, cultural and political phenomena.

8.3 A Sensemaking Framework

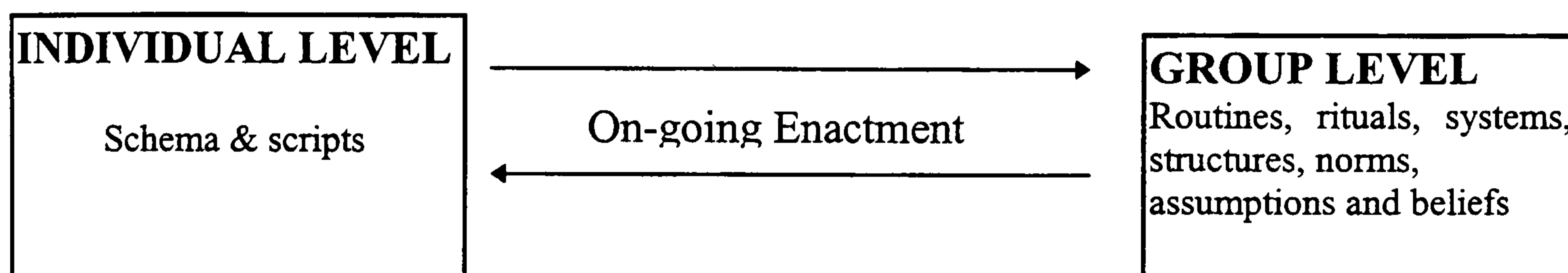
Explanations of change reviewed in chapter 2, which see the change process as less to do with planning, and more to do with possibly unconscious cognitive, cultural and political processes, all emphasise issues of interpretation or what can more broadly be described as sensemaking. The research reviewed on change and cognition makes the link between individual cognition and the group level more explicit, (see chapter 2, linking individual and group cognition), illustrating how concepts of individual cognition underpin shared understandings and group level interpretive schemes. Chapter 2 concludes that explanations of change based on group level phenomena such as culture and politics, also need to consider individual cognition, and vice-versa. However, it is still necessary to consider how it may be possible to integrate the individual and group level processes:

“Yet another avenue for research are the reciprocal interactions of cognition at several levels of analysis. These interactions are probably most easily observable during periods of paradigmatic shifts, e.g. strategic reorientation, in groups and organizations. Old routines called upon in the face of new problems can result in stereotypic responses that may not be adaptive. Well-learned behavioural routines are often relied upon during crises, although they may be inappropriate (Billings, Milburn and Schaalman 1980; Staw et al. 1981). Adaptive behaviour may require ‘unlearning’ so that new routines may be learned (Hedberg, 1981). This means that at all levels within the organization, the cognitive structures and processes by which information is gathered, interpreted, stored and utilized must be examined and evaluated in terms of their appropriateness to current conditions and their flexibility given the need for change. This approach requires longitudinal study in order to appreciate the dynamic character of the reciprocal interaction across levels over time and as a function of experience.” (Schneider and Angelmar, 1993: 361)

The concept of sensemaking can in fact provide a way of linking individual cognition and group level processes during times of change. It is argued in chapter 2 that there is evidence that shared understanding is necessary to enable co-ordinated group activity (Barr and Huff, 1997; Langfield-Smith, 1992), and that this is the position adopted by this thesis. However, three different ways by which that shared understanding may occur are presented - as a result of highly homogeneous individual schemas, as a result of overlaps between relatively distinct individual schemas, or as a result of interaction between individuals, each of whom has a piece of the jigsaw. Furthermore, it is also pointed out that during change these shared understandings are likely to break down, and new shared understandings need to develop to enable new forms of co-ordinated activities. In conjunction with these explanations of how group activity is co-ordinated, the concept of sensemaking can help provide an explanation for not only how shared understandings are maintained, but also for how new shared understandings develop.

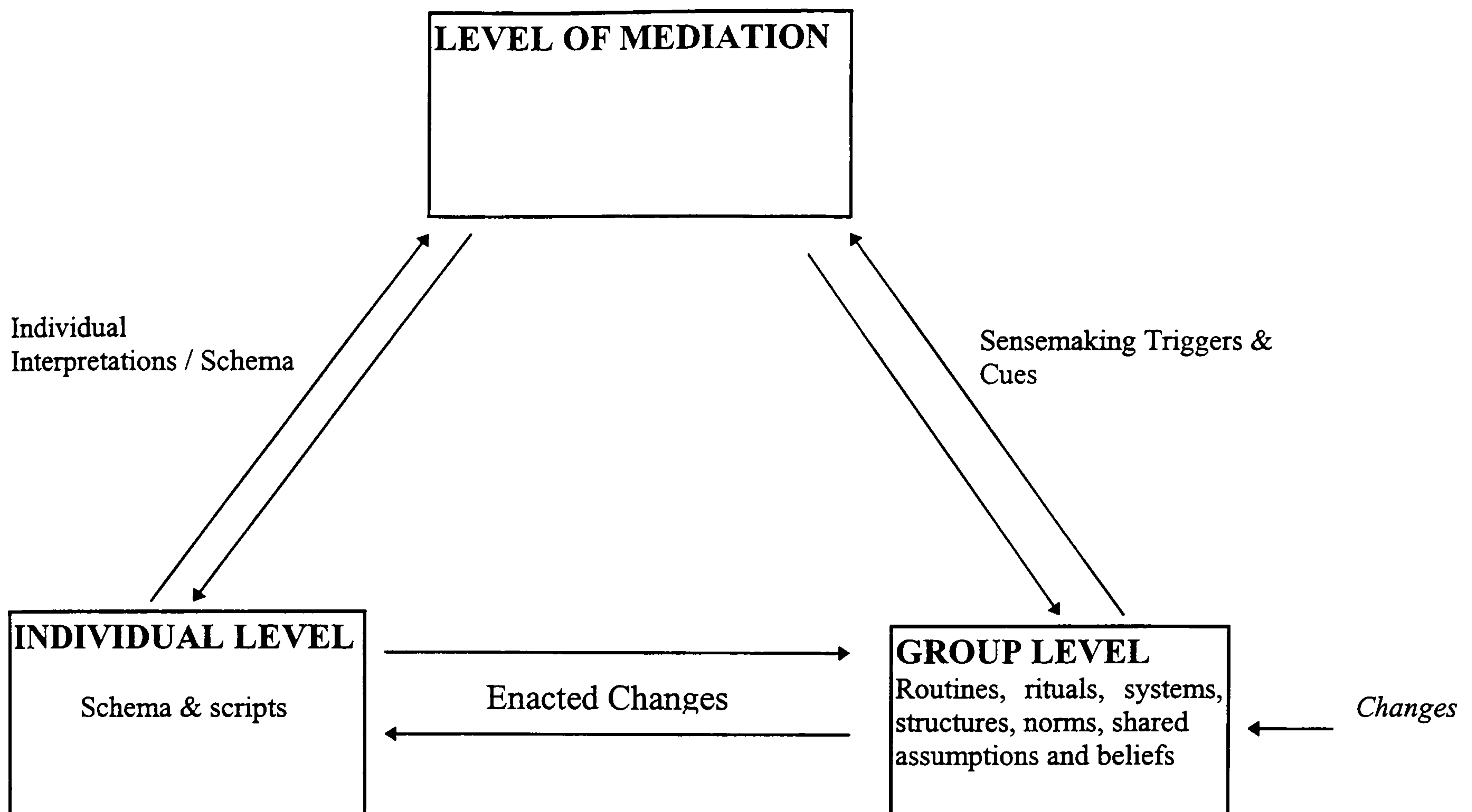
Research into cognition has shown the importance of individual cognition and sensemaking. Organisations are socially constructed (Berger and Luckmann, 1966). Individuals' schemas and scripts affect the events they respond to and the way they respond (Barr et al, 1992). *During times of stability*, individuals typically act in a manner which is pre-determined by their schemas (Fiske and Taylor, 1991; Gioia, 1986). The commonality between individuals' schemas leads to an enacted reality (Weick, 1979 and 1995) at group level in the form of routines, rituals, norms, systems, structures and assumptions and beliefs. The constant re-enactment of the group level reinforces and maintains the individuals' schemas. See figure 15.

Figure 15: During Times of Stability



This suggests that *during times of stability*, shared understanding, and therefore co-ordinated group activity, occurs as a result of some degree of commonality between the schemas of individuals within the group. This is consistent with the overlapping view of group cognition. However, *in situations where individuals or groups of individuals face change*, when old schema no longer apply, and as a result individuals encounter surprise (Louis, 1980), novelty, discrepancy, or deliberate initiative (Louis and Sutton, 1991), they start to act in a conscious sensemaking mode (Weick, 1995). They have to try and make sense of what is going on around them; develop a reconciliation of what they expected versus what happens, and some interpretation about what this means for them (Louis, 1980). Here, this more conscious sensemaking mode is referred to as the *level of mediation*. See figure 16.

Figure 16: During Times of Change



Differences encountered at the group level which individuals cannot interpret via their existing schemas act as *sensemaking triggers*. Individuals move to a more conscious sensemaking mode to try to make sense of the differences within the context of their existing schemas and scripts, and by sharing their experiences with others (Isabella, 1990). Therefore, the *level of mediation* is about the sensemaking and sharing processes individuals within groups engage in when they encounter something different that cannot be explained by their existing schemas. These processes are referred to as *mediating processes*. Individuals can only return to more automatic schema determined responses and behaviours once some new shared understanding has developed.

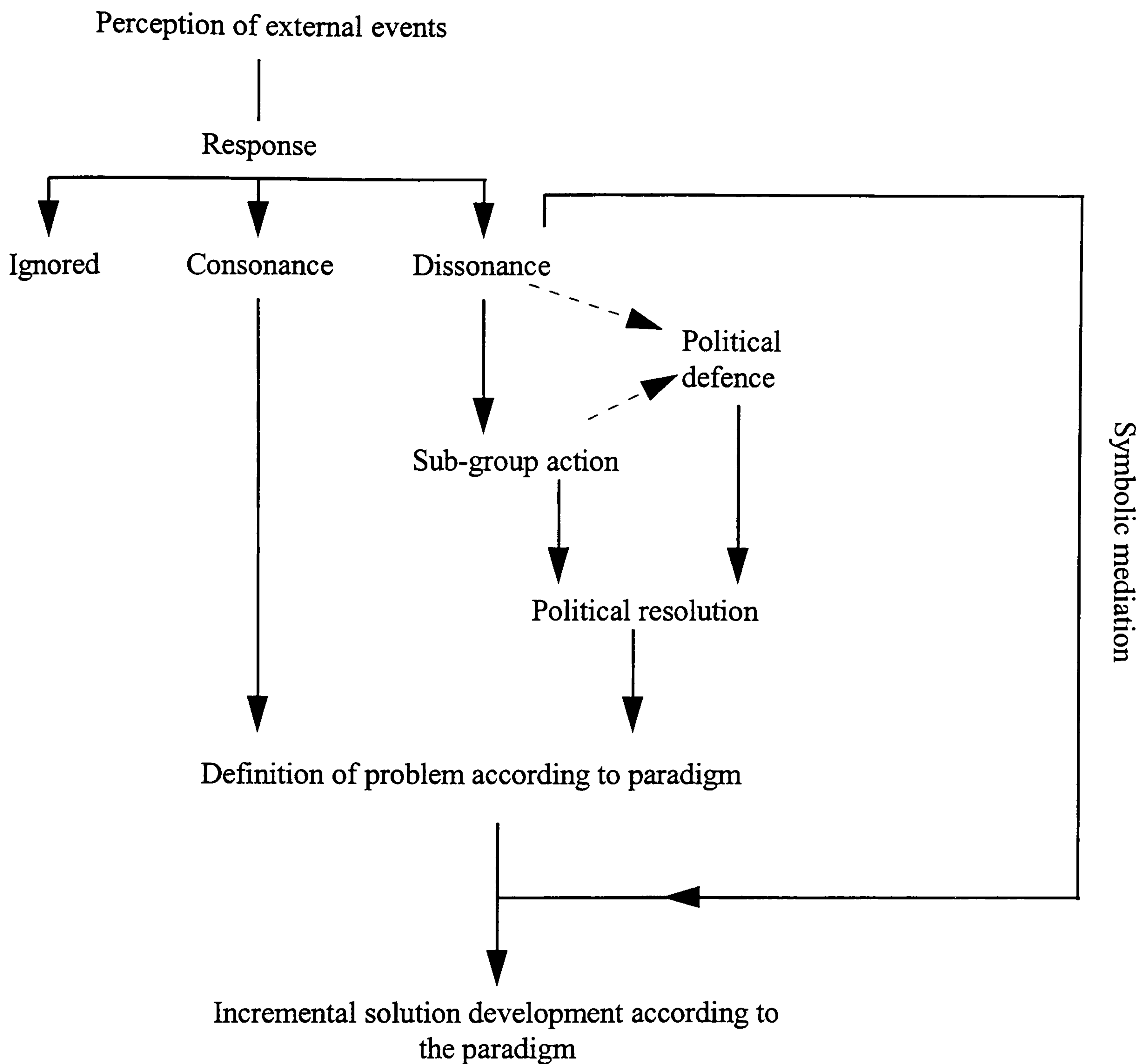
In terms of figure 15, the level of mediation in figure 16, is looking at the processes involved in the arrows representing the interplay between the individual and group levels during times of change. It is focusing on what happens between the individual and group levels, rather than on the content of the boxes representing the individual and group levels themselves. The activity at the level of mediation is similar to Weick's (1979) notion of selection which answers the question "What's going on here" (p175). As he says, this process often seems like a black box, with one input as the enacted raw data, here represented by the changes perceived at the group level, and another the enacted interpretations that have worked in the past, here represented by individual's schemas and scripts. The processes of mediation are therefore an attempt to unpack the types of processes engaged in to help answer the question

“What’s going on here”. They are about the interpretation of sensemaking cues, and the sharing of meaning inferred from these cues.

This model of what happens *during change*, is consistent with the perspective described in chapter 2 as the distributed network approach to how group cognition is developed and maintained. Collective mind is created by processes of social interaction (Weick and Roberts, 1993). An organisation is a “network of intersubjectively shared meanings that are sustained through the development and use of a common language and everyday social interactions” (Walsh and Ungson, 1991: 60). Understanding collective mind requires attention to communication processes among group members (Wegner et al, 1985). The development of shared understanding involves social processes of negotiation and argument (Langfield-Smith, 1992). In figure 16, these processes of social interaction and communication are represented by the mediating processes.

In other words, during times of change, when individuals do not understand what is expected of them, and cannot rely on existing schemas and scripts, they have to interact with others via mediating processes to arrive at some sort of shared understanding in a way more consistent with the distributed network approach. Whereas during times of stability, the shared way of behaving that has become accepted, also becomes embedded into individuals’ schemas. The need for constant negotiation is reduced, leading to a routine way of behaving more consistent with an overlapping approach to group cognition. Johnson (1987) suggests something similar when exploring the role of paradigms in strategy formulation. See figure 17. As long as the perception of external events is consonant with the existing way of doing things within an organisation, anything that arises requiring action, is dealt with by existing established, embedded routines, shared to some degree by individuals. Sensemaking occurs in response to perceived *dissonance*: signals from the environment that cannot be interpreted by the existing organisational paradigm. However, managers will at first attempt to resolve the dissonance by either interpreting the events causing the dissonance in terms of their existing schema (the paradigm), or by marginally changing the paradigm, and taking action within the bounds of the marginal changes.

Figure 17: A Pattern of Problem Resolution and Strategy Formulation



In support of the model of mediation presented above in figure 16, there are many examples given in chapter 7 of the way conscious sensemaking mediates between the individual and enacted group levels. One example is the interpretation of the new structure arrived at by staff. It is shown that the inter-divisional tensions were in part created by the fact that the new structure the senior managers imposed at the group level symbolically challenged both the old routines of working, underpinned by individuals' mental maps of the way the organisation used to operate, and the espoused principle of co-operative working between the three new divisions:

"The messages read into the new structure by staff indicates how context affects the way interventions are received. There was a long history of the staff in all three divisions working together as colleagues of equal power and status, "we've all worked very much

together in the past, and we've now created a barrier". Further, staff in Engineering were used to viewing the assets of the company that they built and maintained as theirs and they "had a pride" in this. Problems were sorted out between colleagues on the basis of "I owe you one" or goodwill. The new structure changed the traditional working relationships and ownership patterns even though many staff were still doing the same work. Thus context was important in affecting the messages the new structure gave to staff not in the Distribution Management Division, such as ex colleagues are now "calling the shots" and we no longer own the assets."

Individuals were examining the messages given by the communication interventions and the new structure within the context of their old mental models, arriving at conclusions which were stored in amended schemas and scripts, which then via enactment affected the perceived behaviour at the group level. This became an ongoing cycle of interpretation as encountered behaviour of others at the group level sent reinforcing messages triggering more interpretation.

Another illustration of the way conscious sensemaking mediates between the individual and enacted group levels is contained within the example of middle manager adaptation from chapter 7¹:

" ... the extent of the change in the way the business has run has been phenomenal. We could never have imagined it... people who have traditionally churned out loads of paper and things on computer and this and that and now people don't have time to deal with all that stuff that we churn out.... the degree of flexibility you need now to do your job is higher than it has ever been, you are not coming to a job now and somebody says here is the notes, this is what you do, you come to a job now, you vaguely know and then you have got to create your own job because there is no parameter, you have got to be so flexible to survive."

Middle managers in the absence of any other indicators to the contrary had assumed that this change would be much like other changes they had experienced, since again they were examining the implications for themselves within the context of their old mental models. It is only as they started to discover that there were other expectations of them, that they were being asked to do things differently, that they started to develop alternative interpretations about what these changes were about. Once more, new interpretations were stored in amended schemas, which by enactment then affected the group level behaviour, and were then reinforced by the encountered behaviour of others at the group level.

Figure 16 represents the components of the individual level in terms of scripts and schemas for simplicity, and channels all individual factors that may influence sensemaking through

¹. Fuller quotation given here than in chapter 7.

schemas and scripts. However, the sensemaking at the level of mediation is affected by a wide range of contextual factors. The examples in chapter 7 illustrate this. Individuals have different perspectives depending on factors such as their previous experiences, positions within the organisation, and self-interests (Bowman and Daniels, 1995; Dearborn and Simon, 1958). All these contribute to the sensemaking for the individual. To once more use the example of the new structure, the interpretation of the new structure for diarists in Engineering, was different to the interpretation of the new structure for those in the Distribution Management Division and Metering. The Distribution Management Division diarists did not perceive the new structure as threatening, because for them it was not. Metering diarists appeared to perceive less threat in the new structure than the Engineering diarists, but perceived an additional factor to exacerbate the inter-divisional tensions. Metering diarists had a different background to the other diarists. They came from a customer service tradition and believed that they and their staff were already customer focused, whereas the Engineering staff were not. As a result, Metering diarists *perceived* Engineering staff to be less concerned about the impact on customers.

Weick (1995) also suggests something similar to the model presented in Figure 16. He illustrates the interlinked nature of individual and group sensemaking processes by drawing on Wiley's (1988) levels of organisational analysis to discuss the levels at which sensemaking occur in an organisation. The lowest unit of analysis is the individual level, to do with individual cognition or sensemaking and concepts such as schemas and scripts. It is similar to Schneider and Angelmar's (1993) individual level of structures and processes. After this level, there are *three organisational* levels.

The first organisational level is the *intersubjective level* of analysis which concentrates on the sharing of individual thoughts, feelings and meanings with other organisational individuals. "Individual representations (thoughts, feelings, "intentions") become merged or synthesized not directly into supra-interactive structures, but into face-to-face conversations and interactions" (Wiley, 1988: 258). This level centres on communication processes, for example, conversations, to develop shared meanings from individual interpretations thereby creating at the next level a type of social reality. As such, the intersubjective level is about processes of mediation. It is to do with mechanisms that trigger sensemaking and facilitate sharing of interpretations, such as communication (verbal, written, symbolic), language, and metaphor.

The second organisational level is the *generic subjective*, the level of social or constructed reality, which can be associated with what is more commonly referred to as 'organisation' (Weick, 1995). In other words, generic subjectivity is about the status quo in organisations, and represents group sensemaking or enacted realities. It is similar to the group and organisational cognitive levels proposed by Schneider and Angelmar (1993). At this level we

are concerned with concepts of organising - structure (work roles, responsibilities, relationships and social networks), systems, routines, norms, artefacts, rituals, and historical stories and myths. During times of change, generic subjectivity is likely to break down as the old ways of working no longer apply and individuals will operate more at the level of intersubjectivity.

The final level Wiley defines as the cultural level, which he considers to be *extra-subjective*. He defines culture as “a completely de-, or rather un-centred, subjectless level of symbolic reality” (Wiley, 1988: 259). This level is about meanings. It could be described as the ideational cultural level² to do with shared assumptions, beliefs, and norms, whereas the generic subjective level equates more to an adaptationist definition of culture³ since it is about behaviour (Sathe, 1983). These last two levels can therefore be collapsed into one group level using the adaptationist definition of culture. However, it is recognised that even within one organisation there may be multiple cultures or sub-cultures between different groups of individuals (Stevenson and Bartunek, 1996), so here this level is referred to as the group level rather than a cultural level (see figure 16).

The framework proposed here separates out individual schemas from more group level phenomena such as routines. This is consistent with the perspective taken in this thesis that what sits in individuals’ schemas underpins shared organisational routines, symbols, and so on, since some degree of shared understanding is necessary for co-ordinated group activity. On the other hand, individuals’ schemas are not necessarily identical. In times of status-quo in a well established group, individual schemas are likely to hold similar representations of group level phenomena leading to the on-going enactment of some form of shared and socially constructed reality. During times of change, this is likely to break down as old ways of behaving are no longer reinforced (Louis, 1980; Louis and Sutton, 1991; Weick, 1995; DeLong, 1995; Poole, Gioia and Gray, 1989). Behaviour becomes more conscious and less programmed, and individuals try to re-establish shared patterns of behaviour through communication, or processes of mediation:

². The ideational view of culture (for example, Schein, 1985) is that culture is about the unconscious and taken-for-granted assumptions and beliefs shared by an organisation’s members. These shared assumptions and beliefs define the organisation’s view of itself and its environment and allow for shared action to take place. Visible artefacts of that culture such as symbols, myths and stories are a reflection of the culture, but are only useful as representations of what sits in the shared assumptions and beliefs, or paradigm. Termed the ideational view by Keesing (1974).

³. The adaptationist view of culture, taken by authors such as Johnson (1987) and Hatch (1993), is that culture is to do with the observable patterns of behaviour within a community. As such, the visible manifestations and patterns of behaviour are the culture. Further, these artefacts, such as stories, symbols, and myths, help to maintain and influence the culture (Martin & Powers, 1983; Trice & Beyer, 1984b; Daft, 1983; Pfeffer, 1981b). This definition of culture does not deny the existence of shared paradigms or recipes, but sees the visible artefacts as being more than just mere representations of the paradigm. Termed the adaptationist view by Keesing (1974).

“Since the established routine has been disrupted, managers search their surroundings for clues from which to derive new meaning or reconfirm old understandings, and symbols provide that valued information.” (Isabella, 1990: pp)

The way the framework unites explanations for change based on individual and group level cognitive phenomena is important, as it highlights not only the role of individual cognition more clearly, but also the role of processes of mediation in creating some form of common enacted, although socially constructed, reality.

Weick (1995) describes the relationship between the level at which individuals operate and stability / change by referencing the work of Barley (1986). The key points he makes are that “in times of stability, generic subjectivity takes many forms ... Intersubjectivity is largely irrelevant (unless gaps need to be filled) when artefacts such as standard plots create generic subjectivity and allow people to substitute for one another and adopt their activities and meanings”, and “when technology changes ... uncertainty increases because old scripts and generic subjectivity no longer work (p. 84). Intersubjectivity once again becomes the focus of sensemaking as different views of the meaning of the change emerge to await a new synthesis.” Intersubjectivity as the focus of sensemaking can be seen to be at work in the two examples, the development of inter-divisional tensions and the development of middle manager adaptation, given in the previous chapter. Different interpretations of what the changes mean for individuals emerge and become synthesised overtime as cycles of ongoing interpretations.

It would be wrong to imply that group level phenomena are purely to do with culture. Chapter 2 reveals that Pettigrew (1985) sees culture and politics as inextricably linked. So does Johnson (1987) - power is one of the elements of the cultural web. Similarly, it could be argued that Hickson et al's (1986: 14) view of power is linked to organisational culture. Political perspectives emphasise the role of different interest groups and how the diverse power holders compete with each other for their preferred outcomes. The focus is on how each individual or group attempts to mobilise power in support of their demands (Pettigrew, 1973). As such it is to do with the management of meaning (Pfeffer, 1981b), as is culture (Pettigrew, 1985). It is about formal and informal networks (Cobb, 1986), and influencing other people's perceptions via the use of language and myths (Pettigrew, 1985), symbolic action and negotiation (Brown, 1994), or persuasion (Nutt, 1989). Thus politics can be reflected at the group level in terms of the organisational structure, formal and informal networks and power groups, but also in processes of mediation:

“A central concept linking political and cultural analyses particularly germane to the understanding of continuity and change is legitimacy. The management of meaning

refers to a process of symbol construction and value use designed to create legitimacy for one's ideas, actions, and demands, and to delegitimise the demands of one's opponents. Key concepts for analysing these processes of legitimisation and delegitimisation are symbolism, language, ideology and myth" (Pettigrew, 1985: 44)

Leaders by the way they phrase things and the things they do become managers of meaning (Smircich and Morgan, 1982) or manipulators (Huber and Glick, 1993). The same can be true of subordinates (Brown, 1994).

8.4 The Level of Mediation

The concept of the level of mediation is important for the explanation to be developed. If chapter 9 is to be able to use the proposed framework, it is necessary to spend some more time thinking about the sensemaking processes that may underpin it. The analysis of the findings via the framework will then need to look for supporting and contradictory evidence.

8.4.1 *How is Sensemaking and Sharing at the Level of Mediation Triggered?*

Given that the level of mediation is about conscious thought, or sensemaking, it is triggered by something different, unexpected events or outcomes (Hastie, 1984; Wong and Weiner, 1981; Schutz, 1964). Louis and Sutton (1991) describe three ways in which actors are likely to become "consciously engaged":

"First, switching to a conscious mode is provoked when one experiences a situation as unusual or *novel* - when something "stands out of the ordinary", "is unique", or when the "unfamiliar" or "previously unknown" is experienced. Second, switching is provoked by *discrepancy* - when "acts are in some way frustrated", when there is "an unexpected failure", "a disruption", "a troublesome ... situation", when there is a significant difference between expectations and reality. A third condition exists of a deliberate *initiative*, usually in response to an internal or external request for an increased level of conscious attention - as when people are "asked to think" or "explicitly questioned." (p 60)

Both positive and negative events can cause sensemaking, as can deliberate manipulation. Although Louis and Sutton also note that "the situation alone does not determine whether the previously unknown or discrepant aspect of the environment will be experienced" (p 60). The individual's previous experiences will effect how open they are to the receipt of such cues.

Whether we talk about "surprise" (Louis, 1980), "shocks" (Weick, 1995), equivocality (Daft and Lengel, 1986), ambiguity and uncertainty (Weick, 1995), or "discrepancy" (Louis and Sutton, 1991), the implication is that sensemaking occurs when existing individual mental models cannot account for an experienced phenomenon. Weick (1995) summarises the link between cues and the activation of sensemaking as follows:

“The combination of a past moment + connection + present moment of experience creates a meaningful definition of the present situation. And a lack of prototypical past moments, as in the case of an unprecedented forest fires (Weick, 1993), can prolong the search for meaning. Frames tend to be past moments of socialization and cues tend to be present moments of experience. If a person can construct a relation between these two moments, meaning is created.” (p 111)

Thus the individual schemas and scripts, made real by enactment at the social and observable group level as routines, symbols, structures and so on, are past moments used to understand the cue or present moment. The meaning created via mediating processes will then depend on the way the past moment suggests the cue should be interpreted. Therefore, past moments recreate predictable and consistent action, but also serve to constrain interpretation of new cues. Creating reliability of action, simultaneously constrains and reduces the likelihood of new action.

This process can be seen to be at work in the stories of change. An example is the misunderstanding about the output from the review group. The stories reveal that many of the diarists expected the review group output to describe in detail their roles and responsibilities in the new organisation. The fact that it did not, initially caused some confusion until people realised they had got to complete this detail themselves. To rephrase this in Weick’s terms, communication about the review group output, and the output itself, were cues from present moments of experience for the diarists. The diarists old schema, such as staff have tight job specifications with little if any input to the development of their job, and do as instructed by senior managers, then formed past moments used to interpret the cues.

If the interpretation that the review group output would be more detailed is put within this context, it can be seen why staff made the assumptions they did. In the absence of any cues to suggest that old schemas were no longer relevant, they continued to use these old schemas to interpret new situations. Their reactions were based on pre-existing cognitions (Taylor and Fiske, 1978). Thus it was the difference between their expectations and their experiences when they tried working with the review group output that caused a “surprise” (Louis, 1980), triggering a conscious, as opposed to a non-conscious, response and sensemaking. As a result of this sensemaking, the diarists concluded that they had been led to expect by the communications, (or rather lack of communications), that the output from the review group would spell everything out. A similar explanation could be arrived at by using the group level concept of routines as the past moment. Tight job specifications were a routine of the old culture. Therefore, in the absence of any contradictory information, it was likely to be assumed that this routine would be perpetuated.

Therefore, this framework suggests that during change, the various designed change goals and interventions and recipient experiences, will act as cues or triggers for sensemaking that change recipients will then try to interpret within their existing mental models via processes of mediation. It is only when they cannot interpret the cues in light of existing cognitions, that they will consciously seek alternative interpretations. However, having developed some understanding of what forces individuals to start working in a more conscious manner at the level of mediation, it is also necessary to consider exactly what constitutes the processes of mediation that are used to arrive at new meanings and interpretations.

8.4.2 *Mediating Processes*

Mediating processes have already been defined as the sensemaking and sharing processes individuals within groups engage in when they encounter something different that cannot be explained by their existing schema, to enable them to come to some sort of shared understanding about the implications of change for themselves. These processes are about making sense of, or interpreting, messages contained within the sensemaking triggers, and also sharing the interpretations and meanings arrived at since sensemaking is essentially a social process (Weick, 1995). As such, mediating processes are a sub-set of the overall sensemaking activity. They could be equated with what Weick (1995: 8) describes as the “concrete activities” that lead to the creation and alteration of the interpretations and meanings of sensemaking triggers, and make the meanings more explicit among group members.

The notion of mediating processes is consistent with a distributed approach to how group cognition is created. They constitute the communication processes among group members (Wegner et al, 1985), the “everyday social interactions” (Walsh and Ungson, 1991: 60), and the social processes of negotiation and argument (Langfield-Smith, 1992), that lead to shared meanings among a group. However “communication” includes a wide variety of processes. Messages and meaning, or interpretations, can be taken from not only formal written and verbal communications, but also discussions, conversations, debates, negotiations, gossip, stories and rumours, metaphor, language, non-verbal signals and behaviours. There is research on all of these communication mechanisms that illustrates the role they can play as mediating processes. This is discussed below in the sections on communication and symbolic activity.

The definition of mediating processes given above is important for what this research takes as evidence of these processes at Utilco. The diaries, the interviews, the feedback meetings, the change forums, and even written documentation such as team briefings, provided details of written and verbal communication that diarists and their staff had received; discussions that had taken place; gossip, rumours and stories circulating; metaphors and language in use; and

behaviours and events that the diarists and their staff took note of and discussed with each other. The data collection mechanisms also provided information on the interpretations and meanings the diarists and others were developing as a result of these activities. It was much harder to get at the invisible thought processes occurring within each individual diarist's head, although some of this could be surfaced via the diaries and interviews. What could be identified were the *meanings* and *interpretations* that were being *shared* via stories, gossip, rumours, discussions, language and behaviours. Since mediating processes are to do with the processes of interaction that occur between individuals as they attempt to come some sort of shared understanding to enable co-ordinated activity in a more taken-for-granted manner, this is what was important. Of course, a shared understanding was not reached for all individuals about all aspects of change, and for that matter, different groups arrived at different shared understandings. This will be discussed in more detail in chapter 9 with reference to particular examples.

It should also be pointed out that there is a link between the mediating processes that occur and the content that is exchanged during these social interactions. For example, if a written document is issued on what to do about a certain situation, and individuals have different interpretations of this document, when the individuals communicate to try to resolve their differences, they will refer to the written document and how they have interpreted it. The *issue* of the document may have been a sensemaking trigger leading the individuals to make some interpretation of the implications for themselves in the first place. The subsequent difficulties in working together may have been another trigger that led to mediating processes between individuals to do with resolving the "surprise" caused by that difficulty. However, the *content* of the document also becomes part of the process of mediation, or a device of mediation, since it contains information that facilitates the development of meanings and interpretations. This is not to create an artificial content / process divide. The point is to emphasise that although mediating processes are predominantly about the processes of interaction between individuals, the content of that interaction in terms of the information being shared, the topic of the story being told and so on, also contributes to the outcome of the mediating processes.

Communication - language, metaphor and stories

Communication, normally taken to mean verbal or written communication, is a widely discussed change lever, especially in the planned change literature - Kotter and Schlesinger (1979), Beckhard and Harris (1987), Beckhard and Pritchard (1992), Smeltzer (1991), Bertsch and Williams (1994), Eccles (1994), Jick (1993), Kanter et al (1992) are only a handful of many references that could be given. However, communication can take particular forms as individuals attempt to explain themselves and their feelings. Individuals may rely on stories or metaphors. They may introduce new language. Individuals may also use more symbolic means to try and get their message across, such as symbolic activity. There are

potentially two processes at work here: at one level the simple sharing of feelings, thoughts and individual interpretations; and at another level the attempted management of meaning by more symbolic means by those trying to impose their meaning on others:

“The management of meaning refers to a process of symbol construction and value use designed to create legitimacy for one’s ideas, actions, and demands, and to delegitimise the demand’s of one’s opponents. Key concepts for analysing these processes of legitimisation and delegitimation are symbolism, language, ideology and myth.” (Pettigrew, 1985: p44)

Symbols and symbolic activity as mediating process are discussed separately later on. This section concentrates on the role of language, metaphor, stories, and gossip as mediating processes.

“Language is a system of spoken or written symbols that can communicate ideas, emotions, and experiences” (Daft and Wiginton, 1979: p181), an “information carrying device” (Daft, 1983). Language is rarely explored on its own as a form of communication in the management research literature, although Pondy (1978) in his study of leadership shows language to be an important sensegiving mechanism and symbol. In one of the few studies of language, Evered (1983) looks at the language used by the Navy. He concludes that it important to realise that “organisational change necessitates a language change” (p 141). The essence of the argument concerning language as a sensemaking mechanism is that language enables organisational members to create and share meaning, to interact (Pfeffer (1981b), and to ascribe common meaning to things:

“A stone exists independently of our cognition; but we enact it by a cognitive bracketing by concentrating our attention on it. Thus ‘called to life,’ or called to attention, the stone must be socially constructed with the help of the concept of stone, its properties, and uses. We can base a physical action that might annihilate the stone on this construction” (Czarniawska-Joerges, 1992: p34)

The same is true of *metaphor*, a way of describing one thing in terms of another (Pondy, 1983). For example, Hill and Levenhagen (1995) look at how entrepreneurs use metaphors to develop an understanding of their situation, and then pass that understanding on to the rest of the organisation. Metaphors are used by individuals to articulate what they mean (Morgan, 1980; Sims and Doyle, 1995). They provide organisations with a common language, a basis for communication, and a means of interpreting their task environment and events (Hill and Levenhagen, 1995). Metaphors can convey large amounts of information in a compact manner (Tsoukas, 1991), and enable easy recall of information (Apter, 1982; Ortony, 1975). As with new language and terminology, new metaphors which mean little to individuals within an organisation initially, and maybe even seem contradictory, will acquire meaning over time as individuals “define, abstract, and

formalize the metaphorical concepts and begin to objectify their concepts and perceptions into *facts* and *realities*” (Hill and Levenhagen, 1995: p1065).

There is also some work on the role of myths and stories in generating meaning. Myths and stories are accumulated to give meaning to organisational events (Dandridge et al, 1980). With stories, “bits and pieces of organization experience are recounted socially throughout the firm to formulate recognizable, cogent, defensible, and seemingly rational collective accounts that will serve as precedent for individual assumption, decision, and action” (Boje, 1991: 106). Johnson (1987) finds that stories and myths about the past play a mediating role at times of change, continuing to legitimise past ways of doing things. As such they can legitimise the status quo as well as induce change. Martin and Powers (1983) conclude that stories in organisations not only generate commitment, but can generate more commitment than other means of information communication, although stories can be discredited by information such as statistics that contradict them. This suggests that narration and metaphor can provide effective communication succinctly, whereas other types of short messages exclude the richer information needed for effective communication (Weick and Browning, 1986).

There have also been studies on gossip (March and Sevon, 1984), which may of course involve telling stories. Gossip plays an important role by spreading traditions, rules and values, and helps people understand their organisational situation. It can also be used to gather and share information (Isabella, 1990). People gossip to share experiences and come to some degree of shared understanding. Rumours are also significant because they help individuals to cope with uncertainty, especially when required information is not available or forthcoming from official sources (Rosnow and Fine, 1976).

Therefore, all these forms of communication, language, metaphor, myths and stories, gossip and rumours, are as much mediating processes as verbal or written communication, be it in the form of manuals, memos, presentations, conversations, discussions or debates. This is partly because language, metaphor, stories, gossip and rumours are a sub-set of the broader categories of written or verbal communication. New language may be introduced at a formal presentation; rumours could be spread via e-mail; and even a formal negotiation or work based discussion between individuals can at times involve story telling and exchanging gossip. All of these communication mechanisms enable individuals to not just be passive recipients of another individual’s interpretations and understandings, but to share interpretations, and as a result of their interaction with each other, develop a shared meaning system where certain words and phrases come to represent particular meanings. Utterances become shorter between group members as explanations between them become taken for granted (Orasanu and Salas, 1993). Communication facilitates the creation of a

socially constructed reality, which results from the enactment of individual's shared meanings.

Signs, Signals and Behaviours - Symbolic Activity

Symbols are any object, event, quality or relation that serves as a vehicle for conveying meaning, usually by representing another thing (Trice and Beyer, 1984). They are a communication vehicle, and cue scripted action (Gioia, 1986). Symbolism refers to "those aspects of an organisation that its members use to reveal or make comprehensible the unconscious feelings, images, and values that are inherent in that organization" (Dandridge et al, 1980: 77). As such they are linked into the organisational ideology and value system.

Signs become symbols when they are *interpreted* in a way that has organisational significance (Morgan et al, 1983). They are only effective if they have a certain subjective meaning invested in them (Pfeffer, 1981b). This is important, because although all symbols are signs, not all signs are symbols (Morgan et al, 1983). A lion in itself is an animal with no symbolic significance, except where it has been used, for example, to symbolise courage (Gioia, 1986). However, symbols include not just artefacts, but also language, stories, myths, slogans, and actions (Dandridge et al, 1980), and nonactions (Gioia, 1986). Symbols can also contain an affective component (Daft, 1983) since they can be expressive and to do with the emotional needs of individuals.

Symbols and symbolic activity, (acts that portray meaning, not necessarily deliberately (Johnson, 1990)), are cited by many authors as a potentially powerful change lever. Peters (1978) discusses the utility of symbolism in change giving examples of symbolic behaviour such as the review of reports and the use of agenda and minutes to shape expectations. His examples also include physical setting, public statements and the organisation of staff. Johnson (1990) discusses how symbolism helps to preserve organisational paradigms and then proceeds, by use of case example, to show how symbolic activity can also be used to achieve change. Gioia and Chittipeddi (1991) similarly show how symbolic activity can help facilitate change. Different types of symbolic activity can be used at different stages of change, for example, to help trigger challenging and questioning of the status-quo, and to help establish a new identity. Isabella (1990) concludes that symbolism appears to be particularly effective in the "culmination" stage: the stage when change starts to happen and becomes real.

Rituals are a particular type of symbolic organisational activity (Dandridge et al, 1980). They are "institutionalised symbolic procedures" (Beattie, 1964), "a formal action normally repeated in a standardized way" (Sims et al, 1993). Rituals are a pattern of behaviour, stylised or formalised and repeated in that form (Smircich, 1983). Although rituals may be

relatively elaborate, planned activities, they can be both practical and expressive (Trice and Beyer, 1984). Therefore, rituals can facilitate the transition process by helping people to let go of the past and identify with the future. Different rituals have a different impact. Rites of passage, degradation, enhancement, renewal, conflict reduction and integration (Trice and Beyer, 1984) help to varying degrees to unfreeze, move and refreeze organisations (Brown, 1994b), although there may also be other rituals which help to challenge the status quo, or aid the mourning process associated with transitions (Brown, 1994b; Trice and Beyer, 1985; Martin et al, 1995).

However, the issue here is how symbolism and symbolic activity contribute to mediating processes. Since symbolic activity is a type of non-verbal language (Morgan et al, 1983), arguably, any signs or signals, sent by objects, events, activities or behaviours triggering sensemaking, are a type of mediating process, as they are message carriers and infer a meaning, although not a definite, precise meaning. They say more than their “intrinsic content” (Morgan et al, 1983). Yet symbols themselves are the *output* of mediating processes. This is a subtle distinction, but as stressed above, a sign becomes a symbol when it is *interpreted* as having significance, when it is attributed with meaning “beyond its substantive impact” (Brown, 1994: 863). Mediating processes lead to the placing of shared meaning on events and behaviours which then make them symbolic. Symbols are a vehicle to which change recipients *attach* the interpretation and meaning they have arrived at of the situation, as a result of their efforts to come to some sort of understanding of the implications of the situation for themselves.

To use the example of the new structure once more, the new structure was a sign which became imbued with a symbolic significance. The shape of the structure said something about the types of relationships that were to exist between staff in comparison to the types of relationships that staff used to have with each other. It facilitated the types of interpretations change recipients were arriving at of the implications of change for themselves. In turn the new structure became a symbol or artefact of the new organisation “invested with a particular kind of subjective meaning” rather than being a sign merely indicating “a relationship among different elements” (Morgan et al, 1983).

Therefore, mediating processes are more to do with the process of “*symbolization*” (Gioia, 1986b); the reading of *messages* into events, objects, activities, and behaviours that are noticed and trigger sensemaking, and the sharing of the meanings assigned to these signs and signals. The sharing of the meanings assigned to these signals by the individuals that witness them is achieved by the means already discussed above - discussions, gossip, stories and so on, or maybe even by the repetition of the observed event or behaviour. The more widely the signals are witnessed and shared, the more likely it is that they will become symbolic and

imbued by individuals with a particular subjective meaning. However, the point made above that the content of communication processes are also part of the mediating processes needs to be taken into account. The signs and signals themselves form part of the mediating processes since they are passed on in the discussions, stories and gossip. These signs and signals help individuals shape interpretations and meanings about the implications of change as much as, for example, written or verbal explanations about the changes. However, the actions, events, objects and behaviours which become the subject of mediating processes may be carried out *consciously* by individuals who wish to try and convey a certain message to others by what they do, or alternatively they may occur *unconsciously*. The originators of the activity may be unaware that what they are doing is triggering sensemaking among others about the implications of change.

Sensemaking versus Sense Sharing

It may appear from the above discussion that it is possible to structure the mediating processes discussed and classify them as either to do with facilitating meaning creation, for example the language and metaphors used, and the events and behaviours that take place, or sharing meaning, for example, gossip and stories. However, this is overly simplistic. In fact all the mediating processes contribute to both sensemaking and sense sharing - partly because sensemaking is social. What is a means of giving and sharing meaning for one person, becomes a means of making sense for another. So an individual who tells a story, or writes a memo, or acts in a particular way, may be sharing their meanings with others. But for the recipient(s), the memo, the story or the action are sensemaking processes. Even gossip or conversation and discussion, which intuitively appear to be to do with sense sharing, also involves sensemaking, since this is a two-way (or more) process with the individuals involved simultaneously sharing and making sense. Thus although the mediating processes could potentially be placed on a continuum with those more to do with sense sharing at one end and those more to do with sensemaking at the other, to classify the mediating processes serves no real purpose.

Other Mediating Processes

Interpretations could also be inferred from and communicated by vicarious learning (Manz and Sims, 1981), in which learning is triggered by observation of role models (such as other employees) and the consequences for them of their behaviour, rather than by direct experience. In other words, individuals can learn by direct experience or by sharing and observing other's experiences. "Members look to one another for clues regarding the meaning of events and circumstances facing the organization" (Armenakis et al, 1993: 686). The sense-making activity of individuals will therefore be affected by their social / organisational networks (Defleur and Ball-Rokeach, 1989), not just in terms of who they gossip and share and exchange information with, but also in terms of who they have the opportunity to observe. This is because other people's behaviour, both the way they

behave and the reaction to their behaviour by others, particularly those in authority, can also be symbolic.

8.5 Conclusion

The initial analysis of the role of *facilitating and obstructing processes* in *intended change implementation* from the perspective of *middle managers as change recipients* in chapter 7 reveals that there are patterns of emergent incrementalism in the process of change implementation studied at Utilco. However, given that chapter 7 finishes with what is essentially a *description* of the patterns of interaction observed between facilitating and obstructing processes, not an *explanation* for the findings, the starting point for this chapter was to attempt to find an explanation. Since chapter 7 also suggests that planned change interventions still play an important role in the way the change implementation develops, planning perspectives could not be dismissed as providing an inadequate explanation of the findings without further consideration. This chapter therefore first considered the extent to which the literature accounting for change in terms of planning and deliberate managerial action and intent, can explain the patterns of interaction observed between facilitating and obstructing processes during the implementation at Utilco.

The analysis suggests we can account for the *approach* taken by Utilco to change by the planning literature. It can be seen that the intent underlying the change design on the part of the senior managers was based on rationalistic assumptions, which presumed that careful planning and analysis would lead to the implementation of the desired changes. It is also clear that literature supportive of an incremental view of strategy development encompassing formulation and implementation can describe the patterns of emergent incrementalism found at the REC during implementation in terms of on-going cycles of planning. Yet if the unintended consequences and design issues were not necessarily predictable, however careful the planning some would still have arisen. Therefore, a planning perspective does not appear to be able to offer an adequate explanation for the patterns observed.

Attention is therefore next focused on a sensemaking perspective in an attempt to explain the observations from chapter 7 of the role played by facilitating and obstructing processes during change implementation. By drawing on the literature reviewed in chapter 2 and descriptive examples from this research, it can be seen that during times of change, the level of mediation and mediating processes, the sensemaking and sharing processes which enable individuals and groups to arrive at some reconciliation of what they expected versus what happens, becomes important. Individuals are constantly forced to operate at this level as they encounter novel situations, or differences in expectations.

However, what is key to formulating an explanation for the findings from this research, is not that mediating processes exist, or the form they take, since we already know something about this from other research (Gioia, 1986; Gioia and Chittipeddi, 1991; Louis and Sutton, 1991; Weick, 1995; Isabella, 1990). Therefore, the framework put together in this chapter is not intended to advance theory, but to draw together existing theory on sensemaking in a way that enables it to be applied to investigate how mediating processes contribute to change outcomes. The issue is *how* the diverse sensemaking processes *mediate* between the enacted group level and the individual level during change, leading to the unintended consequences and positive developments identified in chapter 7, and thereby an emergent and unpredictable implementation process. This is the question that has to be addressed in chapter 9. No other studies appear to have explored this link empirically, to examine the role played by change recipient interpretation in the development of both intended and unintended change outcomes, and therefore how recipient interpretation contributes to the way facilitating and obstructing processes interact to turn a planned change implementation into an unpredictable and emergent process.

CHAPTER 9: CHANGE IMPLEMENTATION - A THEORY OF MEDIATION

9.1 Introduction

This thesis has so far argued that change implementation becomes an emergent incremental process, as the planned elements of change put in place through time create not only some of the expected outcomes, but also other emergent outcomes in the form of positive developments and unintended consequences. There is no attempt to deny that in the implementation process observed, planning did still play an important role in moving the organisation towards the senior manager's change goals, but it is suggested that the literature accounting for change in terms of planning and deliberate managerial intent, cannot offer an adequate explanation for all the findings. Instead it is suggested that a sensemaking perspective may be able to provide a better explanation of why and how the emergent obstructing and facilitating processes in the form of unintended consequences and positive developments arise.

In line with this, an analytical framework that enables the findings of this research to be investigated from a sensemaking perspective is developed in the previous chapter. The framework places the change recipients and their interpretations of the change process centre stage, instead of the initiators of the change or the organisation. This makes it possible to examine the more micro-level organisational social processes at work during the change implementation. As stressed from the beginning of the thesis, it is known that it is not possible to understand the incremental and emergent nature of strategic change within organisations without recognising the impact of micro organisational cognitive, cultural and political processes, yet few studies explore in depth how these micro processes affect the way an implementation process unfolds through time.

It is argued that a central element in the proposed framework is the concept of the level of mediation as a level of sensemaking activity linking the group and individual cognitive levels during change. Individuals need to act in a more conscious sensemaking mode at the level of mediation to resolve the surprise, uncertainty or dissonance, caused for them by the changes they are encountering. To do this they engage in a variety of mediating processes, the sensemaking and sharing mechanisms used by individuals within groups when they encounter something different that cannot be explained by their existing schemas, to enable them to come to some sort of shared understanding about the implications of change for themselves. This is consistent with a distributed approach to how group cognition develops.

Using this framework this chapter reworks the analysis of the way unintended consequences and positive developments arise from chapter 7. As it is explained at the end of chapter 8, what is key is not that mediating processes exist, or the form they take, since we know something about this from existing research, but *how* these processes lead to emergent change

elements in the form of unintended consequences and positive developments. The framework developed in chapter 8 is not intended to advance theory, but to draw together existing theories on sensemaking in a way that enables it to be applied empirically to investigate how mediating processes contribute to change outcomes.

This chapter proposes that how and why the emergent change elements develop, thereby creating an unpredictable and incremental implementation process, can be accounted for by a theory of mediation. An important aspect is the way the designed change goals and interventions, and any unplanned events, interact with the context of action. Both planned and unplanned events act as message carrying interventions, triggering sensemaking in change recipients at the level of mediation. Via mediating processes of meaning generation and sharing, the change recipients interpret the interventions within the context of their existing schemas. Existing cognitions, and therefore behaviours, are then modified on the basis of these interpretations. The key point is that the analysis in this chapter is able to show how and why these recipient interpretations of the interventions sometimes match, but at other times differ from, the meanings intended by the designers of the changes, resulting in unintended rather than intended change outcomes. The theory of mediation is developed from this analysis to explain how change recipient sensemaking contributes to both intended and unintended change outcomes, and therefore the emergent and incremental nature of implementation. The analysis also reveals that mediating processes can account for why diarists perceive certain design issues to arise.

9.2 Analysis of Unintended Consequences and Positive Developments

The analysis of how and why unintended consequences and positive developments arise is not straightforward. One approach is to unpack the phenomena that constitute each level of the model, (individual, mediation and group), and use these phenomena one by one to analyse which unintended consequences and positive developments can be explained by each of the levels. Unsurprisingly, if this is done, it becomes clear that the explanation for any one of the unintended consequences and positive developments cannot be formulated entirely in terms of any one of the levels. Furthermore, given the close relationship between observable group level phenomena, such as routines, and individual cognitive phenomena, such as scripts, similar explanations are often arrived at whether using the group level or the individual level. The analysis, therefore, becomes repetitive and complicated with a need to refer back and forth between different parts of the analysis.

An alternative approach, and the one taken here, is to take individual unintended consequences and positive developments, and use the phenomena constituting the individual, mediation and group levels simultaneously to account for them. Since chapters 2 and 8 discuss the phenomena constituting each level of the model proposed here, such as schemas,

scripts, communication, and so on, in some detail, there is no need to repeat these explanations here. The explanations can be drawn on and used here.

A further complication of the analysis is that interpretations are not static - they evolve over time which is why the unintended consequences and positive developments ebb and flow through time. It is, therefore, necessary to examine the unintended consequences and positive developments as a series of on-going interpretations through time. To facilitate this analysis, the components of the analysis have been split out into tabular form for each example, to show for each time period which elements of the planned changes and other events and behaviours act as sensemaking triggers; the mediating processes triggered; and the interpretations developing as a result. For each time period the following is given:

- designed change goals and interventions and unplanned events acting as *sensemaking triggers and cues*;
- the *mediating processes* created by the sensemaking triggers and cues;
- the *existing schemas, scripts*, etc. affecting interpretation of sensemaking cues;
- the *change outcomes* of unintended consequences and positive developments at the group level created by the interpretations arrived at by the change recipients from the mediating processes, given the “past moment” of their existing schemas;
- the perceived design issues that arise and become *additional sensemaking triggers*.

It is important to note that the unintended consequences and positive developments that develop at one point in time, then become part of the interpretation frame of reference for the next time period. In other words, the behaviour encountered at the next time period is a reflection of the enacted reality resulting from the schemas developed during the previous time period.

It should also be noted that no specific mention is made of group level phenomena such as routines, norms, systems and so on, in the above five categories. This is because of the assumption in the thesis that for co-ordinated activity at the group level, some form of shared understanding is necessary, but this does not necessarily translate into complete homogeneity of individuals' schemas and scripts, particularly during times of change. Furthermore, there are likely to be different shared understanding among different groups of staff with different backgrounds and experiences. Therefore, the analysis refers more to individual schemas and scripts rather than routines and norms, only referring to norms or routines when there appears to be a way of behaving that is widely accepted.

Finally, chapter 8 has linked mediating processes to a distributed view of how group cognition is developed and maintained. However, having established a definition for

mediating processes, and how this concept links into different perspectives on group cognition, the following analysis will not refer back to this discussion.

What follows is, first, an examination of how mediating processes lead to the development of unintended consequences; second an examination of how mediating processes can account for positive developments; third an analysis of how mediating processes can account for the design issues; and finally a theory of mediation is proposed to account for the findings.

9.3 Unintended Consequences

A number of the unintended consequences identified in the stories of change will be examined. The analysis will start with the example of inter-divisional friction. However, since this unintended consequence has been examined in detail in chapter 7 with supporting quotations, the analysis here will not repeat ground that has already been covered, except where necessary. Subsequent examples, including the development of inter-business barriers in Engineering, the poor staff perceptions of counselling, and the senior management approach and lack of empowerment, will concentrate on illustrating types of mediating processes not encountered in the analysis of the development of inter-divisional friction.

9.3.1 Inter-Divisional Friction - Table 1

Time T1

In the early days of change there were a number of *sensemaking triggers* for the change recipients. They included the designed change goals and interventions such as the implementation of the new three divisional *structure*, the *appointments* to the new structure with only a limited number of staff appointed to the Distribution Management Division, and the various launch *communication events* and *information*. However, there were also unplanned events such as the *perceived lack of harmony* between senior managers. These triggers led to a wide variety of *mediating processes*

First, the *non-verbal signs and signals* played a role as *mediating processes*. The designed change goal of the new structure was a signal in itself, to which 'meaning was attributed beyond its substantive impact' (Brown, 1994), irrespective of what else was said or done. Staff within the new structure took implications from its form, with three divisions working in a trading relationship, about what it meant for them, thereby imbuing the new structure with a symbolic meaning. The *appointment* of only a small number of staff to the Distribution Management division also gave *signals*. As a result, there were many *discussions* about the significance of the new structure for staff and its impact on the way people were behaving.

Table 1: Inter-Divisional Tensions

	T ₁	T ₂	T ₃	T ₄
Sensemaking Triggers Designed Change Goals & Interventions	New structure Appointments & appointment briefings Launch communication Review group output (information packs)	Inter-divisional senior manager meetings Behaviour of others - lack of co-operation & protection of turf Black Holes Develop No resolution mechanisms / contracts No detailed review group output No feedback from inter-divisional senior manager meeting	Contract training Behaviour of others - lack of co-operation <u>but</u> also liaison among middle managers to resolve problems Black holes remain →→→→→ →→→→→ Business as usual inadequate as a transition management mechanism Redundancies not matched to workload	Contracts issued & management procedures put in place Reducing business as usual & black holes Liaison among staff to resolve contract problems - stemming from desire to make it work →→→→→ →→→→→ →→→→→
Unplanned Events				
Design Issues				
Mediating Processes	Discussions of implications of new structure Shape of new structure & appointments Stories & Rumours re senior managers Video / Vision Workshop messages Information on new structure, roles, responsibilities	Rumours, stories and discussions about inter-divisional behaviour and signals from unco-operative behaviour Questions / discussions / negotiations about who does what Discussions about business as usual	Rumours, stories and discussions about unco-operative behaviour and unresolved disputes, but also additional signals liaising behaviour →→→→→ →→→→→ Discussions about impact of contracts	Discussions and stories about liaising behaviour Discussions to resolve who does what issues based on contract information Discussions / negotiations to clarify contract problems and outstanding black holes Contract information on who does what →→→→→ →→→→→
Existing Schema / scripts	We all work for distribution We are all colleagues Work done on basis of "I owe you one" Metering ahead of other divisions	New Structure = competition: we need to protect our own interests & only do what we will be paid for →→→→→ Prolonged business as usual Workload	Business as usual a burden Not enough information to resolve problems Liaison needed to keep things going →→→→→ →→→→→ →→→→→ Fears about contract impact Need for staff liaison	Contracts will make things worse Design issues to do with transition management & manpower planning →→→→→ →→→→→
Change Outcomes Unintended Consequences & Positive Developments	Inter-Divisional Tensions: Distribution Management the elite. Others: contractors - no longer own assets; Could be "down the road" in 2 years; New structure as symbol = protect turf & competition	Developing concern for need to make it work		New structure = supplier / customer co-operation via contracts Inter-divisional colleagues not so bad Contracts providing information needed to resolve black holes, etc.

→→→→→ Continued from previous time period

The way the various signals from the new structure were then interpreted, leading to a *change outcome* of *inter-divisional friction*, was affected by the *schemas* held at an individual level since schema provide “context specific dictionaries” (Berger and Luckman, 1966: 138) against which to compare and interpret current experiences. Many of the meanings inferred from the interventions were context-dependent. This can be seen by again returning to chapter 7:

“There was a long history of the staff in all three divisions working together as colleagues of equal power and status. Further, staff in Engineering were used to viewing the assets of the company that they built and maintained as “theirs” and they “had pride” in this. The new structure changed the traditional working relationships and ownership patterns even though many staff were still doing the same work. Thus context was important in affecting the messages the new structure gave, such as ex colleagues are now “calling the shots” and we no longer own the assets, to those working within it.”

The *existing schema* of Engineering staff led them to place a particular personal interpretation on the new structure - *we are now contractors* with little job security rather than direct employees of the company, *we could be “down the road”*¹ in two years time. These interpretations contributed to the *change outcome* of *inter-divisional tensions*. The *schemas* held by Metering staff also led to a particular interpretation of the behaviour they encountered from Distribution Management and Engineering Division staff. There was a *belief* in Metering, as already discussed in the previous chapter, that due to its origins as a Customer Services department, *the Division was already customer oriented* and had less need to undergo a cultural revolution than the other divisions, who were, therefore, “*behind Metering*”. There was strong cognitive consensuality (Gioia and Sims, 1986) amongst the diarists about this. How much of this was true, and how much of this was a case of shared interpretations amongst a small team of managers, is hard to establish. But all the Metering diarists shared that point of view.

Another way of explaining some of the context dependent interpretation in the early days of change is by the use of group level phenomena such as *norms* rather than individual *schemas and scripts*. Norms encompass all behaviour (stated or unstated) that is expected, accepted, or supported by a group. People are rewarded / encouraged to follow the norms, but not rewarded for violating them (Allen, 1985). One of the old norms of the Distribution Division was that business used to be done on the basis of goodwill or “*I owe you one*”:

“There was a lot of work done on the “I owe you one principle” where you have done something extra for someone in Engineering, or what is now Engineering, you are asked

¹. Redundant.

for advice or you have given some information and then you wanted something done and you go to the guy that you have done a favour for and basically call the favour back, now that doesn't work as far as contracts are concerned”

The proposed contractual working challenged this norm. . Contracts translated into only doing something if you got paid for it, leading to a new group level norm symbolically embodied within the proposed contracts and a *change outcome* of *look after your own patch first*. This of course highlights the overlap between the individual and group levels. Norms are only an enactment of individual level schema.

Other *mediating processes* at work were the both *officially and unofficially communicated messages*. The officially communicated messages included the information from the video and vision workshops about the new structure, namely the vision that staff were to work together to make the new structure work in the shorter-term, moving to a customer supplier relationship via contracts in the longer term. Again, as the stories of the way change developed in the three divisions illustrate, there were many *discussions* among staff about the implications for themselves and what they understood the changes to be about following their attendance at appointment briefings, vision workshops, or the video roadshows.

The *unofficially communicated messages* were primarily *rumours* and *stories*, such as those about rivalry and a lack of harmony between senior managers, but also *rumours* about the eventual impact of the new structure and the likelihood of future re-organisations. In fact, sensemaking triggers from communicated messages of the need to work together, were often overridden by the unintentional sensemaking triggers, such as the shape and form of operation of the new structure itself, and the rumoured behaviour of the senior managers. These *mediating processes* therefore contributed to the *change outcome of inter-divisional tensions* by implying *rivalry, protection of turf* and *competition*.

Time T2

As change progressed into the Autumn, time T2, additional *sensemaking triggers* occurred. In some instances staff encountered *unco-operative behaviour* in other members of staff. This behaviour was underpinned by the interpretation of these members of staff from time T1, now held in their *amended schema*, that in the new environment it was necessary to ‘*protect turf*’ and only do what you will get paid for under the contracts. The unco-operative behaviour encountered created more *mediating processes* in the form of *rumours* and *shared experiences* about the *non-verbal signals* sent by the unco-operative behaviour, and also *stories* about the tensions between the divisions and examples of a lack of co-operation:

“A member of Distribution Management Division told me that he wanted to obtain some fairly trivial information from Engineering. Engineering would not release the information without a managers consent in case it could be used "against them" in future contracts / negotiations.”

There were also *discussions* about why examples of unco-operative behaviour were occurring and where. These mediating processes reinforced earlier interpretations of *protection of own interests* contributing to the *change outcome* of *inter-divisional tensions*.

The *inter-divisional senior manager's meeting* put in place to help overcome the developing inter-divisional tensions was another sensemaking trigger at this time. However, although staff were told this meeting was taking place, there was no information or visible output on this meeting given to staff. As a result, any sensemaking triggered led to *mediating processes* more to do with *non-verbal signals* of little action on inter-divisional issues, resulting in little change to interpretations.

As change progressed into the Autumn, other *mediating processes* to do with a *lack of communication and information* were at work. They were not caused by any particular event or sensemaking trigger, but rather the *absence of helpful sensemaking triggers*, and they persisted until the contracts were issued (time T4). This requires some explanation. It is known that in situations of high uncertainty and equivocality, which is likely to occur during times of rapid change (Daft and Weick, 1984), individuals will seek to clarify their situation to enable them to return to non-conscious responding (Weick, 1995). Too much equivocality in information can impede action (Westley, 1990). During the transition period staff constantly complained about a *lack of information* on roles and responsibilities, or “*who does what*” in the new structure. This created uncertainty and ambiguity for staff, at times leading to not only many *discussions*, but also *disagreements* and therefore *negotiations* between divisions. There were many outstanding *questions* and *on-going discussions* about who was responsible for what. With the exception of the change management seminars in Engineering, there was also a lack of rich (e.g. face-to-face) communication sessions which it is hypothesised can help resolve such equivocality (Daft and Lengel, 1986; Lengel and Daft, 1988).

Since the diarists were constantly seeking information they did not have on roles and responsibilities, they started to arrive at the interpretation that some of the designed change interventions were problematic. Diarists perceived there to be a *lack of resolution mechanisms* to resolve problems, a *lack information on contracts* (and therefore contract contents), *no feedback* from the *senior managers meeting*, and a *lack of detail* on roles and responsibilities in the *review group output*. Furthermore, these perceived *design issues* also

became *sensemaking triggers*, because the absence of information constantly forced the change recipients into an active sensemaking mode involving *mediating processes* to do with asking *questions* and having *discussions* to try to resolve outstanding problems. The inability to resolve particular problems also led to the identification of *black holes*² between divisions.

In cases where there was no agreement as yet about who was to be responsible for the work in the new structure, it was expected that the work should still be done under business as usual by whoever used to do it. Thus any black holes that were not resolved led to a continuation of business as usual. Also, in some instances, the Distribution Management Division took longer than anticipated to put in place new working practices that would enable them to take on the work from Metering and Engineering that they were eventually to be responsible for. Metering and Engineering then had to continue to do this work for longer under business as usual. Therefore, *business as usual* was *prolonged*. The Engineering and Metering diarists interpreted this as an *undesirable outcome* of the change, since it was believed that this was caused not only by black holes and a lack of resolution mechanisms, but also by mis-understandings about business as usual:

“It doesn't have any great degree of meaning, and its been used as an excuse when people haven't done what other people think they should have done, they've said well it's business as usual and without understanding the full meaning of what that means.”

“It's because people that won't accept, don't take responsibility for saying yeah, yeah, that's my problem, you're right leave it with me..... Business as usual is a massive problem.”

“We were led to believe that on April 1st 1994 we would ghost the contract and then on April 1st 1995 we would run them properly, and on April 1st 1994 what we find is we are ghosting the contracts, but nobody else understands it so it is business as usual nobody seems to know what should be done and who should do it.”

The *prolonged business as usual* also contributed to the *inter-divisional tensions*:

“It has not been helpful because whilst we have had all the major change of altering all the systems in Engineering and getting all the bottom line costs out and all the other trauma and everything else that has concern, the other, namely the Distribution Management division who interface with us have wanted to do things in the same ways they have always done over that period.”

and was perceived to create the additional *workload*:

² . “Black holes” are defined in chapter 7 as work and responsibilities overlooked, or not clearly or appropriately specified by the review group.

“We were set up as a department, to act as a contractor ... As a result of that we exited staff accordingly. The problem of the prolonged business as usual is that our staff were exited and the Distribution Management Division have failed to take on the duties they should have done. Structures and numbers are out of sync with where they should be.”

Time T2 and T3

Meanwhile, however, there was a *growing concern* among Distribution Management Division staff in particular about the impact of inter-divisional tensions. Their concern was triggered by their *interpretation* from the *vision workshops* earlier on of the need for a co-operative working relationship between the three divisions if the change vision was to be achieved. There was a desire among the Distribution Management staff to overcome these problems to make it work:

"Everybody I've talked to have said, we want to work together, I haven't spoken to anyone who's said they want to screw Engineering. We need to succeed together..."

Thus, as change progressed towards the end of 1992 and into 1993, Distribution Management staff in particular were taking the position that *liaison was needed to keep things going*. This started to be reflected in the behaviour encountered by staff in each other, with some staff making efforts to liaise and co-operate across inter-divisional boundaries and others arranging meetings to try and resolve problems. Thus by time T3, examples of *liaison attempts* among middle managers to resolve problems and keep things going were adding to the *sensemaking triggers*:

“I'm trying to get round to see a number of my colleagues in Engineering, so it's not a question of someone at the end of a phone, they've seen me, they know what my thoughts are, how I envisage the contract being handled in the future”

"We are currently involved in taking over part of some existing work processes from Engineering Services. We are receiving full co-operation from Engineering staff in this move of duties and the whole process is working well."

Time T3

The *signals* from these *positive liaison experiences* created further *mediating processes* since diarists *shared their experiences* with each other, that reinforced the growing belief in the need for liaison and the possibility of good working relationships:

“We now have a fairly good relationship, certainly personally with the Distribution Repairs manager, and he is basically a nice fellow and he is easy to get on with and they understand him. That seems to be going fairly well”

“Distribution Management has set up a Construction department that mirrors the Construction set up in Engineering which is helpful because we have got a contact person”

As change moved into 1993, the *sensemaking triggers* included the *contract training* that was now underway. However, the training still did not provide contract details as the contracts were not ready yet. Therefore, the training triggered many *mediating processes* such as *discussions* about the contracts and *speculation* about their likely impact:

"we have got to run these contracts we have floated quite happily for twelve months But the reality is, when we bring the contracts in, start having to get Engineering to adhere to them, you might find a different air and some less happy people in two or three months time within the Division"

“I am anticipating that there will be difficulties in implementing the contracts, looking to the future, simply because there has been inadequate training provided (in Engineering)”

“The way Engineering are viewing it is that we are not trusting them, and it has all got to be down to the monitoring, big brother is watching you, I am seriously concerned about that side of things”

As a result a *change outcome* of *fears about the impact of the contracts*, and the possibility that they may make the inter-divisional tensions worse rather than better developed.

Staff still did not have the *information* to resolve *black holes* and *who does what*, so these *sensemaking triggers*, along with examples of *unco-operative behaviour*, persisted. Further, as chapter 7 illustrates when discussing the inter-divisional tensions, staff continued to face unresolved problems between the divisions, and to struggle with prolonged business as usual leading to on-going *discussions* and *negotiations*. Within the context of existing interpretations or *schema* that there was not enough information to resolve the problems they were encountering, this led staff to believe that the *lack of formal resolution mechanisms* was a problem with the planned change interventions, and that *the planned transition mechanism of business as usual* was part of the problem, rather than a suitable and adequate transition mechanism. These perceptions were added to by the *signals* given by the political dimension of some of the unresolved problems.

The messages implied by the new structure were not the only issue, the new structure did also appear to have political implications. Any structure will lead to organisational politics in which managers will engage in activities to acquire and use power (and other resources) to obtain one's preferred outcome in situations where there is disagreement (Pfeffer, 1981). The new Distribution structure created three nominally equally 'powerful' Divisional Directors in terms of position power, with an Executive Director over all three. Further, the

change environment was one of scarce resources. All the divisions had tight manpower and performance levels to meet. Any decision with an outcome of importance to more than one of the divisions created heterogeneous goals and interdependence: “conditions for the use of power” (Pfeffer, 1981). The effect of this power configuration in the new structure can be seen in the slow resolution of inter-divisional issues.

As an example, the stories of change reveal that the initial review group design involved the movement of a group of staff, the shift technicians, from Metering to Engineering. Subsequently, it was discovered that this group of staff still did work important to Metering, so there was a period of protracted negotiations about whether the staff were to move or not, and whether they would continue to do the Metering work or not. The issue took some time to resolve:

“I can well see why we’ve not had a meeting of minds, it’s because Engineering’s business needs and our business needs are 180 degrees apart, and we’re both fighting our own corner, and what’s had to happen, and what should have happened a long time ago, is that somebody needs to take an overview of what the company needs, and that has to be fairly senior director level, because the company needs are not necessarily in tune with individual business needs”

To return to the point made above, the example created the conditions for the use of power as there were heterogeneous goals between the two divisions and interdependence of outcome. Politics is also about influencing perceptions and legitimising one’s own position. It was the political activity occurring as both Divisions competed to legitimise their preferred outcome that led to the non-resolution of this inter-divisional problem. Thus, the *inter-divisional tensions* were also affected by the *signals* sent by the political issues, which became the subject of *discussion* and *comment* in Engineering and Metering.

Time T4

All of these issues persisted until April 1993, when the *contracts* were implemented and *contract management procedures* put in place providing additional *sensemaking triggers*. The *details of departmental responsibilities* and *who gets paid for what* in the *contracts* had an impact, helping to reduce business as usual and resolve some of the black holes. This is because the *contracts* provided *mediating information* enabling staff to liaise with each other and via *discussion* resolve issues such as who does what. The contracts did not address all outstanding problems. There were some omissions, oversights and grey areas. however, the *contract management procedures* provided a means of resolving such problems through *discussion* and *negotiation*.

As *discussions* between staff led to the resolution of outstanding problems, staff also started to realise that their earlier interpretations, that *contracts would make things worse*, were not being realised. The *increasing staff liaison*, the *positive outcomes of that liaison*, and the *non-appearance of anticipated problems* all acted as sensemaking triggers providing *non-verbal messages and signals* that the Divisions could work together with the contracts. Again, these positive experiences were shared through *stories* and *discussions*:

"There was a lot of doom and gloom about the contracts at the last meeting. I think from the repairs contracts, the problems have been seen by other managers in Engineering ... they have been a lot more involved with the other contracts and actively seeking information to brief down to staff, so that they are ready when it is actually negotiated and goes in"

New perceptions or change outcomes developed about inter-divisional colleagues not being so bad:

".. recently the relationship with Distribution Management Division people is beginning, very slowly, to get on a reasonable footing that's more at my level. I think that is mainly because in Distribution Management Division, you couldn't find the people who understand what we are supposed to be doing and they are beginning very slowly to take over some of the things that we have been doing to keep business as usual."

The *resolution of outstanding issues* and *business as usual* via the contracts also provided *sensemaking triggers* suggesting that the contracts could provide the information to solve black holes and other issues:

"The contracts have been issued and that has got to be a step forward, we are starting to work out what people's definitions are, and are working better with Distribution Management I think because of that, a lot of areas are starting to be cleared up now. Distribution Management are actually admitting that there are grey areas not covered, and they are saying well let's put them down on a datafile and we'll get them right for next year"

However, diarists continued to believe that the transition management, and the detail in the review group output, had provided obstructions during the transition period to the implementation of the contracts.

9.3.2 *Inter-Business Barriers - Table 2*

The creation of inter-business barriers will not be explored in the same detail as the inter-divisional friction, because the issues arising are too similar, but it is worth considering how the on-going cycles of interpretation occurred to reinforce some of the examples of mediating processes already given.

Table 2: Inter-Business Barriers

	T ₁	T ₂	T ₃	T ₄
Sensemaking Triggers Designed Change Goals & Interventions	New Engineering structure Appointments & appointment briefings Launch communications & review group output (Red Books)	Inter-business charging (IBT) Staff with different work patterns by business	Black holes working party Change management workshops	Contracts Implemented Senior manager intervention to reduce perceived differences in working practices at one depot
Unplanned Events	Tensions over which staff appointed to which business	Lack of co-operation - lending staff & sorting out equipment	Lack of co-operation between businesses & disagreements →→→→→ →→→→→	(Fewer black holes)
Design Issues	No contract details / detailed review group output	Black holes No contract details / detailed review group output	→→→→→ →→→→→	
Mediating Processes	Discussions about shape of new structure and signals from numbers & type of staff appointed where Rumours & stories of messages given about new structure at briefings Information on working new structure & roles & responsibilities	Disagreements and discussions about who does what/gets paid for what, and about staff & equipment Rumours & stories about inter-business relationships & attitudes Discussions about differences in working patterns by business	Additional information on working of new structures →→→→→ →→→→→	Discussions / negotiations to resolve black holes based on contract details => who does what/gets paid for what Rumours & stories about improving relationships/problems solved
Existing Schema / scripts	Generalists versus business specialists Everyone equal in status (by grade) A united workforce	New structure about creating barriers between businesses & looking after your own Repairs better off than Construction Review group will have sorted out working of new structure	→→→→→ Unfair differences between businesses Insufficient information to resolve problems	New structure about barriers Insufficient information to resolve problems => contracts will help Unjust differences between businesses
Change Outcomes Unintended Consequences & Positive Developments	Symbolic new structure = creating barriers Business & team identities Construction unfairly treated in staff numbers / types in comparison to repairs Potential for staff to be treated differently by business	New structure about creating barriers - IBT part of this Need to ensure you get paid for what you do Unjust differences between businesses Output from review group inadequate, need to know contract contents	→→→→→ →→→→→ →→→→→ Insufficient information to resolve problems => contracts will solve the problems	New structure about stand alone businesses Co-operative working relationships possible Contracts can be used to solve disputes

→→→→→ Continued from previous time period

Time T1

In the early days of change there were many *sensemaking triggers* to do with *designed change goals* and *interventions*, such as the *new Engineering structure*, the *appointments* of staff to particular businesses, the *launch communications* and the *appointment briefings*, and other *unplanned events*, such as *tensions experienced in allocating staff to businesses* (disagreements over who got who) in some areas. These triggers led to a variety of *mediating processes*. There were many *discussions* about the implications of working within the new structure for staff based on the *information* given at the different launch communication events, and also the *non-verbal signs and signals* from the shape of the *new structure* and early experiences in some areas of inter-business friction. There were also *rumours and stories* about what senior managers had said about the new structure at briefings.

These messages, in the context of existing *schema* to do with being *one equally treated workforce*, created the interpretation, and therefore a *change outcome*, that the new structure was about creating barriers between businesses and a previously united workforce:

“the maintenance manager in my area has said that he wants planned jobs done at weekends by only the maintenance men, now previously, this was work that was covered by all the engineers, on an occasional and rota basis, well what's the net result of trying to implement that? and the only reason he's implementing it is because he is now an autonomous business, and I said to him, implement it by all means, but if you get stuck on a weekend, don't expect somebody from another business to bail you out”

Other *sensemaking triggers* included *perceived differences* between businesses over appointments, such as Repairs having more people to cope with their workload, and younger more fitter staff, creating an interpretation in Construction that they had lost out to Repairs, and that Repairs were given a higher priority than themselves. Further, it was perceived that the new structure would allow for staff to be treated differently by business in terms of perks such as overtime duties because of the different nature of the work by business. However, there was also a *positive change outcome*. The appointment of staff to a particular business, was helping them to associate themselves with a particular business, rather than seeing themselves as generalists:

“As more staff are appointed to the new structure, there is a lot of positive team building going on. Staff are beginning to feel more secure in their new units and to have a sense of purpose.”

Time T2

As change progressed through the Autumn, the developing *interpretations* or *schema* that the new structure was about creating barriers, created *unco-operative behaviours* between the businesses in terms of lending staff and sorting out equipment. This behaviour, in conjunction with the introduction of *inter-business charging (IBT)* between businesses for

equipment and staff, and the *IBT briefings*, provided more *sensemaking triggers*, leading to additional *mediating processes* such as *discussions* about the implications for managers of the new ways of working, and *disagreements* over issues such as who does what, staff and equipment:

“Until we know what's in the contracts ... we don't know whose is what ... when is a repair a Repairs job and when is it a Maintenance job There is a lot of ... I think I'd describe them as black holes.”

These problems led to *rumours and stories* about the problems between businesses, supporting earlier interpretations of barriers between the three businesses.

Once IBT was introduced there were also *disagreements* over *who gets paid for what* between the businesses. This in conjunction with *messages* about middle managers running profit centres from the earlier launch communications and the IBT briefings, created the *interpretation*, and therefore a *change outcome*, that middle managers believed that if they were to maintain viable stand-alone profit centres, this meant getting paid for what they did, and not doing work they should not do. The disagreements countered the expectation developed earlier that the review group would have sorted out the working of the new structure, as the middle managers felt that in the absence of the contracts they did not have the information to resolve the disagreements. As discussed above for the inter-divisional tensions, that lack of information to resolve issues such as who does what contributed to the perception that the black holes, and lack of detailed review group output and no contract details were design issues.

Meanwhile, the industrial staff started to perceive *differences in working practices* between businesses. Construction industrial staff claimed that repairs staff got more overtime because they were now getting less than they used to. Repairs staff commented that they had more work to do than Construction since they had to respond on an as needed basis rather than a planned basis, and they could sometimes see their Construction colleagues sitting inside in the dry while they were outside in all weathers. Construction staff also claimed that Repairs had less work:

“The workloads between the three businesses seems unbalanced, Construction numbers have been reduced, yet Repairs seem over-staffed for the amount of work.”

These *triggers* and the *discussions* they generated supported earlier interpretations from Time T1, that there would be (unfair) differences in working practices between staff who used to be treated equally. As a result, there was *perceived* to be a *change outcome* of unfair differences between the businesses. The diarists regularly commented that this perceived outcome contributed to the inter-business tensions:

“Staff allocated to the separate business units are now seeing what they see as inequitable benefits to their colleagues. Main point of contention is the different levels of overtime worked by the 3 businesses. Construction staff see Repairs personnel gaining more overtime than themselves. Conversely Repairs staff complain that Construction teams are not "worked as hard". These views are a clear case of people seeing the grass on the other side as greener.”

Time T3

By the New Year, a *black holes working party* had been put in place and reported its findings. The *change management workshops* had also taken place. A *lack of co-operation* between the businesses was continuing. Further, the *black holes report* did not solve all of the black holes and disagreements over responsibilities. There was also still a *lack of information* on contract details, and the on-going experience of inter-business barriers. Thus, given the *belief* that had developed in previous time periods that the new structure was about *protecting your own business*, *disagreements* over who does what continued, along with the *rumours and stories* about inter-business relationships. The diarists placed a lot of hope on the contracts - it was believed that they would solve many of the problems.

Time T4

Come April 1994, the *contracts* were gradually implemented providing additional sensemaking triggers. The contracts provided the *information* needed at the level of mediation for *discussions* and *negotiations* to resolve many of the black holes and outstanding disagreements over who does what / gets paid for what, and also provided the information to enable managers to have *more informed discussions* about remaining black holes. The *interpretation* remained that the new structure was about *maintaining stand alone businesses*. However, as outstanding disagreements were resolved via the contracts, this helped the Engineering diarists to perceive that co-operative working relationships between businesses were possible, and that the contracts could be used to resolve disagreements.

One intervention worth considering in more detail during time T4 was the intervention by a senior manager to try and reduce perceptions of unfair differences in working practices between businesses at one depot. This provides the opportunity to explore the link between the interpretations arrived at via mediating processes and the group level. Routines, the way things are done in an organisation on a daily basis (Johnson, 1987), affected the interpretation of the new structure. In Engineering, there were constant complaints, particularly from one region, about the difference in overtime levels between the three businesses. It was felt that Repairs got an unfair share of overtime, despite the fact that management figures suggested this was not the case. It was almost a year after the three businesses were established that the cause of the perceived unfair distribution of overtime was identified. In the region concerned, previously problems that came in during the afternoon had been held over on a routine basis for staff to do on overtime in the evening.

This overtime was normally done by staff now located in Construction. As Repairs were now handling as much of this work as possible as part of the daily load, there was less work held over for overtime for Construction staff. They assumed the reduced overtime was because Repairs staff were doing this work on overtime themselves, and therefore getting more overtime. They did not realise it was because there was less overtime work for everybody.

The senior manager concerned went to visit the depot concerned, taking with him information on overtime levels by business, to show that there was little difference by business and to explain why the false perception was occurring. Unfortunately the tracking of the changes came to an end shortly afterwards so it is not known what impact this sensemaking trigger actually had. However, the example, illustrates once more how *change outcomes*, such as the inter-business friction, are underpinned by the interpretations made of *sensemaking triggers*, in this case the reduced level of overtime for Construction staff, within the context of *old schema*, such as beliefs about levels of overtime.

9.3.3 *Poor Staff Perceptions of Counselling - Table 3*

It was argued in the previous chapter that language is an important communication mechanism and symbol because it enables organisational members to create and share meaning, to interact. Both new language and metaphors, which mean little to individuals within an organisation initially, acquire meaning over time as individuals “define, abstract, and formalize the metaphorical concepts and begin to objectify their concepts and perceptions into *facts* and *realities*” (Hill and Levenhagen, 1995: p 1065). This example highlights the role language can play as a mediating process. Language can offer an explanation for the interpretations developed about counselling subsequently leading to the dissatisfaction with the appointments process by non-managerial staff.

Time T1

The *video roadshows* and the extensive *counselling and appointments process* for non-managerial staff acted as *sensemaking triggers* for non-managerial staff about the meaning of “counselling”. The video included *verbal* messages about counselling for all staff and the managerial counselling sent *non-verbal* messages about what counselling of staff involved. There were also many *discussions* about the managerial counselling process. One diarist summed it up as follows:

“They expected a mammoth counselling exercise. In the video it was said we will counsel everybody, so they all expected to get the same counselling that I got, which was sort of 15 to 20 minutes with a very senior manager, whereas what in fact happened was they got 5 minutes with either a foreman or in some cases a team leader if the

foreman was absent, and were told, well come in lad, have a seat, we want you to work for this part of the business ...”

Opinions as to what caused the dissatisfaction with counselling did vary between diarists. Some thought it was just the use of the term counselling, others that junior staff had seen how more senior staff had been counselled, and made inferences about the way they were to be treated. Most thought the term ‘*counselling*’ had become associated with the process non-managerial staff saw more senior staff receiving though. It had acquired a particular meaning within the context of the organisation based on recent experience.

Time T2

This *interpretation* that *counselling* was about *spending time with staff* to discuss their options was reinforced when staff were briefed. Even though in Engineering the managers running the briefing meetings were trained to explain that the options open to them would be limited, these *appointment briefing meetings* provided additional *sensemaking triggers* containing *verbal messages* about staff being able to *state preferences*.

Time T3

When staff counselling and appointments got underway in August, staff encountered a number of *sensemaking triggers* that counteracted their *earlier expectations* now held in their *schema* about *counselling*. Staff found that they were told where they were to work rather than being “counselled” in the way they expected, and that some staff were not getting their first choice. As the staff’s expectations were not matched by their experiences, they looked for an explanation. They engaged in *mediating processes* to help themselves understand what was happening, staff *compared experiences*, they swapped *stories* about their experiences of counselling, and repeated *stories* about who was perceived to have been unfairly treated, about cases where staff preferences were ignored, about complaints about lack of knowledge of staff or their skills at interviews, and so on.

The *discussions* and *stories* centred around the *non-verbal signals* from staff experiences as they went through the counselling. The fact that staff were told where to work, and did not always get their first choice, suggested that staff were being allocated on the basis of business needs rather than staff needs. Similarly the fact that more junior staff appeared to receive less satisfactory and more rushed counselling suggested that junior staff were less important, or as the Distribution Management Division Director put it, that they were “second class citizens”.

Table 3: Poor Staff Perceptions of Counselling

	T ₁	T ₂	T ₃	T ₄
Sensemaking Triggers Designed Change Goals & Interventions	Video roadshow Managerial staff counselling and appointments	Briefing meetings	Staff counselling & appointments Staff not getting first choices Administrative hic-cups (delays, etc.)	Staff take up new positions in teams
Unplanned Events			Effort required to get re-counselling	
Design Issues				
Mediating Processes	Messages about all staff receiving counselling Stories and discussions about counselling process for managerial staff	Messages about staff being able to state preferences within limits (although not for industrial staff in Metering)	Stories about brief counselling - told jobs & options not discussed Stories about staff preferences ignored, business needs being put before staff preferences, and treatment of some groups of staff	Stories about staff in other parts of the company not treated as well Stories about poor counselling recede
Existing Schema / Scripts		Counselling = spending time with staff to discuss options	Counselling = discussing options/preferences	Counselling was a sham We are not important / treated badly
Change Outcomes Unintended Consequences	Counselling = spending time with staff to discuss options	Counselling = spending time with staff Staff preferences will be taken into account	Counselling = a sham; paying lip service We are not important (administrative staff) / treated badly	Counselling a sham... but memories fading

These *mediating processes* contributed to the *change outcomes*. Counselling was described as a “sham” and “paying lip service”, because it did not live up to staff expectations of what “counselling” should be. This illustrates how interpretation is affected, not only by the language used, but also how over time particular words acquire a particular meaning within a particular organisational setting. It is the message received that counts, not the one intended (Axley, 1984). However, “only the intention of the message can be known to the sender until feedback comes from the receiver, indicating what the receiver thought was sent” (Weick and Browning, 1986; p 244). Again, there is a mis-match between the meaning staff arrived at of the term “counselling” from both verbal and non-verbal messages, and therefore their expectations, and their experience of counselling.

Unplanned events, such as the late issue of allocation lists for administration staff, a one week delay in the Distribution Management Division counselling process, the premature posting of an appointments list, and very short timescales for the counselling, all provided additional *sensemaking triggers*, as did the effort required to get re-counselling by a few staff. These events fuelled the *mediating processes* in the shape of the *rumour mill*. *Gossip* about what these *non-verbal messages* from the *unplanned events* implied for staff reinforced the perceptions of counselling.

Time T4

The interpretation that counselling was a sham was held by the staff for some time, although gradually the bad feeling started to fade. Staff’s interpretation of their experience was also subsequently moderated by incidents such as *stories* about how they were treated better than staff in other parts of the company who went through a similar exercise.

9.3.4 Senior Management Approach and Lack of Empowerment - Table 4

In Engineering and Metering, the senior management approach was ranked as a significant obstruction, primarily because it led to a lack of empowerment. Both these issues were unintended consequences created by mediating processes to do with language and non-verbal signals and signs within the context of old organisational routines.

Time T1 and T2

The *launch communications*, such as the *vision workshops* and *briefing meetings*, acted as *sensemaking triggers* prompting staff to consider how the proposed new working practices in the *new structure* would operate. Engineering and Metering diarists were told as part of the launch communications that in the new structure they were to run stand alone “profit centres” rather than “cost centres”. Most of the middle managers had received some sort of management training. They understood, theoretically, the implications for business

practices of running a profit centre rather than a cost centre, and made assumptions based on this understanding about what running profit centres meant, such as more authority and autonomy than under the old system of cost centres.

However, as change progressed into the Autumn of 1993 (Time T2) and the diarists took up their new responsibilities, the *old control systems*, such as the need to pass up certain expenditures and overtime claims for authorisation by senior managers, and imposed restrictions on overtime irrelevant of the profits within individual profit centres, *remained in place*. Even profit centre manning levels were set centrally. Since the *reality* for the diarists of managing their own profit centres did not meet their *expectations*, this triggered *mediating processes*. The *behaviour* of the senior managers in maintaining the old control systems also sent *non-verbal signals* about things still being the same, which counteracted the interpretations about the new working environment inferred from the language used such as “profit centres” in the launch communications.

Diarists swapped *experiences* and had *discussions* about how little change there was for them: “I cannot hire and fire”, “Why should I have an overtime ban if I’m doing profitable work”, “I can't always sign my own sections expenses”, “I have less autonomy than I used to”, “sanctioning compassionate leave has to go to my boss” and so on. The *interpretations* developed by the diarists of this, and therefore the perceived *change outcomes*, in the context of old *schema* to do with no empowerment / autonomy for middle managers and a control / blame management style, were that the senior managers were not serious about empowerment, that the managers were doing and saying contradictory things, and that the new structure involved little additional autonomy.

Time T3

Diarists continued to engage in *mediating processes* such as telling *stories* about and giving *examples* of the continuation of the old management style as change progressed from 1993 into 1994. Issues raised included little delegation to middle managers and a tendency for senior managers to continue to notice when people got things wrong, but not thank people for getting things right. This can be explained at the individual level via the concept of schemas, or more specifically, the concept of scripts, event specific schemas. The change stories reveal that the senior managers “how to manage” scripts included routine ways of behaving, such as senior managers notice mistakes and take decisions rather than delegating. Schemas are known to be resistant to change (Fiske and Taylor, 1991). The senior managers management scripts had been established and reinforced over a number of years, leading to behaviour which reinforced the old control / blame culture.

Table 4: Senior Management Approach and Lack of Empowerment

	T ₁	T ₂	T ₃
Sensemaking Triggers Designed Change Goals & Interventions	Launch Communications New Structure	No indication of greater autonomy or empowerment for middle managers	Some local initiatives e.g. hot desking, cost cutting and efficiency measures →→→→→
Unplanned Events			Continuation of old control systems - expenditure and overtime sign-offs, performance measures and indicators, etc.
Design Issues			Stories and discussions about non-verbal signals from senior management behaviour and non-verbal signals from conflicting performance measures and control systems Stories about culture e.g. disciplining of engineer
Mediating Processes	Discussions about vision workshops messages of autonomy and profit centres and Signals from shape of new structure with standalone businesses in Engineering and Metering	Discussions about non-verbal signals from senior management behaviour / old control systems	
Existing Schema / scripts	Theoretical concept of profit centres We run cost centres No empowerment - operate within controls Senior managers manage in control / blame style	Profit Centres = more authority / autonomy Senior managers continue control management style	Still running cost centres No autonomy Company doing / saying contradictory things Senior managers continue control management style
Change Outcomes Unintended Consequences	Profit centres = delegated authority, more freedom and autonomy for middle managers New structure about more autonomy and less control	Managers not serious about empowerment No autonomy - cannot hire / fire, set overtime levels, etc. Company doing / saying contradictory things	→→→→→ Need authorisation to take initiatives Senior managers still practice control management style

→→→→→ Continued from previous time period

The senior management behaviour itself therefore continued to act as a *sensemaking trigger*, since it counteracted expectations about the new working environment. It provided additional *non-verbal signals* shared by diarists in *stories* and *discussions* as part of the mediating processes, therefore supporting the *interpretations* that the old culture remained. Some diarists were clearly confused by the mixed messages:

“this company is playing at it (empowerment) ... I can understand why when you think where we've come from ... at the management level, the control systems we've got in place control people expense claims, they go backwards and forwards like nobody's business what sort of message does that say to people ... you know.... we empower you to spend x thousand pounds, but we don't trust you to do your expenses right”

The *interpretation* developed in Time T2, and reinforced in Time T3, that there was still a *lack of autonomy* for middle managers, combined with the old cultural routines about not doing things independently without authorisation, led to other *unintended consequences* such as a *reluctance to take initiatives*, especially in Engineering. Some middle managers did put in place local initiatives, for example, “hot desking”³ to reduce the need for office space, and other cost cutting and efficiency measures. However, others had their initiatives stopped by their senior managers. An example of this was the attempt to introduce mobile phones into one area. Thus the *senior management behaviour* provided more *non-verbal signals* contributing to the *mediating processes* of *stories* and *rumours*, supporting the perception that middle managers did not have full autonomy to run their profit centres.

One Engineering diarist, who had been on the review group initially believed strongly that the new structure did confer more autonomy on middle managers refuting other's criticisms:

“I very rarely have to get my senior managers to make a decision, I try and make the decision myself, I can't see a problem. I think people are just creating problems, I think people are just taking the but over and saying "I can't do that - I'm sorry" - they might be able to do it.”

Whereas a few months later (time T4) he made the following comment:

“My local initiatives have been kicked into touch, I haven't been allowed to do local initiatives I should have notified him (the senior manager) and he should have decided I thought I was empowered to do things, but I feel I am not anymore.”

³. Sharing of desks by staff who are regularly out of the office.

This is consistent with what Louis (1980) calls surprise caused by undermet expectations about job role in a role change situation. Surprise then triggers sense-making activity as explanation is sought. Thus, people offered explanations such as:

“To be frank I felt more freedom and more empowerment prior to the restructuring ... Because I was left to get on with it I think the main thing is that, there is no doubt, prior to restructuring, that we weren't targeted to deliver performance to a degree that we are now. We were targeted but not to deliver things so precisely in terms of performance.”

“I think ... part of that is a ... there seems to be an insecurity all the way up the management ladder. Again, I've been in the industry long enough to remember when .. managers at all levels were reasonably secure in their jobs, and were able to make decisions and live with the consequences whatever they were ... and I think now that there is more edgy management throughout the company, and when things go wrong you feel that edginess”

As change progressed into 1994, there were also conflicting *sensemaking triggers* from the *control systems* in Engineering, such as the *customer service standards*, and the *old measures* like the centrally imposed *overtime limits* which remained in place. Given that managers had already developed the *interpretation* from previous time periods that the old blame / control management style continued to exist and there was to be *no empowerment*, some managers therefore faced a dilemma. Customer service standards and overtime limits could be contradictory. Doing a piece of work for a customer on overtime could mean meeting the customer service criteria, but breaking the overtime levels. Not doing the work on overtime could mean breaking the customer service criteria. One diarist expressing this dilemma said “which are you going to be whacked hardest for breaking, the customer service standards or the overtime”. There is also evidence that stress can lead people to regress to their first learned behaviour (Barthol and Ku, 1959; Weick, 1990 and 1995), which would reinforce the tendency of middle managers to continue to rely on *old schema*, such as mistakes are punished, in the face of uncertainty, leading to a *change outcome* of little cultural change for the middle managers.

In this particular example, other cognitive issues appear to be at work, such as dissonance theory (Festinger, 1957; Fiske and Taylor, 1991), which considers the effects of mismatches or inconsistencies between cognitions. The lack of cognitive consistency creates tension. As a result, when people experience inconsistencies they will change their cognitions to reduce the discrepancy and the discomfort it causes them, but not necessarily by changing their cognitions in a way that will lead to behaviour change. So for example, managers may decide that overtime limits are still the most important and will therefore make those their chief performance measure.

An *incident* during time T4 reinforced the perception, particularly for the diarists in Engineering, that the senior management approach was not changing. An engineer in the Engineering division was disciplined, in line with traditional procedures, for making a mistake. However, staff felt that in this instance the mistake was not entirely the engineer's fault. Comments included "it could have been any of us". The disciplining became a *public story* quoted by many diarists as an example of the continuation of a blame culture. This is an example of how *stories and gossip* act as *mediating processes* and contribute to *vicarious learning*. Perhaps as a story it was more powerful because as Weick and Browning (1986; p 249) suggest, "people judge the reasoning in stories by how well the story hangs together (narrative probability) and how fully it rings true with experience (narrative fidelity)".

Therefore, the senior management approach and lack of empowerment can be seen to be inter-linked unintended consequences. The senior management approach resulted from a perpetuation of old cultural routines, which in conjunction with the continued use of old control systems, sent a variety of non-verbal signals and signs that created and reinforced interpretations developed at the level of mediation that there was to be little empowerment within Engineering and Metering, despite the espoused shift to a more empowered culture in which managers would run stand-alone profit centres. The senior management behaviour, particularly in Engineering, in turn became a symbolic representation to staff that there was to be little empowerment, since this was the interpretation attached to it.

9.3.5 *Explaining Unintended Consequences*

The examples given show how unintended consequences are often the result of mediating sensemaking processes. The mediating processes are triggered throughout change implementation by various sensemaking cues, such as the imposition on the group level of designed change goals and interventions, and any other message sending behaviours and events, some of which may be unintentional. Change recipients attempt to resolve the ambiguity created for them by the diverse messages, both verbal and non-verbal, both intended and unintended⁴, from the different sensemaking cues. This is clear in examples such as the development of inter-divisional friction and the development of inter-business barriers. Individuals try to make sense of the imposed group level changes and interventions, and try to interpret the meaning of the changes for themselves, given their existing mental maps of the organisation's internal and external environment. When behaviours, events, stories, rumours, and actual experiences encountered, continually convey conflicting

⁴. Communication often leads to the communication of unintentional meaning (Axley, 1984). Receivers of messages will not necessarily take the meaning intended by the sender, and a sender may also communicate symbolic messages when not intending to do so.

messages, or do not match espoused change intentions and any expectations created by earlier messages and interpretations, then the meanings and interpretations developed by change recipients are likely to differ from those intended by the change initiators. When the change recipients enact these interpretations, the result is unintended consequences and change outcomes different from those desired.

Verbal or written communicated messages, such as the need for all divisions to work together, can be overridden by conflicting non-verbal messages given by artefacts and behaviour, which in turn become symbolic. As such, it should be recognised that verbal communications on their own appear to be a relatively weak mediating process. Staff encounter other sensemaking triggers in the behaviour of others, artefacts, and their own experience on a *daily basis*. As one Engineering diarist said, “it doesn’t matter what they say, the structure says that in two years time we could all be down the road”. Further, schemas provide interpretive recipes that create anticipations consistent with the past about the future for organisational members, and are resistant to change. In the absence of any evidence that old schemas no longer apply, they will continue to be used (Fiske and Taylor, 1991) leading to the continuation of old behaviour such as the old management style. Interpretations can also be affected by such things as the position of individuals within the organisation structure, past experiences and self-interest.

The examples of unintended consequences discussed here reveal a wide range of mediating processes to do with meaning generation and sharing at work. Verbal and written communication via a variety of media contribute to processes of mediation. Language plays a role. Unintended consequences can be caused by mis-interpretation of unfamiliar terms, such as “counselling”, and undermet expectations when familiar terms, like “profit centres”, do not deliver the working environment associated with them. Stories and rumours can also play a role in the development of unintended consequences, such as those about senior management behaviour contributing to perceptions of inter-divisional friction. Therefore vicarious learning is another type of mediating process contributing to the unintended consequences. Vicarious learning not only occurs by sharing experiences via gossip, but also in any situations in which staff are together and are able to share experiences or observe others’ behaviour. Finally, processes of symbolization (see chapter 8, section 8.4.2) also contribute to unintended consequences. Any non-verbal messages contained within behaviours, events, and activities that occur, whether or not these activities are deliberately intended to convey certain meanings, are discussed and shared as part of the mediating processes, which can lead to the development of unintended consequences.

9.4 Positive Developments

Two examples of positive developments are described here - middle manager adaptation and emergent culture change in Distribution Management. Since staff adaptation is discussed in chapter 7, quotes and examples given there are summarised and not repeated.

9.4.1 Middle Manager Adaptation - Table 5

Time T1

In the Distribution Management Division and the Metering Division in particular it is clear that the middle managers expected the review group output to describe in detail the precise job descriptions in the new organisation. This appeared to be due to sensemaking that took place before the implementation of the changes started. The *establishment of the review group*, and the *communication* to staff that the review group was in existence conducting a fundamental review of the business, acted as *sensemaking triggers*. These triggers lead to *mediating processes* such as *debate* among the staff about the implications of the review. There were many *rumours and stories* about possible outcomes such as redundancies. People tried to make sense of what was happening by sharing their expectations and fears via gossip (Isabella, 1990). Therefore, staff uncertainty and fear for jobs developed.

Furthermore, although it was known that implementation was to start from April 1993, there was *little communication* and therefore few *sensemaking triggers* about the output from the review group or how the implementation would be managed. Therefore, staff could only engage in *speculative mediating processes* relying on *rumour* and *hearsay*. What little information they did have was interpreted within the context of their *old schemas*. Staff had a *tight job specification* which they fulfilled with little if any input into the development of their job role. There was an *assumption* that *staff were told what to do*, a culture of senior management control.

If these schemas are used to consider how it would have affected staff assumptions about the output from the review group in the absence of any other indicators to the contrary, it can be seen that they were likely to have assumed what they did: that their job roles and responsibilities would be spelt out and that they would perform to that specification, not help to develop it. Their reactions were based on pre-existing cognitions (Taylor and Fiske, 1978; Fiske and Taylor, 1991; Lord and Foti, 1986; Gioia, 1986). A similar explanation could be arrived at by using the group level concept of *routines*. Tight job specifications were a routine of the old culture. Therefore, in the absence of any contradictory information, it was likely to be assumed that this routine would be perpetuated. Therefore, an *unintended consequence* developed. Staff started to believe that by April, the review group would have completed the full detail of the new structure.

Table 5: Middle Management Adaptation

	T ₁	T ₂	T ₃	T ₄
Sensemaking Triggers Designed Change Goals & Interventions	Review group established Some communication on existence of review group & its work	Launch communications Staff appointments made Review group output (information packs) Staff experiences of working in new environment	Staff liaison to develop their roles & responsibilities	Evolution of job roles & responsibilities Contracts issued - Identification of who does what
Unplanned Events		Lack of detail in review group output Insufficient communication prior to April '93	Lack of detail in review group output (who does what) No contract details	Lack of detail in review group output
Design Issues		Seeking of information by middle managers to help them understand and fulfil their new job roles Sharing of experience about what the new environment means / expectations of staff	Meetings & discussions to determine detail of departmental responsibilities Attempts to find information on who does what	Discussions about how work / staff have changed in comparison to expectations
Mediating Processes	Rumours & stories about outcome of review group			
Existing Schema / scripts	Company used to offer job for life Staff fulfil given job roles - no input to design of job	Expectations that by April 1993 review group will have designed the new structure Uncertainty	Need to participate in design of own job roles / responsibilities We need to undertake change / adapt	We need to participate / adapt
Change Outcomes Unintended Consequences & Positive Developments	Staff uncertainty & fear for jobs False expectations of review group output - by April 1993 review group will have designed the new structure	No uncertainty about jobs / relief Need to fill gaps in design ourselves Realisation of need for staff to change	Need to participate in design of own job roles / responsibilities	"We have done well; we have adapted"

In the absence of any other information, the assumption was also developed that this change would be like other changes the company had implemented - that the old ways would continue. People used their *existing schemas* to interpret the impact of the new in terms of the old. This is particularly clear in the comments made by one of the Distribution Management Division diarists. He commented at his first interview:

“really since 85, for my staff, it has been very unsettled, a lot of people are now used to working in an unsettled environment, whatever the cause of it and this is just one more cause. You know people get on with it, they accept it, that, you know, things are going to change, so two aspects to it, the work side and the individual side ..”

There is potentially another issue here to do with ‘readiness for organisational change’ (Armenakis et al, 1993), the “cognitive pre-cursor” to behaviour patterns of either resistance or acceptance of change. Readiness for change is to do with the beliefs, attitudes and intentions of organisational members. It is argued that “the primary mechanism for creating readiness for change among members of an organisation is the message for change”: the need for change in terms of the difference between now and the desired future state and the efficacy (perceived ability) of change. Creating readiness is supposed to be a *precursor to organisational change*. But the communications prior to April 1993 did not give sufficient information to create readiness for change by triggering appropriate sensemaking activity at the level of mediation, and communications such as the video roadshow occurred once the changes were underway. The lack of early communication, therefore, meant that readiness for change, or the sensemaking activity that could create it, was not great before the changes started.

Time T2

Change started to get underway in May, June and July, with the *managerial appointments*. Staff once appointed lost their uncertainty. The *output from the review group* was gradually disseminated via the *launch events* and the *information packs* given to managers who had been appointed.

The *review group output* caused a *surprise* (Louis, 1980) for staff since it did not specify their job roles and responsibilities in detail as they had expected. This triggered sensemaking. First the middle managers had to *seek the information they needed* to perform their new job roles via *discussions* with their colleagues and their managers. The fact that they encountered issues that could not always be resolved easily, and that they could not always find the appropriate person for a query (the who does what issue), led them to perceive the *review group output* as inadequate with insufficient detail. The *lack of information* was a sensemaking trigger, that also became perceived as a *design issue*.

As staff worked in the new environment, their experiences of it triggered sensemaking. Staff engaged in mediating processes such as swapping their experiences with each other over lunch, and when they met at other times such as meetings with colleagues:

“at the beginning of the year, we thought that all these boundaries would have been set ... and so we were a bit surprised really that it was handed over to us, well there nothing handed over, you know, just get on with it I think people soon got down to the fact that the jobs weren't clearly defined as what they originally had in mind, and people just started getting on with it.”

The vision workshops and action plan launches were simultaneously helping managerial staff to develop a better understanding of the rationale for change and the expectations of them in the new working environment. As a result of the *sharing of their experiences* staff started to come to a *realisation* that they had got to fill in the gaps in the design of the new structure themselves, and that maybe there were implications for themselves in that they had got to undertake change. However, they also felt that there had been *insufficient communication prior to April '93* about the review group output which is why they had misunderstood what the output would be like. This lack of communication therefore became a perceived design issue.

Time T3

During the Autumn of 1993, middle managers started to pick up their roles, developing their own detailed job specifications in line with their developing interpretation that they had to take responsibility for finalising the detail of the working of the new structure. Some departments used process flow techniques. However, the attempts to find information to help them develop their own roles continued to leave staff with the impression that the detail in the review group output was inadequate and that also the lack of knowledge of the contract details were a problem. They had *meetings* to *discuss* and *negotiate* the scope of their departmental responsibilities and attempted to work out who was responsible for what, but could not always obtain the guidance needed. This then created the impression that “who does what” was a problem, and a problem that added to their workload.

Time T4

As change moved into 1994 roles and responsibilities were evolving. Contracts were implemented and it became easier to determine who was responsible for what. Middle managers continued to engage in *mediating processes* to help themselves understand what the new working environment was like for them. They *discussed* and *swapped experiences*

about the extent of the changes to their way of working. In the Distribution Management Division, for example, as illustrated by the quote above, it was evident that in the absence of any messages to the contrary, staff had clear expectations about what the changes would mean for them. It would just be like other changes they had been through. However, as change progressed, the *sharing* of their *experiences* via discussions and stories led them to the *interpretation* that this time they had to undertake more fundamental personal change:

“we are beginning to think now did we get it right in the first year, should we change things for the second year, and there has been quite a bit of re-appraising going on because it was very difficult to visualise how this year was going to go. For example, with the way we started out, we all had a sort of routine job to do but it appears that the vast majority of what we are expected to do is development of the section, and development of management information rather than relying on the same old stuff to set up the new business ... I don't think any of us knew what that role was going to be, we have had quite a rude awakening this year, but the extent of the change in the way the business has run has been phenomenal. We could never have imagined it....”

The same was true of other staff. Thus it seems that through *sharing of experience* staff had managed to retrospectively come to an *understanding* of what was really expected of staff in the new environment and adapt:

“the degree of flexibility you need now to do your job is higher than it has ever been, you are not coming to a job now and somebody says here is the notes, this is what you do, you come to a job now, you vaguely know and then you have got to create your own job because there is no parameter, you have got to be so flexible to survive.”

and

"the amount of change we have gone through, actually that is something that I think has gone incredibly well, that we are where we are now, having achieved so much, all right we might not have got everything right, there are still problems, but we have actually achieved an incredible amount ... work has evolved and being piled upon us and we have risen to it, we have achieved it and we have brought in new systems, we have consulted everybody, we are getting more and more work put upon us and different types. My job description is totally different to what it was in June, and people have accepted it and risen to it and have put in the hours of work and the commitment is there, and that is not just in our section, you can see it across where ever."

This finding is consistent with what Isabella (1990) terms “aftermath”:

“As managers test and experiment with a construed reality that moves beyond the traditional boundaries of past sense making, there comes a growing, concrete realization of the permanent changes wrought and of the consequences those changes and the event itself have had for the organization and its members.”

This example illustrates how *personal experience* can *trigger sensemaking* when expectations about a situation are not met. In this instance, the expectations were that job roles would continue to be static and tightly specified as they always had been before. However, diarists discovered that their job roles needed to evolve and develop and that they were in part responsible for this. The *mediating processes* were about people *sharing their experiences*, which encouraged the development of *interpretations* about what change meant for them, leading ultimately to *schema change* and a new enacted reality at the group level. This was clear at the first Distribution Management Division change forum as the diarists started to swap and compare stories about their experiences of the new working environment with each other.

However it should be pointed out that most of the middle manager adaptation appeared to occur in the Distribution Management Division. What was more obvious in the other two divisions was a concern that staff were not being allowed to change their roles and responsibilities sufficiently (see senior management approach and lack of empowerment, section 9.1).

9.4.2 Emergent Culture Change in the Distribution Management Division - Table 6

One of the stated intentions of the change process was to achieve a culture change, although as the story reveals, little action was taken to achieve a cultural shift until the values and behaviours programme was introduced. Yet a culture change was taking place in the Distribution Management Division. The analysis of how and why reveals that this can be attributed to the symbolic meanings attached by the change recipients to both the designed change interventions, and the leadership behaviour in the division, but also to the sharing of stories and experiences - a type of vicarious learning.

Time T1

The old culture was frequently described as a blame / control culture in which staff fulfilled specific job roles within a structure of strong job demarcation, had little or no empowerment, and did not pass bad news upwards. A job was for life and it was within the business of Distribution. At the start of the change process a number of *designed change interventions*, such as the *appointments* to Distribution Management Division rather than Distribution as a whole, the *redundancies*, and the *launch communications* talking about the new way of working, provided *sensemaking triggers* that challenged the existing ways of doing things.

Table 6: Culture Change Distribution Management Division

	T ₁	T ₂	T ₃
Sensemaking Triggers Designed Change Goals & Interventions	<p>Appointments to Distribution Management Division (& evolution of job roles)</p> <p>Launch Communications</p> <p>Director attendance at vision workshops / action plan launches</p> <p>Diary System</p> <p>Redundancies</p> <p>Director makes himself approachable</p>	<p>Office move and move communications team</p> <p>Director attendance at Connections meetings</p> <p>Action on problems in Connections</p> <p>Staff evolving own job roles</p> <p>Director's support for diary system</p> <p>Christmas Parties / Socials</p>	<p>Set up of car parking scheme</p> <p>Director attendance at team briefings</p> <p>Launch of values and behaviours</p> <p>Message of thanks to staff at April '94 action plan launch</p> <p>Quiz night</p>
Unplanned Events	Director makes himself approachable	Director's support for diary system Christmas Parties / Socials	Quiz night
Design Issues	Director makes himself approachable	Director's support for diary system Christmas Parties / Socials	Quiz night
Mediating Processes	<p>Stories and discussions about signals from appointments, redundancies and Director visibility</p> <p>Discussions of experiences of working in new environment</p> <p>Discussions of significance of changes for staff</p>	<p>Discussions about signals given by response to staff problems & division no longer at head office</p> <p>Stories about Director and his approach</p> <p>Discussions about new working environment and significance for staff</p>	<p>Ongoing discussions and stories about working environment in Distribution Management and Director and senior manager behaviour</p>
Existing Schema / scripts	<p>Company provides job for life</p> <p>Job demarcation and tight job specifications</p> <p>Bad news not passed upwards</p> <p>Blame / Control Culture</p> <p>We work for Distribution</p>	<p>We work for Distribution Management</p> <p>Job if you perform; need to develop own job role</p> <p>Blame / Control Culture</p>	<p>Less of a blame / control culture</p> <p>Legitimate to pass bad news problems / upwards</p>
Change Outcomes Unintended Consequences & Positive Developments	<p>Job if you perform</p> <p>Need to contribute to design of own job role (see staff adaptation example)</p> <p>We work for the Distribution Management Division</p> <p>Blame / Control Culture</p>	<p>Legitimate to pass bad news problems / upwards</p> <p>Less of a blame / control culture</p> <p>Distribution Management Division is not head office, but an operational division</p> <p>Job roles not fixed - we need to evolve them ourselves</p>	<p>Distribution Management Division different to other divisions</p> <p>Legitimate to pass bad news problems / upwards</p> <p>Less of a blame / control culture</p>

Staff engaged in many *mediating processes* in response to these various triggers as they tried to assess the extent of the implications of the changes for themselves and their colleagues. The mediating processes included *discussions* about the *non-verbal signals* sent by the redundancies that jobs were no longer for life, which were backed up by the *messages communicated* at the launch communication events such as the vision workshops:

“there's often lots of things discussed, people go and stand together to discuss things ..”

There were also many *stories* about who was leaving the organisation, and many leaving events:

“I went to a leaving do last night, and it was surprising, half the people at the leaving do, were retired members and half were youngsters, so it shows that, you know, how they are getting rid of people, you wouldn't believe it”

In addition, managers were starting to realise as they tried working in the new environment with the review group output, (see staff adaptation above), that they needed to contribute to the design of their own job roles and no longer had pre-specified job roles. All of these *triggers* led to further *discussions* between staff about the impact of the changes on them.

Other *events* also sent *sensemaking triggers*. Senior managers were usually distant figures communicating infrequently with staff, yet the *Director* and his *senior managers* ran and attended vision workshops and action plan launches, and appeared to communicate openly and to be interested in what the staff had to say. The introduction of the *diary system* was another *trigger* which challenged the routine of “bad news not passed upwards”.

Positive ritualistic activity in the Distribution Management Division provided additional *sensemaking triggers* contributing to the *non-verbal signs* and *signals* staff were *discussing* as part of the *mediating processes*. It is not just symbols that have an affective component (Daft, 1983), but also symbolic activity, particularly ritualistic activity. In all three divisions there was evidence of many challenge rituals associated with unfreezing an organisation (Martin et al, 1995). Examples include the new structure, the new appointments, and redundancies. It could also be argued that there were some degradation rituals since the redundancies included many of the older employees. However, there were also many positive rituals, such as integration rituals (Trice and Beyer, 1984 and 1985) which aid the development of a new identity, within the Distribution Management Division. The Distribution Management Division arranged not only vision workshops for all staff, but also departmental action plan launches once most appointments had been made. As the

year progressed social events were evident in the Distribution Management Division, such as Christmas parties and much later (time T3) a quiz night:

“Team spirit very high. There are several indicators - sickness is nil in the first half of the year; recent team events (football, rounders) have attracted a high level of participation despite the fact that staff live 30 miles away on average; Christmas functions now being planned.”

However, although all these triggers were indicating that things may be different in the future, and some things were changing, such as “jobs for life” was being replaced with “a job if you perform”, in the main the staff still perceived a blame / control culture to exist.

Time T2

The perception about the blame / control culture started to change as more *actions* occurred *triggering sensemaking* about the new versus the old. First, by the end of 1993 and the beginning of 1994, staff were moving to the new office. This was apparently the only initiative by the Director that constituted a deliberate attempt at symbolic activity, because he wanted the Distribution Management Division to lose the label of being part of “head office” and become one operational unit:

“And not only movement from head office - being able to be what .. 90% odd of our team in one building, that has never happened before in a business of this scale. We are all together and I can walk round in half an hour...”

Second, there were various *sensemaking triggers* from the diary itself indicating a move to a more open culture. The existence of the system and the support for it from the Director created more *mediating processes* in the form of *discussions* about the fact that these *non-verbal signals* suggested a shift to more open communications:

“extremely useful, I mean we’ve never been able to talk directly to the Director before, it just would never have happened, it would have got filtered at my level or the level above”

"we are now seeing the report and we are now saying it doesn't matter what we put down, it gets recorded, and it goes up and there hasn't really been any repercussions.... It is all down to the Director I think and the way he reacts”

The fact that information that had previously not reached the Director was doing so now in the Distribution Management Division became clear early on as the Director found out about the tensions between the divisions from the diaries. The change manager, only three months after the diary system had been in operation, pointed out that information on

progress was being passed to the top rather than withheld, and acted on - because the Director insisted on it. As the above quotations show, an *interpretation* had developed from the diary system and the Director's support for it, that it was *legitimate to pass bad news upwards*.

The Director's support for the diary system was clear from his *actions* which provided on-going *sensemaking triggers* and therefore on-going contributions to *mediating processes* in the form of *stories* and *discussions* about the *non-verbal signals* from the Director's actions. The Director discussed each report with his senior managers and also insisted that his senior managers were not to prevent people reporting problems in the diaries. He even had it minuted at his weekly meeting with his senior managers that no manager was to do this.

The creation of an action report system whereby problems were recorded and circulated to senior managers for comments on actions taken was another *signal* that comments in the diaries were taken seriously, as was the Director's attendance at the first diary feedback meeting. Further, action was taken as a result of the reported problems: for example, information in the team brief on the office move, the office move communications team, contract briefings, and the telephone directory. Action was also taken on the problems in Connections. Over time, the Directors behaviour and the diary mechanism, therefore became symbolically representative of a change in the management style in the Division.

Another factor that appeared to play a role was the approach the Director took to his staff when he was with them. Staff felt they could speak their mind in front of their director - and did without receiving retribution for it. The Director himself acknowledged this. When he closed a total quality training course involving a lot of the more junior Connections staff - "they berated me at great length as to what we had done wrong". As a result, at the request of their supervisor, he then attended similar sessions with all the Connections staff as he did not have time to close all total quality courses.

The types of *mediating processes* occurring at this time were not just to do with the *non-verbal messages* that became invested with a symbolic significance for the change recipients as they were shared via the *stories* and on-going *discussions*. In particular, the evolution of staff roles (see staff adaptation) triggered many *discussions* about the flexibility expected of staff in the new working environment and the on-going need to evolve one's job role. The Director's *behaviour* also *triggered discussions* among staff about him and what they thought of him and his management style. All of these things started to challenge the perception of the blame / control culture. The final interviews revealed that staff *perceived*

that in Distribution Management there was less of a blame / control culture than in the other divisions.

This is not to say that all changes were perceived positively - the removal of flexi-time was highly unpopular and perceived as a gradual erosion of the good benefits staff used to enjoy. Further the Director did receive some criticism. Although the final interviews showed that the diarists perceived the Director to have an open and approachable management style and be supportive of his staff, reactions of diarists at change forums showed there was a concern at the end of the first year of change about his lack of visibility to more junior staff. One diarist criticised the Director for missing a vision workshop:

“... attendance at vision workshops, I went to a later one, so we didn't have the Director, we had one of the branch managers why should it be, just because I didn't manage to get to an early vision workshop, you know, it wasn't important enough for him to attend, you know, vision workshops are vital to everything, they are wonderful, this is what you get at the beginning, but if you happen to be then he doesn't bother to turn up, he sent someone else, other things have overtaken, it is not important any more, well it might be his 150th vision workshop, but it was my first”

The Director accepted these comments about his lack of visibility and lack of attendance at some vision workshops, and started to attend team briefings (*Time T3*) so staff could talk to him.

Time T3

By March 1993, there was evidence of many *mediating processes* to do with the culture change. Staff were starting to *talk openly* of a culture change in the Distribution Management Division. The earlier indications in terms of staff experiences and Director behaviour that a culture change was taking place were reinforced in a number of ways. There were many additional and supportive *sensemaking triggers*. The Director set up a special car parking scheme in response to complaints about lack of parking, and set an example himself by always parking in the more remote unreserved parking areas leaving those reserved for Distribution Management Division staff close to the office for those who needed them. He started to attend team briefings to make himself more visible to all staff. There was very positive feedback for this. Staff *shared* their *experiences* of these visits with others, "I would like to just voice appreciation really, I don't know if anyone else has benefited, but the Director actually came out from his office and visited us at our Control Centre.....", thereby contributing to the *mediating processes*. Staff also appreciated the message of thanks to staff in the April '94 action plan launch - something that diarists had felt was an omission earlier on in the change process with comments such as "I don't think we've seen the thank yous coming down as yet".

One negative event which triggered many *stories* was the disciplining of the engineer in Engineering (see senior management approach, section 9.1). However, the event also triggered *discussions* which revealed that the diarists in the Distribution Management Division perceived their division to be different. The comments in the story of change in the Distribution Management Division reflect this:

"I think it is important that people outside see the Distribution Management division as different"

and

"Whenever anyone else comes up with a good idea, we've already done it.."

The many *sensemaking triggers* occurring by time T3, and the many *mediating processes* they generated in the form of on-going *discussions* about the nature of the working environment in the Distribution Management Division in comparison to the old working environment, led to the *interpretation* that *Distribution Management was different* and had *less of a blame / control culture*.

This analysis suggests that staff in the Distribution Management Division changed their expectations because 1) there was much activity giving consistent messages via non-verbal signs and signals, that in turn became invested with a symbolic significance by the change recipients, that a new way of doing things was developing; and 2) there was little behaviour symbolically counteracting this by providing support for the old culture. Johnson (1990: 187) comments, "researchers have noted the importance of symbolic and political mechanisms employed by such change agents in questioning and breaking down the adherence to current norms and political structures and building and signalling a 'counter-culture'" . Pondy (1978: 94) similarly comments "the effectiveness of a leader lies in his ability to make activity meaningful for those in his role set." These authors are making the point that symbolic activity, or activity perceived as symbolic by the recipients of that activity, whether intended or unintended, by leaders contributes to mediating processes.

To support the above analysis, the emergent culture change in the Distribution Management Division can be compared to the little culture change in the other two divisions. Just as there are many examples of activity challenging the existing paradigms and routines of the old order in the Distribution Management Division, there is little evidence of such activity in the other two divisions. In the other divisions, there was more activity which (unintentionally) symbolically signalled that there was no culture change.

In the Metering Division, the Director did make an effort to attend all the vision workshops for staff. Subsequently he also led the briefings on the new work packages on offer for flexible working. One of the senior managers also made efforts to go out on site with the staff, emphasising a more open approach by managers. Yet few other gestures supportive of the new espoused culture were noticed and commented on by the diarists.

In Engineering, as discussed above under senior management behaviour, section 9.1, many of the messages given by the continuation of old control systems became symbolic indicators of the continuation of the existing culture. Although the Director himself went out on site visits with the staff, the senior managers remained relatively low in visibility, both to their middle managers and the staff. Some diarists frequently commented on the lack of contact they had with their senior managers. There were also fewer integration rituals, with non-managerial staff receiving their vision workshops as part of the total quality training, no departmental action plan launches following appointments, and little evidence of individual businesses having any social events or group meetings as in the Distribution Management Division. Only one diarist reported holding periodic departmental briefing seminars and a Christmas Breakfast event.

9.4.3 Explaining Positive Developments

As for unintended consequences, most of the positive developments arise as a result of mediating processes. The mediating processes are triggered through time by sensemaking cues, such as the designed change goals and interventions put in place, and any other message sending behaviours and events which may or may not be deliberate. Individuals try to make sense of the imposed group level changes and interventions, and try to interpret the meaning of the changes for themselves, given their existing mental maps of the organisation's internal and external environment. Thus initially, staff will interpret the espoused changes in light of old experiences, since schemas provide interpretive recipes that create anticipations consistent with the past about the future for organisational members. This can lead to unintended consequences, such as the false expectations of the review group output described as part of the process of middle manager adaptation, and the expectations for some staff in Distribution Management that this change would be like other changes (also described as part of the process of staff adaptation).

Further sensemaking is then triggered as change recipients attempt to resolve the surprise created by differences they encounter between what they expected to happen, and what is actually happening. This is clear in both the examples analysed above of staff adaptation and culture change in the Distribution Management Division. The positive developments

start to form as developing new interpretations and expectations, such as we must contribute to our own job roles, or we can pass bad news upwards, are consistently reinforced by a variety of signs and signals, verbal and written communications, and shared experiences. Further reinforcement of the emerging positive developments occurs if these interpretations are not challenged by sensemaking cues suggesting alternative possible interpretations, and there is a lack of sensemaking cues reinforcing old expectations. New interpretations become embedded in new schemas, and therefore lead to enacted group behaviour supportive of the desired changes. The new behaviour in turn triggers more supportive mediating processes. Positive developments therefore result from a consistent reinforcement via a variety of intended and unintended sensemaking triggers, of new interpretations and behaviours in line with those wanted by the change initiators, and a lack of reinforcement of old expectations.

Again, a variety of mediating processes can be identified in the examples of positive developments discussed above. Signs and signals from events, behaviours and activities, episodes that take on a symbolic significance for the change recipients, receive a lot of emphasis. These are discussed and shared by staff as part of the mediating processes. Therefore, stories, discussions and rumours about a wide variety of staff experiences and witnessed events and behaviours play a role. They are shared by individuals as they try to make sense of their experiences and serve to reinforce either existing or new organisational practices and behaviours:

“we all go to lunch together, there's often lots of things discussed, people go and stand together to discuss things ..”

The sharing of stories was particularly evident at diary feedback meetings and change forums. Most information exchange was conducted by individuals telling stories of their (or their colleagues) experiences to reinforce the point they were making. In the Distribution Management Division, this was particularly true when discussing issues such as culture change and staff adaptation as the above examples illustrate. Therefore, as with unintended consequences, another important mediating activity is vicarious learning. Verbal and written communications also play a role. They provide messages about the espoused intent of change, which help staff develop interpretations that marry perceived behaviours and events with desired change goals, in a consistent rather than a contradictory manner.

9.5 Design Issues

Design issues are described in chapter 7 as the aspects of the designed interventions that were perceived by the diarists to become problems and hinder the change process in some way. The examples of positive developments and unintended consequences discussed above make mention of many such design issues, including a lack of detailed output from the review group, inadequate transition management and co-ordination leading to poor inter-divisional problem resolution, and a lack of contract details. If these examples are examined within the above analysis, it can be seen that the diarists class these aspects of the designed change interventions as design issues, because of the way they extend the need for change recipients to engage in on-going mediating processes.

For example, who does what was a problem for the diarists, as with no detailed guidelines about responsibilities in the new structure, it was difficult to get agreement in areas where there was a difference of opinion. The perception was that this information should have been in the review group output or in contract information, and therefore the lack of detail in the review group output and the lack of information on the contracts were issues. Further, not only did the diarists not have the information to resolve the who does what problem, their interpretation was that many of the associated problems they had, such as disagreements over responsibilities, black holes and oversights, could have been resolved if there had been an individual or group of people with knowledge of the intentions of the review group to whom such issues could be referred for resolution. Therefore poor inter-divisional problem resolution was perceived to be an issue caused by inadequate transitional co-ordination.

However, this is just an initial observation as to the cause of design issues. To confirm this observation, it is necessary to examine the detailed reasons given for the ranking of the design issues as obstructions by the diarists in their final interviews in appendices 4, 5, and 6. It is also helpful to start by considering the design issues that were perceived to be most problematic by the diarists. To do this it is necessary to return to the tables showing all obstructing processes by division in chapter 7, to compare the rankings of the design issues. To save the reader doing this themselves, table 7 included here is an extract from the tables in chapter 7, and shows the rankings by division for the various design issues.

Table 7 reveals that some of the most obstructive design issues across the three divisions from the diarists' perspective include poor inter-divisional problem resolution, no detailed review group output, inadequate educational communication, inadequate informative communication and the rapid pace of change, although there are also several others and the exact rankings vary by division. If the explanations given in appendices 4 - 6 for the

classification of these interventions as problems are examined, it can be seen that many of the design issues appear to be considered to be such by the diarists, because they do not enable the diarists to come to an interpretation of what is expected of them in the new organisation. Key issues are ambiguity, the existence of multiple and conflicting interpretations about an organisational situation (Weick, 1979), and uncertainty, the absence of information (Galbraith, 1977).

Table 7: Rankings of Degree of Obstruction caused by Design Issues

Process	Mean Score		
	Distribution Management	Engineering	Metering
Poorly Developed New Systems		2.80	
Poor Inter-Divisional Problem Resolution	2.56	2.00	3.00
Inadequate Educational Communication	2.44	1.70	1.80
No Detailed Review Group Output	2.11	1.70	2.20
Review Group Design Issues			2.20
Rapid Pace of Change	1.44	1.50	2.00
Inadequate Informative Communications	1.11	2.00	0.80
Poor Communications Infra-structure		2.00	
Lack of consultation / co-ordination		1.80	
Redundancies	1.33	1.50	0.60
Insufficient Training		1.40	
Lack of planning / plans		1.40	0.80
lack of positive message of change		1.50	0.20
Lack Appropriate Rewards	1.00		
Erosion Flexi-Time	0.89	0.80	
Lack of Change Management Resource	0.78		
Early Accommodation Problems	0.44		0.00

The explanations given for classifying the poor inter-divisional problem resolution as an obstruction include:

- no setting of guidelines within which the inter-divisional problems could then be resolved by the middle managers.
- no forum at which to raise disputes;
- no assigned responsibility for solving inter-divisional problems;
- decisions having to go to Director level to get a sensible decision;
- no suitable transition management mechanisms;

These are all to do with not having the needed information or guidance to be able to resolve areas of uncertainty and ambiguity arising. Without the means to resolve areas of

uncertainty, staff are forced to continue to operate at the level of mediation to try and make some sense of the situation. Whereas if the areas of uncertainty could be resolved, an agreed way of working could be established to enable staff to return to the non-conscious mode of operation normal in a status-quo situation.

Explanations for the ranking of the lack of detailed review group output include:

- insufficient detail on roles and responsibilities;
- poor communication of the output that was there;
- poor communication of the staff's role in finalising the detail;
- black holes;
- no team to oversee implementation of the output

Again, these are similar issues. The explanations centre on a perceived lack of information to resolve issues of uncertainty and ambiguity, such as who is responsible for what, and a lack of information and / or guidance to help resolve disagreements over ways of operating when it is known who is responsible for what.

It would not be right to claim that every single design issue can be explained in terms of unresolved ambiguity and uncertainty. An example is the rapid pace of change. This was considered to be a design issue, not because the pace of change was perceived to be wrong, but because of the workload it generated whilst simultaneously numbers of knowledgeable staff were being reduced by redundancies. Yet similar lists to those given above for poor inter-divisional problem resolution and a lack of detailed output from the review group, could be drawn up for most of the design issues. The clear theme running through all of them is that the changes created ambiguity and / or uncertainty for staff, but these changes and other supporting interventions then provided inadequate means to resolve that ambiguity and uncertainty.

As noted earlier in the chapter, situations that are ambiguous or uncertain, such as change, will cause individuals to seek information that will increase the clarity of their situation and enable them to return to non-conscious responding (Weick, 1995; Daft and Lengel, 1986). Information, in the shape of details or rules and regulations, can help to reduce uncertainty, and use of rich communication media such as face-to-face communication sessions in which people can ask questions, seek clarity, receive symbolic as well as verbal cues, and share interpretations, can help reduce ambiguity (Daft and Lengel, 1986). Verbal and written communications can, therefore, have an impact on the ambiguity and uncertainty created by change, by aiding the processes of mediation. However, as long as it is not possible to

resolve the ambiguity and uncertainty, individuals will need to engage in on-going mediating processes to try to develop some shared and agreed way of working.

This suggests that the *design of interventions* can affect their perceived effectiveness for change recipients. The critical issue is how well they aid the process of mediation for the recipients of the changes: whether they trigger appropriate sensemaking and sharing of interpretations. Interventions that aid the process of mediation, allowing for airing and sharing of individual interpretations, for vicarious learning, and the determination of some shared interpretation, are likely to be seen as more effective. Similarly interventions providing sensemaking information, be it verbal or non-verbal, that can help employees resolve or reduce issues of ambiguity and uncertainty will also be perceived as more effective. Whereas interventions which allow for a number of different interpretations, or lead to a perpetuation of ambiguity and / or uncertainty, will be seen as less helpful in facilitating change, and may also be perceived to create design issues.

The proposal that the perceived effectiveness of designed change interventions may be affected by how well the interventions aid the mediating processes is also only an initial observation that requires confirmation. It can be examined with reference to Utilco by looking at how the designed change interventions were ranked by the diarists. Table 8 is another extract from the tables in chapter 7 and shows the ranking by division of the designed change goals and interventions. Some of the designed change interventions perceived to be less effective (in other words, closer to the bottom of table 8) have already been linked to some of the most obstructive design issues. For example, the review group output was criticised for the lack of detail on roles and responsibilities. The transitional co-ordination and business as usual were linked to poor inter-divisional problem resolution. The interviews also reveal that other interventions in Table 8 rated as less effective were ranked in this way because the diarists perceived them to be design issues in themselves. For example:

- the communications prior to April '93 were not perceived to be effective because it was thought that there was a lack of communication contributing to the early poor understanding of change and expectations of staff;
- senior managers were not ranked as effective because many senior managers were perceived to continue to operate in the old management style, which did not help staff to adopt or understand the new ways of working espoused;

Therefore, although the evidence is not substantial, it does seem that the perceived effectiveness of change interventions can be affected by how well the interventions aid processes of mediation for change recipients.

Table 8: Rankings of Degree of Effectiveness of Designed Change Interventions

Process	Mean Score		
	Distribution Management	Engineering	Metering
Launch Communications	3.00	2.30	2.40
On-going Communications	2.67	2.40	2.00
One-off Communications	2.33	2.30	2.40
Diary System	2.44	2.10	1.40
Team Building	2.33	1.70	2.00
New Structure	2.11	2.30	1.40
Plans & Planning	2.00	2.50	1.20
Training	1.67	1.10	2.40
Divisional Director	2.11	1.40	1.60
Appointments	1.33	1.70	2.20
External Influences	2.00	0.90	1.80
Change Management	1.78	1.70	1.00
Controls	1.22	1.00	0.20
Executive Director	1.11	2.20	0.80
Total Quality	0.89	1.10	2.00
Review Group Output	1.56	1.30	0.80
Redundancies	1.33	0.90	1.00
Transitional Co-ordination	1.22	1.10	0.20
Senior Managers	1.11	0.80	1.00
Contracts	0.78	1.00	1.20
Business As Usual	1.11	0.40	0.20
Communications Prior to April '93	0.67	0.90	0.20
Empowerment	0.33	0.30	0.00

It is not possible to claim that aspects of communication such as information content and information amount on their own would have resolved the uncertainty and ambiguity experienced by staff. Staff may have attributed the problems they experienced to the fact that they did not know where to go, or who to go to, to get either an answer to their question, or the information to solve the problem. However, other evidence in this research from the analysis of positive developments, would suggest that maybe non-verbal and symbolic means of communication could also have helped resolve the ambiguity and uncertainty experienced. Whilst the diarists perceptions were that what they needed was information, and certain issues such as who does what within the Distribution Management Division were helped by straightforward communication in the form of a telephone

directory, it is probable that there is an issue of consistency here. What matters is that the interventions, behaviours and events collectively provide symbolic, verbal and written messages that can be interpreted as mutually supportive and not contradictory. Especially since symbolic communication almost by definition is ambiguous. Further, the above analysis does not allow for politics either. Even if there had been clear cut guidelines on who was responsible for what, personal interests and hidden agendas may still have led to disagreements, as was the case with the transfer of the shift technicians from Metering to Engineering (see section 9.3.1 and inter-divisional friction).

Therefore, it can be concluded that processes of mediation determine which aspects of the designed change interventions are perceived as design issues by change recipients, and therefore also affect the perceived effectiveness of interventions. The perceived effectiveness of designed change interventions depends on how well they resolve issues of ambiguity and uncertainty for change recipients. However, it has to be recognised that the processes of mediation engaged in to resolve ambiguity and uncertainty are not just about verbal and written communication.

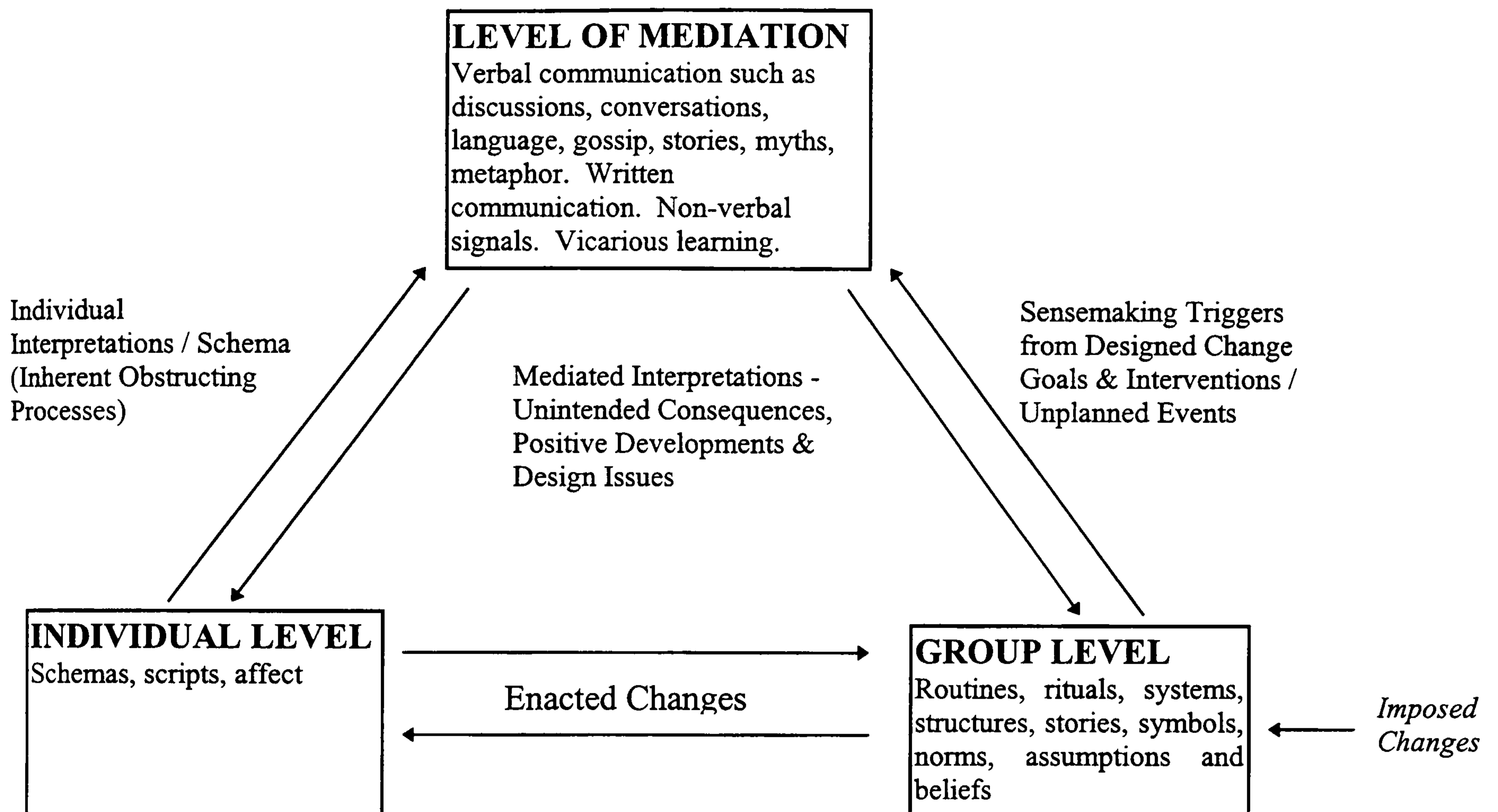
9.6 A Theory of Mediation: An Integrated Explanation

The above analysis, particularly the examples of unintended consequences and positive developments, highlights the important effect of mediating processes on change outcomes. The analysis can be used to propose a theory of mediation.

Most of the unintended consequences and positive developments occur as the outcome of the mediating processes change recipients engage in, as they try to arrive at some interpretation of the implications of change for themselves. Mediating processes are activated by the designed change goals and interventions put in place through time, and any other (maybe unintentional) message sending behaviours and events. Individuals try to make sense of the imposed group level changes and interventions, and try to interpret the meaning of the changes for themselves, given their existing mental maps of the organisation's internal and external environment, via these mediating processes. If the meanings and interpretations individuals develop as a result of these processes are consistent with those intended by the instigators of the changes, then individual behaviours are likely to lead to outcomes consistent with that intended in the form of positive developments. If the meanings and interpretations developed by the recipients differ from those intended, the result may be unintended consequences leading to outcomes different to those desired. Thus change implementation becomes a partially emergent process, as the processes of mediation engaged in by the change recipients in response to the planned initiatives and other message sending events and behaviours, leads to the creation of both intended and unintended change outcomes in the form of positive developments and unintended consequences. The positive

developments and unintended consequences are underpinned by the individual interpretations developed, and become visible at the group level as individuals enact these interpretations. See Figure 18.

Figure 18: The Role of the Level of Mediation during Change



The following explains how a theory of mediation accounts for patterns identified in this research on a step-by-step basis.

1. During the period of stability, prior to the changes, individuals were typically acting in a way pre-determined by their existing schemas and scripts. The on-going enactment of these schemas and scripts led to a relatively stable group level set of behaviours and beliefs, visible in the form of routines, rituals, systems, structure, stories, symbols and norms. (See (1) in figure 19a.)
2. During the period of change, the existing socially constructed reality and the existing ways of behaving at the group level were broken down. Changes were imposed by senior management, for example a new structure, to try to create the new organisation they wanted to achieve. Simultaneously they put in place communication events aimed at getting people to understand why the changes were necessary and what it all meant for them, and other interventions like appointments to the new structure. (See (2) in figure 19b.)

Figure 19: A Theory of Mediation

Figure 19a

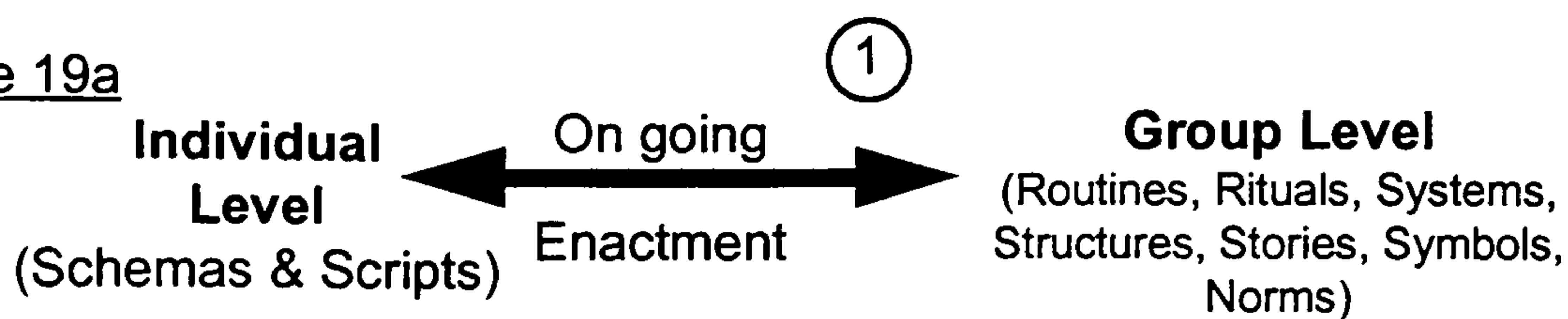


Figure 19b

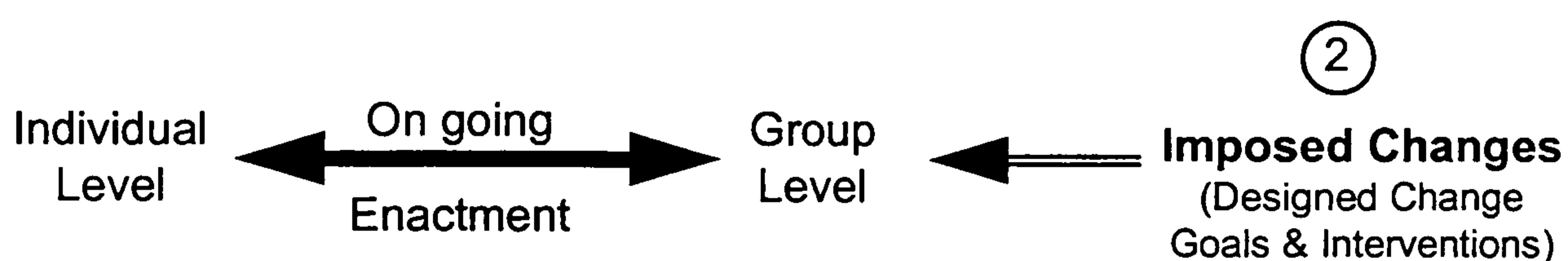


Figure 19c

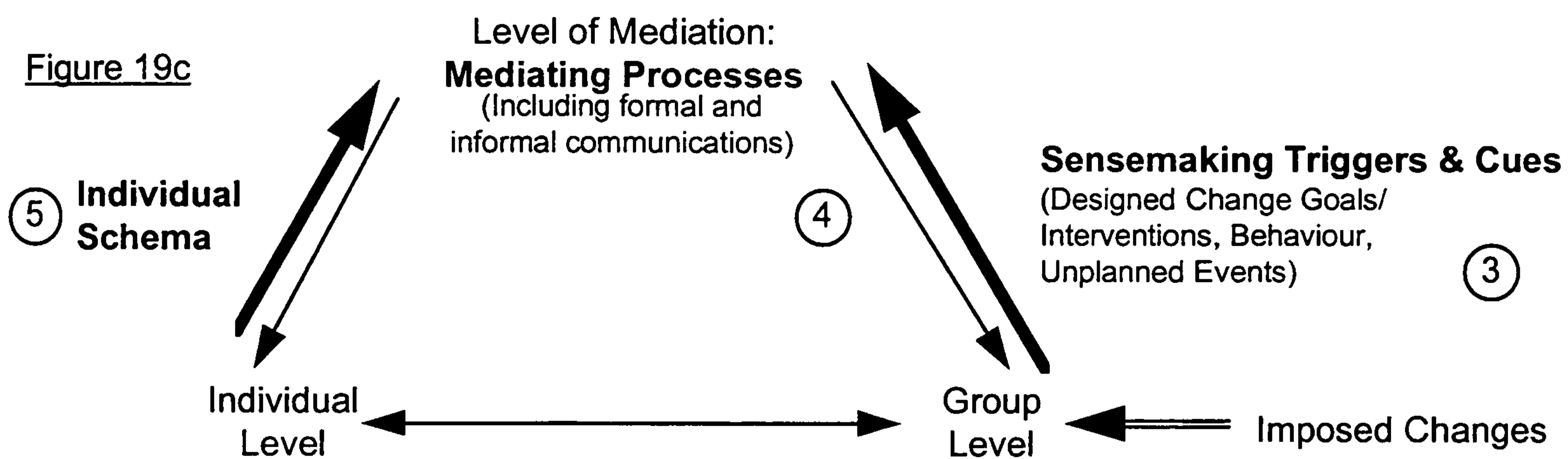


Figure 19d

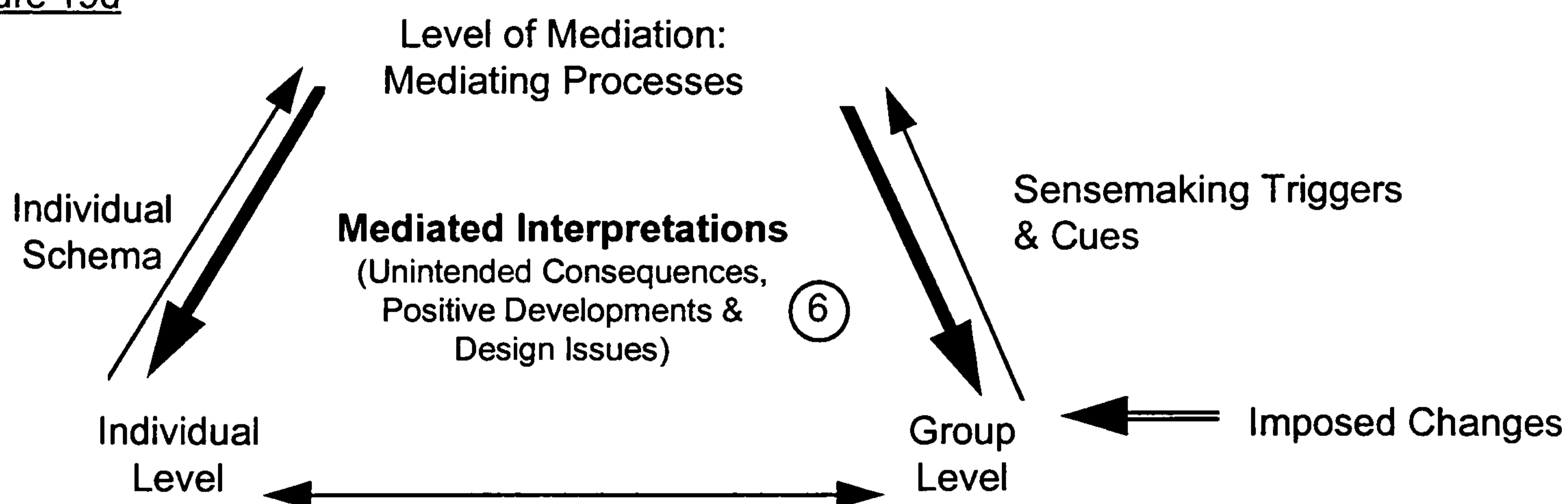
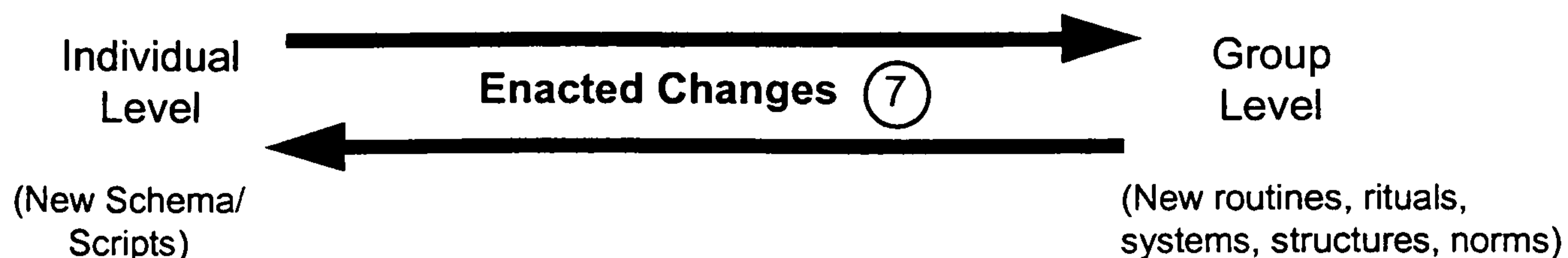


Figure 19e



3. The planned interventions, such as communication events and appointments, all acted as sensemaking triggers for individuals, since the individuals could not respond to the triggers via their existing schemas. However, the imposed changes such as the new structure, and the behaviours of colleagues and senior managers, also acted as triggers giving (often unintended) messages which managers managing the change were not always aware of. (See (3) in figure 19c.)
4. In response to the sensemaking triggers, change recipients moved into a more active sensemaking mode at the level of mediation. (See (4) in figure 19c). They tried to interpret the messages conveyed within the context of their existing schemas on their working environment. (See (5) in figure 19c). To aid this interpretation process the change recipients also shared their interpretations with others via a variety of mediating processes. (See (4) in figure 19c). They discussed things with each other, entered into negotiations, shared rumours and gossip, and told each other stories about their experiences and their colleagues' experiences.
5. Gradually some sort of shared meaning, or mediated interpretations, developed among groups of individuals via the processes of mediation (See (6) in figure 19d). In some instances the interpretations were in line with that desired by the designers of the changes, such as adapting to new roles and responsibilities, leading to positive developments. At other times the interpretations differed from that desired, creating unintended consequences, such as interdepartmental tensions between new departments and false expectations of the middle manager role in implementation.
6. Aspects of the designed interventions perceived as design issues by the middle managers were also an outcome of mediating processes. When the recipients could not get the information or help needed to resolve ambiguity or uncertainty caused by the changes, they perceived this as a problem with whichever intervention they thought should have provided this assistance. (See (6) in figure 19d.)
7. As individuals tried to enact their reality, they at times discovered that the practice did not match their expectations. They did not always encounter the behaviour they expected in others, or the characteristics they expected in their situation. This re-triggered the individual sensemaking and sharing.
8. Therefore, change recipients engaged in on-going sensemaking activity via mediating processes as designed change goals and interventions were put in place through time. The interpretations developed via the mediating processes led to amended / new individual schemas and scripts. Implementation became an emergent incremental process as the individuals enacted these interpretations stored in their schemas,

leading to the manifestation of positive developments and unintended consequences at the group level. In instances where the interpretations became shared and established, the enactment of the shared interpretations gradually led to a new stable socially constructed reality at the group level, and individuals were once more able to operate in a more pre-programmed manner. (See (7) in figure 19e).

The theory of mediation proposed here argues that the sensemaking and sharing mechanisms are acting as devices of *mediation* between interventions and effect. The unintended consequences and positive developments can be explained in terms of which elements of the planned changes / interventions / behaviours become sensemaking triggers, how these triggers are then interpreted by individuals within the context of their existing scripts and schemas, how the interpretations are shared, and the behaviour resulting from the enacted interpretations.

The importance of the theory lies in its *explanatory* power, in the way it is able to link the micro organisational social processes that occur during change to the outcomes of change implementation. Change implementation becomes an emergent and unpredictable process, because the on-going mediating processes individuals engage in shape the outcome of change interventions, leading to not only positive developments, but also unintended consequences. Implementation becomes a series of mediated outcomes, rather than a series of planned outcomes, since it is underpinned by a cyclical process of recipient sensemaking. As such, intended and unintended change are not two different types of change, but are inextricably linked like the two sides of a coin.

Viewed from this perspective, managing change implementation becomes about understanding which of the *intended* messages have been received and by who; which *unintended* messages have been sent / received and by who; how the *received* messages have been interpreted; and how the *meaning* inferred affects the behaviour of individuals in comparison to what was wanted from those individuals. Managing implementation is not so much about control or *managing* in the traditional sense of the word, but more about aligning interpretations. It involves both giving meaning and understanding received meaning, rather than one-way manipulation of meaning. This theme will be expanded in the next chapter.

However, a theory of mediation can also account for why and how design issues arise and why some interventions are perceived to be more effective than others. Just as mediated interpretations can result in unintended consequences and positive developments, they can also create perceived design issues⁵. Designed change goals and interventions are perceived

⁵. The term 'perceived' design issues is important, as they are design issues for the diarists.

as less effective when they give rise to design issues and / or they do not provide mutually supportive and reinforcing sensemaking cues.

9.7 Conclusion

The descriptive findings presented in chapter 7 on the role of facilitating and obstructing processes in intended strategic change implementation, reveal that the designed facilitating processes, the designed change interventions put in place by the designers of the changes, help to achieve some of the planned change goals, but also lead to other emergent outcomes for change recipients. Some of these emergent outcomes, here referred to as positive developments, help to facilitate change and contribute to the achievement of the planned change goals. However, many of the other emergent elements, here termed unintended consequences, are obstructive hindering the progress of change and leading to outcomes different to those expected. The interaction of these facilitating and obstructing processes through time in turn creates an emergent and unpredictable change implementation process. These findings are essentially a description of the role of facilitating and obstructing processes in change implementation - they offer no explanation.

Since it has also been shown that planned perspectives on change cannot offer an adequate explanation for the findings in chapter 7, this chapter sets out to offer an explanation for the findings by drawing on the sensemaking framework developed in chapter 8. This framework enables concepts to do with individual cognition to be placed alongside group level concepts, and the sensemaking and sharing processes that link the two during periods of change. The sensemaking and sharing processes that individuals within groups engage in as they attempt to resolve the novelty and surprise caused by change for themselves, are referred to as mediating processes. Using this framework the analysis of the way unintended consequences and positive developments arise from chapter 7 is re-shaped and used to propose a theory of mediation.

It is shown that a key aspect is the *content* of the designed change goals and interventions and the way they interact with the *context* of action. Planned events such as communication events, act as message carriers triggering sensemaking in change recipients at the level of mediation. Imposed changes, and the behaviours of others, can also act as triggers giving (often unintended) messages which managers managing the change may not be aware of. Via a wide variety of mediating processes the change recipients interpret these diverse and sometimes contradictory triggers within the context of their existing schemas. Existing cognitions, and therefore behaviours, are then modified on the basis of these interpretations, which may or may not correspond to the meanings intended by the designers of the changes, and may or may not involve multiple and different interpretations among different recipients. The effect of any change intervention is as such mediated by the recipients' interpretation of

that intervention, and intended change becomes inextricably linked with the emergent unintended changes.

However, the importance of the theory of mediation is not that it reveals that sensemaking and mediating processes are important during change. We already know that from existing research. Similarly, we already know something from existing research about the different types of mediating processes discussed here. The importance of the proposed theory lies in its *explanatory* power, in the way it is able to link the micro organisational social processes of sensemaking that occur during change to the outcomes of change implementation. It explains how change recipient sensemaking contributes to the development of facilitating and obstructing processes in the form of positive developments and unintended consequences, and how these processes in turn lead to not only intended but also unintended change implementation outcomes. Therefore, it is also able to explain how change recipient sensemaking leads to the unpredictable and emergent nature of change implementation. By placing the recipients of change centre stage, the theory enables the diverse mediating processes the recipients engage in during change to be brought together and related to the interpretations the recipients develop, and ultimately the change outcomes achieved.

The next chapter discusses what the theory of mediation proposed here adds to existing research, and the extent to which it is possible to generalise from the findings of this research. It is shown that the findings here can be substantiated by findings from other research and there is, therefore, reason to suppose that the theories developed here have application in other contexts. The next and final chapter also discusses the implications of the findings - in terms of theoretical implications, practitioner implications, methodological implications and future research possibilities.

CHAPTER 10: IMPLICATIONS OF A THEORY OF MEDIATION

10.1 Introduction

This thesis has examined the role of facilitating and obstructing processes in intended strategic change implementation from the perspective of middle managers as change recipients. The research is based on the proposition that planned change implementation can be difficult and unpredictable (Jick, 1993; Kanter et al, 1992). Furthermore, it is not possible to understand the incremental and emergent nature of strategic change within organisations, without recognising the impact of micro organisational political and social processes on the way strategic change develops (Pettigrew, 1973 and 1985; Johnson, 1987; Mintzberg, 1978; Quinn 1980). Yet few studies have explored in depth how these micro processes affect the way a change implementation process unfolds through time.

It has so far been argued that the findings show that intended change implementation needs to be characterised as a process, in which there are deliberate or *directed* actions put in place by managers as they intentionally try to carry out change, but also *emergent* facilitating and obstructing processes, in the form of positive developments and unintended consequences, created by the planned interventions themselves. This turns change implementation from a planned sequence of events into an emergent incremental process. It is also argued that the way implementation develops can be explained by a *theory of mediation*. However, as yet no attention has been paid to how the proposed theory of mediation contributes to our understanding of organisational change, what theoretical and practical implications arise from the theory, or the generalisability of the findings. This is the purpose of this final chapter.

Central to the theory of mediation is the notion of mediating processes - the sensemaking and sharing mechanisms change recipients engage in during change implementation, as they try to arrive at some understanding of the implications of the changes for themselves. This research finds that during implementation, individuals engage in mediating processes in response to the designed change goals and interventions put in place, and any other (possibly unintentional) message sending behaviours and events. Therefore, the link between any intervention and its outcome is not direct. Rather the effect of any intervention is determined by the way change recipients interpret that intervention as a result of the mediating processes they have engaged in, thereby leading to not only intended change outcomes but also unintended outcomes. The importance of such a theory of mediation lies not in the identification of the centrality of sensemaking processes during change, but in its explanatory power and the way it builds on existing theory. Change implementation becomes an emergent and unpredictable process, because the on-going mediating processes individuals engage in, in response to the planned initiatives and other message sending behaviours, shape

the outcome of change interventions, leading to both positive developments and unintended consequences.

This chapter first gives consideration to what the proposed theory of mediation can contribute to the body of knowledge on organisational change, and to what extent the theory of mediation can be generalised to other contexts from this research study. A discussion on the theoretical and practical implications of the proposed theory follows. The implications are more to do with the empirical advances made by the research than theoretical advances. As the introduction explains, the first contribution of this research is that it is an *empirical study* which draws on existing theories on sensemaking to analyse *how* mediating processes contribute to both intended and unintended outcomes of change implementation, and therefore the emergent and incremental nature of change implementation. The second contribution is that the findings have major *implications for both change management practice and research*. A sensemaking perspective on change implementation changes the way transition management is conceived of, and the skills needed by people trying to manage organisational transitions. Transition management is not just about control, but also about keeping an unpredictable process on track, by creating linkages between deliberate and emergent elements of change. This in turn involves working with developing change recipient perceptions via mediating processes, to achieve an alignment of interpretations. Finally, this chapter considers the methodological implications arising from the study, the future research avenues suggested, and what the researcher has learnt from writing this thesis.

10.2 What this thesis contributes to our understanding of Organisational Change

It is already known that change implementation can be an unpredictable process with both an intentional and emergent character. It is also known that sensemaking activity is important during times of change and uncertainty (Louis and Sutton, 1991; Gioia and Chittipeddi, 1991; Gioia, 1986; Isabella, 1990). The central contribution of this research is to do with the way it builds on existing theory to demonstrate a link between recipient sensemaking activity during change and both intended and unintended outcomes of change. The theory of mediation proposed here is able to add to the existing body of knowledge by 1) showing *how* such sensemaking activity contributes to the emergent and unpredictable nature of change implementation; 2) more specifically, linking the change outcomes contributing to the emergent nature of implementation, in the form of unintended consequences and positive developments, to the mediating processes change recipients engage in as they try to understand the changes they are being asked to undertake; 3) explaining the nature of the mediating processes engaged in; and 4) providing the means to consider the implications for the management of an implementation process. To appreciate this it is necessary to examine how the findings here fit with existing research.

Most existing literature that characterises change as a context dependent, unpredictable, non-linear process (Pettigrew, 1985; Johnson, 1987; Pettigrew and Whipp, 1991; Dawson, 1994; Pettigrew et al, 1992), correctly challenges the more mechanistic, linear perspectives on change presented in many of the more practitioner oriented change management texts. Yet little attention is paid to how individual change initiatives are translated into something other than intended by the *recipients* of the initiatives, partly because the studies concentrate more on group level phenomena such as culture and politics to account for their findings.

Similarly, the cognition based research on strategic change has not generally been used to explain the emergent and unpredictable nature of change implementation processes. It provides valuable insights into the way change interventions can affect cognitive processing, and thereby schema change, in individual recipients (Poole et al, 1989; Bartunek, 1984; Gioia and Chittipeddi, 1991; Isabella, 1990), but this research primarily seeks explanations for how *intended* changes were achieved. As such, the research cannot link mediating processes into unintended consequences as well as positive developments and the achievement of designed change goals. For example, Poole et al (1989) investigated the influence modes used by top management to effect schema change during organisational change. The findings are supportive of the importance of mediating processes in activating individual cognitions, but examine how mediating processes can lead to the achievement of the intended changes. Gioia and Chittipeddi (1991: p447) hint at the potential for emergent elements of change to develop from sensemaking since “the nature of the resulting change depends upon the kind of negotiated reality that the CEO and top management teams are able to arrive at with organizational stakeholders”, but again, the primary focus is on how *intended* change was achieved.

Some studies (Pettigrew, 1985; Johnson, 1987) do recognise the importance of symbolic mediation activity during change. Pettigrew (1985) and Pettigrew et al (1992) suggest that:

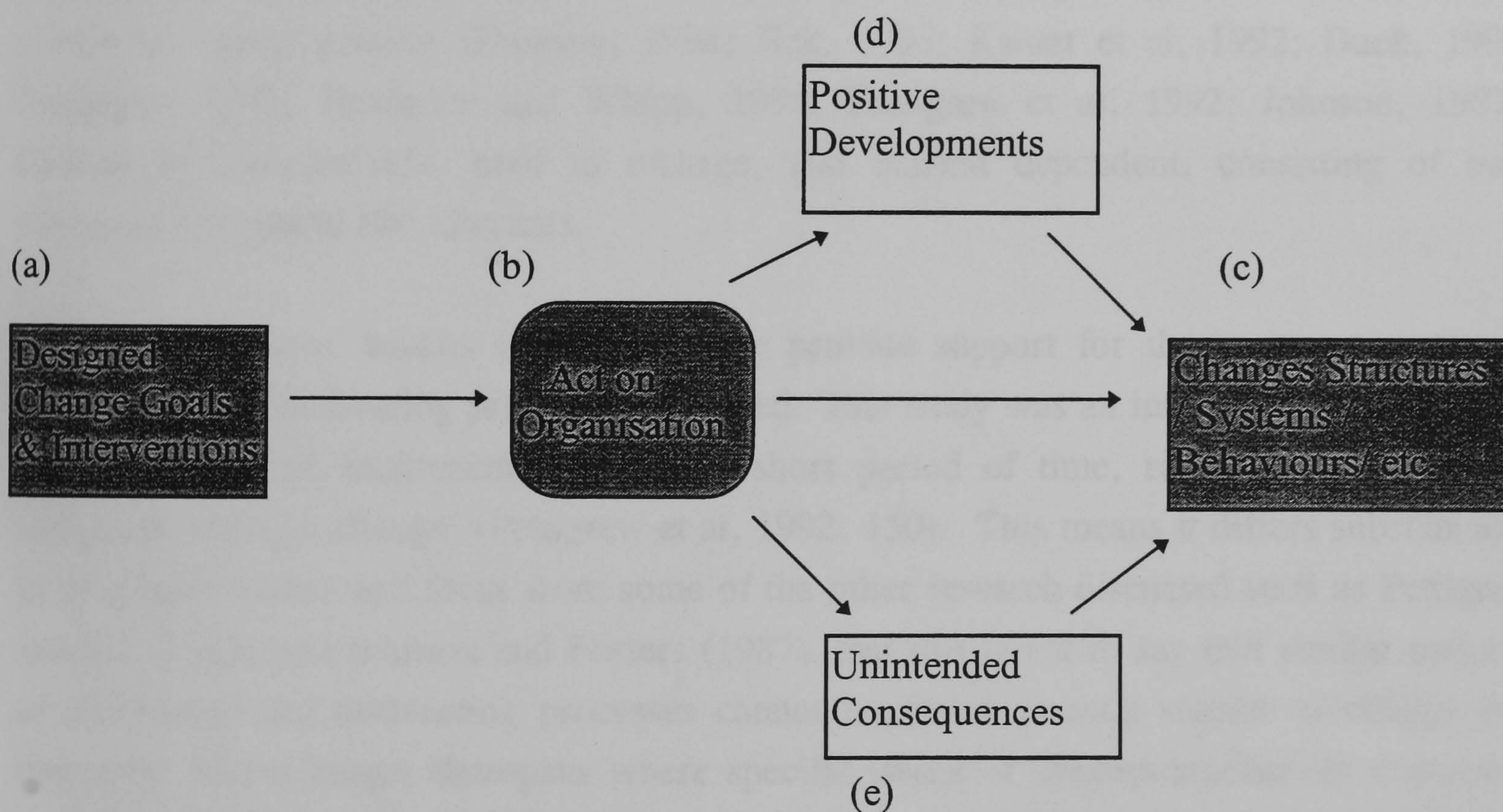
“A central concept linking political and cultural analyses essential to the understanding of continuity and change is legitimacy. The management of meaning refers to a process of symbol construction and value-use designed to create legitimacy for one’s own ideas, actions and demands and to delegitimize the demands of one’s opponents. If one sees major change processes at least partially as a contest about ideas and rationalities between individual and groups, then the mechanisms used to legitimate and delegitimize particular ideas or broader ideologies are crucial” (1992: 8-9)

Symbolic mediation activity can provide support for the status-quo leading to continuity in strategy, or challenge the status-quo triggering questioning of, and change at, the socially constructed group level (Johnson, 1987). The symbolic activity of corporate leaders can trigger cognitive shifts in organisational members to obtain the required strategic change

(Johnson, 1990). However, how and why this activity affects individual recipient cognitions and interpretations through time is not analysed.

If these comments are put within the context of figure 20, most strategy process research does not examine how change interventions act on individual recipients within the organisation (b), to determine the role of changing recipient interpretations in the development of change as an emergent process. The cognition research does focus more explicitly on changing interpretations, but most attention to date has focused on explaining how intended outcomes (links from (a) to (b) to (c)) come about, with limited consideration of how the positive developments (links from (a) to (b) to (d) to (c)) also occur. Little attention has been paid to how changing interpretations lead to unintended outcomes (links from (a) to (b) to (e) to (c)), and therefore the unpredictable nature of change.

Figure 20: Linking Change Interventions and Change Recipient Cognition



A theory of mediation marries what is known about the emergent nature of change processes in organisations, with what is known about cognition and sensemaking. By linking the mediating processes into unintended consequences, as well as positive developments and the achievement of designed change goals, the research is able to show how change recipient sensemaking contributes to the emergent nature of implementation. Change recipient sensemaking not only plays an important role during change, but also leads to both intended and unintended change outcomes. The research is able to make these linkages, partly due to the way it places the change recipients centre stage, instead of the initiators of the change or the organisation.

10.3 Generalisability of Findings

This research is based on a single site case study, albeit via three interlinked case studies, which could restrict the generalisability of the findings. Further, one of the arguments of this thesis is that change is heavily context dependent - no one change process will be exactly like any other. However, for research such as this, where the aim is theory development, reference to similar findings in other literature can help to broaden the scope for generalisability.

The preceding chapters have shown a number of similarities between findings here and findings from other research. In chapter 7 it is shown that the actual patterns identified during the change implementation process can be described in terms of findings by authors such as Mintzberg and Quinn on the processes of strategy development. Chapter 7 also makes reference to the fact that the findings here support the increasing number of writers arguing that change implementation, and change processes in general, cannot be viewed as a rational, linear process (Dawson, 1994; Jick, 1993; Kanter et al, 1992; Duck, 1993; Pettigrew, 1985; Pettigrew and Whipp, 1991; Pettigrew et al, 1992; Johnson, 1987). Change is unpredictable, hard to manage, and context dependent, consisting of both emergent and intentional elements.

Further, other case studies in the literature provide support for the main categories of obstructing and facilitating processes identified. This study was an intensive examination of intentional change implementation over a short period of time, rather than a study of 'extended strategic change' (Pettigrew et al, 1992: 150). This means it differs substantially in its subject matter and focus from some of the other research discussed such as Pettigrew and ICI (1985) and Johnson and Fosters (1987). But this is not to say that similar patterns of facilitating and obstructing processes cannot be found in such studies of change and continuity across longer timespans where specific issues of implementation are discussed. For example, Pettigrew's (1985) case studies on change at ICI frequently mention issues that could be labelled positive developments or unintended consequences alongside planned interventions. When discussing innovation in the Agricultural Division he comments:

"The linking that went on between the management and supervisory training that started in 1965 ... led to the opening up of new possibilities for the emerging development resources in the division. A trainer at that time recalls: I was drafted in to set up a management training programme... It was a kind of crash reorientation programme to oil the wheels for the productivity deal ... One of the consequences was that we began to get involved in the sort of problems which managers try to deal with in their normal workplace. With hindsight, it was on a sort of consultancy basis, although we didn't describe it in those terms It also grew out of having to talk with managers and trade unionists in rather unfamiliar - collaborative ways." (p 148)

Also, when discussing organic change in the Agricultural Division, it is mentioned that a split developed between the management style of managers who were ‘maintainers’ sticking to the old culture, and the ‘developers’ trying to change to meet the business issues. However, it was not perceived that way by the shop stewards:

“The shop stewards naturally saw little “caring “ for people coming either from the bullish managers or the others. One commented *ICI managers are taking advantage of the economic circumstances and the general attitudes to trade unions, They have overreacted. The situation is very gloomy. It has built up tension, people are saying we won’t half kick you in the backside when the pendulum swings and we get the opportunity.*” (p 202)

And when discussing an enforced strategy for change in PetroChemicals it is stated that:

“If anything, SDP created a negative aftermath for any subsequent structured OD interventions that might possibly have come from within the Division. *Here was something imposed substantially from the company centre with a commitment, forced, I think ... It eventually boiled down to a control operation, concern with increases in salary. That to my mind created a reaction. It has really inhibited any possibility of a programme that might be internally generated within the divisions with the same sort of objective. Because people will lift a lip and say that’s just like SDP - and SDP is black ... I think the market for interpersonal and intergroup stuff went when SDP went.*” (p 242)

The Pettigrew et al (1992) NHS case studies are another example of research that mentions issues that could be labelled positive developments or unintended consequences. So is Johnson’s case study of Fosters (1987). For example:

“We watched morale slide. They (the buyers) started to question their own judgement. They start to question whether they can ever do anything right. There were also physical limitations: we didn’t have many staff to handle a wide range of products. We should have recruited more staff I would say that Norman failed to keep that morale up and possibly did not define clearly enough the direction in which we should be going, but that could have been because the board were unable to decide. The buyer does not work in a vacuum. I don’t think he came down clearly enough on what our market was. They (the buyers) would ask me for advice and I would say ‘That’s the way I see the market’, but in some cases I would be saying that unilaterally ... I felt that [the Chairman] was asking for something that we were not physically able to do, because of a lack of staffing and clear definitions”. (P 166)

Indeed, Pettigrew (1985: 462) comments that his examples illustrate “the role of chance and opportunism, alongside foresight and intent, in change processes”. However, since the purpose of such studies was to examine patterns in change processes at a more macro level than the current study, the change implementation processes were not dissected and

analysed to the same level as they are in this research. It would be fair to say that there is more of a concentration on the impact of external and internal events outside the control of the instigators of change.

Earlier in this chapter reference has also been made to other literature that is supportive of the theory of mediation proposed here. Research by Poole et al (1989) and Gioia and Chittipeddi (1991) also finds a link between mediating processes and schema change. Further, the work by Poole et al can substantiate some of the findings from this research about the type of interventions that are likely to be effective. The influence modes they identified as most successful in achieving schema change were those carrying personal messages for individuals that left little room for ambiguity or uncertainty about what was expected of those individuals. Communication interventions such as meetings and memos used to reach many people simultaneously were less effective, since “the targets of the intended lessons often missed the message” (p 287).

Therefore we can conclude that the themes emerging from the research, and the process patterns identified, are not in themselves unique. Rather it is the approach taken to this study, in which the recipients and their interpretations through time are placed centre stage, which has enabled this research to develop a theory for how and why implementation becomes a partially emergent process.

10.4 Theoretical Implications

This research has several theoretical implications with regard to the literature reviewed in chapter 2 on the process of strategic change in organisations, particularly the role of sensemaking during change, and the literature on the management of change. However, chapter 2 started with a brief review of the different perspectives on strategic change. This research also has implications for some of the issues discussed in that review. This section considers this first, and then moves on to consider other implications for the process of strategic change in organisations and the management of change.

10.4.1 The Relevance of a Sensemaking Perspective

It is argued in chapter 2, that the clear cut divide between supporters of environmental primacy and their denial of strategic organisational change on the one hand, and supporters of the role of managerial action and choice in organisational change on the other, is disintegrating. In particular, the ascendancy of neo-institutional theory (DiMaggio and Powell, 1991; Scott, 1994 and 1995; Greenwood and Hinings, 1996), marks a shift away from the reification of the notion of institutions (Barley and Tolbert, 1997) by institutionalists, to a recognition of the need to also understand the role of action in the way organisations develop and change. There is an interest in extending the field of study so that institutional theory ceases to be a theory of stability, and becomes one that can also account

for why and how institutional change happens (Powell, 1991; Greenwood and Hinings, 1996; Barley and Tolbert, 1997). However, as yet, there is little empirical work conducted by the institutionalists that addresses this. Therefore, the research agenda pursued here, although primarily driven from what chapter 2 describes as the strategic choice perspective, should also be of interest to others.

Greenwood and Hinings (1996) raise several questions that they feel institutionalists need to consider, including how do individual organisations respond to change and why do they differ in their responses? This requires an understanding of intraorganisational dynamics, and as part of this the “capacity for action” (pp 1039-1040). The organisational capacity for action is the ability of an organisation to manage a transition process from one organisational form to another. Other related questions include how do new ideas become legitimated within the organisation (p 1054), and how do group members acquire and learn the new behaviours and interpretations required in change situations (p 1046)? Further, Greenwood and Hinings acknowledge, as do Barley and Tolbert (1997) and Scott (1995), that these sorts of questions require an understanding of the role of cognition and politics and the way actors interpret events. The findings from this research address exactly these sorts of questions.

This research suggests that to understand how organisations change, it is necessary to understand how the individuals within the organisation react to change. The outcome of any change process can only be understood by appreciating how the individuals within the organisation have interpreted and reacted to the changes. New ideas become legitimated throughout organisations, and new interpretations and behaviours are developed, via the mediating processes change recipients engage in. Although, of course, the theory of mediation proposed here does not explain how new ideas are developed initially by and among the instigators of change. So the research findings are able to suggest tentative answers to some of the questions being raised by institutionalists, or at least paths suitable for further exploration to obtain answers to these questions. Understanding how institutions change requires an understanding of the micro-level cognitive processes at work, which puts the research agenda of those who can be broadly labelled strategic choice theorists, and particularly those interested in the role of cognition and sensemaking in processes of strategic change, in line with that of the neo-institutional theorists.

This research also suggests an extension to the notion of capacity for action. According to Greenwood and Hinings (1996), capacity for action includes the skills required to *manage* a transition, such as leadership. Yet this research questions the manageability of change processes in organisations, and the limitations of intentional change interventions. The resulting outcomes of change, in terms of new interpretations and behaviours developed by recipients as a result of the mediating processes they engage in, may not be as intended by the instigators of change. From this perspective, managing change is more about managing a

series of evolving change recipient meanings, which may lead to interpretations and behaviours consistent with those desired by the designers of the changes, or may lead to unintended outcomes. Some researchers (Pondy, 1978) have equated leadership with the types of skills required to manage meaning since leadership is about communication. To put this in the terms of this research, successful leaders would be those that can trigger and sustain appropriate mediating processes in change recipients. Yet, as will be discussed under future research, we have yet to discover how a leader can effectively manage evolving interpretations. Therefore, a capacity for action should be conceived of more in terms of an ability for skilled navigation through difficult terrain - a re-active and on-going process.

However, it is also pointed out that all schools of thought have something to contribute. The argument offered by population ecologists and the old institutionalism, that radical strategic change is improbable given the strong forces of internal and external inertia that organisations are subject to, cannot be ignored. For those who approach change from either a strategic choice or neo-institutional perspective, who would not deny the existence of strong forces of inertia, the problem becomes to what degree can managerial choice and intent deliver change within an organisation. Of the three divisions examined, only one, the Distribution Management Division, appeared to be on track for delivering the full range of intended changes. The Engineering division in particular was struggling to develop a new culture. This may be because the Engineering and Metering Divisions had a lower capacity for action. On the other hand, it might be that Engineering and Metering represented an extension of the old core business, and as a result were more entrenched in the old ways of behaving, whereas the Distribution Management Division had removed many staff, in particular many administrative staff for whom the old technical culture was less relevant, to a new environment where they were freed from the constraints of the old working environment. They were engaged in new work, rather than old. As such, the inertia or embeddedness of the old culture and old interpretive schemes for Engineering and Metering, created a much greater drag for both the change instigators and the recipients, reducing the extent to which managerial choice and action could influence change in the way it could in the Distribution Management Division. The Engineering and Metering Divisions suffered more from “the normative embeddedness of an organisation within its institutional context” (Greenwood and Hinings, 1996: 1028). The Distribution Management Division was loosely rather than tightly coupled into the old institutional field of the Regional Electricity Companies.

These findings put the research agendas of those researching organisational change and those taking an institutional perspective in line for another reason. Existing schemas held by an organisation’s members, through which they interpret new events and behaviours, can be affected by the organisation’s old culture, which is in turn affected by industry recipes, or what the institutionalists would describe as normative embeddedness. This is particularly likely to be the case in an industry like the electricity industry, where at one time the

competing organisations all belonged to one nationalised institution. As such, institutionalists and strategic choice theorists need to have a concern with the constraining, and at times enabling, influences of both the inner and outer contexts of organisations (Pettigrew, 1985).

It is, in fact, becoming increasingly difficult to create a clear cut divide between these two schools of thought. However, more rapid progress can probably be made by those in both schools, if they acknowledge the contributions made by the other. The institutionalists can add a lot to our understanding of the role of an organisation's external context in 1), shaping the forms of organisations via normative, coercive and mimetic forces, and in 2), creating stability, and to some degree change. In particular, the recognition of organisational or institutional fields has created a new level of analysis, which recognises that these fields "constitute somewhat distinctive worlds" (Scott, 1995: 135), operating with different rules and norms and therefore different types of organisations. The institutional perspective also reinforces the importance of the emphasis placed by research into processes of strategic change on history. By contrast, those whose work would have traditionally fallen more within a strategic choice perspective, can contribute very strongly to our understanding of the internal organisational dynamics at work during processes of change and stability, particularly in terms of social, political and cognitive processes.

10.4.2 The Nature of Sensemaking During Change Implementation

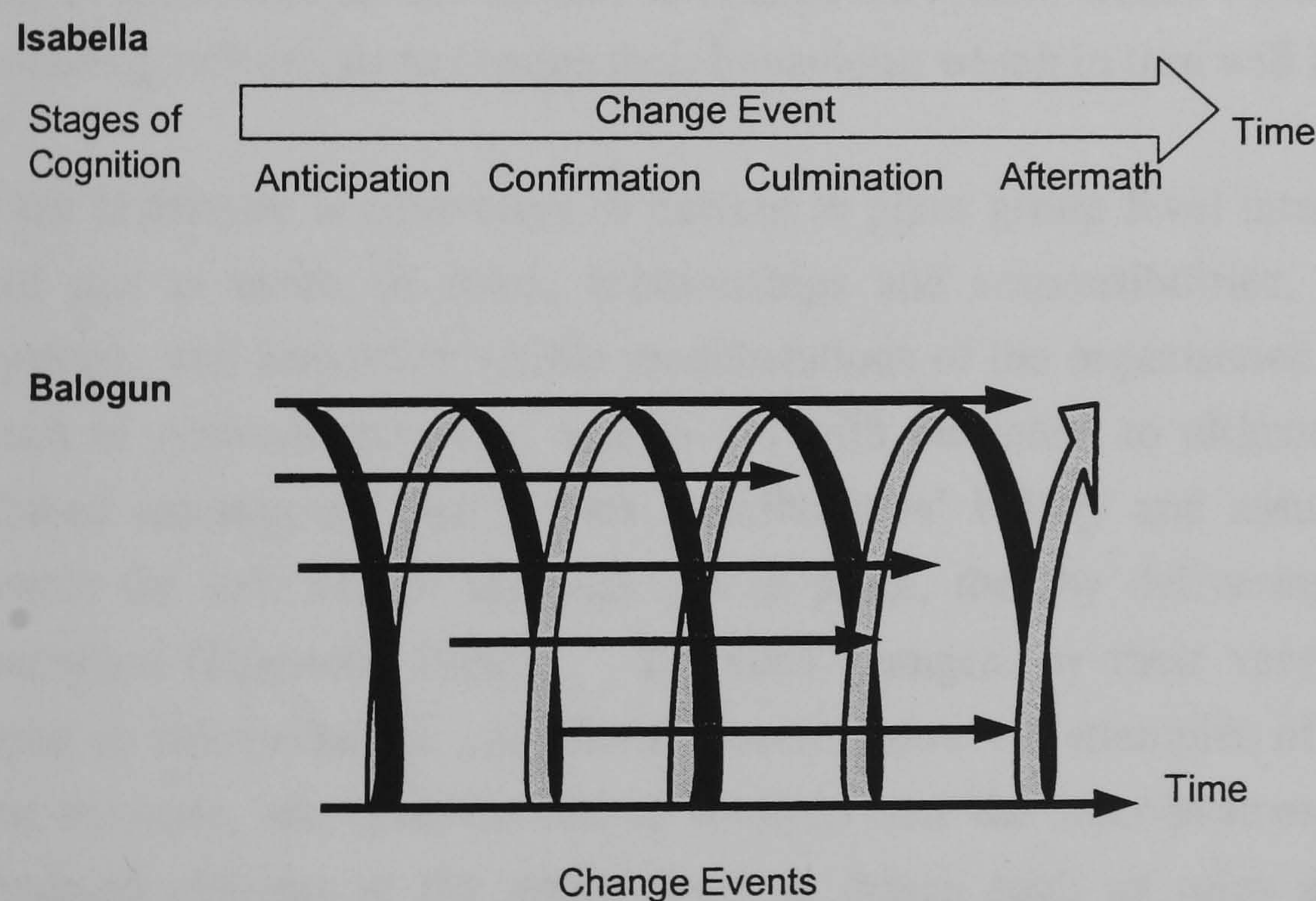
Other work in line with the research carried out here, in particular Isabella (1990), has also shown organisational change to be underpinned by processes of recipient sensemaking. Isabella suggests that the organisational change phases of unfreeze, move and refreeze are underpinned by four phases of recipient sensemaking. Individuals first *anticipate* what changes might occur on the basis of gossip and hearsay. Once the change event is confirmed, they then try to understand what it might mean for them by reference to other events and past experience (*confirmation*). As the change moves from the unfreeze to the move phase, individuals try to assess what the changes actually mean for them as they experience the changes, with symbolic events becoming highly significant (*culmination*). Finally, as refreezing occurs individuals assess the impact of the changes (*aftermath*).

However, this study is able to extend her work in three ways, due to the real-time nature of the research. First, it shows how such sensemaking activity not only accompanies change implementation, but also how it contributes to the emergent and unpredictable nature of implementation. Isabella's research does not specifically link the sensemaking processes individuals engage in to change outcomes achieved, such as unintended consequences and positive developments. Second Isabella's research looked at one off change events in an organisation's history, such as the acquisition of a company, the arrival of a new president and a quality improvement programme, whereas this research looks at a more complex change process consisting of a series of interlinked changes. The findings suggest that during

more complex change, the types of interpretation processes recipients engage in are cyclical rather than linear. Third, this research provides a more in-depth analysis of the mediating processes supporting the sensemaking activity Isabella identifies. The last two points require further elaboration to explain their significance.

Interpretation processes are triggered by change events, and during complex change there are many such events. Thus events occurring early in the change process as part of the unfreeze phase, may trigger mediating processes leading to anticipation, confirmation, and culmination interpretive stages as identified by Isabella. However, these interpretive stages may then be re-triggered by subsequent events occurring later into the changes for individuals. Further, the sensemaking processes associated with one event may interact with the sensemaking processes surrounding another event. For example, the new structure triggered one chain of sensemaking early on in the change process. Yet while participants were engaging in culmination type interpretive activities for the new structure, they were also engaging in anticipation and confirmation interpretive tasks for the forthcoming contracts. Once the new contracts were issued, they then added to the sensemaking occurring about the working of the new structure.

Figure 21: Patterns in Recipient Interpretation Processes During Change



This suggests that the cognitive patterns identified by Isabella as accompanying the process of change are at least overlapping, with anticipation still occurring at the same time as culmination. The cognitive patterns may be better represented as a helix, rather than a linear process, in which there are repetitive cycles of sensemaking triggered through time as change events are put in place (see figure 21). Furthermore, whilst this research confirms the

importance of “double exposures”, interpretational portraits that contain before and after images, as change recipients try to determine the implications of the changes for themselves, the types of activity contributing to the different “interpretive tasks” are found to be very varied, with, for example, gossip and information sharing, contributing to not just anticipation, but also contributing to how participants make sense of changes once they have occurred.

10.4.3 A Sensemaking Perspective on Change Interventions

It is becoming accepted wisdom that the “interdependence” of the various organisational elements means that any change process needs to be systemic in nature, focusing on both the harder elements such as structures and systems, and the softer elements such as people and values (Beer and Eisenstat, 1996). However, there is also a debate in the change literature about what should be the initial target of change interventions, the system (organisation) and collective behaviour, or individual attitudes and beliefs. Beer et al (1990) dispute the effectiveness of “programmatically change”, top-down change championed and supported by top management teams, aimed at changing individual attitudes and beliefs, and thereby eventually behaviours. They argue for the achievement of change via task alignment instead. The primary change target should be behavioural change; attitudes should be secondary as attitude change will follow behavioural change. Interventions such as roles, responsibilities and relationships should be used to change the system within which individuals work, thereby enabling individuals to change their behaviour, which in turn will lead to attitude change.

Task alignment is equivalent to putting in place group level interventions to effect change, not just in terms of roles, relationships and responsibilities, but also in terms of HR systems, and also other visible manifestations of the organisation’s assumptions and beliefs, such as symbols, routines, and so on, with the intent to ultimately drive in change to the shared assumptions and beliefs. Individuals’ beliefs and assumptions should change to match the new visible artefacts put in place, thereby delivering the required shift in the paradigm (Johnson, 1990). Yet such changes, by their very nature, are symbolic and open to interpretation. As this research shows via examples of unintended consequences, for example, the inter-divisional tensions and the inter-business barriers in Engineering, imposed changes at the group level to things such as roles and responsibilities can be interpreted in a way different to that intended, leading to an enacted group level behaviour different to that desired. Similarly, espousing new values and beliefs about ways of operating, such as the espoused change to greater empowerment in Engineering, whilst leaving old artefacts in place, can send conflicting and confusing messages to change recipients. The theory of mediation suggests that this is because the sensemaking processes undertaken by individuals during change, make it very difficult to create unambiguous messages of change. Without additional sensemaking interventions to trigger the

engagement by change recipients in supportive mediating processes, imposed group level interventions are more likely to lead to inconsistent and multiple interpretations.

Research by Hope and Hendry (1995) on change in a pharmaceuticals company supports this view. The changes involved twin initiatives - one targeting behaviour, and the other a value statement targeting attitudes. They cite the relative success of the behavioural interventions in comparison with the less successful value statement as supportive of the notion that the primary target in culture change programs should be behaviours not attitudes. However, the research reveals that the behavioural interventions also included interventions aimed at getting the individuals to understand the implications of the desired behavioural changes for themselves on a day-to-day basis, whereas the value statement initiative did not. The senior management team went on an outdoor development course which aimed to help them understand how the proposed new behaviours differed from their existing behaviours. It enabled them to understand "at a personal level, the depth of change that was necessary on the part of individuals"(p 69). Other staff attended workshops at which they were asked to relate the new behaviours to their own job roles. The research established that all staff interviewed could relate the behavioural initiative to their work, whereas the values statement intervention was not as well known or understood.

These findings offer support for more action oriented change interventions, but also suggest that neither extreme - targeting attitudes to get behaviour change, or targeting behaviours to get attitude change - on their own will be as effective as a joint approach. Desired changes are more likely to succeed if changes imposed on the group level are accompanied by supporting interventions aimed at enabling individuals to air and share their interpretations and come to some sort of understanding of the implications of the changes for themselves. The findings from this research do not suggest that it is wrong to make behavioural change the primary target of renewal, however, it does seem that an approach which adopts *a simultaneous focus on the organisation and the individual, on the group level and the mediating processes*, when designing interventions will be more effective.

It could also be argued that the individual level interventions are about the management of meaning (Pfeffer, 1981; Johnson, 1987 and 1990; Pettigrew, 1985). However, the theory of mediation, and other research, suggests that the *outcome* of recipient sensemaking cannot be controlled. Therefore, *managing implementation* is not just about the deployment of the designed change interventions, even when the interventions target both the group and individual level. It is also about the detection and management of emergent and unanticipated change elements, and about creating linkages between the intended and emergent outcomes to keep the change process on track. In other words, it would be better

to say that change is about *the alignment of interpretation* rather than *the management of meaning*. This issue is picked up under implications for practitioners.

10.4.4 *The Role of Middle Managers*

The theory of mediation proposed here also suggests some interesting theoretical implications for the role of middle managers in change implementation. Middle managers are often seen as a source of resistance. They provide powerful obstructions to implementations that counter their own self-interests, and can be foot draggers and possibly saboteurs (Kennedy, 1993; Guth and Macmillan, 1986).

Other research suggests that this is an unjust characterisation of middle managers. Historically, middle managers have only played a control role in strategy implementation - defining tactics and budgets, monitoring performance and taking corrective action as necessary (Wooldridge and Floyd, 1990; Floyd and Wooldridge 1992, 1994, 1996). Whereas the research of Floyd and Wooldridge, along with others (Bower, 1970; Kanter 1983b; Burgelman, 1983 and 1994; Schilit, 1987; Westley, 1990), suggests that middle managers may have a more important role to play than previously realised, and that their behaviour can play a major role in developing organisational capability and may be “central to organisational renewal” (Floyd and Wooldridge, 1997: 481). Further, the gap between senior management intentions and implementation may be less to do with middle manager obstinacy, and more to do with the view that top managers formulate strategy that middle managers then carry out without question. Floyd and Wooldridge see this view of the middle manager role as unrealistic.

In the change process observed here, the middle managers were treated in the more traditional way by their managers, as people who would implement change via budgets, monitoring and control, although significant efforts were also made to ensure they understood the rationale for change and the longer-term goals. However, the assigned role of the middle managers developed during the transition into something more. The middle managers discovered they had a number of responsibilities. First they had to undertake change themselves and acclimatise to new roles and responsibilities; second they had to implement changes in their departments; third they had to help their staff through the change process and fourth, meanwhile, they had to keep the business and their departments running. One middle manager said of his role:

“Sometimes it was more of a passive role.... it was imposed upon us and we obviously reacted and responded to do what we needed to do during the year, and to take up new duties and try to define what was expected of us so we sort of tried to put some meat on the bone by, in some cases, writing down what we felt thought we had to do but in some cases ... busking it on the day ... So it was a reactive

situation and we had all got staff ... so you had to point a person working for you in the right direction and give him a bit of flavour of what you thought was needed So it was a mixture of all sorts and then reacting with other sections to say I think you ought to be doing this, I think what we must agree between us is that you do this and we will do that We have taken the stuff that has been given to us from above and latched on to snippets that you could understand and actually translate into real stuff, and passed a bit down a level.”

Thus for much of the time the middle managers were acting simultaneously as change recipients and change implementors (Kanter et al, 1992). They were fulfilling a role more accurately described by the term *change relayers* since they were responsible for absorbing change and passing it on. They acted a little like the members of a relay team, continuously taking the baton from their senior managers, running with it and then passing it on. Likert (1961) uses the term ‘linking pin’ to describe a similar phenomena. The following are comments from just one of the diarists which illustrate the point:

“The change process (transition) is happening very quickly and it is very difficult for Managers to keep "business as usual" and forward plan..... Managers (me) are finding it difficult to spend time with new members of staff and explain what is expected of them in their new posts, due to other time pressures.”

“I am actually involved in quite a lot of quality initiatives and it does frustrate me really.... I am only allowed say 2 days a week to actually run the business that I am supposed to be running ... All the rest of the time it is meetings ... I would like to concentrate firstly on teams within my own section to make my business run effectively, rather than spending all my time driving up and down the motorways”

“I sometimes wonder whether my staff remember that I am charge of the section because I am never there. I would love to be able to spend time in the department, making my area work more effectively, getting to know everybody, I mean I do know everybody but being involved - I just feel like a distant figure head.”

Some of these comments were typical, the diarists were working hard to keep up with the work, whilst acclimatising to their own new roles and getting to know and help new staff. As a result there was little time for local initiatives, and in particular little time for “management by walking about” or to talk to staff:

“I used to make a point of being at each section at least once a week, just call in one morning and see people and have a cup of coffee with them, and I've not done that in six months. Its not that I don't want to, its just that there's not been the time there.”

Much of the activity the middle managers are describing, particularly that they did not have time for, are to do with processes of mediation. They needed verbal communication skills to fulfil their role of selling the need for change and explaining its impact to their staff; team building skills to bring together a group of people that had not previously worked

together; coaching and counselling skills to help members of their team cope with change; and negotiating skills to help resolve problems encountered during the development of new working practices with both their own staff and colleagues in other departments / divisions. The actual role given to middle managers, one primarily to do with putting new working practices in place, and monitoring and controlling the implementation of new activities, was expanded by the need to operate extensively at the level of mediation, to further both their own understanding and that of their staff. This was neither planned nor allowed for by the designers of the change process. The outcome was that the unanticipated relayer role placed an overhead on the time of middle managers at a time when they themselves were having to undergo a lot of change.

Change managers as change relayers presents an alternative to the view of middle managers as a source of resistance. It suggests that it is not just getting support from middle managers for the changes that is important, they also needed to have the sufficient mediation skills and the time to be able to fulfil their relayer role if they are not to become blockages to change.

An example of this occurred in Engineering Services. As documented in the stories, the Divisional change manager was of the opinion, following special change management workshops for middle managers in the Division in November and December 1994, that it was clear that the middle managers were to then communicate their learning to their staff in workshops. This apparently happened in only a few locations. Explanations offered varied. It was not clear that this was supposed to be done, it was thought it would be organised centrally, there was not the time, and so on. One interpretation of this would be that these reasons were excuses and that it indicated that the middle managers were not acclimatising to their new roles. However, the final interviews suggested it was more to do with a lack of time and help, as well as in some instances a discomfort at fulfilling such a role, that led to the non-occurrence of local workshops. Diarists were feeling overburdened and with no clear direction as to priorities, it was easier to continue to concentrate on existing day-to-day activities. As the one diarist that did run workshops for his staff said:

“It isn't easy to do it quite honestly ... I could easily just do the ordinary run of the mill work which puts you under enough pressure as it is and doesn't take the job forward. I could quite easily say with these meetings and seminars that instead you can spend three hours keeping your in-tray down, and that would be probably right, you could spend that three hours keeping your in-tray down, but at the end of the day you don't take the job forward .. you have got bigger things in front of you .. hearts and minds to convert.”

This research not only supports research of others such as Floyd and Wooldridge (1996), by suggesting that during implementation, middle managers have a wider role to fulfil than previously envisaged, it may also be able to contribute a possible explanation as to why. The middle managers role is as much about mediation as it is about hard operational skills, such as setting budgets and putting in place new working methods. The lack of attention given to the skills and time for mediating processes among middle managers may be due to a lack of recognition among change designers of the pivotal role middle managers play in change. The designers are still conceiving of their roles in purely operational terms.

On the other hand it could be argued that there is strong evidence to suggest from research such as that by Guth and Macmillan (1986), that there should also be evidence of some middle managers who were resistant to change, and maybe exhibiting that by engaging in various forms of political activity to create outcomes consistent with their own agendas. Indeed, the diarists during the research did mention other managers who they felt were very resistant to change and whose attitudes obstructed progress. However, there is little evidence from the research participants of political game playing - at their level anyway. The impression given was one of compliance and a desire to make the planned changes work. There could be number of reasons for this - the old culture of staff doing as they are told, a perceived increasingly strong culture of control leaving little scope for not only personal initiative but also subversion, a fear of redundancy, or a genuine desire to see changes work.

Thus, whilst the findings on the role of middle managers at the REC can be supported by findings from other research, it raises more questions than it answers. Viewing middle managers as people responsible for sensemaking and sensegiving in their own right, rather than viewing such activities as the prerogative of change leaders, leads into a separate research agenda to do with issues such as the role of middle managers, the skill sets needed and what can facilitate and obstruct middle managers in their fulfilment of their role as change relayers. Therefore, the chief merit of the findings on middle managers is in generating a future research agenda on their role in change. This is discussed later.

10.4.5 Categorisation of Facilitating and Obstructing Processes

This research provides a classification for the types of facilitating and obstructing processes that arise during change implementation. Facilitating processes can be planned in the form of designed change goals and designed change interventions, or emergent positive developments. Obstructing processes can be inherent obstructing processes, or emergent design issues and unintended consequences. Unplanned events, depending on their nature, can be either facilitators or obstructions. (See chapter 7).

The classification provides a new language that can be used to conceive of the micro processes at work during change implementation. It also provides a categorisation that can be explored by other research. For example, more research is identifying the existence of unintended consequences. Gilmore et al (1997) explore some the different types of unintended consequences that occur during corporate cultural transformations based on their experiences of working with various organisations undergoing culture change. They are able to identify four types that commonly occur, although they do not accompany this description with a theory as to how and why these unintended consequences arise. This type of work, combined with the theory of mediation offered here, could be useful to practitioners as it could forewarn change instigators of the common side-effects they may encounter and enable them to consider how to avoid them. Categorisations of resistance to change, for example, Kotter and Schlesinger (1979), perform a similar function.

The classification may also help researchers see the changes they are investigating in a different light. It has been pointed out that much existing research actively seeks to understand how change interventions lead to *intended* outcomes. The knowledge that change implementation consists of a wider variety of facilitating and obstructing processes may encourage other researchers to look for both intended and unintended outcomes.

10.5 Implications for Practice

The proposed theory of mediation has interesting implications for change management in practice as well as in theory. Implementation becomes a series of mediated outcomes, rather than a series of planned outcomes, since it is underpinned by a cyclical process of recipient sensemaking. The effect of designed change goals and interventions will be determined by the way they have been interpreted by the change recipients, which will not necessarily be the same as was intended. There is no direct link between intervention and effect. Change is therefore difficult to impose. But if this is the case, how can change implementation be *managed*?

This research can suggest some answers to this question from an understanding of what generated unintended consequences and what led to positive developments. It suggests that managing implementation is not so much about control or *managing* in the traditional sense of the word, but more about aligning interpretations. This also has implications for the design of change interventions and the nature of transition management.

10.5.1 The Alignment of Interpretations

This study suggests, consistent with other research, that managing change is about the management of meaning (Pettigrew, 1985; Johnson, 1987 and 1990; Pfeffer 1981; Isabella, 1990). Change will only occur if the individual interpretations underpinning the old ways of behaving are changed to support new ways of behaving (Bartunek and Moch, 1987; Poole

et al, 1989). Symbolic actions can be used to create legitimacy for change and to demonstrate what the changes are about:

“The management of meaning refers to a process of symbol construction and value use designed to create legitimacy for one’s ideas, actions, and demands, and to delegitimise the demands of one’s opponents. Key concepts for analysing these processes of legitimisation and delegitimation are symbolism, language, ideology and myth.” (Pettigrew, 1985: 44)

“What are the symbolic artefacts that are the most significant blockages of change? Can they be removed? What can be introduced to signal the changes required?” (Johnson, 1990: 195)

One of the implications is that the management of meaning is about the change leaders consciously thinking about the messages they want to give, and exerting their influence to ensure these messages are given via symbolic means such as artefacts, stories and rituals. The findings here similarly suggest that it is important for change instigators to deliberately design symbolic messages into events, artefacts and behaviours to trigger mediating processes that will lead to the development of interpretations among change recipients consistent with the intended change outcomes.

Yet this research also suggests that intended and unintended change are inextricably linked, like the two sides of a coin. This raises questions about the use of the term *management* or *managing change*. Other research also questions the feasibility of consciously trying to put in place symbolic interventions designed to create certain interpretations for change recipients. In particular, there has been much debate on the subject of manageability of meaning with reference to culture change and ritual. Trice and Beyer (1985) argue that rituals should be actively manipulated to help achieve change, whereas Deal (1985) argues more for such events to be taken advantage of when they arise spontaneously:

“Ritual is never imposed; it arises naturally. Leaders can convene occasions and encourage symbolic transformations; they cannot make them happen independent of the collective will.” (p 325).

Others, such as Moch and Huff (1983), suggest caution when actively using rituals as they can thwart the intention of those using them to implement change. The outcome of a ritual is not predictable (Berg, 1985). Johnson (1990) argues that rather than viewing meaning as something that can be manipulated, what matters is an awareness of the management of meaning and the potential power of symbolism. Therefore, naturally occurring rituals, artefacts, stories and so on may have been found to aid change when they occur in a

manner that can be interpreted as supportive of the desired change direction, but can they then be *deliberately* manipulated to achieve the same effect?

For example, the new divisional structure was imposed at the group level with certain intentions about the way it was to operate. Yet the way the structure actually operated was determined by the way the recipients interpreted its significance, which was in terms to do with defending one's own interests and competition between divisions. One argument is that had the change leaders understood the role of mediating processes, and the power of symbolic as well as verbal messages, this could have been avoided. The change leaders did not manage meaning well enough. The alternative argument, and the one pursued here, is that if meanings cannot be managed, then managing change is more about *aligning interpretations*. Aligning interpretation is here seen as a two-way exercise which involves not only giving meaning, but also understanding what meaning, both intended and unintended, has been inferred from both planned change activities and other events and behaviours. It is about creating linkages between the deliberate and emergent elements of change. As such, it is necessary to attempt to facilitate developing interpretations in the ways other researchers such as Isabella (1990) suggest, by management of symbols, analogies and puzzles, yet also to *monitor change progress* from the recipients point of view. It is only possible to understand when and why change interventions are not having the desired effect, and what, if anything, can be done about it, if the interpretations the change recipients are arriving at of the change interventions are known. To return to the example of the new structure, it would not have been possible to put in place interventions to resolve the inter-divisional tensions had the Directors not known that they existed. Similarly, the Distribution Management Director would not have been able to put in place interventions to deal with developing problems, such as negative rumours about the office relocation and the "who does what" issue, had he not known these issues existed.

This research does not suggest that to facilitate the development of interpretations in line with that intended is impossible to achieve. The findings here show that consistent and mutually supportive mediating processes *can* influence interpretations. The example of the emergent culture change in the Distribution Management Division shows how symbolic activity supportive of staff; stories and gossip about events and happenings; integrative rituals (Trice and Beyer, 1984) such as social events; and verbal and written communication; all contributed to the development of interpretations about the new culture in the Division. The Director's behaviour acted as a *catalyst* for new meanings, rather than being a direct manipulation of meaning. As such, although the research provides no evidence that interpretation development can be managed, it does suggest that there is something to be gained from systematically and persistently trying to build meaning, both verbally and non-verbally, by the repetitive use of symbolic activity including not just artefacts, but also

language, behaviour, rituals and so on, to accompany other written and spoken communication. It provides evidence which supports other research, such as that by Johnson (1987, 1990) and Isabella (1990), which suggests that what is important is a recognition by change leaders of the role of a variety of communication media, such as symbolism and symbolic activity, but also stories (Martin, 1982), language (Pondy, 1978; Evered, 1983), metaphor (Hill and Levenhagen, 1995), and ritual as well as verbal and written communication, during change, and the need for it to be mutually supportive and consistent. For this research also illustrates the impact in terms of unintended consequences, such as the inter-divisional tensions, when espoused change is not supported by other non-verbal sensemaking triggers. The recipient interpretation process can be likened to a complex chemical reaction. Each intervention, action, or event, acts as only one catalyst for that reaction. The overall outcome depends on the cumulative effect of the different interventionary catalysts.

10.5.2 The Design of Change Interventions

If change is conceived of in terms of aligning interpretations, this also has implications for the design of change interventions. Changes to structures and systems are attempts to manipulate the enacted group level, but as this research shows, the interpretations and therefore the outcome of such changes, is not predictable. Such changes may therefore have more chance of being successful if they are supported by other interventions aimed at facilitating consistent interpretation development. This may be by the use of supportive mediating processes, such as the symbolic activity discussed in 10.5.1 above, but may also be to do with providing staff with the means to share meaning, experiences and interpretations, to encourage vicarious learning. Additional interventions could therefore be to do with the use of forums or workshops throughout the change process designed to enable staff to discuss and share their experiences, and to help the staff determine what the implications of the changes are for themselves. Some change implementations have been famous for such interventions. British Airways is well known for its “Putting People First” and “Managing People First” change programmes (Goodstein and Burke, 1991). The outdoor development initiatives and workshops put in place by the Healthcare organisation described above are also mediating interventions of this type. They are “rich” communication mechanisms (Lengel and Daft, 1988), because they provide not just the opportunity for two-way face-to-face communication, in which questions can be asked and answers given, but also other learning and sense triggering mechanisms including role play, issue discussion and problem solving.

These types of interventions were also used on an ad-hoc basis in the implementation studied here. For example, the Engineering Division discovered a few months into the

implementation that there was a mis-understanding among their managers of the way some aspects of the new structure, and various new working practices, were to operate. They organised specialist change management workshops, which provided managers with the opportunity to ask questions and share experiences and implementation problems they had encountered. The diarists subsequently rated these workshops as one of the most effective change interventions because they greatly helped their understanding.

Therefore, planners of change need to design change interventions which focus on **both** systemic relationships such as roles, relationships and responsibilities (Beer et al, 1990), **and** aiding individual understanding and interpretation development. This ties in to the theoretical implications of a theory of mediation discussed above 10.4.3. Those interventions which, like the change management workshops, encourage individuals to air and share their interpretations, and stimulate experiential learning throughout the life-cycle of implementation, are likely to be more effective than those that do not.

However, another aspect of aligning interpretations is to do with monitoring the progress of change. As highlighted above, a change agent needs to understand what intended messages change recipients are receiving, what unintended messages they are receiving and why, how these messages are being interpreted and why, and the impact of this on individuals' behaviour. This research highlights a problem with this - the discontinuity in knowledge about the way things are progressing at the lower levels among senior managers. As an example, the Distribution Management Director was unaware of the inter-divisional tensions until he received the diary reports. Some of the transition management skills and interventions needed are, therefore, to do with monitoring change progress from the perspective of the change recipients.

In this research, the diary mechanism fulfilled the monitoring role. However, if the literature is referred to for advice on how to monitor change, there are few tools and techniques available. Project management tools can be used to manage the planned elements of change, to track whether interventions such as communication events have or have not been done, but not whether they were effective:

“Numbers and computer models can measure only a part of organisational performance and effectiveness.” (Felkins et al, 1993)

The Engineering Services Change Manager summed this issue up when discussing communication, when you give staff a message you need to know “were their eyes sparkling”, not just did they attend the communication seminar.

Any data collection approach needs to be context sensitive. Kanter (1987) suggests the use of focus groups or management by walking about. Bertsch and Williams (1994) discuss the importance of change leaders meeting and discussing progress with staff. These may be valid techniques, indeed this research used focus groups. On the other hand, if the old culture is one of 'don't pass on bad news', then focus groups and face-to-face meetings may not be effective techniques to use during times of change when staff are worried about job security. Further, any feedback approaches used will be more powerful if considered from a social constructionist approach (Bartunek, 1997), as this encourages the use of data collection mechanisms that enable the capture of different perspectives, interpretations and understandings.

Finally, the issue of context sensitivity in the design of interventions deserves mention. Other authors acknowledge that change is highly context dependent (Berger, 1992; Nadler and Tushman, 1989). However, the theory of mediation suggests that it is not just recognising that the designed change goals and interventions need to match the strategic and cultural context of the firm that is important, but also that any unintended consequences that arise will be a result of the interaction between the organisational context and the interventions. As was the case here, the different histories of the staff in the different divisions had an impact on the interpretations they put on the change process.

Some diagnostic tools are available to help develop contextual understanding, for example, Johnson's (1987) cultural web, or Scott-Morgan's (1994) unwritten rules of the game. The frameworks can be used to surface some of the hidden and taken-for-granted ways of operating within an organisation or a group of people. The theory behind their application, is that if the hidden ways of operating are understood, then it is more likely that change designers can put in place effective interventions that will not be undermined by existing norms. However, an understanding of the hidden and taken-for-granted ways of operating is also necessary if a change leader is to understand why unintended consequences are arising.

10.5.3 The Nature of Transition Management

Another important design issue for change practitioners is to recognise the implications of a theory of mediation for transition management. Most of the management of change literature makes it clear that major change implementation is complex and difficult due to issues such as culture, politics and the need to manage the human aspects of change (Beckhard and Pritchard, 1992; Kotter, 1995; McEwan et al, 1988; Carnall, 1986; Tichy, 1983). The tendency is to give lists of steps that will help if taken into account. The implication is that change can be planned and managed according to design as long as the necessary elements are given careful consideration, or in other words, to encourage a reliance on careful and detailed planning. Further, if the literature is referred to for advice on the *management* of

planned implementation, in the main it seems to advocate a traditional project management approach, in which the emphasis is on *control* (Buchanan and Boddy, 1992). Implementation management is about directing the implementation of planned activities, monitoring that these activities proceed to plan and taking action when things fall behind schedule by re-planning or bringing in additional resources. Even the literature that describes change implementation as a process, emphasising the impact of unexpected events and how they make change unpredictable, and difficult to manage (Jick, 1993; Nadler and Tushman, 1989; Kanter et al, 1992), does not offer an explanation as to why change implementation develops like this. The unpredictability is more usually associated with unexpected internal and external events, or alternatively an insufficient understanding of the cause and effect relationships that underpin the way the organisation operates (Senge, 1990).

The theory of mediation suggests an alternative view of why change implementation is unpredictable and difficult to manage, and therefore offers a different perspective on transition management. Since there is not necessarily a direct link between change interventions and their effect, managing change implementation is as much about the detection and management of the emergent elements of change as it is about the management of the planned elements. It is important to understand how recipients perceive and experience the change (Kanter et al, 1992). Managers leading change should not reify change as something that is “done” to participants, since change recipients do not play a passive role in change. Instead, when they put in place interventions which they want to have a particular effect, they need to be aware that not only may these interventions have the effect intended, but even if they do, they may also have other unintended, and not necessarily desirable, consequences. This is almost a complete reversal of the logic underlying planned change designs with their focus on control.

This changes the focus of attention for change agents. Change is about creating a feedback loop between the deliberate and emergent elements of change, which in turn involves working at the level of mediation. This was how the Distribution Management Director facilitated culture change. He reacted to issues raised by his staff to address aspects of change that were not supportive of the type of culture he wanted in his division. His own actions were not pre-planned, they were developed in response to staff concerns as those concerns emerged. In this way he used his behaviour as a bridge between the interpretations that were developing and the changes he wanted to achieve. This is not meant to imply that careful up-front planning and analysis is not worth doing. As this research shows, the planned elements of change still played an important role. But rather than if managers understand the *nature* of change implementation, they may have a better chance of achieving their desired outcomes. The issue is that transition management is not

just about control. It is also about keeping an unpredictable process on track, by creating linkages between intended and unintended outcomes of change.

However, it is not the intention to imply that if managers can understand the process, they can then go back to more rational modes of operating: that if they can in some way use rational change management tools such as planning more intensively or “better”, then unintended consequences can be foreseen and avoided. Instead the implication is that if managers can understand the nature of the change process, then they should be able to understand that their tool kit needs to be extended to enable them to cope with the unexpected and unintended elements of change that are likely to arise alongside the planned elements, especially in more complex change situations. Furthermore, that there is a need to design into the change process not only suitable monitoring mechanisms for detecting emergent elements of change, but also the use of interventions aimed at facilitating mediating processes among change recipients.

10.5.4 The Bias for Action in Planning

The theory of mediation also raises the issue of a bias for action in planning, the “tendency for action to dominate over legitimating and educational activities” (Pettigrew, 1985). Other research suggests that the ‘process’ or human agenda gets pushed to the background by project managers in favour of the content and control, or hard, agendas (Buchanan and Boddy, 1992). This is to do with the way goals are expressed (in output and financial terms, rather than human outcomes), the way roles are defined (to not include human issues), the time pressures to achieve targets, the discomfort of dealing with human issues, the perceived intractability of people problems and people ‘filling in’ when problems arise. This describes what happened here. One diarist in the final interviews arranged the facilitating processes by hard factors (for example, structures and systems) and soft factors (for example, culture) and concluded that most interventions had been hard in nature with very little attention to the softer factors. Pressures to get the changes in and working mitigated against the likelihood of much attention to softer aspects of change.

The theory of mediation proposed here suggests that interventions aimed at aiding the processes of mediation are as important as the hard change levers to do with structures and systems, as discussed above under design issues. Yet a bias for action leads to an emphasis on the hard change levers and encourages the development of hard performance measures, such as headcount or productivity, with a lower emphasis on softer measures such as staff morale, degree of understanding for change and cultural change. Although these hard measures may be important for the achievement of financial change objectives, this approach in turn enables managers to pay less attention to communicating with staff and helping them undertake change if they feel uncomfortable with this role. Even though

softer change interventions may be more difficult to build into plans and budgets, for there to be less of an emphasis on 'action', planning and resourcing needs to allow for change management activities to do with aiding processes of mediation via a variety of communication mechanisms, as well as the hard interventions. This could be helped by expressing goals in terms of human issues as well as financial, pushing for the achievement of soft, less easy to measure targets as well as hard targets, and training to overcome discomfort of dealing with human issues for managers.

10.6 Methodological Implications

Van de Ven (1992), commenting on methodologies for studying the process of change in organisations, states that "to understand how these changes come about, there is a need to supplement regularly scheduled data collection with intermittent real-time data to understand *how* these changes occurred" (p 181). As he points out, this requires a significant level of researcher commitment and organisational access that are rarely achieved. He also suggests that gaining organisational access is difficult because researchers do not place themselves in the "manager's frame of reference" to conduct their studies. This has two consequences. If the manager's perspective is not taken, how can the situation facing the manager be understood? Further, if the relevance of the study is not clear to organisational participants, why should they participate?

This position is significant in relation to the research carried out here. The theory of mediation proposed from this research suggests that to understand *how* changes occur it is necessary to take an interpretive approach to organisations and change consistent with viewing organisations as socially constructed entities, and examine how and why people interpret things the way they do. The change recipients' "frame of reference" and their on-going interpretations through time become central to the research. Whereas if a more objective view to organisations is taken, the focus on individual interpretations and how and why they develop and differ ceases to be as important, and research instruments do not need to be designed to allow for the collection of different perceptions and interpretations. The need to take an interpretive approach, involving real-time observations of change recipients, raises a number of issues to do with the manageability of change process research.

The first issue is to do with researcher time. Given the need for the researcher to enter into the change recipients' "frame of reference", it is necessary to recognise that different participants, even if as here they are from the same organisational level, will have different experiences and interpretations, shaped by their different histories and organisational experiences. Research needs to be pluralist, not just contextual, longitudinal, and processual (Pettigrew et al, 1992). Therefore any change process research needs to collect data from more than just one or two individuals and more than just one or two parts of the

organisation. There is potentially a trade-off between the number of research participants and the time available for the research.

Another variable affecting the manageability is the frequency of data collection. This research revealed the importance of collecting data, especially at times of rapid change, at frequent, short time intervals. A number of diarists commented in the final interviews that without the cards on obstructing and facilitating processes as prompts, there was a lot they would have forgotten about. Some diarists initially failed to recognise even problems they had raised themselves in their diaries only a few months previously. Further, there were obstructing and facilitating processes that in the space of a few weeks could appear and then disappear. In the early days of implementation when there was a lot happening, much could have been missed with a less frequent form of data collection.

A third issue is the accessibility of research participants. The more frequently data is collected, the greater the time commitment for the participants at a time when they are likely to be very busy. There are also issues to do with depth of information. To be able to enter into any change participant's frame of reference, something needs to be known about the individual and his / her background. This information may be important in determining why different participants have different interpretations, perceptions or experiences of the change process. Otherwise findings could be biased by one or two participants' particular hobby horses, when their view is unrepresentative and due to their particular circumstances.

These are all issues that had to be managed in the research project here. This makes it possible to review the strengths and weaknesses of data collection mechanisms used to make recommendations for future research. Three main methods were utilised for collecting data - diaries, one-to-one interviews, and focus groups. Some data was also collected via participant observation from attending the periodic feedback meetings and spending time with the change managers. Each of these techniques provided different types of data:

- The diaries provided valuable insights into how different individuals in different circumstances were interpreting and responding to change. They were particularly effective for gathering information from individuals on a frequent, real-time basis. They required no input from the researcher in their preparation, and minimal time input from the diarists in comparison to other alternatives such as fortnightly interviews. Furthermore, it removed the need for the researcher to be on site. The downside was that they sometimes lacked a sufficient depth of data, but a quick phone interview of maybe only two or three minutes could remedy this defect.

- In depth interviews were valuable for providing information on an individual's background, experience and current job role, and understanding why they might have a different perspective to others. They allowed for exploration of differences in perceptions, experiences and interpretations.
- The focus groups were good sources of information, highlighting both differences in opinions and commonality. They also provided insights into how diarists shared experiences and interpretations with each other. From a researcher perspective, they were efficient data collection forums. However, these meetings did not provide the wealth of detail of the diaries and interviews on individual perspectives, especially for less vocal diarists.
- Participant observation at feedback meetings (these were really run by the change managers) provided similar information to the focus groups. But since the researcher was more of an observer than a facilitator, there was even less chance to explore individual's differing perceptions and experiences.

This demonstrates that different data collection mechanisms are useful for different types of data during change process research - a principle of data triangulation (Denzin, 1989) . There are a series of trade-offs that have to be negotiated - researcher time vs participant time vs number of participants vs frequency of data collection. Diaries, a form of data collection technique rarely used in change studies except to capture more quantitative data, for example, Clark et al (1988) and Schilit (1987), proved a particularly valuable way of collecting qualitative data as they minimised the time needed from both the researcher and the participants, which also enabled a larger number of participants to be managed by the researcher and a more frequent collection of data. Yet they also provided a means of capturing rich, qualitative data from an individual's perspective. In-depth interviews could not have provided all these benefits, nor could participant observation.

The use of the diaries also highlighted an important feature of data collection mechanisms for such research, more by chance than design, and that is the need for contextual sensitivity. It was not realised in advance how radical the diaries were for Utilco given the existing culture. The main emphasis was on the manageability of the data collection process for both participants and the researcher during the research design phase. Had the option selected being focus groups from day one, although as a feedback mechanism from middle managers to director level this would also have been novel, it would have afforded the participants less anonymity in the early days. In an already very open culture this may not have mattered, but in a less open culture such as the one at Utilco, at a time when the research participants were experiencing a lot of uncertainty in a climate of many redundancies, the use of focus groups would have made some diarists feel more inhibited about speaking out.

The research conducted here has not explored the full potential of diaries. The data was analysed in a qualitative manner consistent with a grounded theory approach using NUD.IST. Other analysis techniques such as cognitive mapping could also have been used. Therefore it is not possible to comment on how the methodology used here would need to be adjusted to carry out such analysis adequately. There are also questions that could be asked about the type of diaries used. They were written diaries. Maybe verbal diaries dictated into dictaphones, such as used by Buchanan and Boddy (1992), may have been better. Or even diaries maintained and transmitted via electronic means such as e-mail, which would enable the information to be fed straight into a data analysis package without the need for transcription. Although it could be argued that electronically maintained diaries could be more prone to access by others.

This research project still required a significant amount of time commitment from the participants. This commitment would have not been forthcoming had they not perceived the research as useful to the organisation, corroborating the point made by Van de Ven (1992). The diary system continued for as long as it did as it was felt by the diarists, as well as the change managers and the Directors, that the information it provided was useful. This research project was by no means a fully fledged action research project (See chapter 2), but it supports the notion that there may need to be a trade-off between purist non-interventionary research approaches and privileged access (Rapoport, 1970). Change process research can be useful to researchers and managers alike. Recognising this can help to get access in situations where it has previously been denied. This has implications in turn for researcher skills. It becomes more of a consultancy style project where the researcher needs to display not just researcher competencies such as interviewing, but also more consultancy style skills such as running and facilitating meetings (maybe in instances quite emotive meetings), coping with organisational politics, responding to 'client' needs, and recognising difficult moral and ethical situations.

The above analysis of how and why the diaries were a successful method of primary data collection has implications for change research. Change research which has as its objective understanding the micro level 'how' processes at work from the perspective of multiple participants, which requires collection of frequent, real-time individual experiences and perceptions, needs to be more imaginative in the data collection techniques used instead of just relying on interviewing, observation and surveys, if access and quality of data are to be obtained and maintained over a period of time. The organisational context also needs to be taken into account when designing the research instruments, since they need to fit not only the research methodology, but also the organisational context in which they are to be used. Diaries may be only one such mechanism for this. Finally, the importance of the pluralist aspect needs to be emphasised. It is not just different stakeholders that need to be involved,

but also different groups of staff at different levels of the hierarchy, since it is important to understand how and why different groups of staff are interpreting change differently.

10.7 Directions for Future Research

This research project opens up many other avenues for additional research. The section in this chapter on theoretical contributions notes that the categories of obstructing and facilitating processes developed by this research may be useful to other researchers wishing to pursue research on the implementation of change. In particular, the classification may make other researchers more sensitive to the different types of sub-processes their research design needs to be able to detect and study. Research into change implementation needs to continue to examine the role of planning, but also to analyse the change process for both intended and emergent unintended outcomes, and recognise that such analysis requires capturing data from change recipients as well as change leaders.

There is also a need for other similar studies to validate the findings here on the patterns of obstructing and facilitating processes that occur during intended change implementation, and to substantiate the validity of a theory of mediation as a suitable explanation for the patterns found. There are questions about the applicability of the findings to different contexts, such as smaller, more entrepreneurial organisations, or contexts where the change design is more interpretive than the rational, planned approach taken to change in the process observed here. Furthermore, since this research examined obstructing and facilitating processes from the perspective of middle managers only, there are questions about whether or not similar findings would arise from research examining the experiences of non-managerial staff during change implementation.

Another important avenue for research centres on when and how different types of change interventions are more or less effective, and which types of intervention are more appropriate for aiding the mediating processes that occur to help align interpretations at the level of mediation. There is a growing research interest in phenomena such as symbolism, ritual, communication (verbal), stories, metaphor, and so on, in aiding change. However, little of this research is explicitly linked to mediating processes in a way that investigates the effectiveness of such mechanisms in aiding the airing and sharing of interpretations, and activating individual cognition. As such, little is known about how change managers can *manage*, if at all, the process of evolving meaning development undergone by change recipients.

The above discussion on the alignment of interpretation makes some suggestions about the nature of interventions that could perhaps aid consistent interpretation via mediating processes, including various communication mechanisms, and interventions aimed at sharing and exploring interpretations and meanings such as workshops. It provides some broad

hypotheses about what types of communication mechanisms may be more or less effective in aiding mediation processes and why. Yet there is a dearth of research examining the effectiveness of such interventions. Despite the emphasis placed on verbal communication in most change management texts, even here there is still little research into what makes communication effective during change, particularly in terms of thinking about how different types of communication may be effective at different stages of change such as unfreeze, move and sustain, (although there are some notable exceptions: Lengel and Daft, 1988; Klein, 1993; Smeltzer, 1991). Further, this research needs to be carried out on the basis of seeing interventions as about *aligning interpretations* and *managing evolving meaning*.

Unfortunately, conducting this type of research is problematic. Primarily because much symbolic activity does not occur deliberately in organisations. Furthermore, it cannot be guaranteed that a change process a researcher sets out to study, will include the types of interventions it is hypothesised can help with shaping the way change recipient meanings evolve. This suggests that maybe there is a need for more action research, in which the researcher acts as an adviser to an organisation, recommending the inclusion of particular types of interventions, be they to do with communication, symbolism, training, workshops, or anything else, which the researcher is then able to monitor the effect of. An action research approach would also ensure that the research is not conducted in an acontextual, aprocessual fashion. The clear contextual reference points provided by such studies would mitigate against partial and crude explanation (Johnson, 1988b).

The investigation of such phenomena across different contexts is complicated by the need to obtain direct access to participants across a number of different change efforts. As has been pointed out above, getting access to track change efforts on a real-time basis and getting the necessary time from participants is not easy, therefore different types of data gathering attempts may be required. Perhaps the introduction of more courses on change management for practising managers may provide the answer. Students trained in change management could collect data on their own organisations as part of an assessment project, that if well structured in terms of details about the internal and external change context could then be amalgamated to form a body of data on a particular phenomena across a wide variety of contexts. Ideally, this would be done on a real-time participatory action research (Greenwood et al, 1993; Foote Whyte, 1991) basis, so that the students could act as both change agents and co-researchers. Although, realistically, this ideal is unlikely to be achievable.

There is also a need to consider what other aspects of cognition may affect the processes of mediation for individuals. For example, little consideration has been given here to the role of affect. It is known that sensemaking and cognition can be influenced by affect - feelings and emotions have an impact on judgement (Park et al, 1986). People are more likely to recall facts and information, and pay attention to facts and information that are “mood congruent”

(Snyder and White, 1982; Bower 1981; Fiske and Taylor, 1991). Studies of emotion and cognition indicate that emotion can have a significant effect upon cognition in organisational contexts (Daniels, 1995). Mood can therefore create bias (Park et al, 1986). Dutton and Jackson (1987) have applied a similar principle to the categorisation of strategic issues, where they suggest that labelling issues as threats or opportunities affects the way the issue is subsequently perceived and handled. Another issue is the contribution an understanding of mediating processes can make to the debate about what constitutes group cognition and how group cognition develops and is maintained.

The notion of middle managers as change relayers needs considerably more research. One of the limitations of this research is that the process observed here was the implementation of a top-down, intended strategic change. What about the middle manager role in more emergent change implementation processes, or in change processes where they are more involved in the design stage as well as the implementation stage? The actual relayer role for middle managers also needs far more investigation as pointed out above. What are the skills they require to fulfil this role? How does the management style of the change process, in terms of the recognition of the middle manager relayer role, the support given to middle managers to fulfil this role, and measurement targets and work priorities placed on them, affect how well middle managers are able to fulfil this role? Further, how is this role affected by the type of change being implemented? Maybe in turnaround situations where change is more directed to cutting back to the core business the role is less essential than in more transformational change situations where radically new ways of working are required. Secondly, the relayer role itself, as pointed out above, needs more research. It is possible that other levels of staff also at times need to fulfil this sort of role - if so who and when?

Research on middle managers not only needs to investigate the different roles middle managers can play in different types of change implementation processes, but also what can obstruct and facilitate middle managers in the fulfilment of their change roles, and the implications of this for middle manager training, middle manager competencies, and the planning of their involvement in change. Floyd and Wooldridge (1992, 1994, 1996, 1997) have made a start on this sort of research, and are starting to provide links between a firm's performance and middle manager strategic involvement. However, there is no research investigating the link between the type of role middle managers are asked to play during planned change implementation and how this affects the success of implementation efforts. Therefore, there are two middle manager research issues here - first the need for more attention to the nature of the middle manager role during implementation and how middle managers can be helped to fulfil this role more effectively, and second the need for more research into the role of middle managers in organisations in general.

Another research issue is to do with middle managers and political activity. It could be argued that this research should reveal change outcomes that were unintended for the senior managers, but were intended by the middle managers as they attempted to alter the course of implementation to pursue agendas motivated by self interest (Guth and Macmillan, 1986). Yet this research identifies little middle manager political activity aimed at disrupting implementation. This research also suggests that some resistance may not be so much motivated by self-interest and a lack of comprehension of the need and rationale for change, but more because middle managers do not have the time or skills to perform the range of tasks they need to undertake during change, particularly in terms of the skills required to aid processes of mediation. Therefore, additional research is needed into why some middle managers may become the stereo-typical resisters to change described in much change literature, whereas others do not. This may tie-in to the need to identify what other aspects of cognition, such as affect, or other sources of individual differences such as past experience, personal motivations, or personal situation, have on processes of mediation.

Yet another avenue for research is to investigate the suitability of different data collection methods, other than diaries, in research requiring the collection of frequent, real-time data that enables the tracking of individual experiences, perceptions and interpretations through time. Particularly if better understanding is required of the full range of cognitive phenomena affecting sensemaking during change as suggested above. Research is also needed on the best way to analyse such information to obtain an understanding as to why and how individual interpretations evolve through time. This may require even more intensive study of just one or two individuals in a methodological research project, perhaps by cognitive mapping, to get a better understanding of the schemas used to interpret changes, means of sharing of interpretations, and why some interventions trigger sensemaking and schema change whereas others do not. This research could be supplemented by an investigation of the best way to monitor change progress through time. Given that the theory of mediation proposed here implies the need for the tracking of not just planned activities, but also unintended consequences and positive developments, then techniques need to be developed to enable change managers to capture this type of information.

Finally, the research conducted here reveals the value of conducting micro level research of more macro phenomena. The fruitful findings produced suggest that more micro level research may be useful to investigate other major issues in strategic management.

10.8 The Thesis as a Learning Process

A PhD is a research training. This thesis would not be complete without some comment about what the researcher has learnt from the process. There are three key areas to address - what I have learnt about research; what I would have done differently; and what I would tell others about doing research.

10.8.1 *What I have Learnt about Research?*

The greatest learning stems from my background as a practitioner. The notion of “contribution” was particularly hard to grasp. My starting point was often to state what I felt I could add to existing knowledge in *practitioner terms*. Of course, there is a role for this in research, and the practitioner implications of this research are discussed in this chapter. However, the notion of contribution did not become clear until the second PhD review with more experienced colleagues from Cranfield. I was not being asked for a list of things that people could learn from my research, but how I advanced existing understanding, knowledge and theory on change. Furthermore, this contribution was not meant to be something dramatic or groundbreaking, but something that showed how I built on existing knowledge.

Another learning point has been the difficulties one can encounter when engaged in qualitative research - particularly in terms of data analysis, and building grounded theory. The data collection phase was enjoyable and interesting. However, the detailed data coding and categorisation was often extremely tedious, and at times frustrating. The issue was not so much the lack of guidance as to how to do qualitative data analysis, but more the loneliness of the process. On the other hand, these feelings were offset as patterns and themes, such as the sensemaking, began to emerge from the data that could be related to existing literature. Therefore, the learning from this is not so much what should be done differently, although there are some aspects that are discussed next, but rather that overall I found qualitative research an interesting and enjoyable experience that I would like to repeat.

Furthermore, the richness of the learning I gained about change, not just from a research perspective, but also as a practitioner and a lecturer, would be hard to repeat with a more quantitative research approach. I would lose the intimacy of relationship with those whom I was studying. This is not meant to imply that quantitative research is less worthy in anyway, or that I would never attempt quantitative research, but rather that one has to recognise different types of research require different approaches. It is also necessary to be true to one self. I enjoyed the interaction and the richness of the data that comes from the qualitative research approach. The knowledge gained has also provided the impetus to take my work on change management further. It has provided the foundations for the development of a text book on change management in collaboration with a colleague.

Finally, there is a benefit to being part of a supportive research community. Having someone else to talk to, who can both encourage your line of thinking, but also critique what you are saying if you are being overly simplistic, or not recognising the contribution of other literature, is of tremendous benefit. Similarly, having a group of peers who can offer encouragement, if not direct comment on what you are doing, is also important. As part of this, learning to appreciate the impact of researcher ontology and epistemology on choices

about research methodology has been another key lesson. Unless a researcher has some appreciation of why others may approach a similar topic from a different perspective, it is easy for mis-understandings to develop, and to be made to feel overly defensive about the approach one has decided to take. This can mitigate against useful debate and discussion.

10.8.2 What I would do Differently?

The first issue relates to the degree of risk in undertaking only a single site research study. There was a constant fear that the organisation involved in the research may decide the research was no longer of use to them and pull out. In fact, because the diarists themselves felt the research was beneficial, the opposite problem arose - how to extract myself. In future research, I would like to be able to employ a multiple site approach, if possible via collaboration with another researcher(s). This would strengthen the generalisability of findings, reduce the exposure to just one company, provide greater opportunities for cross comparison of findings, and also provide another person, or group of people, to exchange ideas with, and remove some of the loneliness of the research analysis.

The second issue relates to the data analysis approach. I failed to appreciate the truly iterative nature of the grounded theory building. In line with a first-order, second-order analysis approach, I first wrote out a detailed case study for each of the three divisions involved. This was invaluable as it helped me to frame my analysis. However, since the initial case studies were overlong for the thesis, much time was spent reducing them, and agonising over what to leave in, what to omit, and how to treat sensitive material. In retrospect, most of this was wasted time. Had I moved on to the second-order analysis, and re-written the cases once I had decided what they needed to illustrate, shortening the cases would have been relatively easy. They had to be re-written again anyway. In a similar vein, I coded all the data for all three divisions, before stopping to consider in depth some of the more global themes emerging, in an effort to get through the most tedious part of the coding task. This meant that any re-coding had to be repeated for all three divisions.

10.8.3 What would I tell Others about Research?

The research process can be frustrating and daunting. It is important to develop some sort of peer support group. The American model where each PhD student has a committee of people to advise them on their PhD has its merits, as it is unlikely that a lone PhD supervisor can provide all the support and help that a PhD student would like. Furthermore, to an extent, there is a certain amount, as in all learning, that one must find out for oneself. All researchers can benefit from the advice of others at all stages of research - formulating the research agenda, designing the research methodology, doing the research, and developing the findings. However, one does need to be aware of the fact that different people take different approaches to research, and that finding people who have at least a sympathy for the approach you are taking is important.

I would also emphasise to researchers from a practitioner background like myself, the difficulties in losing that perspective. In the data collection phase it is necessary to hold back and not pass comment on what is being done. It is necessary to become impartial to the change process instead of an active participant - unless the researcher is engaged in some form of action research. This is likely to be made all the more difficult by the fact that the members of the organisation the researcher is working with may request advice precisely because the researcher is a practitioner. During analysis and write-up the challenge then is to remember who the key audience is, and precisely what you are trying to achieve.

10.9 Conclusion

This research has taken a sensemaking perspective to account for how the process of change implementation develops in organisations. It is not argued that this perspective is in itself new; but rather that the contribution of the research is more to do with the fact that it is an empirical study which draws on existing theories on sensemaking to analyse processes of change implementation. This provides important insights into how the mediating processes change recipient's engage in lead to both intended and unintended change outcomes, and thereby contribute to the emergent and incremental nature of change implementation.

A variety of mediating processes are identified and shown to be activated by the designed change goals and interventions put in place through time, and any other (maybe unintentional) message sending behaviours and events. Data gathered from the change recipients on their perceptions of the progress of implementation is used to show how they try to make sense of the imposed group level changes and interventions, and try to interpret the meaning of the changes for themselves, given their existing mental maps of the organisation's internal and external environment. The changing cognitions of the recipients as change progresses are traced to illustrate how, if the meanings and interpretations they develop as a result of this sensemaking activity are consistent with those intended by the instigators of the changes, their individual behaviour leads to outcomes consistent with that intended in the form of positive developments. Whereas if the meanings and interpretations developed by the recipients differ from those intended, the result is unintended consequences leading to outcomes different to those desired.

The implication of these findings for both change management practice and research have been explained in this final chapter. It is suggested that taking a sensemaking perspective on change implementation, in which mediating processes are central to the way change develops, changes the way transition management is conceived of, and the skills needed by people trying to manage organisational transitions. Transition management is not just about control, but also about keeping an unpredictable process on track, by creating linkages between deliberate and emergent elements of change. This in turn involves working with developing

change recipient perceptions via mediating processes, to achieve an alignment of interpretations. These findings have implications for not just researchers interested in processes of strategic change within organisations, but also others such as the neo-institutionalists, who are increasingly developing an interest in extending their domain of study from theories of institutional stability, to theories that encompass processes of both institutional stability and change.

The findings from this thesis are in sympathy with a lot of other research being carried out into the management of change, and the role of sensemaking and cognition. However, it seems that the centrality of these findings is still not reaching organisations and change management practitioners, and is still not featuring in practitioner texts on change management - maybe because the messages are unpalatable. The findings suggest that the management of change is not only very difficult, time consuming and costly, but also that there is a question mark over the degree to which the process is manageable. They also suggest a need for investment in the softer managerial skills at all management levels, which includes skills that managers are not traditionally so well versed in, such as extensive interpersonal skills; self-awareness during communication because of the potential for conflicting, non-verbal messages; and the need to spend time that busy managers do not have understanding how their staff are reacting to change and why. As a researcher there is a primary responsibility towards academic peers with regard to publication of the findings. However, there is also a responsibility to the wider management community, to encourage them to recognise the different ways of viewing organisations and change, and the potential implications of this for the way they handle change in their organisations and the way they develop themselves.

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APPENDIX A: CHANGE IN ENGINEERING DIVISION

THE EARLY DAYS OF CHANGE: AUGUST & SEPTEMBER 1993

The main task in August was the briefing and appointment of the industrial staff. They were briefed by team leaders who had also been briefed on how to brief the appropriate message. Namely that although staff could state preferences as to location and business on the preference forms they were given at the briefings, there would be some staff with little choice. Staff had to stay within their existing skill set. The change manager was concerned that the right message was put across:

“ ... there are limited opportunities for people to change at this point in time. The biggest change is in the philosophy that underpins the business the way that you will work, the fact that we want you to work overtime without paying you premium rates for it but we still want you to be a clerk or whatever so we have got to be very careful that we don't give people expectations and then shatter them”

The Director himself attended the training to emphasise the importance of the briefing. The briefing had also been carefully worded:

“we agonised over the words and the way we have dealt with it because it is really important.... we don't want them to just read the script that we have given them ... we are saying it has got to be your brief for your staff”

Counselling of industrial staff was to be undertaken by the foremen since foremen were to have a supervisory role in the new structure. They were given counselling training to help them fulfil this role. Some diarists commented that their foremen had taken this role on enthusiastically.

The change manager was concerned that every body was “on board the new structure”. This change was putting staff “out of their comfort zones”, because:

“this re-organisation is not like any re-organisation we have done before, this is very radical and therefore we have been taking a lot of time and a lot of trouble to communicate what we are trying to do to people ...”

Many of the diarists similarly saw the latest changes as being far more significant than other changes that had occurred, such as privatisation:

“I just think that this change is so massive it is unbelievable, and we are really struggling to get this message across that we have got to change, and I feel that

people are so set in their ways they just don't realise that we have got to change.”

Engineering had to communicate with the unions as well as their staff since all working practice changes required negotiation and all industrial staff and engineers belonged to unions. Attempts were made to communicate with the unions fairly early on. A big meeting was held with the full-time trade union staff representatives and shop stewards and they were told about the types of changes to working practices being sought, such as devolution and flexible working. The change manager felt the response from the meeting had been positive:

“they were quite happy that we were talking to them about it and actually did express quite sincere thanks to the Director for taking the time out and trouble to communicate.”

He also thought his Director, who had attended the meeting, was good with the unions and negotiations since he was “good on his feet”.

Some resistance to new working practices was expected. The change manager described the ingrained beliefs about working practices, such as engineers never needing to fill in timesheets, as “the ‘I love’ tattooed on the arm”, “they will fight it”. In fact the possibility of the devolution of duties to industrial staff had been investigated and recommendations made before, but never implemented. However, now cost savings were needed in Engineering. The Director was determined that any changes to working practices that could help deliver the needed cost reductions would be implemented. Appropriate training schemes for industrial staff had already been identified.

Another issue highlighted as the research got underway was the difficulty of communicating a positive message of change. One manager summed it up as follows:

“it’s very hard to find a sunny-side up way of saying what's happening, very very difficult, because there really isn't any ... for the next 18 months .. if you win you keep your job, that's as good as it gets”

Understanding of the need for Change

As in the Distribution Management Division, the diarists themselves appeared to have a good understanding of the need for change making comments such as:

“The changes that are being made are a response to the changes in the business environment the company will be exposed to in the near future. The environment will be increasingly competitive and the existing markets in which the company operate will be challenged. By restructuring and stream-lining we will be in a better position to defend our existing market and enter new markets.”

However, there were concerns about the degree of understanding of the need for change and its implications among non managerial staff. Diarists commented that it was not clear to staff why Engineering had three businesses, and that some suspected the changes were all about reducing salaries and working conditions to get better profits for shareholders. Even some diarists confessed to being unsure about the logic for the repairs / maintenance split. The early diary entries and the first feedback meeting with the diarists also revealed concerns that there was a lack of understanding of the vision among non-managerial staff, and a lack of knowledge of plans and progress against plans.

Communications

The launch video received a mixed response. Some diarists thought it was well received, but most commented that staff reactions were on the lines of “we have heard it all before”, “there is little new information”, and “told them nothing they did not know from team briefing”. Diarists themselves thought the video was more for the industrial staff than them. More extensive comments were made on the video in the first interviews:

“I think they thought they were going to get more out of it, a lot of the rumours that had been circulating were confirmed but it was basically the skeleton of what was going to happen and we are still waiting for the "flesh to be put on the bones" as far as I can see.”

Vision workshops appeared to have been well received. Feedback from the engineers and foremen suggested the degree of openness about changes to working practices such as devolution was appreciated, and that the Director’s involvement in the workshops was welcomed. “He comes across really well. His commitment, involvement and enthusiasm are infectious.”

Staff Reactions

Diarists reported a mixture of staff responses, varying from the positive with staff seeing change as providing opportunities, to the despondent with staff feeling they were getting increased responsibilities with no extra reward. Some older staff were said to feel that they were not wanted. Industrial staff were worried about future job prospects, engineers about devolution of duties to industrial staff, and generally there were concerns about the pace of redundancies. One diarist summed up the reactions among staff as follows:

“During the review group: apprehension as to the outcome, numerous rumours, uncertainty about future / jobs, scepticism about re-organisation, low morale, little factual information filtering out. Post the review group: relief (when found out still had a job), worry about wealth of experience leaving the company, frustration at not being able to 'get on with the job' (numerous comments that "this should all have been sort out already"), still uncertainty about new systems - who does or is doing what.”

There was much uncertainty for industrial staff about depot rationalisation and relocations with many rumours on the grapevine about which depots were to close when. But there were also many other rumours on the grapevine to add to uncertainty. For example, there were rumours that more work was to go out to contractors, of further staff cuts in 94/95, that maintenance contracts had been offered to contractors, that industrial staff's salaries would be reduced, and that some foremen were to be down graded.

New Working Practices

Inter-business trading (IBT), a mechanism which enabled businesses to trade internally in terms of staff and equipment, was introduced. The three businesses had been set up to have dedicated staff of the type they used on a regular basis only. Types and grades of staff the businesses needed occasionally, and staff needed to cover for an unexpected workload such as a large amount of unexpected faults in Repairs, were to be borrowed by agreement from the other areas / businesses. The borrowed staff were then charged and paid for via the inter-business charging mechanism. The same applied to equipment.

Responses to the introduction of IBT were in the main enthusiastic because it enabled the team leaders to develop their sections as stand alone businesses:

“The introduction of the transfer pricing between departments scheduled for the 4th October is good news. Although the time scale for introduction does seem tight. Most staff did not expect the policy to be finalised until next financial year. From the presentation I attended there seems to be many grey areas, but at least there is something to work on and the planned introduction appears to be phased.”

The intent in the new structure was for each section / department to be a profit centre rather than a cost centre. The new system was also introduced earlier than staff had expected. The concerns were to do with the way the system for recording the associated information had been introduced:

“All transactions having to be done by paper when we are supposedly moving towards paper free offices, gives the system an image of being cheap, rushed and temporary.”

Similar sentiments continued to be expressed in the following months:

“Inter / intra transfer pricing is creating large volumes of paperwork on both credit / debit side, but at least it is highlighting where "income" is coming from and where "costs" are going to

“its necessary it raises the awareness of what things cost, but on the other hand, when you see the amount of paperwork that has been created, most of which is unnecessary because we could have computers to do the same thing....”

Work also started on devolution of duties with training getting underway for Repairs industrial staff in September. Industrial staff were said to welcome the move, and engineers to accept with concerns about safety and quality. Devolution training consisted of formal training at the training centre, which would then be followed by on-site training.

Total quality training for any remaining supervisory staff not yet trained was done in September. Financial training courses were run for business managers and team leaders and were well received. A financial and business case for the new financial systems was ready for approval by the end of September with the intent to start implementing the chosen system by April 1994. An issue for the diarists was that they would have to use this system, but had not been consulted as to their needs.

Problems Encountered

Counselling and Appointments

Counselling at the team leaders level in the main seemed to have gone smoothly for the diarists, although one commented that the job they had was their fifth choice. The only concern was that some people had been given little option. Response to industrial and administrative counselling was mixed. In terms of progress there were no problems - the counselling procedure was described by one diarist as "now well practised".

However, the reactions to counselling by non-managerial staff did not appear to be positive in general. Counselling was described to be perceived as "only paying lip service to the principles it is supposed to embody"; "a rubber stamping process", "a bit of a farce". Strength of opinion varied. One diarist commented that counselling had "gone down like a lead balloon", another that it "was a sham":

"I had a lot of feedback from industrial staff that they had already made their mind up, and administrative staff, that it wasn't counselling, it was a briefing session ... you were basically being told where you go. But when you think about it, you've got so many staff, and you've got to do that work, the work's not changed ..."

One diarist blamed the dissatisfaction with the counselling on the launch video:

"it built up their expectations of the counselling they would get. They expected a mammoth counselling exercise. In the video it was said we will counsel everybody, so they all expected to get the same counselling that I got, which was sort of 15 to 20 minutes with a very senior manager, whereas what in fact happened was they got 5 minutes with either a foreman or in some cases a team leader if the foreman was absent, and were told, well come in lad, have a seat, we want you to work for this part of the business, any objections."

Not everyone agreed with this interpretation:

"it could have done, but certainly all the engineers had been counselled, and a lot of administrative supervisory staff I think had been counselled by then, and they all thought that it wasn't a counselling really, it was just, tell us where you want to go really, it was fitting people into holes...."

The change manager was of the opinion that counselling problems had arisen due to mis-understandings about the degree of choice open to industrial staff - which was limited. Business needs had to come first. He felt that perhaps counselling should only have been open to exiting staff.

For some diarists, the counselling and appointments process was a bit of a strain. One commented that he had been accused by industrial staff of 'picking' people when this had not been the case. However, other diarists reported that in their sections allocation efforts were very successful. Several diarists thought that most industrial staff had been allocated their first choice. Those not happy appeared to be those that had requested Repairs, but had been allocated elsewhere, due to over subscription of the Repairs business.

Staff were thought to be much happier once allocated and it was also good news for the diarists who could start to develop their teams. Although it was felt that engineering staff and industrial foremen allocations had favoured Repairs at the expense of Construction in terms of both experience and numbers by the Construction diarists. For example:

“The basis for allocation has not favoured construction. Repairs are considered by many as having taken all the best industrial staff.”

Exits

The administrative staff were believed to be unhappy that they have not been offered exit terms and to be getting conflicting messages about possible exits. This confusion was thought to be due to the fact that a year before all Distribution staff had been told they would have opportunities for exit. Some older administrative staff wanted to go, but now had to wait until numbers of possible exits had been decided. Clearance to proceed with administrative staff exits was not given until the end of September, leaving administrative staff wanting exit, in the interim, in an uncertain situation. There were similar problems with exits for engineers, who also had to wait for exit numbers to be decided upon.

Another concern about exits were that they were leaving gaps in skills, experience and knowledge:

“Large numbers of experienced staff have been allowed to exit the company. A feeling that personnel have decided who can leave the company (to reach target numbers) not management..”

External Events

Staff were unhappy about a decline in the company's share price: “Several people have related the reorganisation to the fall in our share price. They conclude the city do not like the way we are restructuring which is adversely affecting our share price performance.”

Inter-divisional Friction

The existence of some degree of inter-divisional friction was evident at the meeting arranged to brief the Engineering diarists. Comments were made about Engineering having to do what they thought was the Distribution Management Division's responsibility and the development of a 'them and us' situation. This was also commented on in the diaries:

“The new structures across the Distribution business have polarised opinions. Strong feelings between Divisions of competition.”

It was also reported that not all staff agreed with the split of Distribution into separate divisions since engineering staff used to have a “pride in the ownership of the network”, and it seemed that perceptions such as “Distribution Management the elite” were adding to the inter-divisional tensions. As did rumours and stories:

“A member of Distribution Management Division told me that he wanted to obtain some fairly trivial information from Engineering. Engineering would not release the information without a managers consent in case it could be used "against them" in future. Example of lack of trust and barriers.”

Inter-Business Friction

There were hints that tensions were also developing between the three Engineering businesses:

“The workloads between the three businesses seems unbalanced, Construction numbers have been reduced, yet Repairs seem over-staffed for the amount of work. Low fault incidence means that staff are under utilised.”

“Worries of staff re differences between branches e.g. overtime arrangements between businesses.”

“It is clear that by moving to 3 businesses within Engineering, barriers are being created. Indeed, at a recent meeting to introduce the new Inter/Intra business trading philosophy one branch manager said the intention was to create barriers.”

Difficulties in getting other businesses to loan needed staff via inter-business trading, particularly in Construction and Projects, did not help the situation, with one diarist complaining that staff were only lent subject to certain restrictive conditions.

Problems were also experienced with the division of equipment and the willingness to help each other out:

“Plant and equipment is being locked away or chained up. Staff are reluctant to help each other - even to the point of not answering somebody else's phone. There is a general reluctance to borrow staff, preferring on some occasions to go outside and use contractors.”

This was not true of all areas, however. One diarist reported that in his area, Repairs, Maintenance and Construction managers were working closely together to ensure a smooth transition. Further that the “air of co-operation was rubbing off on the foremen”.

Responsibilities and New Working Practices

There was great confusion among the diarists in general as to who was responsible for what between Engineering and the Distribution Management, but also between the three businesses in Engineering:

“not only do you not know the structure that the Distribution Management Division have set up and the roles of each not individual, but section within the structure, then when you have identified what section are doing what then you have got to find out who the individuals are within that section

This led to the development of “black holes” within and between divisions. Another issue was that the diarists themselves were not sure of the plans for changes to working practices and the timescales involved. One diarist commented that “We're being told we've got to change, but when?”

Empowerment

The first diaries revealed concerns and confusion among diarists about how changes perceived as needed to working practices could be made in the absence of formal procedures for agreeing and implementing changes. This related to confusion over empowerment:

“Empowerment. There seems to be no progress in empowering managers to do the things they need to do, i.e. reduce office space, reduce/rationalise workshops.

There was a feeling among the diarists that they were now profit centre managers, yet they did not have the authority to “manage”. They did not know if they were allowed to take decisions locally or not, and appeared reluctant to initiate anything that would have

previously required negotiation. It was felt that since most decisions had to be ratified by an immediate superior, there was little decision making power. Managers had no discretion over things such as rewards. Further, there were perceived inconsistencies. They could authorise large amounts of capital expenditure, but expenses, "even small claims" and relatively small monthly mileage claims, had to go further up the hierarchy for authorisation.

Some diarists believed that empowerment was against the culture of the organisation. It was felt that the old culture encouraged people to pass problems upwards for resolution, and that this was still encouraged by the senior managers. This was reinforced by the system of key performance indicators on such things as overtime and expenses.

Trust and Support

Throughout many of the first diaries there was also a theme of lack of support from senior managers. There were complaints that team leaders did not have regular contact with their senior managers, and nor did staff:

"Senior management in Engineering are still considered as remote and distant from the workforce. Comments have been made that senior managers have not addressed the "troops" as a team at grass roots level."

There was also a concern as a result that senior managers were not aware of the problems the staff and middle managers were experiencing. There were also comments about a lack of recognition for effort from senior managers:

"Section 100% spent on capital - never been achieved before and this time we had briefings and counselling etc. - no one said thank you or well done or even acknowledged that they were aware."

The Divisional Director did make an effort to go out on site with the industrial staff. It appeared the comments about visibility were more to do with the Branch Managers.

Transition Problems

The transition problems reported were in the main of two types - a lack of good management information and the workload. The old management information systems could not provide the information needed by managers in a format suitable for the new structure to enable them to do their budgeting, and sometimes included errors. Workload was an issue as diarists were finding the juggling of their priorities and the pick-up of new work difficult:

“Staff are being expected to carry out the same amount of work (Business as Usual), in addition implement and cope with change, as well as providing information and facts on various aspects of their work.... The unit has the same amount of work but fewer staff with 25% of the staff new to the unit requiring training I am not the only person in this position.”

“The change process (transition) is happening very quickly and it is very difficult for Managers to keep "business as usual" and forward plan.”

This was compounded by tight deadlines for the production of budgets and other information. In many sections, during the transition period, there had to be a trade-off between getting work done and training new staff. Particularly for devolution of duties. The development of work backlogs as exits progressed were predicted.

Resistance

Resistance to devolution emerged among engineers as devolution proposals were made public. Engineers were concerned that there was too much devolution occurring to industrial staff too fast which could jeopardise work quality and safety. Stories and rumours circulating indicated the degree of resistance:

“Story circulating around Engineers about devolution of their duties to industrial staff Engineers are to be trained in counselling. This is so that they can visit industrial staff in hospital and give support when they have blown themselves up.”

Resistance to the new structure was also expressed as a lack of understanding of the way the new structure was to work, both at the middle manager level as well as lower down:

“The split of businesses within network engineering is inequitable. Most people’s view is maintenance and repairs should not have been split. We have 2 unviable small businesses which if combined would make 1 viable large business. Because the advantages of the new set up are not readily apparent as explained the whole process is called into question.”

“Still a good deal of evidence that business managers / team leaders do not either understand or agree with the new organisation and underpinning philosophy. Subordinate staff cannot be receiving the right message and are not therefore likely to change their behaviour.”

Poor Morale

Poor morale was evident in some sections with complaints that staff did not enjoy coming to work anymore, that the staff / workload ratio was wrong, that team leaders were considering looking for work elsewhere because of future job uncertainties, and that there was a lack of positive message about the future:

“The message is being communicated through threats - we are overpaid / over staffed; not competitive; Distribution Management Division will procure work from outside contractors; threat of take-overs.”

Stores

Problems to do with the centralisation of stores and the stores management system were problems raised in the first set of diary entries, and continued to be raised throughout the monitoring of the changes. However, these changes were not really part of the transformation under way. The issue was that the problems caused took up time of supervisory staff adding to their workload problems during the transition. On-going efforts were made to resolve the problems with the stores systems.

Initial Response to the Problems Encountered

The first diary reports were rather negative. They gave the impression of a workforce feeling overworked with a low morale. This impression was increased by the fact that many diarists were consistently writing something like “nothing to report” under the first question “what is going well?”. It was clear that this was the first time most of the staff had experienced major change, and were finding it a painful process.

As the Distribution Management Division story explains, some action was taken in response to inter-divisional issues. The Executive Director arranged a weekend team building exercise for himself and the three divisional directors, following on from which an inter-divisional senior manager meeting was also held in October. As in the Distribution Management Division, the planned one day change management seminar for senior managers, which was then intended to be cascaded downwards, was delayed because of the need to hold the inter-divisional senior manager meeting.

To overcome problems of a lack of understanding about how the new Engineering structure was to work, and inter-business problems, the change manager planned some additional change management workshops for the end of November / December for business managers and team leaders. The change manager was concerned about the lack of understanding he perceived to exist about the workings of the new structure

within the Division at the middle and middle to senior manager level. However, the purpose of the workshop was not just to gain support and understanding for the split of Engineering into three businesses, and understanding of how the new structure worked, but also to ensure understanding of new working practices proposed by the review group. For example, "design and build". People did not appear to understand what such terms, which involved a change in responsibilities and roles for some staff, meant.

How the Diary System was Working and its Role

As in the Distribution Management Division, the first opportunity to explore how well the diary system was working in Engineering was the first feedback meeting in mid-September. The Divisional Director was at the meeting to start it off and thank everyone for the effort they were putting into the system.

Most of the diarists appeared comfortable with their role. They felt the system should continue as it was raising issues that needed resolution for the senior management's attention. The main problem with the system itself from the diarists perspective was the lack of response to and action on many issues raised. They felt the system needed more publicity, more action on the issues reported and publicity of the action taken.

The lack of a unifying vision and reported progress against plans was discussed at length, as was the lack of agreement about the split between Repairs and Maintenance. These problems were put down to poor communication, such as a clear explanation about the rationale for the split of Engineering into three divisions. However, there was little unanimity in how such issues should be communicated. Although there was agreement on the need for more regular up-date information.

There were signs of frustration among managers about the problems, and some jokes suggested some resistance to the new structure. For example, at one point when discussing the new structure it was commented by one diarist about the previous staff allocation mechanism, "I never thought I would say this, but Resources was just beginning to work".

THE PACE OF CHANGE SLACKENS: OCTOBER TO DECEMBER 1993

Come October all staff were allocated to businesses and the diarists thought they were settling into the new structure with fewer negative comments about the changes from their direct reports. Team building was progressing and team spirit developing.

Repairs industrial staff were said to remain positive about the devolution of duties with some of the younger 'lads' seeing it as adding interest to their work - but the engineers remained resistant and concerned:

“Devolution is still causing concern with engineers. Concerns are for Jobs, Quality, Safety, Reduced numbers on standby, responsibility for authorising industrial staff. Staff are saying that they are working twice as hard to train industrial staff to do their job, only to be told at a later date that 'they' are now out of a job.”

The devolution training in Maintenance also started.

Senior managers appeared to be making efforts to be more visible:

“Sessions where Director and Senior Managers have come to the depots and listened to staff have been most welcome. Staff have been positive about having the chance to be listened to. They do however wait in eager anticipation for the changes required as a result of these sessions.”

Total Quality training for industrial staff started in October. The training was to be completed by March 1994. All the diarists recorded positive comments about the training at one point or another. There seemed to be agreement that the industrial staff were finding it interesting and useful. The change managers brief had been extended to include responsibility for total quality.

Engineers who had expressed an interest in exit, but were not told if and when they could go, were given exit dates in November. This made things a little clearer for the diarists who were still experiencing problems putting things like budgets together due to inadequate management information and uncertainty over future staff numbers.

Actions Taken

A black holes committee was set-up to deal with the inter-business black holes (who does what). Staff were pleased that action was been taken, but keen to see results. However, the black holes committee could not solve all problems as there were no contract details to help as yet and much work was being done on the basis of business as usual outside of the

new structure. Further, the working party was not popular with ex-review group members. The review group had included a section in the 'red books', the information packs issued to middle managers by the review group, on questions people might ask. It already answered many questions as far as one of the diarists was concerned:

“The red book had everything in it, it even had a chapter on specific issues that could be brought up, i.e. black holes, and some of the questions brought up at the black hole group were answered in that red book.”

Contract law training, a one day workshop, was run in December. It was another initiative that the diarists found useful. The workshop rationalisation plan was produced and was apparently well received. The change manager was also putting the overall change management plan together for up to April '94 as agreed at the senior managers inter-divisional meeting. The final plan showed the timetable and sponsoring manager for the implementation for each of the outstanding planned changes, including: depot rationalisation, the new business IT system, devolution, time recording, flexible working, multi-skilling, workshop rationalisation, and reviews such as maintenance services. The plan showed that a considerable amount of work was still to be done in terms of changes to working practices.

The plan was issued to all staff via team briefing in December, and progress was to be reported against the plan on a regular basis. Quality teams were to be used to help deliver the needed changes once total quality training was complete.

The change management workshops for middle managers went ahead. All the diarists found the workshops very useful. The intent as far as the change manager was concerned was for the managers who attended to then take responsibility for running similar workshops for their staff. Information packs including some slides were put together by the change manager for distribution to help them with this. However, there was confusion about this. For example, one of the diarists noted that he thought the Construction Branch Manager was going to be organising something on an area basis. Whereas another took immediate action:

“Following the change management workshops we have held business seminars for Construction management staff in our area. Separate half day seminars were held for foremen, engineers, and administrative staff. Topics included Business Plan, Need for Change, P&L accounts and income, Transfer Pricing, Productivity. Seminars were designed to broaden the understanding of all those in key communication roles within Construction. Feedback has been encouraging and similar business seminars will be repeated every 3 months as the change progresses.”

Devolution in Construction was “accelerated”, which gave rise to concerns about the lack of clear plans for the implementation of devolution in Construction. The devolution of duties was in fact progressing at different speeds in the three different businesses. Most of the devolution of duties was occurring in Repairs and Maintenance as there were more devolution opportunities in those businesses. However, plans for devolution in Construction did progress in November and December. Although as in Repairs, engineers showed resistance to devolution by complaining that, for example, the supervision would not be the same standard as the supervision they have provided.

Diarists in a section of Maintenance referred to as Maintenance Services had been worried about their resourcing levels, given the long training lead times needed for staff to carry out the type of specialist work they did. A review of maintenance services was in fact put in place in October. A diarist who had been a member of the review group said such reviews were always intended for areas that the review group did not have time to consider. However, those in Maintenance Services did not seem to realise a review had always been planned, and some therefore felt it added to their uncertainty.

Problems Encountered

Communication

Communication of all the necessary information was proving time consuming and difficult. One area, the area that followed up on the change management workshops by holding seminars for their staff, took the initiative of a foreman / management workshop to resolve this:

“The major problem is now the sheer volume of information which has to be passed both up and down the management line. Meetings are frequent. It is a major task to keep staff informed. Team briefings now last much longer and more special meeting are called to discuss specific topics. These meetings eat into the productive time available. A foreman / management seminar is planned this week in my area to keep staff updated with overall progress of the Construction team.”

However, most other areas continued to rely on team briefing as the main form of communication. It was still felt that information on progress was poor. One diarist was very definite that poor communication was adding to the problems:

“Main problem is undoubtedly communication. Drip feeding staff information on a regular basis via electronic briefs that must be passed on immediately has not worked. People are more receptive if they are given the time to consider information and then ask questions to clarify. This can only be done by having regular specific sessions

dealing with change issues. Staff can be taken out of their work environment for as long as it takes to gain understanding of the message. Team briefings are not the place!”

Staffing Issues

The difficulty in borrowing staff from other businesses remained a problem for Projects in particular, as did their concern that it was not a feasible way to work.

“The split of resources into three businesses is making medium term planning more difficult for projects, there is no longer a single point of contact and responsibility for ensuring the resource is available. There is little incentive for either Maintenance or Repairs to provide resources to projects, a section with no direct labour, and the ability of the construction units is now restricted.”

This problem continued into the second year of change. However, progress was made on the requested allocation of some industrial staff to Projects for the devolution of site duties. The industrial staff requested were in place with their training underway by April 1994.

The allocation of staff across the three business also continued to be an issue :

“There appears to be resentment at all levels over workload, for example older staff are left in construction to do heavy construction work and the younger staff are doing the less physical inspection work.”

More rumours, fuelled by the announcement of the exit plans for 94/95, circulated about exit terms and other staff reductions extending uncertainty:

“Several people have commented that the company intend to offer Transition 94 which will offer enhanced pension terms. Staff have speculated on the possible reduction in team leader posts. Everyone feels vulnerable!”

Inter-Divisional Friction

As was seen from the Distribution Management Division story, tensions remained between the divisions even after the inter-divisional senior manager’s meeting. It was commented that “There is still evidence of the "us and them" syndrome”. Relationships with the Distribution Management Division varied, as did perceptions as to why there was friction:

“I don't have any problems myself with them, but certain people I think there is a bit of sour grapes between a lot of people that wanted to be in Distribution Management but never got there because I think there is still the impression that if you made it through to Distribution Management you are one of the elite”

“On a personal level speaking to individuals there doesn't seem to be any great problem between the divisions, but on a group basis people in Engineering, and I feel this and I'm

sure most other people do as well, that Distribution Management to start off with, prima donnas that type of attitude, in what they are and what they aren't going to dictate to Engineering, who up until 5 or 6 months ago were their colleagues who had to work with, certain personalities, certain groups of people, have changed overnight, if you like and now adopt a much different attitude

“The Distribution Management Division is a small core of people, and the feeling out there is that everybody else is going to be floated off, they are not going to be tied to the company, and this company is my company ... and they don't like losing it”

Any improvement there was in relationships between divisions was not put down to the senior managers meeting since diarists had seen little output of publicity of the meeting. One diarist suggested that any improvement there was, was due to the fact that in the Summer, staff in Engineering perceived themselves to be carrying the burden of work, while staff in the Distribution Management Division tried to establish themselves and work out their job roles. The pressures were perceived to be greater in Engineering and life easier in the Distribution Management leading to animosity. Whereas now the pressure on Engineering had reduced a bit as Distribution Management were “producing the goods”.

Confusion remained about the responsibilities over the interface with the Distribution Management Division. Business as usual was gradually becoming an irritant to the diarists as they were unsure when duties they understood the Distribution Management Division were to perform eventually were to be taken on by the Division. Meanwhile, Engineering had less staff, given the number of staff who had either moved to Distribution Management or exited. Yet when there was an inter-divisional problem, “you get a glib answer 'oh it is business as usual, we've not taken that duty on yet, you sort it out' so that puts my back up a bit really we are waiting for the contracts we need to know when the Distribution Management are actually going to start doing some work...” Several of the diarists had stories to tell illustrating this point. Primarily because continuing business as usual with less staff was adding to the workload.

A new inter-divisional problem arose. This time with Metering Services. A group of staff known as shift technicians, originally within Metering, were due to move to Engineering. However, there was an unresolved dispute between the two divisions about the exact nature of the re-allocation and who was to cover their old duties.

Inter-Business Friction

Tensions between businesses in terms of who does what, and helping each other out, did not abate. Some diarists believed that inter-business charging (IBT) was exacerbating the problem creating additional barriers and leading to arguments about not only which business

was responsible for what, but also who should pay for what. Others thought that perceived “unjust” differences between businesses were the problem:

“there are certain aspects of it they find difficult to cope with, the imbalance between workloads at foremen level, you've got some foremen supervising only 4 or 5 staff in one business, and another foremen who is supervising 20 ... getting paid the same”

“Staff allocated to the separate business units are now seeing what they see as inequitable benefits to their colleagues. Main point of contention is the different levels of overtime worked by the 3 businesses. Construction staff see Repairs gaining more overtime than them. Conversely Repairs staff complain that Construction teams are not "worked as hard". These views are a clear case of people seeing the grass on the other side as greener.”

Although, as with the inter-divisional friction, experiences varied. For example, one Maintenance diarist was getting on very well with Construction, but less well with Repairs, with whom he had constant discussions about who was responsible for certain tasks:

“Until we know what's in the contracts ... we don't know whose is what ... when is a repair a Repairs job and when is it a Maintenance job There is a lot of ... I think I'd describe them as black holes.”

Thus lack of contracts were thought to exacerbate both inter and intra divisional tensions. One of the branch managers did send a letter out reminding people that they were one business and needed to work together. However, only one diarist mentioned this letter.

New Working Practices

The way inter-business charging had been implemented continued to be an irritant, with some diarists more vocal about this problem than others. Black holes continued to emerge, in part it was thought due to the speed with which people had changed roles.

The other major working practice change introduced at this time was the timesheets for the engineering staff. This caused some unrest:

"There appears to be a worsening of industrial relations between engineers and Engineering senior management. The problems associated with the implementation of timesheets seem to indicate this."

However, the overhead to the engineers time was also an issue since “although the majority of the staff appreciate the reason for bringing it in, they see it as another obstacle in the way of doing the actual job.” It was also thought that there were no attempts to co-ordinate the timesheet data with transfer pricing data as was needed.

Backlogs of work were building up in the records office at certain locations causing staff concern. A performance measurement system was introduced which "is identifying locations where productivity is higher on certain activities. This is leading us to study the methods in these locations and standardise on the most effective procedures throughout the records office business".

Workload

The pressures of workload did not decrease for the diarists. There was a feeling among some of them that they were working hard, 50-60 hours a week, yet this work was invisible to the senior managers as they did not charge overtime.

Continual information demands, from the Distribution Management Division as well as the Engineering senior management, did not help. Nor did the overtime restrictions imposed. These restrictions were described as "ill-considered", and as "conflicting". If you were under on your salary budget, what did it matter if you were over on overtime levels, especially if staff were working overtime at normal rates to clear work backlogs? Similarly, if you were making profits, again, did it matter if you broke performance measures such as overtime? Further, if you had to meet customer service standards and overtime levels, which one did you break when the two conflicted? It was a "catch 22 situation".

The training needs did not help the workloads within the businesses as it reduced the amount of productive time. Concerns developed in Repairs that with the training needs for devolution and total quality, on top of the other workload, devolution implementation would take longer than planned. These concerns were echoed in Maintenance. It was also felt that there was little flexibility with administrative staff in Repairs. When administrative staff were on holiday or off sick, it could be difficult to find cover - engineers sometimes had to provide the cover.

Empowerment

Frustration remained with the lack of empowerment for profit centre managers. One diarist suggested he had more scope sideways, but no more decision making authority. Another said:

"I have to basically ask my Dad on everything that I want to do that's radical. I couldn't bring in anything in radical without having it cleared. The power is at the top. If you want things signing, you want things to happen, you go upwards, in my opinion there is a definite reluctance in all levels of management to let go and devolve the power."

One diarist had a slightly different view. He felt that staff were afraid of making mistakes in the current environment, since middle managers had been “dragged over the coals” recently for taking actions that had “upset the apple cart”. Thus they were not being as proactive as they could be about taking on more decision making authority.

Ongoing Uncertainty

Concern and rumours about depot rationalisation continued - “Rumours still about re depot rationalisation (I'm fed up of writing this one!!).” The depot rationalisation plan was not produced until December. Staff were told about the details in the plan once it had been approved early in 1994.

However, according to the diarists, the outcome of the many rumours was ongoing uncertainty among staff, and in some departments low morale.

Union Reactions

Concerns were raised in the diaries as change progressed through the Autumn and into the Winter about problems with the engineers union, particularly over the introduction of timesheets for engineers. The issue appeared to be that the senior managers thought they had agreement from the union to proceed with the timesheets, but not all union negotiators had the same understanding. With the result that when timesheets were introduced in their area they responded badly. The problem appeared to be a misunderstanding, but it was resolved. The Director held a special meeting to explain the situation to the team leaders. There was no escalation of the situation. There also appeared to be a corresponding drop in morale among engineers:

“There is a bad feeling among some Engineers. The perception is that "their job can be done by anyone". This devalues their contribution, lowers their self esteem and consequently demotivates them.”

These problems highlighted one of the cultural shifts taking place. The aim was to move to a culture where the managers talked directly to their staff, rather than following the historical routine of talking to the staff via unions. However, negotiations with the unions did continue to progress despite the concerns.

Staff Reactions to the Change Process

The interviews with the diarists revealed that some diarists believed that most people understood the need for change and were happy with the rationale. Whereas others were less sure feeling that more communication was needed:

“I think it's progressing slowly, there are groups of staff that understand it more than others we have an awful lot of work to do. I don't think that people understand it as much as perhaps the directors think they do..... The assistant engineers and industrial staff last week for example we had in our area a foreman's seminar and we discussed all the reasons why, we talked about the balance sheet and everything else, and they were quite appreciative that someone had actually taken time to explain why these changes were having to be made.... it's not something the Directors or anyone like that can do because its got to be very to the point and to the location, you know this is what it means to us because you have actually got to show them things like how that particular business in that particular location is working at the moment, then that enables you to explain the sort of distances that you need to go to be a good business.”

The engineers were still the ones perceived to be resistant:

“I just think that they are trying to switch off to it and hope that it will go away, be a bad dream.... I think they have had it so easy for so long, all the engineering staff, I am an ex-second engineer so I know how engineers work ... they see that for years and years they have had a good salary and they have been able to waste a bit of time during the day, they have been able to go to the shops or whatever and they have got away with it”

In Construction it was felt that the reason for change and the vision needed to be reinforced for the engineers. In November it was decided to hold seminars for the Construction engineers to address these points. Two of diarists had also encountered resistance from team leaders and business managers. One suggested that this may have been due in part to the exit policies since the age related exits had not enabled them to get enough of the “dead wood” out in the management posts. The other complained of very negative attitudes he had encountered saying of one team leader, “I just thought what is this man doing working for us, everything was awful, couldn't see any benefit he was just absolutely negative....”

There was still a feeling that the message of change was a negative one:

“I think the main thing is just getting the message across, the reasons why we are doing it all, and doing it in a positive way, I think that could have been done better, I think most people will not argue with the case for doing what we are doing, but I think having said that, although they won't argue with it, I think we could have done a bit more about expressing the reasons.”

“They need some good news.”

The Divisional Director had realised that more effort needed to be put into communication. Thus he instigated ad-hoc communication meetings for middle managers to tell them about progress and help overcome gaps in understandings. These briefings were appreciated: “That's a good start..... I appreciated it.”

The Diary System Undergoes its First Evolution: November 1993

At the interviews in October, as in the Distribution Management Division, the diarists were all supportive of the diary system and were all willing to continue as diarists. However, they wanted the frequency of reporting reduced and more feedback on action taken. They all also thought that it would be a good idea to bring some foremen into the system. Thus at the second feedback meeting in November it was decided to move to monthly diaries, and that the change manager would look into bringing some foremen into the system. Four foremen were in fact brought into the diary system at the beginning of January. One from repairs, one from maintenance and two from Construction. All the diarists also agreed that the system should run until the end of March 1994. Some saw a need for it to continue beyond this.

There was still little output in terms of actions taken on the diary system. Many diarists thought not publicising the fact that the inter-divisional Director and senior manager meetings had been arranged in part as a result of the feedback in the diary system was an opportunity missed. However, the system was re-publicised in the team brief after which the diarists reported more interest in the system. It was also decided in November that the diarists could pass the reports onto other people to read.

Progress did appear to be made on feedback as well. At the end of November it was commented:

“At a recent team brief statements were read out in response (I hope) to rumours reported in the diary system. Although the news was not good for a number of staff briefed, at least they now know the position or latest position and appreciate being kept informed. More of this is required.”

There were also some positive local initiatives being taken by the diarists. One was trailing hot desking: a system of desk sharing for staff rarely in the office to reduce the amount of office space needed. Another had set up problem solving groups to encourage his engineers to solve problems themselves rather than always passing them up to him. A third was encouraging his foremen to develop cost saving ideas. For example, one idea that had been implemented had reduced transport costs by 30%.

Some Inter-Divisional Problems Becomes Clearer: November 1993

The joint diarists meeting that took place in mid November and the issues it raised has been discussed in the Distribution Management Division story, and what was said will not be repeated here. However, there were also a couple of Engineering specific issues mentioned. First that although some senior managers did practice management by walking around, it was to talk to industrial staff not the managers. Engineering diarists felt that their senior managers also needed to talk to managers at their level. It was also pointed out that the team leaders themselves no longer had time to practice management by walking around with their staff.

THE LAST QUARTER, YEAR ONE: JANUARY - MARCH 1994

The third feedback meeting in January revealed that the diarists felt they were still not getting enough response to the issues raised via the diary system. By January the reports were being circulated in all three businesses, although there were concerns that the branch managers were not responding as well as they could. However, the January diary report produced a stronger response than previous reports. The Divisional Director answered some of the questions raised in the February team brief. It seemed the Director was upset to discover that after all he thought had been done, the same issues were still being experienced. The Director continued to respond to issues raised in the team brief from then on.

As the year drew to a close, some diarists were fairly upbeat:

“Staff generally seem to be switched on at last by the success of splitting the businesses and the focusing this has achieved. Whilst we will not hit the final year end targets, we will have the best result for as long as I can remember. After 4 months of trailing "Hot desking" there seems to be a general acceptance and the project is working well... Other projects are starting to bear fruit

“motivation appears to be improving as the end of the financial year approaches, productivity and sickness indications are showing a steady improvement and overtime is under control.”

The March team brief announced that all three businesses were on target for the year-end on workload / turnover programmes, and Construction would “over-achieve”. In terms of the financial performance, Engineering were ahead of their business targets for 93/94 by several million.

Devolution training continued to progress in all three businesses. In March the foremen’s devolution package was agreed, with implementation, “the hard part” according to a diarist who was on the working party set up to decide on the package, yet to come. In Repairs, as predicted, devolution training for some aspects of the work was starting to take longer than predicted since it was proving difficult to “run a business and also take staff out for long periods to train them.” An on-site training programme was to be introduced to speed up the process.

Total quality training was drawing close to completion. As each section finished the training, quality teams were put in place to help deliver some of the needed changes and improvements. By February, quality initiatives had been identified for each of the three

businesses. As planned by the change manager, the initiatives were designed to define each item of change on the change plan. Positive results started to be reported as outcomes of the teams by March.

Planned Changes Introduced

In line with the new values and behaviours programme launched by the Executive Director the change manager wrote a paper on values and behaviours. He hoped to be able to introduce the paper to staff by the end of the financial year, but this did not happen. However, the values and behaviour initiative was launched by the Executive Director in April at the business plan launch. By April the change manager had issued his paper to the senior managers within Engineering, and had posters printed for notice boards of the seven key Engineering values and behaviours. These were similar to those for the Distribution Management Division. By July no senior manager meeting had yet been held to discuss them.

Maintenance Services was not the only department to be reviewed. In the team brief at the end of January it was announced that three other departments were also to be reviewed. The staff affected found this very unsettling. One diarist from one of the affected departments commented that after the team briefing, staff in his department were “totally demotivated / deflated” and “staff were left with the impression that the future of the section was very limited”. It was thought that more information about the nature and purpose of the reviews was needed. As a result of these comments, the diarist’s department was given a special briefing by their manager, but this did not help morale as “staff left the briefing with a view that there was little or nothing they personally could do to make their future more secure.”

Progress continued to be made with changes to working practices:

- An automated datafile was implemented in January for the IBT system to try and reduce the problems with the initial manual system. Unfortunately, this did not receive a very positive response either as “The IBT system is in confusion, the implementation of the datafile system has been poorly organised, by rushing it in.”
- Following on from the change management workshops at the end of 1993, implementation of design and build started in Construction.
- A supplier for the new business system was selected in January. Implementation was on schedule for April.

Older engineers were still reported to be showing resistance:

“Engineers have in particular traditionally been location based. Now we need flexibility of movement of staff between the locations. Engineers always believe they are working harder than their counterparts in other locations and are very negative about being asked to work from a depot many miles away. Younger engineers are far more flexible and receptive to the need to change.”

Negotiations with the unions continued to progress despite the concerns expressed at the end of 1993 about the relationship with the engineers union. The Director had agreed with the industrial staff unions that a productivity agreement, an incentive pay scheme, should be put together. The change manager was to be responsible for running a working party to do this. The original intent when the idea was first mooted in November was to have something in place for April. However, this had not proved possible since the change manager did not start to work on the idea before the beginning of March. The group had consultants to help, but it was unlikely that anything would be in place before June / July. The working party consisted of the change manager, two managers (one a diarist) and some shop stewards.

The long awaited announcement on the depot rationalisation plan was made in February. Prior to this many rumours about likely outcomes had continued to circulate. Staff were reported to be relieved that “the decision has finally been made”. However, the announcement highlighted some cultural issues about communication in the diaries:

“Big meeting this week on depot rationalisation with manager coming to talk to staff. Everybody therefore thinks it is bad news as normally only called to meetings for bad news.”

Communication

By January the change manager noticed that the middle managers had not held communication seminars for staff following on from the change management workshops. Certainly only one diarist had commented on running a workshop for his staff as intended by the change manager. There had also been a delay in the issue of the pack prepared by the change manager for the managers to help them with their workshops. The change manager felt that the reason the managers were not taking responsibility for running their own workshops was in part due to their workload, but also the old culture. He thought that given all the other work team leaders had to do, such as managing quality teams, they probably only had one and a half days a week to spend managing their sections.

This issue was discussed with the diarists in the final interviews. It revealed that only two diarists had held seminars to pass on the information from the change management workshops to their staff. Others said they had either mis-understood that they were supposed to do it on their own - they thought someone else was going to organise a communication seminar for them, or that they could not run a communication session without information packs. However, most insisted that had they realised they were supposed to arrange a local communication session themselves, and had they been given the information to do so, they would have done it. One diarist did honestly comment:

“Well I did it in the initial stages, I briefed all my lot together, briefed them down and gave them information as I had at the time, and went through the new structures with them but I have always felt that I should have done a similar thing again sort of round about February time. Probably I didn't have the drive to go ahead and do that on my own, I did it because I felt I needed to do it the first time, perhaps I just got so bogged down”

Diarists were in general concerned about communication. Partly because they felt they did not receive enough information from their managers. This was blamed on the old culture: many things were treated as confidential.

A statement made in December about the low share price did not quell concerns. However, the comments in the diaries did produce another response. The diarists received a more detailed explanation than had previously been given at the beginning of March. The briefing was also issued with the March team brief and appeared to be well accepted.

Union Reactions

The engineers were unhappy with their pay offer. This was apparently fuelled by the rumours that rises for senior staff and Directors were larger. It was understood that the engineers union had recommended non acceptance of the latest pay offer to its members. In fact, the engineering union rejected the pay offer in a ballot in February. Most diarists thought this was predictable. It was seen as indicative of the dissatisfaction with the changes to working practices in general rather than the pay offer itself:

“Whilst a great many are willing and anxious to see change, such is the magnitude of perceived threat they have recently unanimously backed the union in a ballot. The percentage increase of the annual round I feel is not the problem. The vote was a statement of support for the only mechanism which they feel can protect their position.”

The dispute was settled in April.

Inter-Divisional Issues

As noted in the Distribution Management Division story, a second inter-divisional managers meeting took place in January, and the January team brief did report on the meeting. However, as in Distribution Management, although comments in the diaries about inter-divisional issues were reducing, this meeting appeared to do little to defuse the tensions hidden beneath the surface, and there were concerns that the implementation of contracts could add to the inter-divisional friction. Furthermore, frustration about the problems caused by lack of knowledge of the contract contents remained an issue:

“I haven't seen the contract to date and we should have had the contract, we were meant to get one in January I think, we were meant to be running with them for a full 12 months ... so because of that we are still doing so much business as usual which is frustrating because the lads now want to know what we handle and which direction we are going in. With the contracts hopefully we will be able to identify the black holes and say whose accountable, whereas at the moment anything you pass up saying you can't say whether you are meant to do it or not, it is just business as usual and you have got to accept it, you have got to do everything.”

Inter-business Issues

Issues about who did what between businesses was not resolved for everybody by the black holes working party report. The fact that the shadow contracts had still not been issued was believed to be partly responsible for the remaining confusion over “who does what”. The friction between the businesses at lower levels had not disappeared either. It was in the main still believed to be due to perceived differences in working patterns. One diarist said that the issues “generally boil down to if he has a new coat why haven't I.” In other words, the businesses had to start doing things differently, but the industrial staff did not like it if they perceived the staff in one business to be treated differently to themselves.

Diarists were starting to question if there needed to be a review of the initial allocations of staff made to the businesses. The February team brief did promise a review of the allocations in April 1994. Similarly a commitment was given to investigate the complaints about differences in overtime levels between the three businesses.

Exits

The engineering exits given the go ahead in November were progressing with one or two administrative hic-cups, such as letters promised confirming exit dates and details to staff by mid-January not arriving. A decision was made to re-counsel for additional exits among industrial staff in February. Diarists would have liked more warning of the decision for reasons of team morale. Exit terms, as had been rumoured, were improved in March:

“The recent exit terms (improved) have upset some staff who have been offered the original terms and have not yet left the company.”

Connections

The problems in Connections started to have a bigger impact on Engineering, as reported in the Distribution Management Division story. There were complaints that the needed systems between Engineering and Connections were not in place, which meant Engineering were not getting the information they needed for work to be carried out for Connections on a timely basis, and were “having to chase it all the time.” This had a knock-on effect on Engineering’s workload. It was accepted that Connections did not yet have enough trained staff, but with the systems not in place, it was “making life in Construction extremely difficult”.

Also, the delayed centralisation of Connections, meant that staff who were to be released from Connections to Engineering on centralisation in February, were not released until later in March. This had a workload impact on some Engineering sections awaiting administrative staff from Connections.

The Records Office

The records office continued to progress changes, although backlogs of work still remained an issue in some locations. In January:

“A team was established in December to investigate a standardised format for records. The team have agreed on a new procedure for use throughout the company.”

The centralisation of the records office got underway. This involved closure of regional offices and, therefore, relocation or exit of some staff. Thus an extensive counselling exercise was undertaken to establish which staff would exit and which relocate. The unions offered no resistance following negotiations. However, the closure of the regional drawing offices was not popular with the managers who used their services:

“Details of possible Records Office reorganisations in the areas are filtering through, and should really be formalised to clear up uncertainty. Customers of the records office have not been consulted over the changes.”

These complaints did not impress the records office diarist:

“When the office centralisation was announced engineers were notified of the proposals and that they would be consulted regarding the service at the outposted locations. Counselling of the records staff at xxxx area and xxxx offices is now complete and posts will be allocated at the end of March. Discussions are currently taking place with Engineers around these locations. Engineers will still have full access to copies of

records. Records will closely monitor the records reference systems to ensure they are kept up to date.”

Empowerment

The issue of empowerment in Construction grew rather than abating. One diarist previously very positive about empowerment commented in March that, “Interference from higher management in local initiatives has gone down badly, e.g. decision from the top to withdraw cell phones.”

This issue was also raised at the next diarists feedback meeting. Diarists appeared to think this particular incident was an example of how managers were becoming less empowered not more. Comments such as the following were made:

Diarist 1: “Well personally I think we had more before than we do now.”

Diarist 2: “Yes me too ... I didn't used to think twice about trying something out a initiative or anything, but you do now.”

Diarist 3: “You can't now.”

A REVIEW OF PROGRESS: MAY 1994

The final interviews with the diarists took place in May. They revealed that most of the diarists thought the Division had done well to achieve what it had over the last year. There were problems and unresolved issues, which are discussed in more detail in appendix 5 along with the detailed rankings of the facilitating processes, but overall they were pleased with the progress that had been made.

As in the Distribution Management Division, whilst the diarists varied in the degree to which they perceived the processes as helpful or obstructive dependent on individual circumstances, there were similarities. The facilitating processes consistently rated as most effective included the communications, the Executive Director, plans and planning, the understanding of the need for change among staff, and the new structure.

Intended facilitating processes consistently ranked as not very helpful included business as usual because it had become an annoyance; empowerment because it had not happened; communications prior to April 1993 because there had been little of it; rewards because there were no new ones to support the new ways of working; senior management because they were felt to still operate within their old management style; appointments because of the exit policies; and values and behaviours because as yet nothing was known about them.

The major obstructing processes were seen to be the continued use of the old management style and culture, the senior management approach, workload, prolonged business as usual, poorly developed new systems, inter-business barriers (as opposed to inter-divisional barriers), poor staff morale and the resistance from engineers. This list shows some similarity to those obstructions rated as most problematic by Distribution Management Division diarists.

The reasons for the ranking of most of these obstructing processes is self evident from the stories, with the exception of the ones on management style and culture. The senior management approach, the old culture, and the continuation of the old management style, were very much inter-linked by the diarists. They believed that there was still a blame / control culture practised by the senior managers, in which mistakes were noticed and successes not rewarded. There continued to be little delegation of decision making. The old control systems such as authorisation levels and overtime restrictions were an annoyance, and also contradicted the new espoused way of operating. Senior managers were felt to not be sufficiently visible to staff. All of the diarists were concerned about their lack of response to the issues raised via the diary system.

THE SECOND YEAR OF CHANGE: APRIL TO JUNE 1994

The Distribution five year business plan was launched in April with the new values and behaviours at a meeting run by the Executive Director and the three Divisional Directors for middle and senior managers. The Engineering Director then did the same for Engineering managers. Briefings (operating plan presentations) on the 94/95 plans were then run for the staff by their managers. The managers were given a set of overheads and notes so they could do a presentation of the operating plans, and also a copy of the latest video to show.

The briefings were reported to be well received. However, the latest video, produced to accompany the operating plan presentations, received a mixed reaction. The main comment was that it showed a cultural shift was taking place, because there were staff on the video criticising the company: something that would not have been allowed before. The diarists were pleased, as in the Distribution Management Division, that a message of thanks to staff was passed on from the senior managers and the Executive Director. However, morale was still not high in the Division. The story has already shown that throughout the first year of change staff were experiencing much uncertainty. This concern continued into the second year, with the engineers continuing to exhibit resistance and cynicism.

It was decided at the April feedback meeting to move to change forums as they had done in the Distribution Management Division for May. The first change forum at the end of May was considered to be a success. As a result a second one was arranged for mid-July. Following that, the change manager was to run the change forums in the future, hopefully with the occasional attendance of branch managers. The Director was continuing to taking the reports seriously, and took them home to work on in the evenings. However, the diarists felt that more action was required than just written answers in the team briefs:

“there is one specific one, it says people are concerned about lack of resource to do jobs and particular things, and the response is you can be assured that there is a carefully worked out plan of controlled exits, and the people you've got, you can do it, well if people are saying they can't do it, its not a very good answer to say yes you can.”

The new management information system was implemented in April. Initial training for the new system when it went live in April was described as second rate. Subsequent to this the training did improve.

By July a trial of the industrial staff productivity agreement was underway. The deal had been developed with the unions. A factor that pleased the change manager was that shop

stewards had worked alongside other staff on the working party, subsequently helping to sell the deal to staff.

Inter-Divisional Issues

For Construction, a business still not working to a contract until July, black holes continued to appear, both between divisions and businesses. In other words, pieces of work appeared that Construction had to undertake, which then raised issues for them about how they were going to get paid for it in a contractual environment. There were also other issues from their point of view, such as why were they having to deal with what in their opinion was a Maintenance problem. Especially since the rationale for the new business structure was that they were supposed to do planned work, not short notice, reactive work.

In the forums these sorts of comments triggered some debate. Were such issues really black holes, or was it just that the business who was supposed to be responsible for the work did not want to do it? One issue was that Construction had been restricted in the amount of overtime they were to be allowed to work, which did not help. It was commented that "the tendency is to say "stuff it, we can't do it". The exact problem was difficult to extract. It seemed there were areas the contracts may not address, which left people working to business as usual and worrying about whether they would get paid for it if the contracts did not specify payment for that type of work. However, until contracts were issued this was all speculation. The issue really was, will the contract cover it, and if not how will this be resolved?

There was also another issue that worried the Construction diarists. They perceived the belief in the Distribution Management Division to be that if the Distribution Management could not cope with the work they were supposed to do, Engineering could pick it up as long as they were paid for it. This caused problems, as Engineering did not have the staff, now that staffing levels had been adjusted to meet the work anticipated under the contracts:

"... there seems to be this huge ball that they seem to be able to throw around everything to say if we can't do it in Connections, Engineering will do it and we'll pay them through the contracts. But what they don't seem to understand is that a contractor has a limited resource as well, there is only a limited amount of work and extras that we can actually take on to do and with every decreasing numbers of staff and cost reductions that will become less and less..... I think the root cause is really there is a lack of guidance and to where the three divisions are actually moving towards and what the limits in each are"

Problems also remained with Connections:

“Connections have a problem that is accepted that is they have got untrained staff in that type of work. The problem at the moment is that because of that they are making life in construction extremely difficult, whereas I think if the systems were working properly we would have more than enough staff in there to cope with the amount of work that we have got. The systems aren't up and running....”

“I still don't think they are communicating properly, the systems don't seem to be in place I am only just getting a feel for this relationship between ourselves and Connections, actually talking to them and getting in to this new way of working, but we have had incidences where customer information hasn't been coming through, we are having to chase it all the time.”

Contract Implementation

The Repairs contract was implemented in April, and for the Repairs diarists cleared up a number of issues to do with who does what and who charges who. Although there was still some business as usual to be done, “at last, we are moving away from "Business as Usual" and towards a final "contractor position".”

As with the Distribution Management Division, as the contracts came in, the fears of negative effects did not materialise. Relationships improved. So for Repairs in May, following on from contract implementation in April:

“one of the things that has gone well in Repairs is the ... well it continues to get better, is the relationship with Distribution Management Division Repairs We seem to be understanding our own situation in our place within the organisation and we now have a fairly good relationship, certainly personally anyway with the Distribution Management Division team leader, and he is basically a nice fellow and he is easy to get on with”

By July, the Repairs section were reporting an even better relationship with the Distribution Management, although there was still a lot to be sorted out in the contracts. However, the Repairs diarists disagreed over the extent that business as usual was declining. One said the Distribution Management Division was doing things like taking on customer issues that were their responsibility, the other that there were certain customer liaison responsibilities that they had not taken on yet. The diarists also disagreed as to how quickly the Distribution Management Division could be expected to take up such duties. One thought since Engineering had always done such duties, continuing them until the Distribution Management could take them over was not a problem. The other felt the Distribution Management Division had had “16 months” to take its duties on, and that Engineering now also had an associated contract management information system to maintain which created

additional work. The concern was that Engineering was now staffed, following exits, to meet what was in the contract, thus any additional work added to the workload.

For Maintenance and Construction, their relationship with Distribution Management started to improve prior to contract implementation, as it was felt that Distribution Management was taking over more of the things that had been done by Engineering under business as usual. The Distribution Management Division Construction team, only recently completed as some of their staff had remained working with Engineering until the end of March, had been talking to Engineering Construction. They had set up an interfacing structure in the Distribution Management Division to mirror the Engineering structure. This was seen as a step forward in terms of inter-divisional relationships.

The Maintenance contract was implemented in June and the Construction contract in July. One diarist who had been very critical of the lack of knowledge on the contract details commented at the July forum:

“I've got to comment, because I've been highly critical all the way through every meeting because the contracts have not been issued in Maintenance and that we are working to business as usual. Well I've got to report that the contracts have been issued and that has got to be a step forward, and we are starting to work out what people's definitions are, and again working better with the Distribution Management Division. I think because of that, a lot of areas are starting to be cleared up now, I think that is a major step forward I have got to put that down as an improvement we have got things down in black and white now ... and also the creation of the database to catch the things that aren't in the contracts as well ... Distribution Management Division are actually admitting that there are grey areas not covered.”

Other Changes Implemented

It was decided that the senior management team of Engineering and the Projects staff were to move from the head office in the Autumn. This intended relocation had been planned, but a decision on which other office to move to was not made until May / June 1994.

Over the year, a backlog of some Construction work had developed. A special scheme was put in place in May to solve this. Staff were to be paid a special rate for work done at weekends and on days off to help clear the backlog. Whilst industrial staff in some sections took up the scheme readily, it was not immediately popular everywhere. As some staff in some areas did not want to work to the scheme, initially Construction staff from other areas were coming to do that work at weekends, creating bad feelings between Construction staff in different areas. However, the resistance was slowly overcome. For example, in one

area it was found that the younger staff wanted to do it, but were not volunteering because "they were frightened of the older staff".

Generally it was felt that industrial staff were showing a greater willingness to be flexible in their work:

"I think generally you've got staff taking responsibility for themselves, the only thing is that a bit of frustration creeps in when the system can't support them it is not a nationalised industry anymore, its a private industry that's got to earn money, and they are quite willing - sometimes to point out to us where money is being wasted and I think they are taking a flexible approach."

Communication

One issue raised consistently about the communication was that team briefing was not being done well. Some diarists were unsure if it was meant to be a team building exercise as originally they were told when it was first set up, or something else. These was also an issue of the volume of information that now needed to be communicated, which made it difficult to emphasis local issues.

New Working Practices

In general, the new systems led to complaints about increasing bureaucracy. These complaints became louder as change progressed through 1994, "There is now more paperwork and bureaucracy than there has ever been. Administrative type work has doubled in the last year".

Inter-Business Issues

The contracts may have started to resolve the who does what issue between businesses, but it did not resolve tensions at the lower levels. It was still thought that Construction were getting all of the planned overtime at the weekends, whereas Construction staff thought Repairs got all the overtime during the week. Also that Construction staff thought Repairs staff were not working as hard:

"There are a lot of issues particularly at industrial level between the businesses and you walk into the office and see the Repairs lads reading newspapers and things and our lads are being pushed all the time."

There were also continuing reports about a lack of co-operation between businesses within areas. But there was some humour about this situation at the change forums, "It is always Repairs who mashes the tea as well". One area did find that moving the three businesses into different offices helped improve relationships between the businesses. On the positive

side it was reported that staff were developing an affinity with the businesses they were allocated to, referring to themselves as, for example, Construction staff.

A branch manager was able to throw light on why the resentment about overtime was occurring in some areas. The branch manager had demonstrated to some staff that the overtime worked in Repairs was not that much higher than that worked in Construction as believed. The reason for the misconception in the area where most of the complaints were coming from, was that they had had a policy which was quite different to any other area. Calls that came in the afternoon had sometimes been held back for overtime for staff now in Construction. But the policy had changed. Now calls that came in during normal working hours were always dealt with by Repairs. Only calls that come in out of hours were dealt with on overtime by Construction.

Staff Allocations

Decreasing staff numbers remained an issue. In the forums comments showed that the diarists continued to be concerned that exits were leaving gaps in experience, skills and knowledge. At the second forum one of the branch managers did question if too many staff of the wrong skill had been allowed to go. This prompted a mixed response. Some felt that their departments were now down to the right number, but were concerned about flexibility. With all departments at the right number, the flexibility to borrow people to cover unexpected workloads, holidays and sickness was decreasing. Others felt that too many exits had taken place at once, with insufficient numbers of other staff trained to cover the work these people had done.

THE END OF THE RESEARCH: JULY 1994

By the end of the research in July 1994, Engineering had made a different type of progress to the Distribution Management Division. Operational change was definitely being achieved. Cost reduction targets were being met and in some instances exceeded. New working practices were slowly being implemented despite resistance from engineers. The implementation of the contracts was helping to sort out inter-divisional and inter-business issues. All interface relationships were improving. However, cultural change had not occurred as signs suggested it was doing in the Distribution Management Division, and morale still seemed low. Thus Engineering still had significant change to undertake. Only time would tell if the values and behaviours workshops about to start in August would be able to carry Engineering through the complete cycle of intended changes.

APPENDIX B: CHANGE IN METERING DIVISION

THE EARLY DAYS OF CHANGE: AUGUST & SEPTEMBER 1993

The change manager was pleased with the progress made to date, especially since the original target for appointing all staff to the new structure, as in Engineering, had been January 1994. However, he was concerned about the level of understanding about the changes at the lower levels:

“it is no longer a job for life, it’s a job as long as you can perform, and I think if we talk about motivators, job security will come a lot higher than it has done in the past. And I think some people still believe that they have got a job here and they believe that if they get a new set of directors, and they have seen new faces many times over in the recent years, that they don’t see any difference now.”

Communications

At the appointment briefing meetings that took place in August, the staff were also told about the required changes to working practices such as flexible working, hand held instruments, and working from home. The unions and shop stewards had already been briefed on the proposed changes.

Staff were to receive vision workshop once they had been appointed. The aim for the lower staff levels, was to have workshops for around 60 people lasting about 2 hours. The Director was committed to attending all of the vision workshops. The workshops were to be held in October and November. There were to be no departmental action plan launches as in the Distribution Management Division. Instead there had been Metering wide action plan launches in June.

The initial training of the presenters of the vision workshops (foremen and supervisory staff) started in September. Senior foremen and office / administration managers met to discuss and agree the content of the brief. Once the material was ready they met again for guidance on presentation skills.

As in the other two divisions, the feedback on the video at the roadshows in mid-June had not all been positive. It had varied from the negative, such as “you’ve told us one chapter of a massive book ... we’ve read it all before, nothing new, how is it going to affect us?”. To the more positive:

“The video was well received particularly by industrial staff since it gave them an opportunity to discuss many issues. It must be remembered that most industrial

staff spend their complete day away from the company depots which can lead to alienation.”

However, team briefs prior to the video had already explained to staff the outline of the new structure, “so that was not new”. Staff had been looking for more specific information from the video:

“The sort of questions that they wanted to know and wanted answers to were how quickly are they going to get our working hours changed, are market rates of pay going to be coming quickly, what's going to happen on these issues and how is it going to affect my pay packet and my working hours.... I think the idea that a video was coming out to tell them something, they thought they might be getting some hard answers and clearly its not going to happen like that, but they didn't see it like that.”

“The main feed back you got was great, nice for them, what happens to me? Really most people until they know what's happening to them are not to bothered about what is happening to somebody over there ... He's going to get a job, he's going to get a 50% pay rise, when it comes down to us there's going to be less of us and we are going to take a pay cut. That was the feeling that came through.”

Thus, the Division had collated the questions asked at the question and answer sessions at the end of each roadshow, and answered as many of them as possible in the July team brief. The most common questions were to do with issues such as how much did the video cost, when will we be briefed, when will we know exit terms.

There were indications that staff felt there was a lack of on-going information. Diarists reported concerns about information on markets rate of pay, flexible working hours, Saturday working, and withdrawal from depots.

Understanding of the need for Change

The understanding of the rationale for change, as in the Distribution Management Division and Engineering, appeared to be good among the diarists. However, it was commented that some staff felt that it was “simply a method of reducing staff and costs”. And that others may be aware of the reasons, but may not perceive them to be “real”, as “we have always done it, worked like this and ‘not my job’ attitudes still exist in some cases.”

Staff Reactions

Overall the diary entries suggested a positive response from staff:

“Most aspects of the change are continuing to go well with staff adapting, after training to their new roles. Commercial awareness is being developed within the new teams.”

“Supervisors are now well aware of the need for change following vision workshops and are now beginning to influence people who report to them.”

Centralisation of some Installations sections was viewed positively by the diarists as it meant common working practices could be introduced where previously each area had worked differently.

However, there was also some cynicism reported in the first two sets of diary entries, such as “What change process? We've heard it all before.” Although this started to decrease as the change process moved through September.

Administrative staff were not happy about the transfer of work, and some staff, from Data to Installations. Some Data administrative staff thought their career progression opportunities were more restricted with the transfer of technical metering work into Installations. In two of the zones, Installations were experiencing a heavier workload, whilst those in Data had insufficient work.

One diarist felt that some staff just wanted to carry on as they were, and that they would only realise that change was coming when something happened that changed the way they worked. Non-managerial staff needed to see some tangible changes, or they would become cynical. Expectations had been raised and needed to be met. However, staff could see the company changing to a customer driven rather than technology driven company. For example, staff being sent in twos and threes to who needed them and when they were needed, rather than on a rotational basis by area. Staff were also seeing a need to work harder as the volume of work had increased but there were now less people.

Senior Management Behaviour

Some of the senior managers were making efforts to meet their staff. One diarist commented that :

“A full day was spent with us by the Installations Manager. Half day with technicians and half day with administrative / engineering staff demonstrated his commitment to my staff - actions sometimes speak louder than words.”

However, in the areas where the managers had not visited yet there were comments about their lack of visibility. Staff wanted to see more of their senior managers on site.

Appointments

It seemed that the cap badging exercise was well received. One diarist saw the cap badging as the “foundation stone” on which staff could build as they now knew what their job was, and the “starting point” for team building. However, about 60 staff requested counselling indicating high levels of uncertainty. This was completed by 1 September.

The allocation of administrative staff was completed to timetable leaving a few vacancies for administrative staff which caused some temporary workload issues in one zone in particular. However, there was a need to wait and see if staff exiting Supply Division may be suitable for the positions, which meant the zone with the biggest problems still had vacancies in October.

Some despondency was reported among those who had not got their first choice, primarily in Data. Any problems there were, were felt to be due to a misunderstanding among staff that they were to be allocated by business needs and not personal preferences:

“In Data, where there's been a transfer of duties quite a bit of their work is moving to Installations. Particularly the administrative staff feel as though the work they used to do no longer exists. They would have liked to have moved with it they were asked to give three choices. That was the problem, so first choice was for Installations. You've got to accept that at the end of the day the business needs of the company come first and you can't let everybody go ideally where they would like. But they got the feeling that none of them had been allowed to go.”

From the perspective of the diarists the counselling of non-industrial staff who were not cap badged had been a time-consuming process, due to the need for counselling and negotiation over staff with other managers. However, only two of the diarists were worried that the 58+ exit policy had been wrong and exits should have been selective.

New Working Practices

A working party of foremen, administrative staff, and shop steward from meter reading was set up in August for the investigation of flexible working. The working party was to be involved in consultation with the pertinent unions. Work started in September. The working party was due to report on its findings to the management team and the union representatives in November. Another team was looking at hand held instruments, with a target introduction date of February 1994. However, subsequent union negotiations led to flexible working and hand held instruments being implemented as one package at a later date. A greater number of staff were to be involved when the projects moved into implementation.

The only change to be implemented immediately in Installations was the amalgamation of engineering and industrial staff who had previously practised job demarcation across the range of tasks undertaken, to create one flexible team. Thus the staff had already been moved into joint accommodation and good progress was been made on the cross-training underway. The main Installations change initiative was the introduction of the work management system (WMS) for which a working party had also been set up.

In September, the teams working on hand held instruments and the WMS were still investigating the options available, with the intention of going out to tender in November.

Total Quality

Total quality training got underway. Positive comments were received from the staff about the training. However, there was also some cynicism as to whether any thing would happen after the courses. Follow-up was described as "vital" by one diarist to "underline commitment". The target for completion of training was January 1994. Training was in fact completed in February and, as for the other two divisions, a briefing on what was to happen in the future for total quality was issued with the

Corporate team brief in March in response to concerns raised via the diaries about the lack of total quality activity.

Problems Encountered

Counselling and Appointments

The main problem was the shift technicians who had not been appointed to either Metering or Engineering and were, therefore, remaining in Metering for the time. All the diarists had some comment to make on the situation, such as:

“This whole issue should have been recognised earlier and resolved. Still in state of limbo; counselled but no appointments and no dates for appointments. Real concern from shift technicians.”

“All staff have expressed concern about the length of time this transition is taking and the insecurity felt by them during this time.”

“Still no resolution of the shift electrician issue. Very low morale - to be expected - with these staff with "knock-on" effect on others in the section.”

A meeting was held in mid-September to discuss the issue with the trade unions, and the staff were re-counselled at the beginning of October. It was hoped the situation would be resolved by mid-October.

The other issue was that staff who wished to exit had been told they could not do so for the time being:

“Some staff (over 58s) have now left the company on exit terms. Other staff wish to exit but do not have the opportunity. Counselling of these staff has taken place. Difficult for these staff, especially those approaching 58, to become fully committed to the business.”

Inter-divisional Friction

There was evidence of inter-divisional friction. Primarily with the other division that was in the process of re-organisation, rather than the other Distribution Divisions. The Supply Division, for whom Metering did a lot of work, had been re-organised and staff centralised. Now their staff with whom the Metering Staff interfaced for appointments, no longer sat close to them. The result was, especially with no work management system yet in place to help manage the appointments workload and

scheduling, that traditional lines of communication had broken down. This created a lot of tension:

“Supply division will not talk to us, they say everything is our problem, we now get a much higher volume of telephone calls that should have been dealt with by them, they seem to think we have endless resources to take any work they send us. We get duplicate jobs from Supply because if they change an appointment they just send out another job without cancelling the original. This is a waste of everyone's time.”

Problems with other Distribution Divisions were only hinted at and were not as explicit as in the other two divisions:

“Engineering and the Distribution Management staff still do not seem to be properly aware of the need for change, or the pace of change giving rise to liaison difficulties with Metering staff” and “"business as usual" appears to be interpreted as pass the work/complaint/customer to Metering.”

“Interface relationships between the 3 businesses still causing problems - who does what, who do we contact are regular questions / comments.”

“Difficulties are still being experienced with the interfaces between the new divisions as a result of policy and areas of activity still requiring further management decisions. Metering still appears to be in front of the other divisions and progress continues to be held back.”

Where possible diarists took action themselves to resolve black holes between the divisions via meetings. The first feedback meeting revealed that it was felt that the issues arising between the three divisions, were not just to do with who does what, a particular problem between Metering and Connections, but due to the historic and cultural differences between the three divisions. Metering felt they were used to having to provide customer service, whereas Engineering were not. There was an underlying feeling that Metering were being “held back” by the slower change in the other divisions and the operation of business as usual.

Perceived Pace of Change

The pressures on staff to learn new duties and at the same time keep pace with the existing work did create some concerns about workloads. The workload was also heavy for the managers:

“Routine work activities and morale are both suffering at industrial level because of the amount of local management time and line supervisors time being spent on change aspects.”

In general, the diarists commented that they no longer had time to manage by walkabout. They did not have as much time to see their staff and discuss any issues with them. It was felt the problems were in part due to the staffing levels changing in advance of the introduction of new working practices such as the work management system. Staff were lost “without tools in place to recompense”. Thus transitional workload problems would remain until there was no need to continue business as usual and new working practices were in place.

Uncertainty

There were many rumours adding to uncertainty for staff. A common rumour was that there may be salary reductions. These rumours appeared to be fuelled by the reduction of wages for staff in other, but associated, companies. Uncertainty was also caused by staff interpretation of the impact of future changes on them, such as technology enabling staff reductions and centralisation, which in turn could mean relocation or job loss.

Initial Response to the Problems Encountered

In response to comments in the diaries about uncertainty, the September team brief gave details of teams working on the new working practice working parties. It also commented on the total quality policy and training schedule, and the exit policy for now and 1994, and gave a vision workshop timetable. The vision workshops were to deal with the issues of concern raised by staff in more detail.

Details of the inter-divisional interventions put in place to overcome the Distribution inter-divisional problems have been described in the Distribution Management Division’s story, and will not be repeated here.

How the Diary System was Working and Its Role

As with the other divisions, the first feedback meeting was the first opportunity to get a feel for how well the diary system was working. It was felt that it was not publicised well enough, which made it difficult for the diarists to get feedback. It was also felt that perhaps summary reports should be circulated to all managers with some indication of action to be taken. All diarists felt that foremen should become involved

in the system. They (the existing diarists) had good contact with their senior managers as Metering only had a small management hierarchy. Thus perhaps the foremen could give more information.

The Divisional Director was not able to attend the first feedback meeting. The change manager explained action being taken such as the Director's meeting and the forthcoming inter-divisional senior manager's meeting.

CHANGE CONTINUES: OCTOBER - DECEMBER 1993

Communication

The vision workshops got underway, with positive feedback for both the workshops and the Director's involvement in them:

“Commencement of presentations to staff by Divisional Director. Well received by Data staff. Spent several hours meeting & discussing with all staff between presentations. Very well received and "a first" from this level of staff.”

“First vision workshop - Divisional Director listened to what staff were telling him and appeared to care about them.”

Non-managerial staff had never had such presentations before. According to the change manager, the issues raised appeared “to be confirming the same problems/concerns” that had been reported via the diarists. All major concerns were recorded and once the workshops were completed in December passed to the relevant project / branch managers. For example, there was still some concern about flexible working in the Data Branch. Therefore, in December the project manager visited each depot with a meter reader (shop steward) to talk to staff. The same was to be done for hand held instruments and other projects

The December team brief carried a special message of thanks to staff from the Divisional Director. The other main communication events during this period included a company wide bulletin on profit related pay in October, which according to one diarist was “well received, many staff did not appreciate how near they were to receiving a payment”, and the brief in December on the share price. The decline in the share price had not come across in the diaries as such a serious issue in Metering, but it was commented that as in Engineering, the explanation had not quelled concerns.

Staffing Issues

The shift technicians problem remained outstanding. By November it was known that the transfer of shift technicians would take place 1/1/94. However, the diarists were concerned that this was not the end of the story as they did not think that once transferred to Engineering, the technicians would be able to continue to do their Metering duties plus their new Repairs duties as intended.

Exits

Administrative staff in the Division were re counselled in December in order to meet the Divisional Year End targets under the terms of the Transition 93 exit package.

Workload

The diarists continued to comment consistently on the fact that the workload problems were due to manpower level reductions and working practice changes being out of synchronisation:

“Within Metering, the installation teams are still suffering from the reductions in manpower without the systems being re engineered resulting in total out of balance between available staff and appointments. This is resulting in an increase in the management effort required, attempting to ensure that Customer Service Standards are achieved.”

“As reported a number of times previously, the changes introduced have reflected on Metering before new systems are in place to carry out the duties. The impact this year is the shortage of manpower which we have to live with until the situation is addressed in the next financial year.”

However, the diarists found that they were under pressure themselves given their own workload which prohibited them “from making a full contribution to the management role”. This was supported by the October interviews. There were two main concerns. The fact that staffing levels and the new systems were not in phase, and the lack of time for managing their staff,.

“in some ways we have been so obsessed by the change management process and wanting to get ... all the people appointed and all the change situations that we've had to go through, that we've neglected the workforce at the work interface and I know for instance that I have not done, I used to make a point of being at each depot at least once a week, just call in one morning and see people and have a cup of coffee with them, and I've not done that in six months. Its not that I don't want to, its just that there's not been the time there..... And all of us are involved in a number of projects which are quite time consuming”

“the other real problem at the minute is the pressure of work that we are all having We always did traditionally have a fairly large workload, but you need to remember that there used to be more levels in the hierarchy above the team leaders, so they removed the top layer, and the work that that particular manager did is now done by the team leader, as well as everything that was done anyway, on top of that you've got all the changes that are going on, and trying to re-organise offices and introduce new working practices and all that sort of stuff, with a reduced number of foremen at the same time, so as well as the general level of activity and all the external customers who are most important”

One of the diarists had particular problems with his staffing levels. The review group took a "snapshot" of staffing levels compared with the workload being done and the likely future workload, and allocated staff to match. But in his zone, a zone which ran with some temporary staff during certain times of the year, the temporaries were not there when the snapshot was taken. So he had insufficient resources. He had, however, been allocated an additional 12 staff for the next year which to resolve the problem.

Unexpected Restructuring

Some unexpected re-structuring of the Division was announced in November. There was a need to bring forward the development and implementation of the work management system to October 1994. That needed a full-time project management. It was decided to merge two of the Metering Zones (both Data and Installations), to free up one of the Installations' team leaders to head a business support section which would be responsible for the WMS project. The other team leader would manage the combined Installation Zone. Some Data supervisory staff would similarly be freed to devote more time to the Data projects (flexible working etc.).

The amalgamation of the two zones got underway in December. In the main it seemed to go well. However, there were some problems with the briefing at the end of November:

"Data have briefed staff that they will be working from the other zone with effect from 1.1.94, some 5 weeks notice, and this had a knock on effect on Installation who were still preparing their brief in accordance with the agreed time scale. Staff had to be quickly briefed without full information being given - this makes it appear that we do not know what we are doing and not talking to one another."

The change manager took the attitude that "this would not be allowed to happen again".

In the zone where staff were to relocate, the diarist said that the fact that 3 staff had taken exit and 1 taken another job, indicated resistance to the move. However, the diarists believed the changes were seen by many to be a "positive move to secure the future position of Metering".

Inter-Divisional Friction

The introduction of electronic documentation from Supply Division was said by one diarist to provide quicker and more accurate transfer of information and relieve some of the problems. Yet problems remained:

“Supply division changes are still causing headaches due to too many morning appointments and a lot of duplicate jobs. (This has been reported before but seems to be getting worse). The above could be resolved with the introduction of the work management system but this is unlikely to happen before April 94 - staff are seeing this as putting the cart before the horse and this problem could have been avoided with a more structured approach.”

Come the end of October a meeting had been held with Supply Division and revised guidelines issued to Supply staff to try to resolve these issues. However, as one diarist commented, “this does not appear to be making much of an impact”, so there were further meetings and discussions. Supply Division issued a further set of guidelines in December. It seemed that “the situation is being monitored - they do now seem more prepared to listen and help now they realise it is in their customers interest.”

Comments were made suggesting that little progress had been made on the interface problems with the other Distribution Divisions:

“Interface between the three Distribution businesses still causing problems. Engineering staff want to carry on as before. Short notice jobs seem to be the order of the day, causing problems for staff.”

“Interface problems still exist between the 3 businesses. No evidence exists of a proper attempt to resolve the issues.”

As in Engineering, the interface with Connections in particular was causing problems. It was put down to a lack of experienced staff in Connections which created problems with planning work and wasted visits. The diarists' main concern was that the problems were sorted out one way or the other in terms of who was responsible for what between Metering and Connections.

However, come November, the diarists were hopeful of resolution of the problems between themselves and Connections in the Distribution Management Division because “The Distribution Management Division are beginning to show interest in the interface issues and meetings are currently being held to resolve difficulties.” A meeting was held between middle managers from Metering, and a Connections middle manager, with branch managers from both Divisions in attendance, “who could actually make the Director level

decisions needed on the interpretation of the review group guide-lines on who does what". The diarists felt the meeting cleared up a lot of problems.

New Working Practices

The flexible working party made progress and trials of some of the proposed working practice changes were started. Presentations of the findings were made to the senior managers at the beginning of November, and the full-time trade union officials mid-November. Because of concerns of staff about flexible working, the project manager and a team member visited all depots to brief staff on progress and answer concerns before the end of December. The December team brief announced that similar exercises for hand held instruments and the work management system were to take place early in January. It had been agreed with the unions by now that the hand held instruments and flexible working would be introduced as one package, and not separately as originally intended.

The work management team were considering three tenders for the system that came in at the end of December. A lot of importance was attached to this system, with an expectation that the system would deliver considerable benefits:

"The system will solve a lot of problems, with the best will in the world, with the volume of jobs that we do on a daily basis, the volume of phone calls, clerks make mistakes, and you've got all these pieces of paper and no checks, because the pressure is on them all the time."

The system would also improve the interface with Supply.

Union Response

By December the principles of the new flexible working arrangements and supporting training had been agreed with the unions. It had also been agreed that flexible working trials should continue with briefing of staff on progress, and the introduction of hand held instruments from April. Additional discussions were to take place with the unions on the completion of the trials to agree precise terms and conditions. However, in December the change manager commented in his diary:

"Flexible working team seems to be faltering at the moment. There is still an element of mis-trust which is causing problems at the moment. A misunderstanding regarding a briefing message caused concern for the union officials. This type of misunderstanding no matter how small can send out the wrong messages through the Division."

The union had been unhappy with the wording of the briefing to staff on the progress made to date with flexible working negotiations, since it implied more had been agreed than it

had. But the misunderstanding was rectified and a further brief was issued a fortnight later, which clarified the situation with the staff as to what had been agreed to date and what was still to be agreed. This healed the rift created with the unions and retrieved the situation. However, the agreement and the time taken to reach it meant that flexible working and hand held instruments would be implemented later than originally intended.

Ongoing Uncertainty

Occasional reported rumours suggested that non managerial staff remained concerned. Rumours suggested that all staff over the age of 50 would be offered exit packages next year, that there would be a transition 94 package targeted at 45-50 age group, and that market rates of pay could equate to pay reductions.

Progress to date

The interviews in mid-October gave an indication that things were perceived to be progressing well in Metering. All the four team leaders remained convinced of the fact that they were ahead of the other divisions since they already had a customer focused orientation, whereas the other two divisions did not. To give just two examples:

“when you think about it, the people who work within the customer service team ... they are the people who are in day to day contact with the customer in the customer's home, they are not road digging, they are literally on site in front of people, and I think that has changed the attitude of our industrial staff, far more than the Engineering industrial staff.”

“They don't see the end product the Engineering lads, they go and dig a hole and go away, and its not until we've been and the supply actually appears ... They've never really had a customer, and I'm not sure that they are really aware that they have got one ... The thing that really focused the now Metering teams minds on the customer was the introduction of the customer service standards which was privatisation, which gave us various time scales to respond to various requests with penalties if we don't, and we have been living with that now for three years.”

One of the main issues, was that although the diarists felt their staff were willing to adopt changes to working practices, they felt they were still waiting to see change:

“The man who fixes meters for me has been doing it for the last 15 years, and although he gets more appointments than he used to, he doesn't see anything different. He's come to terms with customer service standards, he's come to terms with customer orientation, what else have we done.”

Empowerment had not been raised through the diaries as in Engineering, but some issues, similar to those raised by the Engineering diarists, were raised during the interviews.

These included issues to do with the continued imposition of key performance indicators, such as overtime levels, and expense sign-off levels:

“it is silly little things like the signing of expenses form, you've got the responsibility of the profit centre, but you can't sign for some expenses”

“I want to make Metering buzz, I want to be able to tell foremen, don't worry about that, I'll sign that, let's get it done, let's do it now, I don't need to send it off here there and everywhere.... I mean they trust me to run a set-up like this, and they trust you to go to a customers installation, we're talking... thousands of pounds, but you can only sign a small requisition”

There were some concerns about the contracts. In particular, about the fact that there was not a full-time contracts manager in the Division, despite the time-consuming nature of the task of setting up contracts, the knowledge required to undertake the task, and the need for ongoing monitoring and updating once the contracts were in place.

The issue was also raised, as in the Distribution Management Division, that the initial perception for staff was that everything about the new structure would be sorted out for the 1st of April:

“ ... the counselling procedure went very well, because most people were just left alone, which was what they wanted. You just tell me that I'll still be in the job, working for the same foreman and I'll be quite happy. It took us nearly 12 months to tell them that ... But that was the unsettling part of it. ... it was drawn out, you know, everybody was going to be in position for the 31st March, when it first started. Its actually taken us to the end of September before it happened.”

The Diary System Undergoes its first Evolution: November 1993

As in the other divisions, the frequency of reporting was altered from fortnightly to monthly in November. It was also felt that there was still not sufficient response from senior managers to the problems raised via the diaries. As one diarist said at his interview, “the only information we've really got in the team briefing is that we've got people looking at work management, we've got people looking at flexible working, we've got people looking at installation policy. But they aren't really the questions that are being asked. From the data staff's viewpoint they have asked the question that our work has moved into Installations, we didn't go with it, we are concerned where our future lies and there's been nothing back”.

The Divisional Director attended the second feedback meeting to thank the diarists for their work. It was decided that Data foremen and Installation engineers were to be bought in

from December. Two of the existing middle managers would continue, and a third who had taken over the project management of the work management system would continue in that capacity. Thus from January, one of the middle manager diarists would give up keeping his diary. In fact, additional diarists were not brought into the diary system until March 1994. The change manager decided that with the on-going negotiations over flexible working, January was not an opportune moment to involve foremen in the diary system.

Inter-Divisional Differences Become Clearer: November 1993

Metering diarists were not impressed with the inter-divisional diarists meeting:

“Metering are moving faster now than the others and this is causing some interface problems. This appeared to be confirmed at the recent Distribution diarists meeting.”

Like their Engineering and Distribution Management Division colleagues, they were of the opinion that some of the inter-divisional issues were dragging on because, with no continuity from the review group, there was no-one to take the decisions necessary to resolve the problems.

THE DIVISION STARTS TO ESTABLISH ITSELF: JANUARY - MARCH 1994

The January team brief announced that for the 9 months up to the end of December, the Division had performed to plan. In February it was announced in the Distribution brief that the Service Standards performance for January was the best for five months. Staff were given encouragement to “keep up the good work”, but also warned of the likely deterioration in other performance measures. The transition into a stand-alone Division was also taken further in January and February, with the transfer to the Division of some of the activities, particularly financial, the Distribution Management Division had continue to perform for it.

Working Practices

In January the change manager commented flexible working was back on the "right tracks". A presentation of the recommendations was given to the Management Team in January. The same presentation was given to Trade Unions in early February. Following on from that, discussions took place with the unions on the introduction of flexible working as a package. The aim was to have a deal agreed by the end of March - which it was. As the change manager jubilantly scribbled on a note to the researcher accompanying the March team brief, *“Stop Press: we have struck a deal with trade unions re: flexible working.”* It was now hoped the integrated package would be implemented in April.

The hand held instrument supplier was selected in January and the reasons for the selection of the particular supplier issued in the January team brief. Hand held instruments were to be introduced at the end of February / beginning of March on a trail basis in one zone only. The new walk order system was also close to implementation. Training was undertaken in March so the system could be introduced in April.

An order was placed for the work management system with the chosen supplier of the system in January. It was still planned to implement the system by October. The response to the setting up of a team to manage the system implementation seemed to have received a positive response from staff, and Supply division were also “actively involved and contributing effectively to the work of the project team”, according to the project manager.

A continuous improvement group was also set up in January to follow up on the total quality training. Whilst there was said to be “both enthusiasm and commitment from the team”, there was also concern that there was a lack of direction and support from senior management. It was felt that quick feedback on total quality activity was needed if the impetus gained from the training was not to be lost. As long as there was no feedback from

the group, staff continued to see nothing visible happening on total quality following on from their training.

Contracts

The February team brief reminded staff of the rationale for introducing an internal commercial trading relationship between Divisions, and informed them of the 5 principal contracts the Division would have to work to. There was to be a dry run period for the contracts with both the Distribution Management Division and Supply Division from the beginning of February to the end of March. Then from 1 April, the contracts would run in parallel for a year with existing arrangements, to enable the Division and its customer Divisions to monitor progress and resolve issues before going "live" in a year's time. There were some outstanding issues to be resolved and pricing agreements were yet to be reached. Priced contracts were to be introduced on the Supply Division side earlier than on the Distribution Management Division side, with some pricing in place from 1 April. Contract law training was to be held for "key managers and supervisors" before the end of March. Although in the March team brief this was revised to early April.

Relocation of Metering Head Office

Since the start of the change process, the Metering senior management team had been located at the company's head office. In February they started to look at various accommodation alternatives for the establishment of a Metering head office at which centralised administrative teams could also be based. This meant that the number of administrative staff out in the zones would be reduced, with most staff based at head office. This would also help obtain staff savings. A suitable location was selected in March and staff informed of the choice in the March team brief.

Change Management

The change manager was concerned about the non-occurrence of the planned change management training. In the absence of any inter-divisional initiative, it was decided to hold a change management seminar for the senior management team in mid-March. The change manager hoped it would be cascaded downwards. However, no cascading of the change management workshop took place. Concern remained about the lack of response by senior managers to the on-going problems such as the inter-divisional issues.

Metering was also trying to put training on a formal basis with the issue of a leaflet on the Division's training policy in January. The change manager described the Division as starting their new training policy from an existing "low level".

Shift Technicians

The shift technicians transfer to Engineering was completed successfully in January. However, this was not the end of the story.

“Unfortunately, there now appears to be problems relating to the "shift duties" with Engineering giving a strong impression that they do not intend to provide cover for what they consider to be Metering activities.”

and:

“There is a feeling that since shift technicians were finally transferred that Engineering do not intend to do any of the "Metering" work that the shift technicians previously carried out.”

By February, these concerns were proved true. The issue remained unresolved until May. Engineering and Metering between themselves could not come to an agreement despite having meetings to try and do so. One diarist commented:

“I can well see why we've not had a meeting of minds, it's because Engineering's business needs and our business needs are 180 apart, and we're both fighting our own corner, and what's had to happen, and what should have happened a long time ago, is that somebody needs to take an overview of what the company needs, and that has to be fairly senior director level, because the company needs are not necessarily in tune with individual business needs ... and that's why everybody has been pushing to defend their own corner quite strongly.”

Inter-Divisional Issues

The optimism about the resolution of the problems with Connections had disappeared come January. It was felt that little progress was being made to resolve the difficulties across the interface with either the Distribution Management Division or Engineering. Negotiations appeared to have “ground to a standstill with no agreement having been reached”. One Metering diarist felt very strongly about the problems:

“Connections seem good at talking but nothing happens. All we seem to get are empty promises. It is everyone else's responsibility to own the problem. Lack of experienced staff in Connections is causing problems in planning work/waste visits.”

It was felt that Connections were still not taking on their full responsibilities of acting as a central contact point for all customers as intended by the review group. Further, that in some instances they were asking the Metering managers to do their work for them. Thus the concerns in Metering about the lack of experienced, trained staff in Connections. The

diarists were concerned as they felt nothing was been done about what was for them a major problem.

Staff Concerns

Whilst it was reported that staff were continuing to show commitment and a positive attitude, there were also a number of concerns perceived to exist among the staff by the diarists. First, there were rumours about Exit '94. The change manager commented:

“Some staff have been approached as part of an initial request to gauge the level of interest from staff. However, staff feel nervous about the situation and think that they have all been asked because Metering want to replace them with "cheaper labour". This topic will be covered in the March team brief.”

Indeed, the March team brief explained that the introduction of the new working practices and technology would provide “opportunities for some staff to take advantage of the companies voluntary transition package during 1994 / 95.” Discussions with individuals were to take place after agreement had been reached over the flexible working arrangements which would make it possible to determine exit numbers. However, the talk of exits among Data staff created rumours among the Installations staff about exits too. There were rumours about the exit terms and possible increased exit packages.

Rumours continued to circulate about possible future job losses and the disposal of all direct labour. The rumours about job losses, and future salary reductions, were fuelled by such events in an associated company. Further, staff were suspicious that contracting out of work to an associated company to help with the workload was a way of introducing reduced pay levels or use of contract staff by the back door. However, as noted in the other two stories, a detailed corporate brief was issued on the share price situation in March, which appeared to quell concerns about that topic.

As in Engineering there was concern about the latest pay negotiations, with newspaper stories about Director remuneration adding to discontent. The pay award for administrative and industrial staff was resolved in February.

Workload

Workload remained a concern for the diarists who still felt they had little time to walk the job. Remaining problems with Connections did not help. Workload also increased for Installations with the additional work that had to be done for the competitive 100Kw market by the end of March. This was completed on time though.

New Values and Behaviours

As in the other two divisions, the change manager started work on the new values and behaviours. They were to be launched at the Metering Action Plan Event on 28 April 1994. They were then be cascaded through workshops and other communication exercises, with finally the production of a booklet in November / December.

The End of the First Year of Change: March 1994

By the end of the first year of change the new diarists, Data Foremen and Installations Foremen and Engineers, were taking the place of the middle managers as diarists. They submitted diaries for March, April and May, before a move was made to forums as in the Distribution Management Division. Like their predecessors, they were of the opinion that Metering were ahead of Engineering in terms of customer service, as they had worked directly with customers or years. They also personally exhibited a good understanding of the need for change. For example, one said:

“I understand the purposes and aims of the changes being undertaken as being the means to enable the Distribution Division to be an autonomous, free standing profitable business which can successfully beat off the competition and continue to provide a good service, give good returns to the shareholders and show profit growth.”

Other staff reactions and level of understanding was not felt to be so good with some staff still believing the changes were all about staff and salary reductions.

In terms of the reaction to the changes, it appeared to be mixed. One diarist thought 33% of staff were interested and 66% apathetic / resistant. On the other hand, from Installations in particular, comments were made about good commitment and liaison between staff determined to keep the "show on the road". Also in Data, there were comments about staff showing willingness to be more flexible in advance of the introduction of flexible working:

“Several staff are becoming more flexible in their approach to work, but at the moment this is limited because we do not yet know to what extent they will be expected to work flexibly. Some staff are working from home but still have to report to base to hand in and pick up work.”

and

“At the moment it would seem the ratio of staff to the amount of work is wrong. Staff have been released on exit but the workload has increased putting more pressure on the whole work force. The only reason the work is getting done is that some staff are working flexibly even though they are under no obligation to do so.”

In Data, there were still a lot of questions been asked about the flexible working package. Would staff have to work Saturdays? How would they be supervised? And so on.

The new diarists seemed to share their predecessors feelings about the inter-divisional issues:

“The new Connections staff appear to be untrained and as a result do not appear to understand their duties and responsibilities. This is resulting in frustration. Similarly Engineering staff who have been allocated new duties will not always accept this work. This has lead to increased telephone traffic, additional work and frustration for those working in Metering.”

The uncertainty being experienced by the staff was summarised by one of the new diarists at a briefing meeting arranged for them at the beginning of March. He said “are they intending to employ or deploy, staff want to know what sort of future they’ve got ... 2 years or 3 years?” They were referring to the fact that with uncertainties about future job prospects, staff were finding it difficult to plan their future.

The new diarists were also concerned about whether there would be any response to the issues they raised in the diary system. One pointed out that there had not been much response to issues raised so far. Some of the inter-divisional issues had been raised almost from the start and still had not been resolved. The change manager was expecting a response as he had presented a summary of the points from the last diarist’s feedback meeting in January to the senior managers in February, and one of the branch manager’s had taken on responsibility for the outstanding problems.

A REVIEW OF PROGRESS: MAY 1994

At the final interviews in May for the original diarists, all the diarists felt that the Division had achieved a lot over the last year and that the formation of the teams in the Division had gone well. For example, the change manager commented:

“I think the forming of the actual divisions, the forming of the team, I am not suggesting for one minute the team is working to its best ability, but Metering Division in a sense didn't exist up until 12 months ago. Okay I know it is made up of existing departments but to bring them together and getting them to work together, I think is one of the major achievements over the last 12 months. As well as the team aspect the appointment of staff into the right places, the sort of transitional arrangements and activity we went through and obviously the exits went well, I don't know if you can describe that as something went well but ... we met.. I think out of 75 targets, I think we met I think we under achieved on 16, so for a new division pulling together that is not bad going.”

Other diarists commented:

“What has gone really well, I think one of the important things was the structures, and the managers certainly in Installations. There has been a tremendous spirit of co-operation between us all, we have all got on as a big team really and if either one of us has been in the mire for whatever reason you can always get advice and help, so that went really well from the time of the appointments really, and that is probably one of the most important things, the management appointments as far as I was concerned were very good appointments.”

“Overall we should remember that things have gone very well in metering, we have made tremendous headway, we've taken the staff with us all the way, and that has been a tremendous success.”

“We will have achieved a hell of a lot... far more than we ever thought we would”

The diarists also believed that the staff commitment had been important:

“I think, at the end of the day, over the last 12 months, the thing that has gone really well has been the co-operation and the commitment of the staff within Metering, I think without that I don't think we'd have got where we have got to.”

“some of the other appointments, particularly talking about my own patch, supervisors and other engineers and the support I get from them, and once again the team work that we have developed between us and particularly two of the foremen have worked really really desperately hard over the last 12 months which is a good thing, because when you have got a section of.. when I started it was about 80, you need that commitment from a supervisory team otherwise you haven't got a chance at all, and certainly that was a good thing.”

Generally, as in Engineering, empowerment was thought to have been disappointing. Some decisions still had to be referred upwards to more senior managers, the profit centres were not acting as real profit centres because “we are on notional income”, and expense claims still had to be signed off by branch managers. One diarist commented:

“I think we still ... do have a blame culture. I think there seems to be an insecurity all the way up the management ladder. Again, I’ve been in the industry long enough to remember when .. managers at all levels were reasonably secure in their jobs, and were able to make decisions and live with the consequences whatever they were ... and I think now that there is more edgy management throughout the company, and when things go wrong you feel that edginess Perhaps that will wear off as we develop as an individual group.”

The continued use of old control systems, such as key performance indicators, was also tied into the empowerment issue:

“I think the major frustration ... one thing that really gets up my nose is ... we provide lots of management information, back up through the ladder, through things such as KPI reports, comments on the KPI variants, the monthly reports, staff changes, exits, major changes in the section. And you provide all those in a formal manner, and I am convinced that nobody ever reads them, because whenever an issue comes up that concerns any of them, the question is always asked specifically, no-one ever looks back at the reports ... it’s a minor irritation, but in terms of ... we shouldn’t be tied up with all these bureaucratic systems.”

There was agreement that the biggest problems had been the non-resolution of the interface issues and prolonged business as usual. Most diarists thought this was to do with the lack of transition management to oversee the transition period:

“I think they’ve got the broad principles right, and I think the outcome is spot on, I like that, but they didn’t get down to enough detail..... They closed the room up, when everybody had finished, and just hoped it was all going to work out, and they probably needed some form of over view team, to pull it all together and iron out the wrinkles.....”

“I think they ought to have put some goal posts in as per the review group brief, as to where we were going, and put a timescale on an action plan in how we were going to get there.”

THE SECOND YEAR OF CHANGE: APRIL TO JUNE 1994

The April team brief thanked staff for their hard work over the last year and informed staff that the Division had performed well against the plans in terms of income and cost control. The Distribution business plan was launched on 12 April at the strategic conference, and Metering's business plans on 18 April with the Divisional action plan launch for management staff on 28 April as planned.

The subsequent action plan launches for non-managerial staff in May and the accompanying Distribution video were reported to go down well with staff. In the main staff thought the briefing of information was good. The change manager was also of the opinion that the communications were improving. At his final interview he commented:

“I think, as far as communications are concerned the 1993/94 action plan launch was the first time we got people together, and the action plan launch again this year is of similar style, we bring every supervisor in and we tell them what we have done well and what we are doing next year. The delivery is not good, the idea is right, the idea that we communicate is right..”

Work was started in April to relocate the Metering "Head Office" staff to the new office. It was seen “as a positive move to reduce costs to the business” according to the change manager. However, the announced move caused “uneasiness” among staff. Administrative staff currently based at offices too far from the new office to be able to travel there on a daily basis, raised concerns about their jobs given the proposed centralisation of most administrative functions. Whereas staff in offices close to the new head office, were not too concerned. Counselling of affected administrative staff was completed by July. Some staff who did not want to relocate moved into another division.

New Working Practices

In April it was known that presentations were to be made to Data Staff regarding the flexible working proposals, and that staff would then be balloted. The change manager understood that the trade unions were recommending acceptance. He was adamant that the flexible working proposals had to go through, because otherwise it would not be possible “to make the phased manpower reductions as anticipated ... costs for meter reading will remain high”.

The change manager was unhappy on the slow progress on flexible working. By May he felt that although the original intention had been to implement it in February / March, implementation was not likely before July given the problems with negotiations. However,

the briefing of the foremen and shop stewards staff took place at the beginning of May, with the briefing of administrative and industrial staff a week later. The Director headed the briefing and was described by the change manager as “absolutely brilliant” at the two non-supervisory industrial staff briefings, spending at least an hour on his feet answering questions at each session.

All staff were also issued with a document summarising the flexible working proposals. It explained the options considered and the background, the objectives of the changes, the impact on the different groups of staff, and exactly what the proposed changes meant in terms of changed working practices. Following the briefing, staff were balloted at the end of May on whether they were prepared to accept the package. The staff voted to do so, but only by a narrow margin. This surprised the change manager, and made him think that perhaps the industrial staff did not realise how important it was they changed to meet the new competitive environment. And that if they did not they could all lose their jobs.

This was not the end of the briefings, however, as there were two groups of staff among the non-supervisory staff, and the current negotiations and agreement only covered the less senior, although the biggest group. Thus the briefing and the vote of the more senior group on their package was not until August. Meanwhile, the more senior staff were reported to be unhappy that their ‘fate’ was in the hands of their more junior colleagues, since their package could be affected by the outcome of the vote at this level.

Until the briefing of staff had taken place, diarists continued to report much uncertainty and rumour about flexible working. There was also a feeling that staff would have liked more involvement on the working parties rather than just managers, shop stewards and foreman.

The walk order system went live in April, but not without problems and only part of the system could be used when it was first implemented. This generated some frustration. However, the problems were sorted out. There were also concerns among the diarists that not enough update information was given out on new working practices:

“work management system, what we are doing with walk order, what we are doing about hand over terminals somewhere along the line we are not getting informed, these dates keep getting thrown at you ... how are we doing, is it working, is it not working, have we started?”

The Implementation of Flexible Working

Following the “yes” vote on the flexible working package, implementation started at the beginning of June in one zone, with the other zones also starting to work flexibly by the

end of June. Some resistance was reported, with some staff members saying they would not do it. However, it seemed that even the staff members that were against it were gradually accepting it. The zone that had been running flexible working for 4 weeks by July at the second and last change forum, felt things were going well with all their staff “up and running”. The foremen were supporting the staff on a voluntary basis, by providing home numbers on which they could be contacted in the evenings and at the weekends if staff should encounter a problem when working outside office hours.

New Values and Behaviours

The values and behaviours were to have been discussed with the Director and branch managers on the 18 April at the strategic conference and launched at the middle managers action plan launch at the end of April. Due to the amount of time spent discussing other issues at the strategic conference, this did not happen. However, there was time to brief the senior managers on what they should say about values and behaviours to their staff at the action plan launches. The change manager then arranged a special values and behaviours workshop for not just the branch managers, but also the middle managers at the end of June. This took place as planned.

Contracts

Come May, diarists were confused about whether contracts were in place or not. They had been told shadow contracts would be in place from 1 April 1994, but were assuming that they were not in place since they had not been told that they were working to contracts. Thus business as usual continued along with the staff frustration it caused. It was commented that some work staff felt should have been picked up by the other divisions, was only getting done due to “staff goodwill”.

The ongoing business as usual created despondency among Installations staff. One diarist said in July:

“We were led to believe that on April 1st 1994 we would ghost the contracts, and then on April 1st 1995 we would run them properly, and on April 1st 1994 what we find is we are ghosting the contracts but nobody else understands it, so it is business as usual nobody seems to know what should be done and who should do it.”

When asked to give examples, the frustration among the installations diarists became clear:

“We are still the bucket ... we take on this work because we know if we don't take it on it is going to come back right up to the Director and down the line again because it is a typical example of Engineering, we are right Metering are wrong, and that is one thing

that does frustrate us, knowing that we always have been customer orientated, we know what service to provide and know what service to give.”

“That is the main issue, basically an interface issue, the issue is that we have had commercial backgrounds, we already have some understanding of the commercial relationship between a customer and supplier, and with the greatest of respect to them, the majority of our engineering colleagues have not got that background

In particular, the contracts did not relieve the negative feelings among staff in Metering about Connections. For example:

“Probably where our staff feel badly done to is because they are having to change a lot when they see other people not really changing a great deal. Why are we being victimised? But the other thing is that we are going forward and it is still business as usual really, Connections are staying where they were, still wanting us to do the work we have always done”

“Metering staff are well briefed on what we should or should not be doing under the "sleeping contracts". However, Engineering and the Distribution Management Divisions do not seem so well briefed or are "trying it on". A formal presentation of the contracts would clear up a lot of grey areas. Staff are disappointed that the contracts were not up and running by 1 April 1994.”

Staff Exits

The April team brief expanded on the exit information. It was thought about 90 staff would be given the opportunity to exit the company, most at the end of March 1995, as a result of the working practice changes. Discussions were underway with the trade unions on the package, but it was not to be that different from the package on offer in 1993. Meanwhile during April, diarists commented that “staff who, either for health or age reasons, are hoping to be included in the exit packages are becoming frustrated by the lack of decision as to their opportunities”. There were rumours that exit payments would be increased as in Engineering. Further, in April, large reductions in the workforce of an associated company were fuelling concerns over manpower levels.

The details of Exit '94, in terms of package and who could apply for it, was announced in May. By the end of the exits resulting from the introduction of flexible working and the centralisation of administrative work, the Division would shrink in size between July 1994 and April 1995 by 190 staff reducing staff numbers from about 750 to around 560.

Diary System

Metering moved to change forums at the end of May. However, the concerns about the lack of response to the issues raised by the diaries continued. The April team brief did say

comments on flexible working, centralisation, exits and inter-divisional issues had been “personally taken on board to action” by the management team. The Financial branch manager had in fact written a report following the March diary report highlighting issues to be actioned by the senior management team. The April team brief also briefed the information on exits. Staff were then informed of the details of flexible working in May once negotiations with the unions were complete. The May team brief also told staff that meetings were being held to resolve the shift technician issues, the Connections problems and Supply Division issues.

Come the last forum attended by the researcher at the beginning of July, the diarists were still saying things that had been raised in the diary since the start of the system to do with interface issues still had not been resolved. One diarist said the following in July:

“I know things are happening, but it hasn't been briefed down ... if you just say yes we are having meetings, these issues are being sorted, we haven't sorted them but they are being looked at, that is one thing that we do fail on ... it is just regular updates, that all the staff want.”

However, the Installations Branch Manager did want to start attending the change forums to hear what staff had to say. The change manager saw this as a positive sign, commenting in May that, “Cranfield is taken more seriously now than it was when it first came out it has been forced more by the director”.

THE END OF THE RESEARCH: JULY 1994

Come the end of July things appeared to be going well in Metering. The needed changes to working practices were being implemented, and staff were responding well. The new work management system, which would ease things considerably for Installations was on target for implementation in the Autumn. As in Engineering, the outstanding issues were primarily to do with culture change. On the one hand the diarists felt they were already more customer oriented than Engineering. On the other hand, there were still concerns that empowerment at the profit centre level had not happened for the team leaders, and that the predominant culture in the Division remained more of a control culture.

APPENDIX 1 - DIARY QUESTIONS AND DATA

APPENDIX 1A - DIARY QUESTIONS

Diaries were organised so that each diarist had their own printed diary. The diary was organised into fortnightly sections (later amended to monthly sections). At the front of each section was a sheet detailing the time period for which this diary section was applicable, and the date on which this diary section should be completed and faxed to the researcher.

The 5 unstructured questions in each diary section were as follows:

1. What aspects of the change process are going well and why?
2. What aspects of the change process are going badly and why?
3. What problems are you encountering / do you foresee and why? What is being done to overcome these problems?
4. What events of significance, expected or unexpected, have occurred? Are there any other general comments you would like to make?
5. What are the rumours or stories currently circulating about the change process?

Each question was printed on a separate page. The participants were encouraged to write as much or as little as they liked, adding in extra pages if necessary. They were also encouraged to put in things that may not be relevant rather than miss things out.

APPENDIX 1B - SAMPLE DIARY DATA

6 September - 17 September

1. What aspects of the change process are going well and why?

Liaison is increasing between sections within the Division. This may be due to the realisation of the importance of interfaces and not duplicating work/effort.

Sections appear to be 'settling down' now that appointments are made and uncertainty lessened.

2. What aspects of the change process are going badly and why?

Relationship between us and Engineering is still poor - perception is that it is Engineering management that is putting up the barriers.

There is a feeling in Engineering that contracts should be in place, nothing should be done unless there is an income stream resulting and arrangements under the "business as usual" agreement should be ceasing - an example of this is the reluctance to take responsibility for the collection and reporting of customer service standard data. (See next page)

3. What problems are you encountering/do you foresee with the change process and why? What is being done to overcome these problems?

(see previous page)

Our team liaising with staff as much as possible to ensure problems at the interface are reduced. The reluctance to take responsibility for the customer service standards is now lessening as a result of several meetings.

4. What events of significance, expected or unexpected, have occurred? Why are these events significant? Are there any other general comments you would like to make?

Press release re. salaries of staff in associated organisation being cut - has unsettled some staff in Distribution. Possibly it will act positively by reinforcing the messages

that we are in a tough world and change/flexibility is essential and nothing can be taken for granted.

5. What are the rumours or stories currently circulating about the change process?

Distribution Management Division not moving to new office until January.

20 September - 1 October

1. What aspects of the change process are going well and why?

Our Action Plan Launch brought branch together and increased knowledge of each section within the branch. Clarified objectives and aims for the next year.

The Director and our Branch Manager performed very well and perceptions of them by some staff who had little previous chance of seeing them in action were enhanced. The Director especially came across as honest, open and totally committed to the success of the division and Distribution. He also reinforced the message that the Distribution Management Division is there to support Engineering and help it to succeed.

Staff at the action plan launch expressed concern at how total quality would move forward in the Division, when training would occur, etc. This is good because it shows the commitment to TQ still exists amongst some line managers and there is a desire for it to succeed.

The launch also gave the Director a chance to reinforce the importance of the Cranfield diaries and how they are being used / actions resulting.

Due to close liaison and the co-operation of the Distribution Management Division, and other Divisions, the revised customer service standards reporting system is now ready to be implemented.

Team building activities are occurring and seen as important - the vision workshops and action plan launch re-emphasise this and has been appreciated.

Staff seem so committed, enthusiastic and want it to work.

Comment made that it makes a refreshing change for management to be so approachable, visible. They genuinely seem interested in the staff and make a point of speaking.

2. What aspects of the change process are going badly and why?

There is a perception reported (by one person) that action deadlines have been imposed rather than agreed and that tight deadlines have been set without any real appreciation of the issues involved. The view is that if deadlines were more realistic and delayed things would be right first time, rather than being a rushed job. (The person recognised the importance of setting / meeting deadlines, but was unhappy at them being imposed / unrealistic).

Postponement of the Vision Workshop on the 6 October without giving the reason has given out conflicting messages.

Engineering still appear to be negative. View expressed that they may be getting a different message and appear to accept changes grudgingly and are not prepared to help the change along or improve the Distribution Management Division Engineering interface.

3. What problems are you encountering / do you foresee with the change process and why? What is being done to overcome these problems?

Points raised from an inter-divisional meeting:

Need a way of recognising / rewarding the individual, can't keep saying you are lucky to have a job.

View expressed that management "has done all the changes and we're still doing all the work" and "managers don't want to give up the power".

4. What events of significance, expected or unexpected, have occurred? Why are these events significant? Are there any other general comments you would like to make?

Supply Division restructuring - staff unsettled, fear there will be major changes in Distribution again very shortly (i.e. within the next twelve months). Some seem to see future restructuring as positive and necessary, whilst for others it appears to be reinforcing their view that there is no point in improving things because it will all be revised again shortly. (Views expressed by individual staff at an inter-divisional meeting).

- 5. What are the rumours or stories currently circulating about the change process?**

APPENDIX 2 - INTERVIEW PROTOCOL FOR FINAL INTERVIEWS

APPENDIX 2A - PHASE II DATA COLLECTION INTERVIEW PROTOCOL

The interview protocol was as follows:

1. Before interview *check that there is a complete set of obstructing and facilitating process cards* and put them into numeric order.
2. Explain purpose and use of cards, and meaning of terminology obstructing and facilitating processes.
3. Do facilitating processes first. Ask interviewee to do following:
 - Comment on main processes, events, activities that they think have been effective to date
 - Go through cards and reject any processes they do not think helped and say why.
 - Rank the cards by effectiveness:
first those most effective;
then those least effective;
then those that fall in the middle.

For each card explain ranking

 - Consider if there are any missing processes.
 - Comment on any other way cards could be sorted and do suggested sorts.
4. Repeat above for obstructing processes asking for ranking on degree of obstruction caused.
5. *Ensure interviewee explains what they are doing as they go through the cards to ensure that it is clear on the tape which card they are talking about.*

APPENDIX 2B - PHASE II DATA COLLECTION SHEETS

INTERVIEWEE:

DATE:.....

Facilitating Processes (1)

1. Which facilitating processes do you think have been / are being most effective in helping to create change?

2. Looking through the cards, which facilitating processes there do you not perceive as such?

INTERVIEWEE:

Facilitating Processes (2)

3a. Ranking of Facilitating Processes and why.

Very Effective

Effective

Not very Effective

3b. What could be done / have been done to make the less effective processes more effective?

INTERVIEWEE:

Facilitating Processes (3)

4. (Post sort). Can you know think of any facilitating processes that are missing?

5. Can you think of any way other than ranking to sort the facilitating processes?

INTERVIEWEE:

Obstructing Processes (1)

1. Which obstructing processes do you think have been / are being most problematic in preventing change occurring / hampering the process of change?

2. Looking through the cards, which obstructing processes there do you not perceive as such?

INTERVIEWEE:

Obstructing Processes (2)

3a. Ranking of Obstructing Processes and why.

Very Obstructive

Obstructive

Not very Obstructive

3b. What could be done to reduce the most obstructive processes?

INTERVIEWEE:

Obstructing Processes (3)

4. (Post sort). Can you know think of any obstructing processes that are missing?

5. Can you think of any way other than ranking to sort the obstructing processes?

APPENDIX 3 - WORKED EXAMPLES OF PHASE II DATA ANALYSIS

APPENDIX 3 - WORKED EXAMPLES OF PHASE II DATA ANALYSIS

As explained in the text, Phase II data analysis used weighted averages to calculate the overall effectiveness / obstructiveness of a process by Division. This appendix gives some worked examples using the Core Division Data (subsequently referred to in the change stories as the Distribution Management Division). The following table (Table 1) shows a subset of the Core Division facilitating process cards. In the Core Division eight diarists and the change manager were interviewed.

Table 1

	1	2	3	4	5	6	7	8	9
Launch Communications	3	3	3	3	3	3	3	3	3
Staff Attitudes	1	3	3	3	3	3	3	2	3
One-off Communications	2	3	2	3	3	2	1	3	2
Appointments New Structure	1	1	2	0	2	3	0	3	2
Redundancies	1	0	2	2	0	3	0	1	3
Empowerment	1	0	2	0	0	0	0	0	0
Removal Flexi-Time	0	0	0	0	0	0	0	0	0

The number by each facilitating process for each diarist depicts the ranking given to the process by the diarist. A 3 means the diarist ranked the process as very effective; a 2 means the diarist perceived the process to be effective, but not very effective; a 1 means the diarist perceived the process to be only marginally effective; and a zero means that the diarist rejected the process believing it not to have helped to facilitate change.

Thus launch communication interventions were overall perceived to be very effective by all diarists. There was less consensus on staff attitudes with one diarist believing them to only have been effective and another seeing them as only marginally effective. Of course, the explanation for these rankings is given in the verbal descriptions and not shown here, as this is only to demonstrate how the overall rankings of the processes by division were calculated. By contrast, the bottom two processes, empowerment and the removal of flexi-time were overall not perceived to have been helpful. Empowerment was rejected by all but two diarists as in general it was thought not to have happened. All diarists rejected the removal of flexi-time as a facilitating process.

To calculate the overall ranking of a process for the core division, the individual diarist's rankings were added together and divided by 9 to obtain a weighted average:

$$\text{Launch Communications} = (9 * 3) / 9 = 3$$

$$\text{Staff Attitudes} = (7 * 3 + 1 * 2 + 1 * 1) / 9 = 2.67$$

$$\text{One-off Communications} = (4 * 3 + 4 * 2 + 1 * 1) / 9 = 2.33$$

$$\text{Appointments new Structure} = (2 * 3 + 3 * 2 + 2 * 1 + 2 * 0) / 9 = 1.56$$

$$\text{Redundancies} = (2 * 3 + 2 * 2 + 2 * 1 + 3 * 0) / 9 = 1.33$$

$$\text{Empowerment} = (1 * 2 + 1 * 1 + 7 * 0) = 0.33$$

$$\text{Removal of Flexi-time} = (9 * 0) / 9 = 0$$

The same process was repeated for obstructing processes. Except here a process was given a three for each diarist ranking it as very obstructive, a 2 for each diarist ranking it as just obstructive, a 1 for each diarist ranking it as not really a problem, and a zero for each diarist rejecting it as an obstruction.

Appendices 4 to 6 provide complete details of the facilitating and obstructing process cards used during the interviews, their rankings and explanations for the rankings, for each of the three new divisions. These appendices are for use in subsequent analysis with the change stories, as until the stories of change have been told, the processes will make little sense to the reader.

Note that diarists were not asked to rank facilitating processes rejected as obstructing processes, nor obstructing processes rejected as facilitating processes. Instead the cards were designed to reflect opposite positions when they occurred. For example, the facilitating processes included business as usual, the removal of flexi-time, and transitional management. The obstructing processes included prolonged business as usual, the erosion of flexi-time, and poor inter-divisional problem resolution. Since the story of change has not been told yet these processes may be difficult to follow. Basically, business as usual was the term used to describe the continuation by staff of what they used to do in the old structure alongside their new duties, until someone in the new structure had taken over their old duties. Business as usual was prolonged as change progressed, and diarists started to find it a problem rather than a facilitator.

Thus business as usual was a designed facilitator, but prolonged business as usual an obstructive outcome of the change process. Similarly, the removal of flexi-time was a designed facilitator, but diarists at meetings frequently complained about the way it was being eroded on a departmental basis. Thus erosion of flexi-time was an obstruction.

APPENDIX 4

ANALYSIS OF DISTRIBUTION MANAGEMENT DIVISION

FACILITATING AND OBSTRUCTING PROCESSES

INTRODUCTION

The following summarises the results from the second interviews looking at the effectiveness of the various facilitating processes up to April '94 and the degree of obstruction caused by the obstructing processes up to April '94. The interviews were based on the diarists perceptions. Therefore the results are drawn together by comparing diarists' rankings and explanations. There is no attempt to look for an objective reality, but rather to look for any degree of consistency and explanations as to why this consistency, or differences may exist. The aim is to try and get an insight into for who and why particular processes were very effective / obstructive.

There are six sub appendices within appendix 4:

Appendix 4A: List of Facilitating Process Cards

Appendix 4B: Ranking of Facilitating Processes by Diarists

Appendix 4C: Explanations of Rankings of Facilitating Processes

Appendix 4D: List of Obstructing Process Cards

Appendix 4E: Ranking of Obstructing Processes by Diarists

Appendix 4F: Explanations of Rankings of Obstructing Processes

APPENDIX 4A

FACILITATING PROCESSES CARDS

Communications to Launch Change

- Vision workshops, Distribution video, Action plan launches; Briefing Meetings.

Ongoing Communications

- Team briefing (including progress, action on diaries), action plan launches and reviews.

One-off Communications

- Details on move to new office, telephone directory, staff survey, explanation of share price performance.

Communications prior to April 1993

- Team briefings on review group and its work.

Staff Attitudes

- Commitment, determination to "make it work", willingness to work long hours.

Staff Adaptation

- To evolve their own roles within the new structure, to be more flexible, to accept more responsibility.

Understanding / Awareness of the Need for Change

Divisional Director

- Role in change process, management style and approach, discouragement of old culture, attendance at visions workshops, encouragement of response to staff concerns.

Executive Director

Senior Management Behaviour / Role in Change

Change Management / Change Manager

Diary System

Team Building

- Meetings, social events, one location.

Review Group and its Output

New Structure

- Design and "shape", new roles, responsibilities and relationships.

Relocation to New Office

Plans and Planning

- Action plans, business plans, transition plan.

Re-engineering

- Development of new working practices and procedures, New systems, evolution of departmental ways of working.

Training

- Financial, General, contractual.

Appointments Process

- Briefing meetings, information packs, counselling.

Appointments Completed

- All members of section in place

Appointments to New Structure

Inter-Divisional Co-operation

Transitional Co-ordination / Problem Resolution Mechanisms

- Inter-divisional Directors Meetings, inter-divisional senior managers quarterly meetings, office move communications team, ad-hoc inter-divisional meetings to resolve problems.

External Influences

- Distribution Price Review, competitive environment.

Erosion of Flexi-time for some staff

Empowerment

- Of staff as part of move to new culture.

Business as Usual

Total Quality

- Training, Quality Teams.

Contracts

- Writing, User Guides / Training, Implementation.

Controls / Measurement

- Team brief audit, action reports.

Redundancies

- Reduced number of staff, 58+ exit policy, Transition '93, exit packages.

Staff Profile

- Calibre, responsiveness and adaptability.

**APPENDIX 4B
RANKING OF FACILITATING PROCESSES BY DIARISTS**

	DIARISTS									TOTAL	MEAN
	1	2	3	4	5	6	7	8	9		
Launch Communications	3	3	3	3	3	3	3	3	3	27	3.00
Staff Attitudes	1	3	3	3	3	3	3	2	3	24	2.67
On-going Communications	3	2	2	3	3	3	2	3	3	24	2.67
Diary System	3	2	2	2	3	2	3	2	3	22	2.44
Staff Adaptation	2	1	3	3	3	2	2	3	2	21	2.33
One-off Communications	2	3	2	3	3	2	1	3	2	21	2.33
Team Building	2	2	2	2	3	3	3	2	2	21	2.33
Relocation	2	3	3	2	3	2	2	3	0	20	2.22
Divisional Director	3	3	2	3	3	0	2	0	3	19	2.11
New Structure	3	2	3	2	2	2	2	2	1	19	2.11
Understanding Need Change	2	2	0	3	2	2	3	3	2	19	2.11
Plans & Planning	3	2	2	1	1	3	3	3	0	18	2.00
External Influences	1	0	3	2	1	3	2	3	3	18	2.00
Change Management	2	2	2	2	0	3	1	2	2	16	1.78
Training	1	3	0	2	2	2	3	0	2	15	1.67
Re-engineering	1	2	3	2	0	3	2	0	2	15	1.67
Review Group Output	2	1	3	1	0	3	0	1	3	14	1.56
Inter-Divisional Co-operation	1	2	3	2	2	0	0	2	2	14	1.56
Appointments New Structure	1	1	2	0	2	3	0	3	2	14	1.56
Appointments Completed	1	2	2	1	2	3	0	0	2	13	1.44
Appointments Process	2	1	2	2	0	3	2	0	0	12	1.33
Redundancies	1	0	2	2	0	3	0	1	3	12	1.33

Transitional Co-ordination	2	2	3	2	1	1	0	0	2	0	0	11	1.22
Controls	2	2	1	2	0	1	0	0	3	2	0	11	1.22
Executive Director	2	2	0	2	1	0	3	2	0	0	0	10	1.11
Senior Managers	2	2	1	2	0	2	2	0	0	1	0	10	1.11
Business As Usual	0	3	0	3	2	0	0	0	3	2	0	10	1.11
Staff Profile	1	0	0	0	2	3	0	2	0	0	0	8	0.89
Total Quality	1	0	3	0	0	2	1	0	0	1	0	8	0.89
Contracts	0	0	1	0	2	1	0	3	0	0	0	7	0.78
Comms Prior to April '93	0	2	0	2	0	0	0	0	1	3	0	6	0.67
Empowerment	1	2	0	2	0	0	0	0	0	0	0	3	0.33
Removal Flexi-Time	0	0	0	0	0	0	0	0	0	0	0	0	0.00

APPENDIX 4C

EXPLANATIONS FOR RANKING OF FACILITATING PROCESSES

Most Effective Facilitating Processes

Communication

Communications were split into launch, on-going and one-offs for the purposes of the interviews. First, *the launch communications*. When asked to say which things had most helped the change process off the top of their head, most of the diarists replied 'action plan launches' and / or 'vision workshops'. It seemed the types of communication rated highly were the sessions which involved a small number of staff with their senior managers so that the staff could ask questions and get direct answers. However, aspects of the launch communications such as the video were not highly rated.

The sorts of comments made include:

"I certainly learnt a lot from all the effort they put into telling us what it was all about - you see in order to do our job you've got to know what is going on around you, there is perhaps some sections where you can work in isolation, but we've got to know, so perhaps some of this stuff would be background info to some people, but it is vital to us, the structure of sections, everything, we've got to understand to that to do our job ... the reporting structures and everything, so it could be that we understood it better because we had to"

"I think the key issues is, for the first time, in my experience, and it's a long experience, we've actually taken trouble to explain things... taken time out to talk to people"

"I think the vision meetings have helped quite markedly, at least if you point the people in the right direction, shall we say..."

Second, *ongoing communications*. Again, four of the diarists named team briefing as one of the 'off the top of their head' things that had most helped change. It was felt that staff were kept fairly well informed and that this was important.

"I thought the move and everything, the general communications we get are is pretty good, you know, there is a definite effort to let everybody know what is happening"

However, the degree of overall satisfaction with the on-going communication varied. Some felt there was an over-reliance on team briefing as a means of communicating information:

“Over reliance on team briefing as a mechanism of communication - I think there are other mediums of communication which could have helped to actually passed the message on about how things were going on ... a lot of it was trying to come through the team brief, giving too much information, when people weren't necessarily receptive to it. You could actually convert a message of importance, simply and quickly by a poster”

One-off communications on things like move details and the telephone directory were all also seen to be important. Especially since they addressed reported staff concerns:

“That was one item where a suggestion was taken up and it really helped (telephone .. directory) that you actually knew, you just had to look for some body's name, and you looked for what they were doing and found who was working there, up till then it was hopeless”

However, one diarist felt one-off communications were sometimes too late. Two other diarists also ventured negative aspects of the communications. First that the vision had not been reinforced sufficiently after the initial workshops, and second that the positive aspects of the changes were not stressed:

“If I was to comment overall and this is an overall comment, I personally don't see that the positives were brought out sufficiently well in the whole change, now that is a very glib statement but... What would be achieved and all the good things like you will be able to have more responsibility and you have a little bit less bureaucracy, you have fewer people between you and the decision maker, it is difficult to grasp we all staggered away from the first Executive Director presentation and it was all awful, dreadful ... and I think somewhere along the line there was room for a bit of It might have been a bit difficult to pull it together in terms of the good news but it was all negative and in a way we are still sort of struggling under that I think a little bit certainly it wasn't a positive look, we have got all these achievements behind us, having privatised and now we are going to the next stage and this is all the good things ...”

Staff Attitude

Staff attitudes was another thing some diarists named of the top of their head as helpful. In general it was felt that without the positive attitudes of the staff and their determination to make the changes work, the change process would not have happened: “we would have Sunk”, things would have “ground to a halt”.

Some diarists felt that the staff attitudes had been particularly important given the confusion over the review group output and the way staff had had to come to terms with and accepted the need for them to get involved in the development of their own jobs roles and responsibilities:

“Staff Attitudes - that's got to be up there. The one thing I will say is the majority of staff have been, that I have dealt with, really have tried to make things work,

whether it is because they think they are saving the Division I don't know, and I want to keep it that way, but I am feeling that they are happy to be within the division and because of that, and they recognise the way we want to work they are willing to put the time, effort and the commitment into it.”

“An all round desire to make it work I think people have struggled with their jobs, they came into this situation, totally in the dark, certainly we thought the review group would hand over something that worked, this is it, this is how it works, but we didn't inherit any of that, we inherited a sort of concept and we were going to make it work, and it took a few months to realise that's what had happened, or a few weeks”

One diarist was less sure about staff attitudes as an effective facilitator. This was because he thought that as yet people had undertaken very little change. They had moved locations and under taken new responsibilities but that was about all.

Diary System

The diary system was counted as helpful for two reasons. First because it contributed to communication, and second because it marked a change in approach to staff:

“this is helping, it was never heard of two years ago, it was never heard of a year ago probably”

“I have to say that it has contributed, it is very, revolutionary type stuff for us”

“extremely useful, I mean we've never been able to talk directly to the Director before, it just would never have happened, it would have got filtered at my level of or the level above”

Also, the diaries were seen to have contributed to change management: “that is the nearest we have got to change management I think”. This reflected the change manager's comments that the diary system had been one of the few change management tools. The reservations about the system were that there was not enough feedback about actions taken as a result of the diaries. As far as the Divisional Director was concerned, he admitted to being a little sceptical about the system at its outset, but now thought it had been useful. Although probably more so to management than staff, but then that had been the original intent of the system.

Staff Adaptation

As indicated above, some diarists tied the willingness of staff to adapt and the positive staff attitudes together because of the need for staff to undertake the development of their own roles. “Staff attitudes, the flexibility of the staff I would say was a major issue, it certainly would have hindered it if it hadn't as being as good as it has been..”.

Others felt that staff adaptation could not be rated as very effective as there were some non-managerial staff who had taken a long while to accept the need for change and

had been “reluctant” to come to terms with the new way of operating in the new structure. Some staff had not yet made the move at all. One diarist also felt that adaptation was what was expected of staff on an on-going basis, and to an extent always had been, although the current changes were more fundamental. Thus he did not see adaptation as a major issue for this change.

Team Building

Team building was rated as effective because it was happening. There appeared to be an assumption amongst the diarists that team building and forging team identities was important in change. No-one said well it is happening, but isn't important to change. However, some diarists thought it was slow to occur.

Relocation

Relocation was viewed positively by staff who had relocated to the new offices. It was beneficial for managers to have their staff and most of the Division under one roof. It was then possible to know who was in each team, and within the Division, and to start forging a divisional identity:

“the move to the new office was the single biggest factor in team building as you knew who was in your team and in the Division, which you didn't before, so I am not saying that team building is not as important, but the social events are not as important as knowing who your team is”

The Director confirmed that although the primary purpose of the move was to get all his Division's staff into one building, for him the move was in part a symbolic gesture with a hidden agenda to take Distribution Management away from head office and reposition it as an operational division.

However, one diarist revealed that not all resistance to the office move had disappeared for those who had lived close to the old office accommodation:

“well obviously that has been very relevant because it has brought together, in our case, the divisional team, personally I am not convinced that it was the most important thing, I agree maybe we should have been sat together, but that might have been achievable by staying where we were, that is an objective comment and we will never know the answer to it, so I didn't see it as the most important thing that happened ... I think in fairness most of it saw it as a sort of a logistical pain because a lot lived out that way”

Further, one of the Control Centre diarists saw it as demotivating for his staff who had yet to move.

Divisional Director.

As with the first interviews in October, yet again the interviews revealed a lot of support for the Director. He was “an excellent leader”, “very approachable and open”, “brilliant”, “a Director that actually cares”, with “an honest style”. The

reservations expressed amongst the praise were that for junior staff and outposted staff at the Control and Call Centres he was not visible enough. In fact, the diarists that did not rank the Director as highly were those that felt he was not visible enough to non-managerial staff.

The Director himself recognised that there was criticism of the fact that he was not visible enough. He also knew that some staff felt he should have made more effort to attend every vision workshop which, given the demands on his time, he had found impossible to do.

New Structure

The diarists all supported the new structure believing it was the right way for the Division and the Distribution business to move:

“New structure, design and shape, no I'm quite impressed with the structure of the Division, we seem to have really built teams about the right sort of areas, the only question then is whether the staffing levels were right.”

Most diarists did not place it on the highly effective pile because of the early confusion about roles and responsibilities:

“That again is the problem with the roles, the responsibilities and the relationships were not done effectively.... But the design and shape was yes, as far as you can tell, so to me it is middle to feeble.”

“I think the design and shape, yes I haven't got a problem with that, I have a bit of a problem with the helpfulness of the responsibilities and relationships because I don't think they were defined the roles, the responsibilities and the relationships were not done effectively”

Understanding of the Need for Change

A couple of the diarists believed that amongst their staff understanding was not as good as it could be. It was also said that staff did not realise the true extent of the need for change, because they did not really understand just what impact the regulatory review could have on the Distribution business in terms of profitability if the regulator imposed a tough new X factor on them. However, overall the understanding of the need for change was seen by many of the diarists as important in having achieved the changes made to date.

Plans and Planning

The plans had given valuable direction to staff, but were down rated by two diarists. By one because business planning was seen as part of normal management activity rather than part of the change process. Another diarist commented that they were not pushed down the line as they should be to ensure staff buy-in to them. A third diarist

felt the plans did not contain enough detail and for the first year of change lacked ownership.

Most diarists knew nothing about the action plan produced as a result of the first inter-divisional senior manager meeting by the change managers.

Awareness of External Influences

Overall, the awareness of external influences in the Distribution Management Division was not thought to be good. The exceptions were the Control and Call Centres, and two diarists who felt that awareness had to be good in their departments (strategy and finance) for staff to be able to do their work:

“I think what you see depends on where you sit and I have seen a fair amount of the review from where I sit and been very conscious of what is going on and we have been updated and involved to a lesser or greater extent ... we have very clearly been in the sharp end of that and so I have got to have it in my own personal important pile and the same thing with the share price as well, that is a constant source of interest.”

Other diarists believed that by the nature of the work of the Distribution Management Division, staff were less aware of the arrival of competition in comparison to the other two divisions. Whereas because the Control and Call Centres were in close contact with the other two divisions, it was felt that staff there were aware of the impact of external influences. It was also felt that since the “cosh” from the price review had not struck yet, that most staff were not aware of the real impact, or of the potential impact.

Change Management

Diarists believed that the creation of the change management role had been helpful. The change manager had done a good job trying hard to fulfil his role. The change manager himself thought his chief impact had been to have an effect on the Director with change management issues. Some diarists felt more could have been done in terms of change management activity.

Training

Most diarists took a personal view on training basing their ranking on whether they had received the training they needed. One diarist pointed out that “this is a training organisation”. In other words, no exceptional level of training had taken place.

Re-engineering (New Working Practices and Procedures)

Diarists ranking was dependent on how far they had got with developing new working practices in their own department and the importance of it. For example, it was seen as very important in Connections and Quality Assurance where a lot had been done in this area. Other diarists who had started to develop new working practices and procedures saw it as helpful but believed they had a lot more to do.

Review Group Output

Generally it was recognised that without the review group no change would have happened. One of the strengths of the review group was that it had taken people “off-line” to give them the opportunity to think about the future shape of the Distribution business. The review group had “kicked it off”.

However, the output was rated down because of the lack of detail and the false expectations of what the group would deliver. One diarist who had sat on the review group pointed out that the actual output had been very helpful, but that seen by staff and their perception of that output was not so good. This issue is picked up again under major obstructions - lack of detailed review group output.

Inter-Divisional Co-operation

Some diarists had experienced good co-operation, such as finance and the Control Centres, and another diarist described it as “good as could be expected” given the circumstances, but like other diarists thought it depended on the level:

“.... lower down, in the main, we have managed, or we have worked people round or people have been helpful, it's what I anticipated, I didn't expect there to be any more, I would have been a lot more worried if there had been a lot less ... Engineering co-operation definitely could have been more effective”

This theme is picked up again under obstructing processes, inter-divisional tensions.

Appointments (including appointments to the new structure, appointments completed and the appointments process)

In general it was felt that the appointments process in terms of the briefing and counselling had gone well at the more senior levels, but not at the lower levels for engineers and the administrative staff. In particular there were reservations about the counselling for more junior staff:

“appointments process was I thought absolutely appalling - at this sort of level, the volume level, the engineering and administrative level. I was involved with the administrative ones, and you ... well fit them to the needs of the business, don't fit them to the needs of the individual ... I don't think we gave people enough information, I don't even know if we had it, to be quite honest, but I don't think people were given enough information.... I think they were counselled against inadequate information, I think that is what I am getting at... the people at the counselling didn't have the information to give the staff”

Other problems highlighted included the lack of match between posts and individual competencies, counter to what was understood to have been intended by the review group:

“I don't think it was done particularly well ... and I don't think the end result was necessarily good, because there was very little change, basically the same people,

we didn't do a competency match, we just let people go over 58 and appointed the people that were left. At least that is my view.”

Also, there was criticism of the administrative issues. Overall appointments were marked down as it was thought they could have been handled better for some staff members, although all diarists felt the appointments process had played an important role in the changes.

In the Control Centres, appointments to the new structure were seen as effective and the appointments process as ineffective. Basically the appointments process was seen as unhelpful because of the long period of extended uncertainty created for the administrative staff.

Redundancies

Redundancies was ranked high by two diarists who believed that it had made staff aware of the fact that change was here and happening. Most diarists marked it down, (see comments on redundancies under obstructions), although they realised downsizing was a necessary part of the change process.

Transitional Co-ordination / Problem Resolution Mechanisms

The diarists that did rate them highly did so on the basis that the ad-hoc meetings at the team leader level and staff liaison at the lower levels was good. Most diarists could not remember hearing or seeing any output from the senior manager inter-divisional meetings, even though there had been mention of them in the team briefs.

The failure to resolve the inter-divisional issues (see obstructing processes) was a factor in the down grading of the transitional structures that did exist. What transitional co-ordination did exist was seen as insufficient.

For some diarists, the transitional structures were inadequate because they had not really existed:

“I think that is the biggest thing I blamed, I didn't realise and it is this thing that you have got to appreciate that this bit the middle is completely different to either side of it and you have got to make arrangements whatever they may be, and it might be, you either take a dip in performance as a consequence because you have got too few staff trying to do too much, or you accept that you are going to have to over resource it for the final good, to maintain the standards ...”

Controls

The controls imposed to ensure things like team briefing happened were seen as useful, but not anything special. The exception was at the Control and Call Centres, where team briefing was seen as so important, that the enforcement of the process to ensure it happened was therefore also important.

Less Effective Facilitating Processes

Executive Director

He was ranked as effective by those who knew him. The diarist that put him in the very effective pile did so because he remembered him as the harbinger of the bad news about the changes that were to take place. Most felt he was not sufficiently visible.

Senior Managers

'Could do better' was the overall assessment. It was recognised that they had a heavy workload to deal with, but they needed to make more effort to get about the office and talk to staff. However, it was recognised that some senior managers were much better than others. This theme is picked up again under obstructing processes, senior management approach.

Business as Usual

Business as usual was rejected as a facilitating process by many diarists. The two Control Centre diarists thought it was very important as without the continuation of normal working relationships with Engineering they would not have been able to continue to do their work. As one of them said, to initially keep things going, they continued to operate through the old structure rather than the new. The other two diarists that did rank it as effective were diarists that had experienced good co-operation in working with other divisions.

All diarists recognised that business as usual was essential during the transitional period, but thought that 'prolonged business as usual' (see obstructions) had been damaging. People had also got fed-up with hearing the phrase. One diarist went as far to say that business as usual was not a sufficiently good means of management during the transitional period. More was needed. The general response to business as usual was summed up by:

"got in the way really. It was essential .. I think we were misled here or misled ourselves. Business as usual was a way to try to explain that during the transitional period from where we started from to where we wanted to be, things are not going to be like either of those so that is what it was there to mean. I think if we had thought it through a lot more, if we had realised that actually during this interim period we needed all sorts of different controls..."

Staff Profile

Staff Profile was rejected by most diarists on the basis that they disagreed with the idea that the Distribution Management Division had been able to cherry pick and obtained better staff than the other divisions. Cherry picking had occurred in all three divisions. Only one diarist thought the Distribution Management Division had higher calibre staff than the other divisions. Other diarists not rejecting it kept it more because they believed that staff calibre in general had helped.

Total Quality

Total quality was not rated highly as it was felt that not enough emphasis had been placed on using the total quality approach, and the follow-up to the TQ training in terms of quality initiative teams was seen to be slow in coming.

Contracts

The contracts were not ranked highly by most diarists as it was felt that their real impact would not be felt until they were implemented. Those diarists that did rate them as a facilitating process felt that the development work and training had helped raise awareness about the nature of the future working relationships with the other divisions.

Communications Prior to April 1993

The communications prior to April '93 was rejected by all but 3 diarists on the basis that it had in fact been bad enough to create an obstruction because of the knock-on effect in terms of false expectation of the review group output:

“Lack of communication with review group, as to what they were going to produce I think, I think what we should have done, is published the terms of reference, then people would have known what everybody was working to ... they didn't clarify what ... the initial communication was not very good”

Even the Director commented on it “well that was a failure”. Diarists that thought the communications prior to April 1993 were good admitted to having had inside information. Of the 3 diarists that ranked it, two had been involved in some way with the review group and had ‘inside information’.

Empowerment

Empowerment was said to not have happened.

Removal of Flexi-time

Erosion of flexi-time was rejected by all diarists as a facilitating process since it was universally unpopular. “Disastrous” as one interviewee put it. It was viewed as a lack of recognition of how hard staff were working by management. On the other hand, it was not rated as a very obstructive process either (see obstructing processes).

Other Facilitating Processes

The many interventions put in place in Connections to resolve the problems there were seen as very effective by the Connections diarist, but they were, of course, specific to Connections.

APPENDIX 4D

OBSTRUCTING PROCESS CARDS

Poor Inter-Divisional Problem Resolution

- No inter-divisional decision making / co-ordination body, no assigned responsibility for tackling inter-divisional problems, little output from inter-divisional senior managers meeting.

Negative Inter-Divisional Attitudes

- Protection of "turf", resentment of Distribution Management Division, "personality" problems, lack of co-operation, belief that Distribution Management Division is out to get Engineering.

No detailed Review Group output

- Lack of clear - responsibilities within and between divisions, detailed working practices and job roles and descriptions; black holes.

Inadequate Educational Communication early on

- Lack of knowledge of - roles and responsibilities within and between divisions, who to contact for what and where, contract details and working arrangements.

Senior Management Approach

- Lack of MBWA, lack of thanks and recognition to staff for hard work.

Old Culture

- Lack of Openness, control / blame management style, old control systems, staff fears of retribution for comment.

Continued Use of 'Blame / Control' Management Style by some Senior Managers

Workload

Rapid Pace of Change

Redundancies

- 58+ exit policy

Prolonged Operation of Business as Usual

Engineering Inter-Business Barriers

Poor Slow, Decision Making

Insufficient Response to / Action on Staff Problems

Knock on effect of Behaviour of Managers in other Divisions on Distribution Management

- Continuation of blame culture in other Divisions

Implied 'Message' of the New Structure

- Distribution Management Division staff safe, Engineering / Metering staff not so safe and at the mercy of the Distribution Management Division.

Staffing Problems

- Non-release of old staff for new posts until replacements in place, recruitment difficulties, outstanding staff vacancies.

Engineering's Slow Response to Contract Implementation

- Lack of / slow contract training, lack of knowledge on contracts

Negative Rumours / Stories

- Inter-divisional problems, Distribution Management Division seen as "Head Office", exits, etc.

Erosion of Flexi-time

- Way erosion of flexi-time being handled.

Administration Problems with Staff Appointments

- Administrative counselling delayed, lack of details for staff

Poor Staff Perceptions of Counselling

- Staff preferences believed to be ignored, Administrative staff feel neglected, counselling seen as "paying lip service".

Poor Understanding of Rationale of Change

Lack of Change Management Resources

No Change Management Training

Inadequate Informative Communications

- Poor administrative communication, insufficient communication on issues of staff concerns.

Rewards for Staff vs Senior Managers and Directors seen as Inequitable

Early Accommodation Problems

Extended Staff Uncertainty

- Some staff initially not told if they can have exit or not.

Administrative Mistakes

- Poor administration of one workshop.

Poor staff morale

Press Coverage

- Stories in the press

Delayed External Tendering

Late Contracts

Lack of Appropriate Reward Mechanisms for new ways of working

APPENDIX 4E
RANKING OF OBSTRUCTING PROCESSES BY DIARISTS

	DIARISTS									TOTAL	MEAN
	1	2	3	4	5	6	7	8	9		
Poor I-D Problem Resolution	3	3	0	3	3	3	3	3	2	23	2.56
Negative I-D Attitudes	3	2	3	3	3	2	2	2	3	23	2.56
Inadequate Educatnl Comms	3	3	3	3	0	2	3	2	3	22	2.44
Senior Mngmnt Approach	3	3	0	3	2	3	2	3	2	21	2.33
No Detailed Rvw Grp Output	3	3	3	3	2	2	3	0	0	19	2.11
Workload	3	3	0	2	2	0	3	2	3	18	2.00
Old Culture	3	1	0	3	3	2	0	3	3	18	2.00
Use of Old Management Style	3	0	0	3	3	3	0	3	2	17	1.89
Knock-on Effect Other Dvsn	1	1	1	3	0	3	2	3	3	17	1.89
Inter-Business Barriers Engng	3	0	3	3	1	0	2	1	3	16	1.78
Prolonged Business as Usual	2	3	3	0	2	0	2	0	3	15	1.67
Insufficient Respnse Problems	2	3	0	0	3	0	2	3	2	15	1.67
Implied Message of Structure	2	2	1	2	0	3	1	0	3	14	1.56
Rapid Pace of Change	3	3	0	2	2	0	1	0	2	13	1.44
Slow Decision Making	2	0	0	3	3	1	2	2	0	13	1.44
Staffing Problems	2	1	1	2	3	0	2	0	2	13	1.44
Redundancies	2	3	0	2	2	0	3	0	0	12	1.33
Admin Problms Appointments	1	0	1	3	1	0	2	2	2	12	1.33
Senior Management Rewards	1	3	0	0	0	0	3	2	3	12	1.33
Eng.ing Slow Contract Traing	0	2	0	2	3	2	0	2	0	11	1.22
Staff Perceptions Counselling	1	0	1	3	0	1	0	3	2	11	1.22
Negative Rumours	3	0	0	2	2	0	1	1	1	10	1.11

Poor Understanding Change	2	2	3	0	0	0	0	0	0	1	2	10	1.11
Inadequate Informativ Comms	2	2	0	2	0	0	0	0	0	2	2	10	1.11
Lack Appropriate Rewards	2	1	0	1	0	1	0	0	1	2	2	9	1.00
Poor Staff Morale	0	0	0	2	0	2	0	0	0	3	3	8	0.89
Erosion Flexi-Time	1	0	2	2	3	0	0	0	0	0	0	8	0.89
Lack Chng Mngmnt Resource	2	0	0	1	2	0	2	0	2	0	0	7	0.78
No Change Mngmnt Training	0	3	0	0	2	0	0	0	0	2	0	7	0.78
Contracts Late	0	3	0	1	1	0	0	0	0	1	0	6	0.67
Stories in Press	1	1	0	0	0	0	0	0	0	2	1	5	0.56
Early Accommodation Probs	0	1	1	1	1	0	0	0	0	0	0	4	0.44
Extension Staff Uncertainty	2	0	0	1	0	0	0	0	0	0	0	3	0.33
Delayed External Tendering	0	1	0	0	0	0	0	0	1	0	0	2	0.22
Admin Mistakes	0	2	0	0	0	0	0	0	0	0	0	2	0.22

APPENDIX 4F

EXPLANATIONS FOR RANKINGS OF OBSTRUCTING PROCESSES

Most Obstructive Processes

Poor Inter-Divisional Problem Resolution

Most diarists thought some form of inter-divisional problem resolution forum should have been in place from day one. The need for it should not have had to come out from the diary system. Further a senior manager meeting in October did not seem sufficient when managers should have been talking to each other all the time. Instead “Chinese walls” had developed. Even at the time of the interviews it was felt that all decisions were still having to go to Director level to get a sensible answer, and that the principles of operation across some interfaces had not been decided so that the front line managers could actually resolve the associated working processes:

“No I-D decision making..... - I think actually that is a major one, yes, yes because the decisions have to go right to Director level before you get a sensible I think it is more a question of the inter-divisional meetings that are now starting to take place haven't taken place earlier enough, so there is no forum, to raise disputes if you like, call them disputes, and even if there had have been then you are into the authority bit aren't you, so there are things that have gone right up to the Director level before they have been talked about which is absolute nonsense. It is a waste of their time and mine and everybody else's..”

It was also thought that in some areas, such as Connections, the potential areas where work was needed on processes could have been identified by the review group and work started earlier.

(Links into comments above on transitional structures under facilitating processes)

Negative Inter-Divisional Attitudes

Even the finance diarist who had consistently reported good working relationships with the other two divisions rated this as a problem on the basis that he could see that if other people were experiencing this problem it was serious.

Other issues raised included the impact not only on performance standards, but also on the development of new working practices. Which then, again, had a knock on effect on workload. Also that it meant people were less willing to compromise and make decisions about new working practices over the interfaces:

“yes it has also influenced the ability to make - reach agreement where it meant compromise. The major effect to me was the lack of people being prepared to compromise on what they thought was their, what the business was expecting of them .. It was a case of I'll give you something if I get ... I'll take something if you

give me something in return, and that has been quite a lot of our process negotiations”

“and the protection of the turf, I think the control attitude and approach was expected, and welcome to an extent, because that helped to drive the vision in, the same way as the contracts do, but I don't think the resentment was seen in there, or anticipated, I don't think the lack of co-operation was anticipated to the extent that it happened. I mean the lack of problem resolution was talked about it and nothing ever done”

The diarists that put the inter-divisional attitudes in the middle pile rather than the top pile did so because they felt things were starting to improve.

Inadequate Educational Communication

The diarist who rejected this had been on the review group. He rejected it on the basis that he did not think the detail on roles and responsibilities had been there, so it could not be communicated. What had been there had been communicated. The other diarists classified it as a serious problem on the basis of the ‘who does what’ issue which had delayed decisions and made it difficult to know who to involve in discussions and project groups.

Senior Management Approach

Senior managers were still believed to not be visible enough - especially in Control and Call Centres. They did not walk about the office enough and talk to staff - although this was maybe due to their own heavy workload.

There was in general recognition from the diarists that some managers were better than others. The Director acknowledged the criticism he had received for not always been visible.

(Links in to comments on senior managers as facilitating processes above)

Lack of Detailed Output from Review Group

The lack of detailed output was seen to be a major problem, especially when tied to the false expectations of the output from the review group. The story makes it clear that it was believed that poor communications prior to April ‘93 had led people to expect the review group to sort out everything in detail, which it did not have time to do:

“I think people have struggled with their jobs, they came into this situation, totally in the dark, certainly we thought the review group would hand over something that worked, this is it, this is how it works, but we didn't inherit any of that, we inherited a sort of concept and we were going to make it work, and it took a few months to realise that what had happened, or a few weeks ... that we weren't being handed a package as it were, I think a lot of people ... and so you then put people in the situation where they'd really got to determine what their jobs were, before

they could actually go and do them, and it took a while to realise that that was the situation they were in, and I think people are now coming to terms with what is a massive change, and we thought we'd seen it all probably, but that is not the case, it's massive, but within all the chaos there is a genuine desire to make it work within our division”

Some felt that the role the staff had to play in the change process had not been communicated clearly enough:

“I have a feeling they did know but they didn't make that message clear and I think it is critical that message, it is a bit late now, but it was critical that message was made clear simply because of what I said before, we have never done it before ..”

Whilst many felt that the output was not detailed enough, they also recognised that the review group had done a good job given the timescales they were operating within:

“At least the review group, with it being set up and everything else, it took people off-line to think about it and work it through which is far better than a couple of managers suddenly, or a couple of directors suddenly being told oh right you have got to alter things tomorrow and then going "oh right well we will have x y and z..", it was thought through from that way, handled right from that way.....”

Further, the task of completing the design of working procedures was made difficult by the fact that there was little guidance or detail on roles and responsibilities. People did not know ‘who does what’. So the lack of detailed output had a knock on effect on the provision of educational communication, and the workload. As one diarist described the output, “excellent given some slack in the organisation to take time out to do it”.

(Links in to comments above on the review group output as a facilitating process)

Workload

Workload also covers rapid pace of change, although the pace of change was ranked lower, because many diarists felt it was not the pace of change that was a problem, but the workload generated. Workload was considered to be a problem because there were too few resources during the transition period. Keeping the business going, ‘Fire-fighting’ and business as usual, with the resources available, meant that there was little time to work on new working practices as they needed to:

“I think the pace of change has been right, but because of trying to do the business as usual and introduce new things and everything else, and because of the resource problems there has been little time to develop new ways of working

Some diarists thought the workload problems arose because staff numbers had been “driven down prior to processes being changed”. It was suggested that even at the senior manager levels, since they were trying to keep to the business going plus drive

in the changes, that there were resource shortages which resulted in insufficient time for change management issues. Thus decision making also became an issue. It was felt by some that the redundancies had contributed to the problem by letting staff who could have been helpful during the transition go too soon, for others the workload was connected to the pace of change.

Old Culture and 'Blame' Management Style, and Knock-on Effect from other Divisions

The senior management approach, continued use of the old 'blame / control' management style, and the old culture with a lack of openness were, not surprisingly, all inter-linked. Whilst several of the diarists ranked them as major problems they could not all vocalise why. One thought the old head office / area culture could exacerbate inter-divisional issues, another that the entrenched nationalised industry culture was slowing change down amongst staff. Many pointed to what they perceived as a continuation of the 'blame' culture in other divisions.

However, most felt that their Director would not allow a continuation of the blame culture in the Distribution Management Division. The senior managers were criticised for a lack of MBWA and a lack of thanks to staff. Although it was recognised that this may be in part due to the senior managers workload and that some senior managers were better than others. One diarist talked of "one or two awkward men" who found change difficult.

In the main the diarists did not view the senior management approach and culture in the Distribution Management Division as such an issue, they pointed more to other divisions for a continuation of the old management style and culture.

Inter-Business Barriers Engineering

The inter-business barriers within Engineering were perceived as a problem primarily by those diarists who had to deal with Engineering. The problem was that it was felt that the barriers between the businesses made it difficult to get in touch with the right engineers to get the work done.

Prolonged Business as Usual

Business as usual itself was seen as unavoidable initially. However, prolonged business as usual was viewed as an issue because it 'got in the way', 'became a dirty word', people get 'fed up with hearing that particular phrase' has 'driven people mad'. Although the diarists acknowledged that it had been unavoidable, it had become 'a negative'. It had caused bad feeling in Engineering more than the Distribution Management Division, "they see us as keeping all the plum jobs and giving them all the work". Their attitude was described as "why are we still doing this when we've got our own jobs to do".

Insufficient Response to Staff Problems

One diarist described this as a *perceived* issue. At times he could not take action on problems he knew his staff had, because he was awaiting the outcome of other

decisions before he could do anything. The slow response to some diary issues such as the inter-divisional tensions was highlighted. But one of the main issues was the slow response to the Connections problems. Also it was difficult to get a quick decision on anything “that is outside your own sphere”, and involved other departments.

Implied Message of New Structure

This was believed to add to the inter-divisional friction. Being in the Distribution Management Division was seen as the ‘soft option’, even by some of the Distribution Management Division staff, when it should not be:

There was also the issue of perceived threat:

“Well, yeah, I think also though you have to remember that there is a lot more perceived threat in ... well there is more perceived threat, the downsizing has got to happen in those two outfits, a little bit in the Distribution Management Division, but by definition we tried to set this division up in roughly the size and shape we thought as necessary for the foreseeable future .. but we did actually try and set up the Division as was, now there has been a lot of criticism of that from other outfits, we of this well why aren't you downsizing, well we aren't because we tried to build the right size... and there is a perception I think in the other two divisions, that that in some ways means that it is a much softer life in the Distribution Management Division”

However, some of the diarists said that as far as they were concerned, they did not feel any safer than the staff in Engineering.

Slow Decision Making

Some diarists felt they had experienced slow decision making, others did not, or felt that although it had been a problem it was now getting better. Some diarists connected the problem to the workload of the senior managers.

Staffing Problems

The problems mentioned were the non-release of staff to take-up their new positions until their replacements were in place, and the difficulty in filling vacancies. Some sections had no problems. For others, such as Connections, recruitment difficulties had been an issue, since the centralisation had meant that some knowledgeable staff had not relocated, and new staff had to be recruited from elsewhere within the company. One diarist pointed out that in fact the Distribution Management Division had only recently got all of its people in place since some had remained on loan to Engineering.

Redundancies

The 58 plus exit policy in Engineering (50 plus for managerial staff) and the resulting loss of skills and experience was believed to not have helped with the workload and

business as usual, particularly as the resources had disappeared before new procedures were in place:

“I think really the effect of this package was to get rid of.. it was more of a negative effect actually, because it got rid of experienced staff... it gave people an opportunity to get out that we didn't want here apparently, but the difference was or the big downside was the loss of experience.”

It was thought that retaining some of the exiting staff for longer could have provided additional resources to help with the workload during the transition. There was also the issue that possibly a 58+ exit policy was not the right way to go about redundancies. It may have been expedient given the no compulsory redundancy policy in the organisation and the cost of persuading younger people to go, but people with useful experience and skills had gone.

Administration Problems with Staff Appointments

The administration problems with staff appointments were acknowledged to have been a problem at the time, as was the administrative staff's unhappiness with their counselling. But it was felt that staff had got over the problem, although not perhaps forgotten it. Only one diarist felt strongly enough about the issue to rank it as a major issue.

Slow Start to Contract Training in Engineering

Those that ranked it as a problem were in the main *predicting* it would cause problems as contracts were implemented. A lack of knowledge on the contracts in Engineering would make it difficult for the staff to work to them and for the Distribution Management Division staff to manage them.

Poor Staff Perceptions of Counselling

Some diarists thought there had been problems, but they had “been and gone”, people had “got over it”, and it had not had “any lasting effect”. Others that from their experience most of their colleagues had been happy with the counselling process.

Other diarists felt that at the lower levels it had been badly handled. Administrative staff at the Control and Call Centres were very unhappy with the counselling, as although they had been counselled twice, they still had not been told exactly what was to happen to who on centralisation.

Obstructing Processes not really seen as Problems

Negative Rumours

Negative Rumours on the office grapevine were not in general counted as a serious problem, but rather as something that would always occur. They were only perceived to be a problem if a diarist felt they added to staff uncertainty, or if the rumours about the inter-divisional relationships affected staff attitudes adding to the inter-divisional tensions.

Poor Understanding of Need for Change

The understanding of change was rated as a problem by three diarists. One believed it to be a problem because he felt some of the Divisions non-managerial staff did not have a good understanding. Another felt staff were not sufficiently aware of how the regulatory review could impact the business. A third felt some of his administrative staff still did not have a good grasp of the implications for them of the new working environment.

Inadequate Informative Communications

Those diarists ranking this as a problem did so because they perceived the flow of regular information to staff as insufficient.

Lack of Appropriate Rewards for New Ways of Working

Opinions were mixed on this. No diarists saw it as a major problem. One said it would be more of an issue if the staff were not reasonably paid. Another commented that knowing the more senior managers were on performance related pay when he was not could be frustrating.

Poor Staff Morale

Low morale was only a major issue for administrative staff at the Control and Call Centres. They were still in limbo not knowing who had got a job, and what sort of job.

Erosion of Flexi-time

Although the removal of flexi-time was unpopular, only one diarist thought the resentment caused by the erosion of flexi-time was a serious issue (see comments on removal of flexi-time under facilitating processes). Although another two thought it could potentially be a problem.

Lack of Change Management Resources / No Change Management Training

Change management resources and lack of change management training were not generally seen as issues. One diarist felt strongly about the training since he felt it would have put him in a better position to anticipate and understand how staff were going to react. Another thought that it was an issue because in reality little change management had been done. Those diarists that thought change management

resources were an issue, thought the problem lay at the senior management level because they had not had the time to practice any change management.

Contracts Late

Responses to whether or not contracts being implemented late was an issue only illustrated the confusion there still was about the contracts. One diarist said "I wasn't aware they were late". Another, "well they are late", but he did not see it as a problem. The Director said emphatically that the contracts were not late. Another opinion was that the late contracts were 'a God send', because given the workload it would have been impossible to get them in place any earlier. Only one diarist felt strongly about the issue. Although there was not anything that could have been done to speed the contact development up, the fact that the Maintenance and other contracts had not come on line on the fifth of April with the Repairs contract as they were originally supposed to do had left them feeling 'a little in limbo'.

Press Coverage

Stories in the press were not seen as an issue by most diarists. It was thought they had little impact.

Early Accommodation Problems

This had been a short-term problem resolved by the relocation to the new office.

Extension of Staff Uncertainty

The early lack of information on exists for administrative staff was not seen to have caused problems.

Delayed External Tendering

The delayed external tendering was not viewed as an issue, in fact it gave the opportunity for the shadowing of contracts for a year to sort out any problems.

Administration Mistakes

The administration problems with one of the vision workshops, although annoying to the staff concerned, had not caused major problems.

APPENDIX 5

ANALYSIS OF ENGINEERING DIVISION

OBSTRUCTING AND FACILITATING PROCESSES

INTRODUCTION

The following summarises the results from the second interviews looking at the effectiveness of the various facilitating processes up to May '94 and the degree of obstruction caused by the obstructing processes up to May '94. The interviews were based on the diarists perceptions. Therefore, as in the Distribution Management Division, the results are drawn together by comparing diarists' rankings and explanations. There is no attempt to look for an objective reality, but rather to look for any degree of consistency and explanations as to why this consistency, or differences may exist. The aim is to try and get an insight into for who and why particular processes were very effective / obstructive.

There are five sub appendices within appendix 5:

- Appendix 5A: List of Facilitating Process Cards
- Appendix 5B: Ranking of Facilitating Processes by Diarists
- Appendix 5C: Explanations of Rankings of Facilitating Processes
- Appendix 5D: List of Obstructing Process Cards
- Appendix 5E: Ranking of Obstructing Processes by Diarists
- Appendix 5F: Explanations of Rankings of Obstructing Processes

APPENDIX 5A

FACILITATING PROCESSES CARDS

Communications to Launch Change

- Vision workshops; briefing meetings; Distribution video; Briefing Meetings.

Union Co-operation

- New working practices and procedures; Pay deals; Redundancies.

Ongoing Communications

- Team briefing; Ad-hoc briefing of managers by Director; Director and senior manager visits to depots to brief staff / listen to their questions; Special locally organised workshops held for staff by their local managers.

One-off Communications

- Special change management workshops (Nov / Dec 1993); Engineering Business Seminars; Briefing of staff on review of their department; Business Plan Launches (April 94/95); Operating Plan presentations / video; Explanation of share price performance.

Communications prior to April 1993

- Team briefings on review group and its work.

Review Group and its Output

- Information packs.

Divisional Director

- Involvement in briefings and vision workshops; Union negotiations.

Senior Management Behaviour / Role in Change

Executive Director

Change Management / Change Manager

New Structure

- Design and "shape" - 3 Divisions & 3 Engineering businesses; New roles, responsibilities and relationships.

Plans and Planning

- Transition plan; Workshop rationalisation plan; Depot rationalisation plan; Change Plan; Business Plans.

Understanding / Awareness of the Need for Change

- Of new Structure and way of operating; Of Principles of and Rationale behind changes.

Training

- Financial; Devolution; General.

Appointments Process

- Briefing meetings; Counselling; Training on briefing of industrial etc. staff for middle managers; Role played by foremen in counselling industrial staff.

Appointments to the New Structure

- People given positions within the new structure.

External Influences

- Price Review; Competitive environment.

Diary System

Team Building

- Appointments of staff

Inter-Divisional co-operation

- At Senior Manager level; At middle manager level; At lower levels.

Transitional Co-ordination / Problem Resolution Mechanisms

- Inter-divisional Directors Meeting (Oct 1993); Inter-divisional senior manager quarterly meetings; Ad-hoc inter-divisional meetings to resolve problems; Black holes working party.

Empowerment

- Of staff as part of move to new culture.

Business as Usual

Total Quality

- Training - with mini vision workshops; Quality teams

Contracts

- Writing; Training; Implementation.

Threat of External Tendering by Distribution Management Division

Controls / Measurement

- Team brief audit.

Redundancies

- Reduced number of staff; 58+ / 50+ exit policy; Transition '93; Improved exit packages / extension of exit opportunities.

Introduction of New Working Practices

- Devolution; Flexible working; Time-sheets for engineering staff / time recording; Design and Build; Inter-business charging; Records Office performance measurement

Introduction of New Systems

- New Management Information System; Transfer Pricing; Time-sheets / time recording; Job Numbers.

Local Initiatives

Drive for Market Rates of Performance

- Introduction of Productivity Improvements; Oncost / overhead reductions.

Work Location Changes

- Depot Rationalisation; Workshop Rationalisation; Centralisation of Records Office.

New Values and Behaviours

Rewards

- Profit related pay; Start of productivity scheme industrial staff; Pay agreements.

**APPENDIX 5B
RANKING OF FACILITATING PROCESSES BY DIARISTS**

	DIARISTS												NON-PROJECTS			
	1	2	3	4	5	6	7	8	9	10	11	12	ALL DIARISTS TOTAL	DIARISTS TOTAL	MEAN	MEAN
ONGOING COMMUNICATIONS	2	3	2	1	3	2	3	3	2	3	0	2	26	24	2.17	2.40
EXECUTIVE DIRECTOR	3	2	2	3	2	0	3	3	3	1	2	2	26	22	2.17	2.20
ONE-OFF COMMUNICATIONS	3	1	2	3	3	2	2	2	2	3	2	2	27	23	2.25	2.30
PLANS & PLANNING	3	2	3	2	3	3	1	2	3	3	0	0	25	25	2.08	2.50
UNDERSTANDING NEED FOR CHANGE	3	1	0	3	3	3	1	3	3	2	1	2	25	22	2.08	2.20
LAUNCH COMMUNICATIONS	2	0	3	3	2	2	3	3	2	3	0	1	24	23	2.00	2.30
DIARY SYSTEM	0	2	2	3	2	2	2	2	3	3	3	0	24	21	2.00	2.10
CHANGE MANAGEMENT (ER)	0	1	2	2	2	2	1	3	3	1	3	2	22	17	1.83	1.70
NEW STRUCTURE	3	1	3	3	2	1	3	2	3	2	0	0	23	23	1.92	2.30
MARKET RATES OF PERFORMANCE	2	3	0	1	1	2	2	2	3	2	0	3	21	18	1.75	1.80
INTRODUCTION NEW WORKING PRACTICES	0	2	1	1	2	3	2	2	3	3	0	1	20	19	1.67	1.9
TEAM BUILDING	2	3	0	0	2	3	2	1	2	2	3	0	20	17	1.67	1.70
LOCAL INITIATIVES	0	3	0	3	0	3	2	0	3	1	3	0	18	15	1.50	1.50
APPOINTMENTS PROCESS	1	2	1	0	1	2	2	2	3	3	0	0	17	17	1.42	1.70
UNION CO-OPERATION	3	1	2	1	1	2	2	0	2	2	0	0	16	16	1.33	1.60

DIVISIONAL DIRECTOR	0	3	2	1	0	2	3	3	0	0	0	1	15	1.25	14	1.40
WORK LOCATION CHANGES	2	2	2	1	1	2	0	1	3	0	0	1	15	1.25	14	1.40
REVIEW GROUP OUTPUT	0	0	3	2	0	0	3	2	0	3	1	0	14	1.17	13	1.30
TRAINING	0	0	0	3	0	2	2	1	0	3	1	2	14	1.17	11	1.10
INTER-DIVISIONAL CO-OPERATION	2	0	2	3	0	2	0	0	2	0	3	0	14	1.17	11	1.10
TOTAL QUALITY	0	1	0	0	0	2	1	1	3	3	1	1	13	1.08	11	1.10
THREAT EXTERNAL TENDERING	0	1	2	3	0	0	1	2	2	0	1	1	13	1.08	11	1.10
INTRODUCTION NEW SYSTEMS	0	1	0	3	1	0	3	2	0	3	0	0	13	1.08	13	1.30
TRANSITIONAL CO-ORDINATION	0	1	0	2	2	2	1	1	0	2	0	0	11	0.92	11	1.10
EXTERNAL INFLUENCES	3	1	0	2	0	1	2	0	0	0	0	1	10	0.83	9	0.90
CONTRACTS	0	0	0	1	0	3	3	1	0	2	0	0	10	0.83	10	1.00
CONTROLS / MEASUREMENTS	3	0	1	0	0	0	0	1	3	2	0	0	10	0.83	10	1.00
REDUNDANCIES	0	2	1	0	1	2	3	0	0	0	0	0	9	0.75	9	0.90
COMMS PRIOR TO APRIL '93	0	0	0	2	3	0	2	2	0	0	0	0	9	0.75	9	0.90
APPNTMNTS NEW STRUCTURE	2	2	0	1	1	1	0	2	0	0	0	0	9	0.75	9	0.90
VALUES & BEHAVIOURS	0	0	2	1	0	0	1	2	0	3	0	0	9	0.75	9	0.90
SENIOR MANAGEMENT	0	2	0	0	2	2	2	0	0	0	0	0	8	0.67	8	0.80
BUSINESS AS USUAL	0	0	1	2	0	1	0	0	0	0	0	3	7	0.58	4	0.40
REWARDS	0	0	1	0	0	1	1	0	1	1	0	1	6	0.50	5	0.50
EMPOWERMENT	0	0	0	0	1	2	0	0	0	0	0	0	3	0.25	3	0.30

APPENDIX 5C

EXPLANATIONS FOR RANKING OF FACILITATING PROCESSES

Facilitating Processes

The two diarists from the Projects section within Construction consistently ranked processes lower than their colleagues. A quick comparison of the 'all diarists mean ranking' with the 'non-projects diarists mean ranking' in Appendix 5B shows that for most of the facilitating processes the mean is higher when the Projects diarists are not included. This discrepancy in ranking appeared to be due to the projects diarists more pessimistic outlook of the change process. One was in a department still under review, and therefore facing personal on-going uncertainty. Thus the facilitating processes have been listed in order of perceived effectiveness by the mean ranking excluding the projects diarists.

More Effective Facilitating Processes

Communication

Ongoing, launch and one-off communications were all classified as very effective. Although the launch communications did not receive the unanimous support, a 3 from everyone, they received in the Distribution Management Division. The launch communications were slightly different in Engineering, there were no departmental action plan launches throughout the Summer of '93 as well as the vision workshops.

On-going communication. All the diarists supported regular briefing, but showed concerns about the team briefing system. Team briefs could be a bit "long-winded", the division "set too much store" by them, it was like having "all our eggs in one basket". One diarist commented that team briefing was one way, and "certainly at middle manager level you need more interactive communication". It was for reasons such as these that some diarists did not rank the ongoing communication as very effective.

In general the diarists supported the Director's ad-hoc meetings, but did not "see a lot" of Director / senior managers visits to depots. The one diarist that was running regular locally organised communication seminars described them as "invaluable".

One-off Communications also generated a mixed response. The change management workshops appeared to be in general seen as helpful:

"Because they are two way and and you know they are committed, you are not actually delivering a message to someone and saying right go away and do it without saying have you got any problems before you go and do it, and these sessions I think, the benefit of these sessions were that people received feedback."

“The beauty about them, it was middle to senior managers at the workshops, the whole thing ... it was a chance to get away from the office for a day, sit down with a mixture of managers across the piece and discuss not your problems, but the problems of the company.”

Most diarists were also happy with the operating plan presentations. However the concern was that one-off briefings were not frequent enough, nor did they always reach below the managerial level. For example, the November / December change management workshops were not rolled out in most locations. (Reasons for this have already been discussed in the story and are covered in the analysis). There were also concerns that information given was not always detailed enough.

Launch Communications. This was definitely seen as less effective than in the Distribution Management Division. For example, there was not even agreement about the utility of the vision workshops, with some diarists saying they found them valuable and others saying they did not see the value of them. Another concern was that not absolutely everybody received vision workshops. The video received similar sort of criticism to that expressed in the story.

Plans & Planning

Most of the diarists supported the need for planning. The concerns were more to do with the business plans than the plans for the implementation of the changes, due to that inadequate communication of the detail in them.

New Structure

Support for the new structure appeared to be growing. The concept of a structure with three Divisions and three businesses within Engineering received good support:

“The new structure I think is absolutely right, and I think it has given a degree of clarity to what we're supposed to be doing. The new roles and responsibilities and relationships within those three businesses, which is still very vague and very unclear are not been reinforced on a day-to-day basis.”

“I like the concept of Distribution Management business and contractor, because that is how it is out there. And if you're competing with people. Really to know how competitive you are you need to have benchmarks geared around their set up.”

One diarist who had been unsure about the new structure earlier on now thought “the business structure is dead right”. Although one diarist was concerned that there was a lack of support for the new structure below the middle manager level.

Diarists who down graded the new structure did so because of interim problems such as business as usual and a lack of clear transition mechanisms.

Understanding of need for Change

There were concerns about the degree of understanding of the need for change. Opinions varied between diarists who thought there was still a way to go:

“I think that is something that has filtered through gradually. I am still not convinced that we have got through to the floors properly yet ... I can't say that it came through to me overnight, as soon as the review group reported, that everything became clear, it sort of slowly fell into place I won't say they are not on board perhaps just don't understand it as deeply as they ought to perhaps.”

and those who thought understanding was good:

“I think people do now understand the need for change, I think they always have. And principles / rationale behind the changes. I think everybody understands, they don't like it, nobody likes to changebut they understand that to survive certainly we have to.”

The engineers were still believed to be the most resistant group.

Executive Director

The ranking for the Executive Director appeared to be due to his ability to communicate with people:

“The Executive Director is an excellent leader for getting people going and he comes round the office and speaks to people, listens to people and comes again, so he is a good leader in that respect”

“because he is evangelical, in fact he is awesome in his approach and his commitment and his dynamism.”

However, it was suggested that staff believed he was not adequately tackling differences between the three Divisions.

Diary System

The diary system received support on the basis that it helped communication, “They've never had direct feedback before ... it was not done”, and change management, “It's actually the only vehicle of its kind it is the only real piece of - apart from the vision workshops - of change management”

The diarists that rejected it, or rated it as less effective, did so because of the lack of action on the problems reported, particularly in Construction.

Introduction of New Working Practices

Most of the new working practices, such as devolution, inter-business charging, timesheets, were seen as essential. The introduction of these changes were rated down by some diarists because of the implementation issues. For example:

“Yes. I understand the principals of IBT and the need for it and I am quite happy with the philosophy of doing it but the actual practicalities could have been more carefully thought out.”

“the time sheets for engineers, they have not been thought out properly I don’t think, again they have been rushed in, but yes we need to record the times.”

These concerns were reflected in the fact that “poorly developed new systems” was ranked as a major obstruction.

Market Rates of Performance

None of the diarists disagreed with the need to reduce the cost base and improve productivity. Their concerns were to do with implementation issues. There were also concerns about the way the message of ‘market rates of performance’ was been received:

“I think there is still a lot of confusion of what is market performance”

“People are fed-up of hearing about this, they understand that they have got to get there and it is sort of like thrown down their throat”

Divisional Director

There was some strong support for the Divisional Director:

“I think the commitment from people like him, and his enthusiasm has helped, I think he comes across very well”

He was also believed by some to be good at union negotiations. However, there were criticisms with, for example, concern about his management style, “he does get involved in making decisions for the local management that they are quite capable of doing themselves”.

Change Management / Manager

The change manager received a lot of support for his role, but there was also confusion as to exactly what change management should have been which is why one diarist rejected the process.

Team Building

Team building, as in the Distribution Management Division, appeared to be taken for granted as a ‘good thing’. Further, most diarists liked the fact that the new structure provided them with the opportunity to build dedicated teams. Those that did reject it or down grade it seemed to do so because they felt there was still a way to go.

Appointments Process

Only two diarists rated the appointments process as very effective - one of them the Records Office manager who had recently counselled staff on the Records Office centralisation and found the process very useful given adequate time to counsel everyone affected:

“Counselling was excellent, excellent really, a lot of sadness with it but I feel that being able to speak to people individually and getting to know people and what their needs are, for me was a real step forward and established what we are trying to achieve in the Records Office in a stride.”

Most of the diarists marked it down, however, for reasons similar to the problems described in the story: unnecessary to counsel industrial staff and unhappiness amongst staff about the counselling itself.

Union Co-operation

Union co-operation was marked down or rejected by those who were worried by the problems there had been with the engineers union. Others marked it up recognising the extent of co-operation there had been with the unions overall.

Local Initiatives

Local initiatives were only counted as a success by the three or four diarists who had undertaken them. Those diarists that had not undertaken any local initiatives rejected it:

“I couldn’t remember any, so they’ve been few and far between and mainly because managers are so busy delivering what they’ve got to deliver that they haven’t really got a lot of time to take any local initiatives.”

Work Location Changes

There was a mixed reaction to the depot rationalisation and Records Office centralisation. The Records Office diarist thought their centralisation had gone very well, but some of the other diarists were still concerned about the level of service they would get from a centralised Records Office. There were also concerns about the depot rationalisation in terms of what it really achieved and the implementation

Review Group Output

Some people thought the output from the review group had been very helpful. On the other hand, half the diarists rejected this process for reasons to do with lack of detail and poor communication. Such criticisms are given under the obstructing process, “lack of detailed output from the review group”. Although the diarist who had served on the review group remained convinced that the ‘red books’, the briefing packs, on the work of the review group had contained all that people needed to know.

Introduction of New Systems

Those that rated the new systems as very effective, did so on the basis that they perceived the new systems as important for the future success of the division. Managers would be able to get the information they needed to manage, and various types of information, such as the inter-business charging and timesheet information, would be accessible and integrated.

Those that did not rate the new systems as so effective were doing so, as with the new working practices, because of implementation issues, such as the administration overheads in filling in timesheets and entering the data into the system. As with the introduction of new working practices, these concerns are reflected in the ranking of the obstructing process “poorly developed systems” as one of the more problematic obstructions.

Less effective Facilitating Processes

Training

Many of the complaints about training were to do with the lack of contract training, which is picked up again under “contracts”. Basically, complaints about the contract training were to do with a lack of training and training (one-day workshop on the contracts) too far in advance of the issuing of the contracts.

Inter-Divisional Co-operation

Each of the diarists had different experiences of inter-divisional co-operation. Projects and the Records Office diarists were positive about their experiences. Whereas others saw the relationship as improving. For example:

“I think the co-operation is perhaps improving, I think the sheer just the act of splitting us into divisions made people confrontational at first, I don't have many dealings at the interface, but I have a general feeling that that confrontational attitude is disappearing a bit ... it has gone from bad to mediocre, I think it is improving.”

However, some diarists remained very cynical:

“There is little co-operation at senior manager level, and what there is lip service. And at lower levels is this .. there is some outright antagonism in places.”

Total Quality

Some diarists were very pleased with the way Quality Teams were working out. Unfortunately, most of the diarists had concerns about them. Such as whether or not there was sufficient co-ordination between the different, and possibly inter-related, quality teams; the workload it placed on the foremen and remaining cynicism at lower levels.

Threat of External Tendering by the Distribution Management

This was not seen as a driver of change. Some diarists believed they were explaining the implication in a non-threatening way to their staff anyway. Others thought the possibility of external tendering by the Distribution Management was been used as a threat and was therefore a negative.

Transitional Co-ordination

Most of the transition co-ordination mechanisms put in place, such as the quarterly senior manager meetings were perceived to be transparent to the diarists and thus not very effective:

“To be honest with you, inter-divisional Director's meeting, and inter-divisional senior manager meetings, mean absolutely nothing to me. To be honest, if I told my staff that the senior managers were going to a hotel for three days I think it has got to be at that level, but the thing is that that should have been sorted quite a

bit a go, we should be well on the way now, we should have it all clear and defined.”

However, Construction people did appreciate the efforts made by the Distribution Management Division Construction section recently to send someone to talk to them about how the Engineering / Distribution Management relationship was to work.

Similarly the Projects diarists thought that although the formal transitional co-ordination mechanisms had not had a lot of effect, the more ad-hoc attempts at inter-divisional co-ordination between themselves and their colleagues in Distribution Management had been essential for keeping the department operating during the transition.

Contracts

The diarists did not in general rate the contracts as effective as most of them were still waiting for the implementation of their contracts at the time of the interviews. Some had still not seen their contracts. However, the diarists were expecting to resolve some of the issues about “who does what”.

Controls / Measurements

The only new control system that had been put in place was the team brief audit. None of the old control systems had been removed either. Thus this process was not rated as very effective. Particularly since some of the diarists thought the team brief audit was exacerbating the problems with the team briefing:

“It stopped us doing proper team briefings we used to have staff discussions about local issues, and pull highlights. Now we are having to cover everything in case somebody checks a particular bit.”

Redundancies

Redundancies were not a popular intervention. Not because the diarists did not accept the need for reductions in staff numbers, but because of the way redundancies were put in place. The main concern was that the exit policy was an “ageist” policy and not selective, with potential for gaps in experience and skills. The concerns tie in with the ranking of such redundancy issues as an obstruction.

Communications prior to April 1993

Only one diarist thought the communications prior to April ‘93 had been good. As in the Distribution Management Division, most felt the poor communication during the review group caused subsequent problems. Staff had had to absorb and come to terms with vast amounts of information in a short space of time once communication did start. This had slowed down the transition.

Appointments to New Structure

None of the diarists thought much of the appointments to the new structure. The issue again was that the appointments were not selective. The appointments were described as “pigeon holing people” and “jobs for the boys”.

New Values & Behaviours

The values and behaviours did not receive strong support either. Only one diarist was very supportive of them. The other diarists in the main rejected this process on the basis that they had not seen anything of them or heard a lot about them. The comments made by the diarist about the values and behaviours appeared to reflect a degree of cynicism about the likelihood of the implementation of any new values and behaviours.

Senior Management

The senior managers were rated lower on effectiveness, for the same reasons “senior management approach” was rated as an obstruction. Diarists varied in their reasons for their concern about the senior management style, for example, they “seem to say something, but don’t behave in that way.”

Business as Usual

The only diarist supportive of business as usual was one of the Projects diarists who felt that without business as usual, his department could not have continued to function during the transition. Most of the other diarists were very critical of the prolonged operation of business as usual (see obstructing processes), and therefore did not perceive business as usual as an effective transition mechanism. Some thought that it was the wrong transition approach to take, a specific change over period would have been better to prevent the extension of the transition phase, and that the term itself was unhelpful.

Rewards

Some diarists liked the profit related pay, but in general the diarists felt that the lack of new incentives meant that rewards had not been helpful with the change process.

Empowerment

Empowerment was rejected by all but two diarists on the basis that it had not happened. Diarists found the old control systems and authorisation levels frustrating as illustrated in the story. This was also reflected in the rating of obstructing processes, such as old culture and senior management approach. What concerned some diarists was that they felt they now had less power to act off their own initiative.

Other

The main facilitating process that the diarists suggested was missing was the commitment of staff at all levels:

“Middle manager commitment - I must say that has been very good because they have all been working like slaves over the last year or so”

“the willingness of the staff to change. There is nothing here that says, we couldn't have done any of this without the staff. I would say that that is in the middle, it is not a top thing because we've obviously had to force change in, but without the co-operation of the staff we wouldn't be where we are today.”

“I would say at the top of the list would be the willingness of people to change”

The only other additional facilitating process suggested was the retention of some senior, experienced staff due to take exit for an extra few months. It was suggested that the experience of some of the senior exiting staff had helped to sort out problems that had been encountered.

APPENDIX 5D

OBSTRUCTING PROCESSES CARDS

Lack of planning / clear change plans

- Lack of publicity of business plan (until April '94); Lack of publicity of transition plans early on; Lack of well-defined medium to long term plans.

Poor Inter-Divisional Problem Resolution

- No inter-divisional decision making / co-ordination body; No assigned responsibility for tackling inter-divisional problems; Little output from inter-divisional senior manager meetings.

Negative Inter-Divisional Attitudes

- Protection of "turf"; resentment; "Personality" problems; Belief that Distribution Management is out to get Engineering; Lack of co-operation / extension of business as usual.

Implied 'Message' of the New Structure

- Distribution Management staff safe; Engineering / Metering staff not so safe and at the mercy of Distribution Management.

Prolonged Operation of Business as Usual

Engineering Inter-Business Barriers

- Lack of understanding of rationale for / buy-in to new structure; Lack of understanding of operation of new structure; Inter-business disagreements e.g. over equipment; Resentments about differences in overtime levels, working conditions, etc.; Lack of co-operation; "Personality" Problems.

No detailed Review Group output

- Lack of clear responsibilities within and between divisions; detailed working practices; job roles and descriptions; inter-divisional and inter-business operation guide-lines. Black holes.

Inadequate Educational Communication early on

- Lack of knowledge of roles and responsibilities within and between divisions; who to contact for what and where; contract details; working arrangements between Divisions and Engineering Businesses; Review group terminology.

Inadequate Informative Communication

- Confusion over Devolution - who it affects and how; poor publicity of Diary System; Exits e.g. exit 94, terms, who it is for, etc.; Change Progress.

Poor Communication 'Infrastructure'

- Senior managers slow to pass information to middle managers; Lack of face-to-face communication, specific change seminars, etc.; Over-reliance on team-briefing / drip-feeding of information; Lack of communication efforts by middle managers to pass on learning they have acquired to their staff.

Lack of Positive Message of Change

- Message given out "You're lucky to still have job"; No clear vision.

Poor Understanding of Need for / lack of buy in to Change

- Change = redundancies, increased responsibilities and workload for no additional reward; Poor understanding of rationale for new Engineering structure; Lack of visible change at lower levels of division / slow pace of change for industrial staff.

Old Culture

- No empowerment of managers; No move to control at profit centre level; Continued use of old control systems e.g. expenses, authorisation levels, KPI on overtime and overtime restrictions; Blame / Control approach.

Senior Management Approach

- Lack of MBWA / poor visibility; Lack of thanks and recognition to staff; Little evidence of a move to a more honest and open culture; Slow response to diary system; Lack of encouragement of empowerment; Little contact with middle managers; Counteraction of decisions made at local level

Continued Use of old Management Style by Senior Managers

- 'Blame / Control' management style; Little delegation to middle managers; Lack of response to diary reports.

Culturally Inhibited Change at Middle Manager level

- Reluctance to do things differently locally ; Fear of taking initiatives at the middle manager level.

Union Response

- Union reaction to change - mainly engineers e.g. Timesheets and Devolution.

Engineering / union relationship

Rapid Pace of Change

- Difficult to juggle business as usual, forward planning, working practice changes, change management, etc.; No time for consolidation / review.

Workload

- Heavy workload - for all levels of staff; Backlogs of work; Overtime Restrictions; no spare staff to provide cover for holidays, sickness, etc.; Perceived shortage of resources in terms of numbers / experiences; Middle managers working 50 - 60 hour weeks; Continual demand for information; Lack of time for training; Pace of devolution not fast enough / delayed in some sections; staff exits without replacements; Creeping Bureaucracy.

Staffing Problems

- Unfilled vacancies; Difficulties getting administrative support.

Redundancies

- 58+ / 50+ exit policy; Reduced number of staff; Management of exits; Renewed exit efforts - oncosted staff, etc.

Negative Rumours / Stories

- Inter-divisional problems; Distribution Management Division seen as "Head Office"; Work to go to outside contractors; Exits, etc.

Poor Staff Perceptions of Counselling

- Beliefs that personal preferences ignored for managers' preferences; industrial counselling done too quickly; Counselling seen as paying "lip service", a "rubber stamping process", "a bit of a farce", at more junior levels.

Perceived Inequities in Skills / Resources Allocation

- Inappropriate skills / experience levels for section's needs.

No Change Management Training

Rewards for Staff vs Senior Managers and Directors seen as Inequitable

Slow Decision Making / Extended Staff Uncertainty

- Some staff not told if they can have exit or not or when; Time taken to make decisions on depot rationalisation, shift technicians; Continual new reviews of one Engineering section or another; fears about job security; Rumours

Resistance to change

- Devolution engineering; Timesheets; Fear of change & new working practices;
- Fear of inability to cope; Implied messages of changes e.g. Engineering staff given devolution - "their job can be done by anyone"; Older staff vs younger staff.

Staff Attitudes

- Poor staff morale; Lack of trust of senior managers

Press Coverage

- Stories in the press.

Delayed External Tendering for the Distribution Management Division

Late Contracts

Poor / Insufficient Training

- Contracts; New Systems e.g. management information

Stores System

Poorly Developed New Systems

- IBT system; Creeping Bureaucracy.

Poor Management Information

- Problems in Obtaining Accurate Information; Difficult to prepare; Lack of use of information from new systems such as timesheets and IBT.

Lack of consultation / co-ordination

- Some sections introduce new working practices / systems that impact other sections without telling them or consultation.

Rumoured removal of flexi-time

- Briefing of staff in one department that they must be at their desks at 8.30 am despite flexi-time.

Not allowed to tender for external work yet

APPENDIX 5E
RANKING OF OBSTRUCTING PROCESSES

	DIARISTS												NON-PROJECTS DIARISTS			
	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	MEAN	TOTAL	MEAN
OLD MANAGEMENT STYLE	3	3	3	3	3	2	3	2	3	3	2	2	32	2.67	28	2.80
WORKLOAD	3	3	2	3	2	3	3	1	3	3	3	3	32	2.67	26	2.60
PROLONGED BUSINESS AS USUAL	2	3	2	3	3	3	3	3	2	3	3	0	30	2.50	27	2.70
POORLY DEVELOPED NEW SYSTEMS	3	3	3	3	2	3	3	3	3	2	1	1	30	2.50	28	2.80
SENIOR MANAGEMENT APPROACH	3	3	2	3	2	2	3	3	3	3	0	3	30	2.50	27	2.70
OLD CULTURE	3	2	3	3	3	2	1	3	3	3	2	1	29	2.42	26	2.60
INTER-BUSINESS BARRIERS	1	2	3	3	3	3	0	2	2	2	3	2	26	2.17	21	2.10
STAFF ATTITUDES	2	1	3	3	2	1	3	2	2	3	2	2	26	2.17	22	2.20
INADEQUATE INFORMATIVE COMMUNICATIONS	3	2	2	3	3	1	0	3	2	1	2	3	25	2.08	20	2.00
POOR COMMS INFRA-STRUCTRE	3	3	1	3	2	1	0	3	2	2	0	3	23	1.92	20	2.00
NO DETAILED REVIEW GROUP OUTPUT	2	2	3	2	2	2	2	0	0	2	3	3	23	1.92	17	1.70
POOR MI	3	0	1	2	2	3	0	3	3	3	0	2	22	1.83	20	2.00
POOR I-D PROBLEM RESOLUTN	3	0	3	3	3	2	0	3	1	2	0	1	21	1.75	20	2.00
NEGATIVE I-D ATTITUDES	3	2	2	3	3	2	0	2	1	2	0	1	21	1.75	20	2.00
POOR UNDERSTANDING NEED FOR CHANGE	2	0	3	3	2	1	1	2	3	3	0	1	21	1.75	20	2.00
REDUNDANCIES	1	0	0	2	3	3	0	3	0	3	3	2	20	1.67	15	1.50
SLOW DECISION MAKING / PROLONGED UNCERTAINTY RESISTANCE	2	1	2	3	2	2	2	2	0	2	0	2	20	1.67	18	1.80
	2	0	3	3	0	2	2	3	2	3	0	0	20	1.67	20	2.00

LACK OF CONSULTATION / CO-ORDINATION	1	2	3	1	2	2	1	2	1	3	2	0	20	1.67	18	1.80
INADEQUATE EDUCATIONAL COMMUNICATIONS	3	2	0	3	2	2	2	1	1	1	0	2	19	1.58	17	1.70
LACK OF POSITIVE MESSAGE	2	0	0	3	3	0	2	2	0	3	1	3	19	1.58	15	1.50
CULTURALLY INHIBITED MIDDLE MANAGER CHANGE	1	3	2	3	2	0	0	2	0	3	2	1	19	1.58	16	1.60
RAPID PACE OF CHANGE	3	0	3	1	2	0	2	2	0	2	3	1	19	1.58	15	1.50
PERCEIVED INEQUITIES SKILLS ALLOCATIONS	1	0	2	3	2	0	2	2	0	1	3	3	19	1.58	13	1.30
STORES SYSTEM	3	1	1	3	0	3	3	3	0	2	0	0	19	1.58	19	1.90
UNION RESPONSE	1	3	2	3	0	1	2	3	0	3	0	0	18	1.50	18	1.80
ENGINEERING / UNION RELATIONSHIP	1	3	0	3	0	2	3	3	0	2	0	1	18	1.50	17	1.70
LACK OF PLANNING / PLANS	0	0	2	3	1	0	3	2	1	2	1	1	16	1.33	14	1.40
NEGATIVE RUMOURS / STORIES	1	2	0	3	2	2	0	2	0	1	0	2	15	1.25	13	1.3
INSUFFICIENT TRAINING	3	0	1	2	1	3	1	3	0	0	0	1	15	1.25	14	1.40
IMPLIED MESSAGE NEW STRUCTURE	2	1	0	3	2	2	0	1	0	2	0	1	14	1.17	13	1.30
POOR PERCEPTIONS COUNSELLING	1	0	0	3	1	1	3	1	0	2	0	2	14	1.17	12	1.20
PERCEIVED INEQUITIES REWARDS	0	0	0	3	2	1	0	2	3	1	0	0	12	1.00	12	1.20
LATE CONTRACTS	0	0	0	3	1	1	0	3	2	1	0	0	11	0.92	11	1.10
STAFFING PROBLEMS	1	0	0	1	0	0	3	2	0	2	0	0	9	0.75	9	0.90
NO CHANGE MNGMNT TRAINING	3	0	0	2	0	0	1	0	2	1	0	0	9	0.75	9	0.90
PRESS COVERAGE	0	0	1	1	1	0	0	1	2	3	0	0	9	0.75	9	0.90
RUMoured REMOVAL FLEXI-TIME	1	0	0	3	1	0	0	1	0	2	0	0	8	0.67	8	0.80
NO TENDERING EXTERNAL WORK YET	0	0	0	1	1	0	0	0	0	1	0	3	6	0.50	3	0.30
DELAYED EXTERNAL TENDERING	0	0	0	1	0	0	0	0	0	1	0	0	2	0.17	2	0.20

APPENDIX 5F

EXPLANATIONS FOR RANKINGS OF OBSTRUCTING PROCESSES

Obstructing Processes in General

It was less difficult to extract very obstructive processes than it was very effective facilitating processes, since there was more agreement on very obstructive processes than there was on the facilitating processes. As for facilitating processes, the obstructing processes have been listed in order of perceived effectiveness by the mean ranking excluding the projects diarists.

Most Obstructive Processes

Old Management Style

Most of the diarists were concerned about the fact that they felt the senior managers continued to practice the old management style, rather than one consistent with the new espoused culture. The issues of particular concern were the continuation of the 'blame / control management style, and the lack of delegation:

“Continued use of old management style, that’s the thing that’s really demotivating people at managerial level now everybody is worried of holding their head up in case it gets snapped.”

All of the diarists were also concerned about the lack of response to the issues raised via the diary system from their senior managers.

Poorly Developed New Systems

Again there was strong agreement that the poor development of new systems had been a problem. The main issues were the way the IBT system had been implemented; the increased bureaucracy created by new systems such as IBT (despite the move of IBT from a paper based system to an electronic system) and the timesheets.

The diarists were not questioning the need for the new working practices. They fully understood and supported the need for the new inter-business charging and the monitoring of costs via systems such as timesheets. This is shown by the ranking of such interventions in the facilitating processes. The issue was the way these interventions had been implemented and the effects of that on the workload of them and their staff.

Senior Management Approach and Old Culture

The senior management approach and the old culture, and really the continuation of the old management style already discussed, were very much inter-linked by the diarists:

“We’ve still got this blame culture. Yes, lack of delegation, yes, I think a certain lack of thanks and recognition is the main one for me you can get criticised, that is hard to take.”

The main complaints about the senior management approach were the senior managers’ lack of visibility to staff, and their lack of contact with middle managers, although less so in Maintenance. One particular issue about the old culture, was the ‘blame / control’ element, “well we have got a blame culture, even if it was his fault”.

Another particular issue was to do with old control systems and performance measurement:

“But we are battered over performance measures, when really do they really matter all the time for instance, we are in business to make a profit, where does overtime come into it as long as you are making profit.. what we have, we have got a catch 22 situation, we have customer service standards and overtime bans, which you are going to be whacked hardest for breaking, the customer service standards or the overtime. The two do conflict”

All this had an impact on the number of local initiatives managers were prepared to attempt. Although it was also pointed out that there were people at middle manager level, as well as senior managers, who were not prepared to change and were quite happy to proliferate the old way of doing things.

Prolonged Business as Usual

Business as usual created a lot of resentment. It tied into issues of workload. The fact that Engineering were still having to do the duties they used to do, when they were now staffed up to work to contracts with some of their old duties taken on by the Distribution Management Division:

“Business as usual, it was a laugh, really. They created the Distribution Management Division and Engineering ran it, that was my thought of business as usual, but it is getting better now.”

“We were set up as a department, to act as a contractor, to carry out work required by the Distribution Management. As a result of that we exited staff accordingly. The problem of the prolonged business as usual is that our staff were exited and Distribution Management have failed to take on the ... duties they should have done. Structures and numbers are out of sync with where they should be. The result of that is we are getting further and further behind with targets and that’s hitting the workload.”

The engineering diarists wanted to see a definite move away from business as usual, with the Distribution Management Division performing the tasks that Engineering perceived they should be doing. That included resolution of outstanding ‘who does

what' and 'who pays for it' issues. As one diarist put it, "We are sort of running out of the honeymoon period quite rapidly now."

Some thought the phrase 'Business as usual' itself had been unhelpful as people had used it as an excuse for not taking on their new duties. Several diarists expressed a belief that a more definite change over period to new duties had been needed. Especially since one of the effects of business as usual was that some of their internal customers expected them to continue to do the duties they always had done, whereas their managers were telling them they were only supposed to do a certain proportion of those duties as specified by the contracts.

Workload

All bar one of the diarists were concerned about the workload. The one that was not so worried about it took the attitude that it was hard, but had to be coped with. The workload concerns were reflected in a number of ways. First the personal workload, "I am certainly putting 50/60 hours a week in", and second the workload of the diarist's departments. It was the issue of "coping with the workload with reduced numbers". One diarist raised the exit issue saying that his perception was that staff leaving the company had created backlogs of work. Others were concerned about workload on particular groups of staff, such as the administrative staff, which then had an adverse impact on the workload of foremen.

Constant demands for information, from both Engineering senior managers and the Distribution Management Division was not thought to help. Most of the diarists touched on the fact that the problem was that staff were exited before new systems and working practices, and appropriately trained staff, were in place. Thus trying to keep the businesses running at the same time as training staff in new duties was adding to the problem. Some diarists were quite explicit about this cause and effect issue:

"Yes we understand it was necessary but basically we exited the staff before we had changed the systems. What we needed to do was to change the system and the role of staff and then exit staff, but that was just driven by the business so I think that is number 1 really, we are struggling to catch breath all the time because far fewer people are carrying out far more work and at the same time having to train others to do different tasks....."

The other issue was the effect on the management style of the middle managers themselves. They did not have time for "walking the job" and local initiatives. Partly because of the time they had to spend on working parties for new working practices and total quality teams.

Staff Attitudes

Staff attitudes was very much on the border line as to whether it was a more major obstruction or not. Low morale was seen as the most serious issue. The other issue about staff attitudes was connected to the resistance shown by engineers to changing working practices. That is also picked up as a separate point however.

Engineering Inter-Business Barriers

Diarists ranked this process according to how much of a problem they personally found barriers between businesses. In fact, fewer diarists saw inter-business barriers as a significant issue, in comparison to the obstructions discussed above. Some viewed them merely as an annoyance:

“They make life a little more difficult, it might take you an hour to do half an hours work, you might waste a bit of time doing it, but you get there It just makes life more difficult.”

The problem, as highlighted at the change forums and in the diaries, appeared to be resentment between industrial staff about perceived better treatment in businesses other than their own:

“You get a lot of little niggly problems, like how come a majority of Repairs can have this and we don’t have it, all those kinds of little niggles and down to little duffel bags and holdalls and anything you can think of, if somebody else has got it in and they are in different businesses, it’s then how come they have got this and we haven’t”

The issue for managers that sometimes led to ‘heated debate’ between them and their colleagues, was still the ‘who does what’ between businesses issues. Although it was hoped the contracts would resolve a lot of that.

Poor Inter-Divisional Problem Resolution

The reasons given for ranking poor inter-divisional problem resolution as an obstruction were similar to the ones given for ranking “transitional co-ordination” as a not very effective facilitating process. As some diarists pointed out, there were outstanding inter-divisional problems that had not been solved, and it was not clear whose responsibility it was to solve them.

Poor Communications Infra-Structure

The diarists were generally of the view that the division was not good at communicating. Thus more specific issues such as poor, and slow communication between middle and senior management were seen as a symptom of that.

There was also the issue raised above about frequency of communication and the way things were communicated, “it doesn’t happen often enough, there is over reliance on team briefing”. There was also the general concern that team briefing was not working as well as it should and that it was not the right mechanism for all types of communication.

Poor Management Information

In general the diarists felt they did not have the information, either accurate or timely, they needed to manage their departments. Although they recognised the new management information system was supposed to resolve the problem.

Negative Inter-Divisional Attitudes

The extent to which diarists perceived the inter-divisional negative attitudes to be a problem varied - one described them as “irritants”, another said there was a “big resentment” of the Distribution Management Division, and another that Engineering saw themselves as “second class citizens”. Some diarists still thought the negative attitudes were in part due to perceived relationships between more senior management levels:

“ people don’t automatically decide that somebody else in another division, that there should be any friction towards them. What they get is the feeling that perhaps up there everything is not well and every now again someone will come out with a statement like “all the senior managers are all in agreement where we have got to go so none of you lot should have any friction between you”, but it doesn’t happen that way I am afraid, it’s not human nature....”

Others that it was a result of the new structure and culture change:

“We are not used to being contractors, we are used to taking policy from head office and implementing that policy in our patch. We were the king pins, our customer was Jo Public. Now Jo Public is no longer our customer, and we have an internal customer I think it is unfair to say all the poor inter-divisional attitudes are down to the Distribution Management, because they are not . They are generated internal, to Engineering.”

Poor Understanding of Need for Change

Most diarists thought it was the engineers who did not understand the need for change, whereas the industrial staff did.

Resistance

As with poor understanding, resistance was perceived to exist among the engineers rather than at any other levels:

“I think there is a resistance to change and there is that fear of being unable to cope, that is the message that I am getting quite clearly from my engineers that they can’t cope with what we are doing now so how are they going to cope with design and build”

Although it was also felt there were some doubts about the new structure below middle manager level, and also concerns that some middle to senior managers were not prepared to change.

Inadequate Informative Communications

The inadequate informative communication was tied closely to the poor communications infra-structure. The main issue seemed to be frequency, “this is really just frequency, I just think it could be so much better”.

Stores Management System

The stores management system was an emotive subject. Most diarists had experienced many problems with the system, but did not see it as related to the changes. The stores system was an issue had been around for sometime. As one diarist put it:

“Stores system, where do we begin? I think everything that could possibly be said about the stores system has been said”

Lack of Consultation / Co-ordination

It was felt that there was a lack of consultation, although it was not a major problem. Depot rationalisation was “presented as a fait a complet”, for the new systems “we were told we would be consulted, but nobody came and asked me anything”, and for new working practices “there is ring fencing going on”.

Slow Decision Making / Prolonged Uncertainty

The diarists did not really view slow decision making as an issue. It was ascribed to various things such as poor communications, the need to operate within a total quality culture, and the lack of detailed change plans.

Union Response & Engineering / Union Relationship

Many diarists felt that there had been a poor response to the changes by the engineers union, and were worried about the relationship between their division and the union. However, there were also concerns that the union was not reflecting the views of the majority of the staff they represented.

No Detailed Review Group Output

Although the output from the review group was rated as a problem, there was little agreement as to why. Most diarists cited poor communication of the output, rather than the output itself as the problem. Information was ‘drip fed’, and the approach was “secretive” which meant information was not released:

“... the review group is happening, we are getting lots of information in. Things we are doing are commercially confidential, accepted. But it would have been nice towards the end, to start having ... well we’ve looked at this, we’ve looked at that, these are the things we are considering. It didn’t seem to happen like that, there was communication, but it wasn’t of that sort of nature. They then created a lot of black of holes, which really passed the buck on.”

Other reasons cited for dissatisfaction with the output were:

- Black holes left by the review group had caused problems in the past and still were in some instances as they had not been sort out.
- Lack of detail about the responsibilities of the divisions and departments within divisions. The output gave an outline of the structure and the visions only.
- Missing detail in the information packs provided.
- The lack of review of decisions made by the review group, even when they appeared wrong to the people implementing them
- The fact “flesh wasn’t put on the bones until way after the 1st of April, the structure will be in place, and it never was”

Inadequate Educational Communications

The main issue picked up under inadequate educational communications, was not just that knowing who to contact for what had been a problem, but the information packs (red books) issued to middle managers at their initial briefing meetings. Criticisms included the fact that there were pages marked as “in preparation” that still had not been updated, that the impression was given that it should be detailed in terms of responsibilities because of example process flows at the back, that it was “a communications exercise that went wrong not digestible”, and it was “the end result” only. Some diarists admitted to not reading it. However, as the diarist who had been involved in writing it said, a lot of effort had been put into writing it. He was disappointed that people appeared not to have read it.

Culturally Inhibited Middle Manager Change

This was linked into the lack of local initiatives. Maintenance diarists did not feel they had a problem. Construction diarists did. Diarists commented that they were not “given the free space to do things your way”, that there were “fears of about taking initiatives locally” and that people were becoming “frightened” to take local initiatives.

Lack of Positive Message of Change

There were mixed feelings about the lack of a positive message of change. Some diarists said that they had not communicated such a message to their staff, and they did not think the message was negative. Others believed that the message given to staff was “you’re lucky to still have a job”, and that this was not motivating. Others said they believed the problem was that there was no clear vision

Redundancies

Diarists saw the need for redundancies as it reduced their overheads. The main issue was the non-selective 58+ exit policy:

“Redundancies, as I've said, the main problem is the 58+, here is a line 58, anyone above can go, as I say if you've got in one place, 50% of staff 58+, you lose a big skill base. We spent a lot of time on the review group actually looking at the staffing levels of each individual depot, and we picked up where we thought the fat was, so to speak.”

Thus this process was marked as obstructive for the same reason redundancies was not rated as an effective facilitating process.

Rapid Pace of Change

Most of the diarists did not see the rapid pace of change itself as a problem. Most felt the changes had to be implemented rapidly. The main concern was the impact on the workload - it was difficult to implement change and “keep the business running”:

“I sometimes wonder whether my staff remember that I am charge of the section there because I am never there, I would love to be able to spend time in the office, making Construction work more effectively, getting to know everybody, I mean I do know everybody but being involved - but I am never there, I just feel like a distant figure head.”

“It is difficult to run a business, change and also look forward and also look where you are going, now we are running the business and we are making the changes but you don’t have time to sit down and think where you are going and yes I think we have struggled with that and not only that you haven’t got time to really sit down and explain things to people like we should be doing.”

Lack of Planning / Change Plans

The issues raised about the planning, were that early change plans had not been clear, and that plans were not always well communicated. Although some diarists felt that longer term business plans were not clear.

Insufficient Training

The main issue here was the lack of contract training. It was felt that one day on contract law was not sufficient. The comments made mirrored those made about the facilitating processes on “training” and “contracts”.

Perceived Inequities in Skills / Staff Allocations

Repairs and Maintenance did not have problems with the allocation of staff across the businesses. It appeared to be an issue for the Construction diarists:

“they (Repairs) got the creme de la creme.”

On the other hand, as one Repairs diarist said:

“we did get the pick in some cases, but we’ve got some people that are crap.”

Implied Message of New Structure

Responses varied to the message implied by the new structure. The concern was that it did not help morale and added to feelings of vulnerability, but most diarists thought it was no longer a serious issue. For example

“I think that implied message is a problem - it is not on everybody's mind that, about not being safe, at the mercy of the Distribution Management Division. In fact people are beginning to say well if we get taken over we are probably the safest place to be, a predator won't want another group of policy makers but they will want some work done.”

Negative Rumours / Stories

Rumours and stories were not perceived to be a major problem. It was felt they could create “ill feeling” and “unease”. The staff that were worried about the negative stories were concerned about the impact on morale.

Poor Perceptions of Counselling

Whilst all diarists recognised there had been a poor response to counselling amongst industrial staff, they did not think this had had a long term effect. Comments were similar to those used to explain why the appointments process was not rated as a very effective process, namely that perhaps counselling should not have taken place for non-managerial staff except in cases of exit.

Perceived Inequities in Senior Manager / Staff Rewards

Most diarists felt their staff accepted that Directors got rewarded more highly than themselves. Only 2 diarists had had particularly strong reactions from their staff about reported levels of Director remuneration.

Obstructing Processes not really seen as Problems

Late Contracts

Most of the diarists believed the contracts were issued late in comparison to promised issue dates. On the other hand, they did not rate this as a major problem. They were more hopeful that the contracts would resolve outstanding problems.

Staffing Problems

The staffing problems were not an issue for most of the diaries. Unfilled vacancies had been an earlier problem for only one or two diarists. However, the Repairs diarists were still having problems getting adequate administrative support. Another diarist also commented that he considered he did have a staffing problem in the sense that he could not replace staff that were exited.

No Change Management Training

Only two diarists felt people could have benefited from more change management training, and one other thought it would have been a problem had he not been doing a managerial course that included change management. Thus although more change management training had been planned, the fact that it had not taken place was not seen as an issue.

Press Coverage

Only one or two diarists thought stories in the press had any impact.

Rumoured Removal of Flexi-time

The diarists were in general unconcerned about the rumours.

No Tendering External work yet

The Construction and Repairs diarists did not see this as a problem, because in their opinion, even if the opportunity came along, they did not have enough resources (manpower) to do such work. One of the Maintenance diarists was still doing some external work, as his department always had.

Delayed External Tendering for the Distribution Management Division

The fact that the Distribution Management Division were not considering external tendering, except on an experimental basis, was not seen as an issue by the diarists.

Additional Points.

Only one diarist suggested an additional obstructing process. He felt the “pain of change” had been the most discouraging thing - the fact that people were hurt by the changes.

APPENDIX 6

**ANALYSIS OF METERING DIVISION
OBSTRUCTING AND FACILITATING PROCESSES**

Introduction

The following summarises the results from the second interviews looking at the effectiveness of the various facilitating processes up to May '94, and the degree of obstruction caused by the obstructing processes up to May '94. The interviews were based on the diarists perceptions. Therefore, as in the Distribution Management and Engineering Divisions, the results are drawn together by comparing diarists' rankings and explanations. There is no attempt to look for an objective reality, but rather to look for any degree of consistency and explanations as to why this consistency, or differences, may exist. The aim is to try and get an insight into for who and why particular processes were very effective / obstructive.

There are six sub-appendices within this appendix:

- Appendix 6A: List of Facilitating Process Cards
- Appendix 6B: Ranking of Facilitating Processes by Diarists
- Appendix 6C: Explanations of Rankings of Facilitating Processes
- Appendix 6D: List of Obstructing Process Cards
- Appendix 6E: Ranking of Obstructing Processes by Diarists
- Appendix 6F: Explanations of Rankings of Obstructing Processes

APPENDIX 6A

FACILITATING PROCESSES

Communications to Launch Change

- Vision workshops, briefing meetings and information packs, distribution video.

One-off Communications

- '93/94 Action plan launch, April '94 Action Plan Launch, operating plan presentations and video, visits to depots by flexible working project manager / team member to explain what all about, explanation of share price performance, statement on training policy.

Ongoing Communications

- Team briefing, Director and senior manager visits to depots to brief staff / listen to their questions.

Understanding / Awareness of the Need for Change

- Of new Structure and way of operating, of principles of and rationale behind changes.
- Greater awareness of need for customer service in Metering in comparison to other divisions.

Staff Attitudes

- Commitment by supervisory staff, shift to customer focus orientation already made due to previous position within Customer Services and impact of privatisation regulation on them.

Training

- Vision workshop presenters, Financial, General.

Appointments Process and Appointments

- At Managerial levels - briefing meetings, information packs, counselling.
- At lower levels - Cap Badging, counselling when needed.
- Fit of appointees to positions.

Team Building

Total Quality

- Training, Quality Teams, Continuous Improvement Group.

Introduction of New Working Practices

- Flexible working, hand held instruments, amalgamation of operations, work load planning.

Introduction of New Systems

- Work Management System (development of requirements and placing of order), walk order System.

New Accommodation

- For example, Data and installation staff moved into one building.

Unexpected Re-structuring for 1/1/94

- Amalgamation of two zones, creation of Project Teams including one for the work management system.

External Influences

- Regulatory Review, competitive environment / commercial pressures on Metering, introduction of 100 kW competitive market.

Divisional Director

- Involvement in briefings and vision workshops, management style.

Union / Metering Co-operation

- Union negotiations; union agreement to new working practices and procedures, pay deals, redundancies.

Establishment of Working Parties, Trials and Project Teams

- Flexible Working, Hand held instruments, Work load planning / work management system.

New Structure

- Design and "shape" - 3 Divisions, new roles, responsibilities and relationships.

Diary System

Plans and Planning

- Transition plan, business plans.

Contracts

- Writing, training, implementation.

Senior Management Behaviour / Role in Change

Change Management

Redundancies

- Reduced number of staff, 58+ exit policy, Transition '93.

Rewards

- Profit related pay, administrative and engineer pay agreements.

Review Group and its Output

Executive Director

Threat of External Tendering by Distribution Management Division

New Values and Behaviours

Centralisation

- Relocation to new head office, centralisation of administrative staff at new head office.

Engineering / Distribution Management co-operation

- At Senior Manager level, at middle to senior manager level, at lower levels.

Transitional / Co-ordination / Problem Resolution Mechanisms

- Inter-divisional Directors Meeting (Oct 1993), inter-divisional senior manager quarterly meetings, ad-hoc inter-divisional meetings to resolve problems, efforts to resolve problems with Supply Division.

Business as Usual

Controls / Measurement

- Team brief audit.

Communications Prior to April 1993

- Team briefings on the review group and its work.

Empowerment of Middle to Senior Managers

- Of staff as part of move to new culture.

APPENDIX 6B

RANKING OF FACILITATING PROCESSES

	DIARISTS					TOTAL MEAN	
	1	2	3	4	5		
LAUNCH COMMUNICATIONS	2	2	3	3	2	12	2.4
ONE-OFF COMMUNICATIONS	2	2	3	3	2	12	2.4
UNDERSTANDING NEED FOR CHANGE	3	3	1	2	3	12	2.4
TRAINING	2	3	3	2	2	12	2.4
APPOINTMENTS & PROCESS	2	2	2	3	2	11	2.2
STAFF ATTITUDES	3	3	0	2	3	11	2.2
ONGOING COMMUNICATIONS	1	3	3	2	1	10	2
TEAM BUILDING	0	3	2	2	3	10	2
TOTAL QUALITY	1	3	2	2	2	10	2
NEW WORKING PRACTICES	3	2	1	2	2	10	2
NEW SYSTEMS	2	2	1	1	3	9	1.8
EXTERNAL INFLUENCES	3	1	0	3	2	9	1.8
NEW ACCOMMODATION	3	3	0	0	3	9	1.8
UNEXPECTED RESTRUCTURING	3	3	0	0	3	9	1.8
DIVISIONAL DIRECTOR	2	1	2	1	2	8	1.6
UNION / METERING CO-OPERATION	2	0	3	2	1	8	1.6
WORKING PARTIES	0	3	1	2	2	8	1.6
DIARY SYSTEM	0	2	0	3	2	7	1.4
NEW STRUCTURE	2	1	1	3	0	7	1.4
PLANS AND PLANNING	0	1	2	1	2	6	1.2
CONTRACTS	1	0	1	1	3	6	1.2
SENIOR MANAGEMENT BEHAVIOUR	1	0	2	0	2	5	1
CHANGE MANAGEMENT	0	0	0	3	2	5	1
REDUNDANCIES	0	1	3	0	1	5	1
REWARDS	0	2	0	1	2	5	1
REVIEW GROUP OUTPUT	0	0	0	3	1	4	0.8
EXECUTIVE DIRECTOR	0	0	0	2	2	4	0.8
THREAT EXTERNAL TENDERING	0	0	0	2	2	4	0.8
VALUES AND BEHAVIOUR	0	2	1	0	1	4	0.8
CENTRALISATION	2	2	0	0	0	4	0.8
INTER-DIVISIONAL CO-OPERATION	0	0	1	0	2	3	0.6
COMMS PRIOR TO APRIL 1993	0	0	0	0	1	1	0.2
TRANSITIONAL CO-ORDINATION	0	0	1	0	0	1	0.2
BUSINESS AS USUAL	1	0	0	0	0	1	0.2
CONTROLS / MEASUREMENT	0	0	0	1	0	1	0.2
EMPOWERMENT	0	0	0	0	0	0	0

APPENDIX 6C

EXPLANATION FOR RANKINGS OF FACILITATING PROCESSES

Most Effective Facilitating Processes

Launch Communications

Most of the diarists ranked the launch communications as effective or very effective because of the vision workshops. The Divisional Director's role in the workshops for non-managerial staff was thought to have been important. The Director had attended all of the vision workshops:

"... it was an excellent thing and I know I put in the diary when the Director came round, he is particularly good at that, and he is particularly good on a one to one, probably better than when he is talking at meetings and stuff, but he came in my office a few months ago and it was excellent, he just talked to staff as if anybody was talking to him, and the comments that you get back from that never fail to amaze me because I am not impressed by people's position at all, never have been, but he is very good at it."

The other important factor ascribed to the launch communications was creating the awareness of the need for change and an understanding of what was to happen.

One-Off Communications

Not all diarists ranked the one-off communications as very effective for varying reasons. One because he felt the action plan launches went well, but he was not happy with the videos. Another because the action plan launches always seemed to follow the same script which he thought people were bored with, and the third because:

"I think people probably get called into the action plan launch and really thinking why are we there because most of it has already come out one way or another and this is probably just the official announcement from the Director".

In contrast, one diarist was very pleased with his latest action plan launch:

"We actually did a first last week and fetched them all in after work, to make sure we could get them all in at one time, and fetched them in from the outlying locations, and put a good buffet on for them, had an hour and a half."

Understanding of Need for Change

The diarists all agreed that the understanding of the need for change was good. The one diarist that ranked the understanding as not very helpful did so because he felt the understanding had already been there. The change manager was a little unsure as to how far the understanding extended down the hierarchy. Others were unsure how good the understanding of the administrative staff was. However, again, there was a

general sentiment that in Metering, staff already had an awareness of the need to change to meet competitive pressures:

“I have really said it already haven't I, that the awareness was already there because staff, a lot of them, particularly at the sharp end, used to work on a section known as contracting services which always, traditionally faced competition”

Training

Opinions on the effectiveness of the training varied. No-one criticised the total quality training. One diarist thought the financial training was appalling, another that more contract training was needed, and another that the vision workshop presenters were not very good despite their training according to the feedback. However it was agreed that training was better than it had been before with more of it than before, especially for industrial staff. Training had been helped by the introduction of the Metering training policy.

Appointments and Appointments Process

There was agreement that the appointments had gone well, with one diarist ranking it as effective, but then saying it should probably be in the very effective pile as it had an immediate impact on team formation. Only one diarist did not support the cap badging exercise saying, “I think it is an awful phrase I think it is a demeaning phrase”. By contrast another said that “people appreciated that and it went well”. Another concern voiced was that the appointments were a “little bit fictitious” as “names were on posts before we started on the counselling exercises”

It was believed that it was inevitable that some people would be disappointed by their appointments as not everyone could have their first choice.

Staff Attitudes

The diarists all believed that staff attitudes had helped a lot:

“That one stands out a mile.... commitment of supervisory staff unbelievable, customer services background, I think I have already talked about that one.”

“I think, at the end of the day, over the last 12 months, the thing that has gone really well has been the co-operation and the commitment of the staff within Metering, I think without that I don't think we'd have got where we have got to.”

The diarist that rejected staff attitudes as helpful was not suggesting that staff attitudes had not helped, but that staff had a positive attitude before the change, so nothing had changed. One diarist put attitudes as helpful rather than very effective because of the results of the recent flexible working ballot which suggested that not some staff “haven't quite got it”.

Ongoing Communications

All diarists approved of the principle of team briefing and of senior manager visits to depots. However, ongoing communication was only ranked as effective rather than

very effective by three diarists because of concerns about the team briefing mechanism. It was felt that the content was not always as good as it could be and it did not work as the two-way process, in terms of passing information back up again, in the way it was sometimes supposed to.

One diarist also raised concerns about the infrequency of senior manager visits to depots:

“it goes down well as I said when the Director came, he has been once and it went down well when the branch manager came and put a pair of overalls on and went out, but he has done it once, and my boss has never done it”

Team Building

The diarists believed that the formation of both the managerial teams and their own teams had gone well and had helped in the change process. The doubts expressed were that there had been little team building at the non-managerial level on a divisional basis, also that although it was said the foremen were part of the managerial team, they were not included at managerial team building events.

Total Quality

The diarists all believed that total quality was important. Their concern was that reflected in the diary: that the training had been good, but had not been followed up quickly enough with active quality improvement teams.

“ ... they didn't follow it up quick enough, it had lost its impetus, we are now trying to get back and that is down to people like me to get it back.”

Introduction of New Working Practices

The diarists felt they could not really comment on the effectiveness of the new working practices in Data. This was reflected in their ranking of the associated interventions. They accepted they had been needed, but with the exception of the change manager felt they could only really comment on the cross skills training in Installations which they felt had gone well. The main change for installations would come with the arrival of workload planning and the work management system, which of course was still to come.

Introduction of New Systems

The main system the diarists were concerned about was the work management system. Walk order was a Data system. Ranking of these interventions reflected the fact that the diarists were waiting for the work management system, but had high hopes for it.

External Influences

Only one diarist thought his staff were not aware of the external influences. The others believed their staff to be aware of the pressures on the company from the competitive environment, primarily because of the impact of the 100Kw competitive

market. Although there were also concerns that staff saw the impact of competition as more work rather than anything else.

New Accommodation

The new accommodation in which teams within a zone would work together was rated as effective by the diarists in whose zones it had been possible. In the zone where it had not been possible, the diarist rejected it.

Unexpected Re-structuring for 1/1/94

The unexpected restructuring was rejected as helpful by one of the diarists, because he remembered the problems the briefing of the restructuring had caused. Data had briefed details of the restructuring before Installations. Another diarist who was not in one of the zones amalgamated also rejected it on the grounds that it had little effect on him. The others rated the restructuring highly as it had made it possible to set up the project team that was needed to deliver the work management system, and because they saw it as a success for Installations:

“the reason I have put them on the good pile, I think that was a great exercise and shows what can be done in Installations. The amalgamation, I think it went extremely well, I think a lot of people deserve a lot of credit for that and the creation of the project team.”

Divisional Director

The diarists were of the opinion that the Divisional Director’s presence at the vision workshops had been important and that he was supportive as a Director. However, they were concerned about his lack of visibility to staff in general.

Union / Metering Co-operation

The opinions on the handling of the unions were very varied. One diarist was concerned by what he saw as “pussyfooting around”:

“I left it in the middle because it has got to be done and it is no good getting inflammatory and having IR problems, but I do believe that it could have been done a lot better and I think honesty comes into play very much.”

Another rejected it on the grounds that getting agreement to the proposed flexible working practices had taken so long.

Establishment of Working Parties, Trials and Project Teams

One diarist was very positive about the working parties:

“I think that has gone well, it has been a positive step forward, we have identified these key issues and have got people involved, it hasn't just been pushed down from above, we have had the input from people more towards the sharp end, day to day contact with the customer, and on the work management project team we have brought people in at the customer interface, we haven't just got internal consultants in

who said right this is our wonderful system here, here you are, use it, they have sat down with us for 2/3 months looking at how we work.”

Two others were also reasonably happy with the working parties believing it was important that staff were involved. However, one was concerned that total quality teams were being seen as the answer to everything and that could become a substitute for management. Another diarist was not at all pleased with the working parties because they had primarily tackled Data issues to date.

Diary System

Most of the diarists rated the diary system down because of the lack of response there had been to the problems raised via it, although they also felt that the senior managers were responding more:

“I was going to make a comment, that the system seems to be having more effect of late, there seems to be more of an output from it, a response to it than there was in the earlier days. It has more teeth than it did in the earlier days, I will keep it in for genuine reasons.”

New Structure

All the diarists thought the new structure was the right one, and thought the new structure had brought benefits:

“yes I do think it is right, I think that philosophy initially was correct and was the only way to move to stand alone businesses, I think it was right, I really do support that.”

However, the diarists were unhappy about the lack of resolution of outstanding problems about responsibilities:

“Responsibilities and relationships, we’ve still not defined the edges properly yet ... I think the business as usual thing has drifted on too long, and it has been an excuse for us not tackling these sort of issues (inter-divisional) The thorny issues have gone on and gone on and gone on, we’ve not got hold of them at all.”

Plans and Planning

The diarists all commented on problems with the business and transition plans, each diarist picking on a different issue. Most felt they understood what was in the transition and business plans, but questioned if 1) their understanding was the same as the understanding in the other divisions; 2) if their staff were really interested; and 3) if there was really consultation on the business plans between the branch managers and their middle managers.

Contracts

There was some uncertainty and unhappiness about the contracts. It was felt that they would concentrate people’s minds on what was expected of Metering. However, the managers felt they were not able to go outside for additional work yet as they did not

have the resources for such work. There were also concerns about the lack of knowledge of the contract contents at the middle manager and supervisory level.

Less Effective Facilitating Processes

Senior Management Behaviour / Role in Change

One of the senior managers received praise:

“I think probably the openness of the management team. For the first time ever, we’ve had our branch manager out in overalls on site, face-to-face to contact with the top and the bottom of the organisation, seeing what happens on site day-in, day-out. Its just something that didn’t used to happen”

Yet overall the senior managers were down rated for the lack of response to the issues raised via the diary system and their lack of visibility to staff in general.

Change Management

Three of the diarists were not impressed with the change management. One partly because he included the diary system under the heading of change management and he felt there had been insufficient effort put into the system. The other two because they felt there had been insufficient efforts to put change management in place for the non managerial staff.

The other two thought change management and the change manager had had an important role to play in the early days of change:

Redundancies

Only one diarist thought the redundancies had been really helpful:

“On an individual basis, the exit deal helped us an awful lot, the industrial staff who were stuck in the rut and we would have greatest difficulty with exited. So that has been a success.”

Another diarist felt that redundancies couldn’t be helped, but on the other hand they were demotivating. The main concern was the impact on the workload:

“I would have like to have had a little more input into the phasing, but it’s over and done with now. We’ve lived with that. The workload, basically they let people go much too quickly, all at one crack, which took me down on staff numbers”

One diarist remained convinced, however, that the exit policy was wrong because he wanted to “get rid of people that are not very good”, which might be some of the younger staff rather than those who are 58+.

Rewards

The diarists felt there had been no motivating effects from the rewards, and some unhappiness about the latest pay round negotiations.

Review Group and its Output

Only one diarist was happy with the output from the review group. The other diarists were unhappy with the level of detail in the output and thought some members of the review group should have been left in place to oversee and help with the implementation:

“I think the overall structure is good, I like the idea of ... I think they’ve got the broad principles right, and I think that outcome is spot on, I like that, but they didn’t get down to enough detail, and continue to ... failed to grasp the detail. They closed the room up, when everybody had finished, and just hoped it was all going to work out, and they probably needed some form of over viewing team, to pull it all together and iron out the wrinkles, that would have been a better outcome they just shut up the room, packed their bags and left it, and said the new management structures will sort it, and it hasn’t done.”

Executive Director

Three diarists felt the Executive Director was too remote to have had any impact. The other two felt he could be effective.

Threat of External Tendering by Distribution Management Division

The diarists felt the staff were not too concerned by the fact that the Distribution Management Division could choose to outsource the work Metering were currently doing at some time in the future. In fact, if anything, any threat would be seen as a negative because “people respond better to positive things”.

New Values and Behaviours

The diarists either rejected the new values and behaviours as helpful because they had “not happened yet”, or rated the initiative low down on the basis that it would be a good thing when it had happened.

Centralisation

Centralisation of the Metering senior management team and administrative staff was not rated as highly effective because it was still taking place, and because for the zones a long way from the new head office location, the move was unsettling for administrative staff with the possibility of job losses.

Engineering / Distribution Management Division co-operation with MD

Inter-divisional co-operation was not rated as helpful by most of the diarists. One diarist thought the problems were worse between Engineering and the Distribution Management Division though. One diarist was positive:

“That’s half and half that, I think there has been some real good progress on that, some very very constructive meetings and dialogues, and some real meeting of minds in wanting to go places together so I am 50/50 on that some good and some bad.”

Communications Prior to April 1993

As in the other divisions, communications prior to April 1993 were thought to be poor:

“Well the team briefings, again my old team, we continued to place great emphasis on team briefings, we’ve done them religiously when other teams haven’t done them, I am a firm believer in doing team briefings, that’s why I worry about the system that’s going on. And I think that the briefings that were done prior to the change over last year did set the scene so I think they were useful, but pretty near the bottom.”

However, that was the most positive comments.

“We haven’t had it, it doesn’t exist.”

“We didn’t really know what was happening, we didn’t get the information out”

Transitional / Co-ordination / Problem Resolution Mechanisms

The diarists were of the opinion that the lack of effective co-ordination and problem resolution mechanisms had in fact been one of the major problems as highlighted by the comments on the review group output. Therefore the ones that were there, such as the inter-divisional senior managers meetings, were not seen to have been helpful. The meetings arranged with Connections were not seen to have been any better.

Business as Usual

Business as usual was unpopular with all the diarists. They all thought it was useful and necessary in the early days, but had outlived its usefulness and been used as an excuse by the other divisions for not taking on new work.

Controls / Measurement

The change manager was the only diarist that knew anything about the team brief audit since it had been conducted in Data not Installations. This audit was the only control or measurement put in place for the change process.

Empowerment of Middle to Senior Managers

All the diarists were of the opinion that no empowerment had taken place.

APPENDIX 6D

OBSTRUCTING PROCESSES CARDS

Poor Inter-Divisional Problem Resolution

- No inter-divisional Distribution decision making / co-ordination body, no assigned responsibility for tackling inter-divisional problems, little output from inter-divisional senior manager meetings, no-one from the review group to drive through planned changes, Little action following meetings with Metering / Distribution Management Division branch managers re Connections problems, no forum for tackling problems with Supply Division.

Prolonged Operation of Business as Usual

Problems with Supply Division

- Too many am appointments (and later pm appointments), duplicate jobs, uncooperative Supply attitude.

Negative Inter-Divisional Attitudes

- Protection of "turf", Metering frustration with Distribution Management Division, "Personality" problems, lack of willingness to co-operate / extension of business as usual

No detailed Review Group output

- Lack of clear - responsibilities within and between divisions (e.g. Connections), detailed working practices, job roles and descriptions, inter-divisional operation guide-lines.
- Black holes.

Review Group Design Issues

- Shift technicians (could not be transferred easily to Engineering as planned), incorrect resourcing in terms of staff numbers by Metering branch.

Old Culture

- No empowerment of managers, no move to control at profit centre level, continued use of old control systems, unions.

Other divisions behind Metering

- Engineering less aware of / less used to providing customer service, Metering moving faster than other divisions.

Rapid Pace of Change

- Difficult to juggle business as usual, forward planning, working practice changes, change management, etc., no time for consolidation / review.

Workload

- Change process in terms of redundancies and exits ahead of implementation of new working practices such as work load planning, lack of time for middle managers for MBWA, heavy workload - for all levels of staff, continual exits of more staff without replacements, lack of time for TQ training.

Continual Staff Uncertainty

- Fears of reductions in staff numbers and pay like in associated company, rumours about contracting out of work, unexpected re-structuring to combine two zones.

Senior Management Approach

- Lack of MBWA / poor visibility, lack of thanks and recognition to staff for hard work, little evidence of a move to a more honest and open culture, slow response to diary system, poor response to long-standing problems.

Continued Use of old Management Style by Senior Managers

- 'Blame / Control' management style, little delegation to / empowerment of middle managers.

Inadequate Educational Communication early on

- Lack of knowledge of roles and responsibilities within and between divisions, who to contact for what, working arrangements between Divisions.

Negative Rumours / Stories

- Inter-divisional problems, rumours of takeover, work to go to outside contractors, associated company being used for metering work to demonstrate that rates of pay too high, exits, etc.

Rewards for Staff vs Senior Managers and Directors seen as Inequitable

Co-ordination of Communication and Communication infra-structure

- Zone amalgamation announcement, feelings of non-managerial staff that not always well informed.

Late Contracts

Lack of planning / clear change plans

- Lack of publicity of transition plans early on, lack of well-defined medium to long term plans.

Inadequate Informative Communication

- Exits (e.g. exit 94, terms, who it is for, etc.), contract details, change Progress, details on flexible working and the impact on staff.

No Change Management Training

Press Coverage

- Stories in the press.

Poor Morale

Not allowed to tender for external work yet

Poor Understanding of Need for / lack of buy in to Change

- Change = redundancies, increased responsibilities and workload for no additional reward, lack of Visible Change at Lower Levels of Division / slow pace of change for industrial and administrative staff.

Redundancies

- 58+ exit policy, dramatically reduced number of staff.

Staffing Problems

- Lack of administrative staff / support early on.

Perceived Imbalance of Skills Needed between Installations and Data Foremen

- Fairness of same pay for both types of foremen?

Union Response

- 'Upset' over team briefing in December on Flexible Working etc., lengthy negotiations over new working practices for Data staff slowing down implementation.

Implied 'Message' of the New Structure

- Distribution Management Division staff safe, Metering / Engineering staff not so safe and at the mercy of the Distribution Management Division.

Lack of Positive Message of Change

Delayed External Tendering

Poor Staff Perceptions of Counselling

- 'Why haven't I got my first choice?'

Early Accommodation Problems

APPENDIX 6E - RANKING OF OBSTRUCTIVE PROCESSES

	DIARISTS					TOTAL MEAN	
	1	2	3	4	5		
POOR INTER-DIVISIONAL PROBLEM RESOLUTION	3	3	3	3	3	15	3
PROLONGED BUSINESS AS USUAL	2	3	3	2	3	13	2.6
INTERFACE PROBLEMS - SUPPLY	3	3	3	3	1	13	2.6
NEGATIVE I-D ATTITUDES	3	3	1	1	3	11	2.2
NO DETAILED REVIEW GROUP OUTPUT	3	3	2	0	3	11	2.2
REVIEW GROUP DESIGN ISSUES	2	3	2	1	3	11	2.2
OLD CULTURE	3	2	0	3	3	11	2.2
OTHER DIVISIONS BEHIND	3	3	2	1	2	11	2.2
RAPID PACE OF CHANGE	2	3	2	2	1	10	2
WORKLOAD	3	2	2	0	2	9	1.8
CONTINUAL STAFF UNCERTAINTY	3	2	2	0	2	9	1.8
SENIOR MANAGEMENT APPROACH	3	2	1	3	0	9	1.8
INADEQUATE EDCTNL COMMS	3	1	1	2	2	9	1.8
NEGATIVE RUMOURS / STORIES	3	2	0	2	2	9	1.8
OLD MANAGEMENT STYLE	2	1	1	3	1	8	1.6
INEQUITABLE REWARDS	3	2	0	0	1	6	1.2
POOR COMMS CO-ORDINATION	2	1	0	2	0	5	1
LATE CONTRACTS	0	0	0	2	3	5	1
LACK OF PLANNING	2	2	0	0	0	4	0.8
INADEQUATE INFORMATIVE COMMUNICATIONS	2	0	0	2	0	4	0.8
NO CHANGE MANAGEMENT TRAINING	0	2	0	2	0	4	0.8
STORIES IN PRESS	3	0	0	0	1	4	0.8
POOR MORALE	2	0	0	2	0	4	0.8
NOT ALLOWED TO TENDER	1	1	0	1	1	4	0.8
POOR UNDERSTANDING NEED CHANGE	2	0	0	0	1	3	0.6
REDUNDANCIES	3	0	0	0	0	3	0.6
STAFFING PROBLEMS	0	0	0	0	3	3	0.6
PERCEIVED SKILL IMBALANCE	2	0	0	1	0	3	0.6
UNION RESPONSE	2	0	0	0	0	2	0.4
IMPLIED MESSAGE NEW STRUCTURE	1	0	0	0	0	1	0.2
LACK OF POSITIVE MESSAGE	1	0	0	0	0	1	0.2
DELAYED EXTERNAL TENDERING	1	0	0	0	0	1	0.2
POOR PERCEPTIONS COUNSELLING	0	0	0	0	0	0	0
EARLY ACCOMMODATION PROBLEMS	0	0	0	0	0	0	0

APPENDIX 6F

EXPLANATIONS FOR RANKING OF OBSTRUCTING PROCESSES

Obstructing Processes in General

There was more agreement on very obstructive processes than there was on the facilitating processes. This can be seen from the table in Appendix 6E. Outside the more obstructive processes, agreement between diarists was less strong. This means that in this Division, many of the obstructing processes (18 to 35) were counted as not serious issues.

Most Obstructive Processes

Poor Inter-Divisional Problem Resolution

The persistence and non-resolution of the inter-divisional problems was clearly an issue for all the diarists since they all ranked it as very obstructive. The lack of resolution was causing frustration, and the senior manager inter-divisional meetings were not thought to be the solution to the problems. The diarists referred back to the point they had made when talking about the new structure, that a team of some sort had been needed to oversee and manage the implementation:

Prolonged Operation of Business as Usual

Prolonged operation of business as usual was rated as a major obstruction, for the same reasons that business as usual was not rated as an effective facilitating process. All diarists found it frustrating, partly because it had an adverse effect on the workload of the division, and partly because it meant that problems were not been resolved.

Problems with Supply Division

Only one diarist thought the problems with Supply Division was not a major issue. This was on the grounds that Metering and Supply were co-operating to try and solve the problems and the work management system would resolve the problems in the future. The other diarists acknowledged that the work management system should solve the problems, but in the meantime found the problems an obstruction.

Negative Inter-Divisional Attitudes

Whilst one diarist thought the inter-divisional tensions were inevitable, three of the others felt that the negative attitudes between the divisions did create significant problems. However, the diarists were divided on whether or not the inter-divisional tensions were exacerbated by personality problems among staff.

No detailed Review Group Output

The no detailed review group output was seen to be a problem by all bar one diarist. It was a problem for the same reason the output had not been viewed as effective, namely the lack of transition management and who did what.

Review Group Design Issues

The diarists were agreed that issues such as the shift technicians and in some instances incorrect resourcing were problems. The shift technicians had become another interface issue rather than a design issue.

Old Culture

Only one diarist rejected the old culture as a problem on the grounds that Metering had already started to move towards a new culture before the changes were underway. The other diarists thought the culture was a problem since they had not made a move to profit centre management as espoused.

Other Divisions behind Metering

The diarists were split on the extent to which the perceived gap between themselves and the other divisions was an issue:

“I don’t know how much of that is true, or how much of that is our perception. Well I think it is true, but I just wonder what people from Engineering and the Distribution Management Division think ... It is difficult to have an objective view when you are one of the participants”

Rapid Pace of Change

Only one diarist saw the pace of change as a major problem. The others saw it as necessary and something that had to be coped with.

Workload

The heavy workload was viewed in the same way as the rapid pace of change - “It’s inevitable, people leave, it’s inevitable”, and

“Heavy workload. I think that’s a less of a problem, yeah the workload has been heavy, but we’ve coped with it”

The issue of manpower reductions before new systems to support the reductions were in place was also raised.

Continual Staff Uncertainty

Continual staff uncertainty was not viewed as a major problem. Uncertainty was seen as something that was unavoidable given the changes taking place.

Senior Management Approach

The main issue on the senior management approach was their lack of visibility. This was combined with concerns about little evidence of a move to a more open and honest culture.

One diarist did not think it was an issue:

“I think I will reject that, there is just the odd element there. I think that was true in the early days the slow response, but overall I think I would reject that.”

Continued Use of old Management Style by Senior Managers

The continued use of old management style was linked to the senior management approach by the diarists. In particular it was felt that the blame culture did still exist. For one diarist this was not an issue as long as he did not feel the effects of it. Another diarist put it down to the insecurity felt at all levels about future employment:

“Yeah, I think we still ... do have a blame culture. I think ... there seem to be an insecurity all the way up the management ladder. Again, I've been in the industry long enough to remember when .. managers at all levels were reasonably secure in their jobs, and were able to make decisions and live with the consequences whatever they were ... and I think now that there is more edgy management throughout the company, and when things go wrong you feel that edginess. Again, we're so much smaller, and we've got much shorter lines of communication, that by en large ... but I guess that there is still a lot of management information that is sucked up, primarily ... as like a .. surround yourself with some facts and hope that nobody is going to pin it to you . Perhaps that will wear off as we develop as an individual group”

Inadequate Educational Communication early on

The lack of knowledge of roles and responsibilities, linked to the review group output by some diarists, was the main issue here.

Negative Rumours / Stories

All but one diarist saw the rumours as adding to uncertainty and causing some problems.

Rewards for Staff vs Senior Managers and Directors seen as Inequitable

The strength of feeling about perceived inequity in rewards for staff versus senior managers and directors varied from very strong, to not an issue.

Obstructing Processes not really seen as a Problem

Co-ordination of Communication and Communication infra-structure

Only two diarists thought there were problems with the communications infra-structure. One because of the poor co-ordination of the announcements about the zone amalgamation in December. Another felt it was a perceived problem rather than a real problem.

Late Contracts

The diarists were of the opinion that since draft contracts were in place for April that the contracts were not really late. The only diarist that was concerned about the contracts was so because he did not feel the contracts were in a sufficient shape to allow for the quantification of work as yet.

Lack of planning / clear change plans

Only two diarists thought the transition and business plans were insufficiently clear and detailed.

Inadequate Informative Communication

Only two diarists considered ongoing information on exits, contracts and new working practice issues to have been problematic. The change manager defended the lack of information early on exit '94:

“There is a definite reason why we have held back on exit 94 because we are not sure who we are aiming at yet, we don't want to go for big restaurant presentations because we are only looking at a pocket of staff, so I don't see that as a problem. But I am not saying I should ignore it.”

No Change Management Training

The change manager thought change management training for all managers and not just the more senior managers could have been beneficial. The only other diarist that was concerned about it was the one leading the work management system team. It was an issue for him as to implement the work management system, he may need such training.

Press Coverage

The stories in the press were dismissed with comments such as “You will always get that”.

Poor Morale

In general it was felt that morale was not a problem. Although the change manager did think it was possible that the Data foremen were “hurting” as it was not clear yet how flexible working would affect their work.

Not allowed to tender for external work yet

There were mixed feelings about tendering for work outside of Distribution. Some of the diarists would have liked to pursue potentially profitable business. However, all diarists agreed that they did not have the manpower to be able to do it, “so forget it”. There were obvious differences of opinion amongst the diarists as to how worthwhile it was to pursue external work. Some felt more strongly about it than others.

Poor Understanding of Need for / lack of buy in to Change

Two diarists felt there might still be a poor understanding of the need for change amongst the administrative staff. Otherwise the understanding was felt to be good.

Redundancies

There were mixed feelings about the redundancies. One diarist did see the 58+ exit policy as a major problem as shown above under facilitating processes. The rest of the diarists did not agree. Their only concern was that phasing of exits was matched to the workload.

Staffing Problems

The shortage of administrative staff had been a “transient problem”, according to the diarist concerned, in the first few months in one zone only.

Perceived Imbalance of Skills Needed between Installations and Data Foremen

There was only one zone in which there was considered to be tension between staff in Installations and Data because the Installations Supervisory staff perceived Data staff to be paid the same as themselves for doing less skilled work.

Union Response

Most of the diarists did not have an opinion on this as they had not been involved in the union negotiations. The change manager put any difficulties experienced down to “resistance to change”. Another thought that provided the unions were approached the right way, there was not a problem. The only diarist who ranked the union response as a problem did so because he disagreed with the continuation of the old style of negotiating with the unions.

Implied 'Message' of the New Structure

Only one diarist felt that there had initially been a “prima donna” attitude from the Distribution Management Division. This was no longer the case in his opinion and the others did not see themselves as threatened by the Distribution Management Division. The change manager commented that the perception of Metering staff, including the branch managers, had been that Metering was the “Cinderella of Distribution” when the new structure was first put into operation. This was because that was the “perception the new structure created”, whether intended or not. However, this was no longer the case.

Lack of Positive Message of Change

It was felt that the Division did not lack a clear message of change.

Delayed External Tendering for System

This was not an issue as far as the diarists were concerned.

Poor Staff Perceptions of Counselling

None of the diarists considered the few staff that had been unhappy with the counselling to have caused a problem.

Early Accommodation Problems

It was thought that the early accommodation problems, with the management team not sat together at head office, and one of the zones in split accommodation, had disappeared and had not caused great problems at the time anyway.

APPENDIX 7

**CROSS-REFERENCE OF FACILITATING AND OBSTRUCTING PROCESSES
TO NUD.IST CODING**

APPENDIX 7

CROSS-REFERENCE OF FACILITATING AND OBSTRUCTING PROCESSES TO NUD.IST CODING

This appendix includes three sub-appendices:

**APPENDIX 7A: CROSS-REFERENCE OF DISTRIBUTION
MANAGEMENT FACILITATING AND
OBSTRUCTING PROCESSES TO NUD.IST CODING**

**APPENDIX 7B: CROSS-REFERENCE OF ENGINEERING DIVISION
FACILITATING AND OBSTRUCTING PROCESSES
TO NUD.IST CODING**

**APPENDIX 7C: CROSS-REFERENCE OF METERING DIVISION
FACILITATING AND OBSTRUCTING PROCESSES
TO NUD.IST CODING**

NOTE: KEY TO TABLES

Sub-Categories given in normal type face are categories included on the final interview prompt cards.

Sub-categories given in italics are categories identified either from the final interviews or in subsequent focus groups.

APPENDIX 7A
CROSS-REFERENCE OF DISTRIBUTION MANAGEMENT FACILITATING
PROCESSES

Facilitating Process	Theme	Sub-categories
Launch Communications	<i>Designed Change Intervention</i>	* Vision workshops * Distribution video * Action plan launches * Briefing Meetings
Staff Attitudes	<i>Positive Development</i>	* Commitment * Determination to "make it work" * Willingness to work long hours * <i>Satisfaction and pride at achievements</i>
On-going Communications	<i>Designed Change Intervention</i>	* Team briefing (including plans and progress) * Action plan launches and reviews
Diary System	<i>Designed Change Intervention</i>	
Staff Adaptation	<i>Positive Development</i>	* To evolve their own roles within the new structure * To be more flexible * To accept more responsibility / changed duties * <i>Staff liaison to team build</i>
One-off Communications	<i>Designed Change Intervention</i>	* Details on move to new office * Telephone directory * Staff survey * Explanation of share price performance * <i>Face-to-face Meetings</i>
Team Building	<i>Designed Change Intervention</i>	* Meetings * One location * Social events
Relocation to New Office	<i>Designed Change Goal</i>	
Divisional Director	<i>Designed Change Intervention</i>	* Role in change process * Management style and approach / Leadership * Discouragement of blame culture * Attendance at visions workshops * Encouragement of response to staff concerns
New Structure	<i>Designed Change Goal</i>	* Design and "shape" - 3 Divisions & contracting * New roles, responsibilities and relationships
Understanding of Need for Change	<i>Positive Development</i>	* <i>Also of expectations of staff, of the business vision and roles and responsibilities</i>
Plans & Planning	<i>Designed Change Intervention</i>	* Action plans * Business plans * Transition plan
External Influences	<i>Designed Change Intervention</i> <i>Unplanned Event</i>	* Price Review * Competitive environment * <i>Other changes within the Organisation</i>
Change Management / Change Manager	<i>Designed Change Intervention</i>	
Training	<i>Designed Change Intervention</i>	* Financial * General * Contractual
Re-engineering	<i>Designed Change Goal</i> <i>Positive Development</i>	* Development new working practices / procedures * New systems * Evolution of departmental ways of working

Cross Reference of Processes: Distribution Management

Review Group & its Output	<i>Designed Change Intervention</i>	* Including information packs for middle managers
Inter-Divisional Co-operation	<i>Positive Development</i>	* <i>Team Leader liaison</i> * <i>Good working Relationships</i> * <i>Desire to work amicably together</i>
Appointments New Structure	<i>Designed Change Intervention</i>	* Allocations of staff to positions
Appointments Completed	<i>Designed Change Intervention</i>	* All members of section in place
Appointments Process	<i>Designed Change Intervention</i> <i>Positive Development</i>	* Briefing meetings * Counselling * 58+ exit policy * Transition '93 * Exit packages * <i>Realisation Change Happening</i>
Redundancies	<i>Designed Change Intervention</i>	* Reduced Number of Staff * 58+ Exit Policy * Transition '93 * Exit Packages
Transitional Co-ordination / Problem Resolution Mechanisms	<i>Designed Change Intervention</i> <i>Positive Development</i>	* Inter-divisional Directors Meeting * Inter-divisional senior manager's quarterly meetings * Office move communications team * Ad-hoc inter-divisional meetings to resolve problems
Controls	<i>Designed Change Intervention</i>	* Team brief audit * Action reports
Executive Director	<i>Designed Change Intervention</i>	* Management Style / Leadership
Senior Manager Behaviour / Role in Change	<i>Designed Change Intervention</i>	
Business As Usual	<i>Designed Change Intervention</i>	
Staff Profile	<i>Unplanned Event</i>	* Calibre * Responsiveness and adaptability
Total Quality	<i>Designed Change Intervention</i>	* Training * Quality Teams
Contracts	<i>Designed Change Goal</i> <i>Designed Change Intervention</i>	* Implementation * Writing * User Guides / Training
Communications Prior to April '93	<i>Designed Change Intervention</i>	* Team briefings on review group and its work
Empowerment	<i>Designed Change Goal</i>	* Of staff as part of move to new culture
Removal Flexi-Time	<i>Designed Change Intervention</i>	

Key:

xxxx: Categories included on the final interview prompt cards.

xxxx: Categories identified either from the final interviews or in subsequent focus groups.

Other Facilitating Processes Identified in the Distribution Management Division

Designed Change Interventions

- * *Connections Problem Resolution*
- * *Additional Restructuring*
- * *Values and Behaviours*

Positive Developments

- * *Emergent culture change*

**APPENDIX 7A
CROSS-REFERENCE OF DISTRIBUTION MANAGEMENT OBSTRUCTING
PROCESSES**

Obstructing Process	Theme	Sub-Categories
Poor Inter-Divisional Problem Resolution	<i>Design Issue</i>	<ul style="list-style-type: none"> * No inter-divisional decision making / co-ordination body * No assigned responsibility for tackling inter-divisional problems * Little output inter-divisional senior manager meetings
Negative Inter-Divisional Attitudes	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Protection of "turf" * Resentment of Distribution Management Division * "Personality" problems * Lack of co-operation / extension of black holes * Belief that Distribution Management is out to get Engineering * <i>Finding appropriate contacts</i> * <i>Inter-divisional Perceptions</i>
Inadequate Educational Communications	<i>Design Issue (leading to Unintended Consequence of "Who does what" due to lack of knowledge of roles, responsibilities, contracts)</i>	<ul style="list-style-type: none"> * <i>Information oversights - people movements & contract details / Implementation schedules / plans & progress</i> * Lack of knowledge of: <ul style="list-style-type: none"> - roles and responsibilities within / between divisions - details and working arrangements - who to contact for what and where - <i>contract implementation plans / process</i> - <i>future plans</i> - <i>personal vision (primarily Administrative staff)</i> * <i>Negative Message of change</i> * <i>No visible communication</i> * <i>Change message not reinforced</i>
Senior Management Approach	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Lack of MBWA * Lack of thanks and recognition to staff for hard work * <i>Poor Visibility</i> * <i>Lack of Reinforcement of Vision</i> * <i>Management style</i>
No Detailed Review Group Output	<i>Unintended Consequence Design Issue</i>	<ul style="list-style-type: none"> * <i>False expectations of output</i> * Black holes * Lack of clear responsibilities within and between divisions * Lack of detailed working practices * Lack of detailed job roles and descriptions * <i>Wrong on resourcing</i>
Workload	<i>Unintended Consequence</i>	
Old Culture	<i>Inherent Obstructing Process</i>	<ul style="list-style-type: none"> * Lack of Openness * Control / blame approach * Old control systems * Staff fears of retribution for comment
	<i>Unintended Consequence</i>	* <i>Little Empowerment</i>
Continued use of Old Management Style	<i>Inherent Obstructing Process</i>	* <i>Controlling and Non-empowering</i>
Knock-on Effect from Other Divisions	<i>Unintended Consequence</i>	* Continuation of blame culture in other Divisions
Inter-Business Barriers (Engineering)	<i>Unintended Consequence</i>	
Prolonged Business as Usual	<i>Unintended Consequence</i>	
Insufficient Response to	<i>Unintended Consequence</i>	(Connected to pace of change / workload by diarists)

Cross Reference of Processes: Distribution Management

staff Problems		
Implied Message of New Structure	<i>Unintended Consequence</i>	* Distribution Management staff safe, Engineering / Metering staff not so safe and at the mercy of Distribution Management
Rapid Pace of Change	<i>Design Issue</i>	
Slow Decision Making	<i>Unintended Consequence</i>	
Staffing Problems	<i>Unplanned Event</i>	* Non-release of old staff for new posts until replacements in place * Recruitment difficulties * Outstanding staff vacancies
Redundancies	<i>Design Issue</i> <i>Unintended Consequence</i>	* 58+ exit policy * <i>Experience and knowledge gaps</i> * <i>Skills and Staff Shortages</i>
Administration Problems with Appointments	<i>Unplanned Event</i>	* Administrative counselling delayed * Appointment lists for staff posted before their counselling
Rewards for Staff vs Senior Managers / Directors seen as Inequitable	<i>Unintended Consequence</i>	
Engineering Slow on Contracts	<i>Unplanned Event</i>	* Lack of / slow contract training * Lack of knowledge on contracts
Poor Staff Perceptions Counselling	<i>Unintended Consequence</i>	* Staff preferences believed to be ignored * Administrative staff feel neglected * Counselling seen as "paying lip service"
Negative Rumours	<i>Inherent Obstructing Process</i>	* Inter-divisional problems * Senior Management attitudes * Distribution Management Division seen as "Head Office" * Exits and so on
Poor Understanding Need for Change	<i>Unintended Consequence</i>	* <i>Poor understanding of:</i> - <i>competition</i> - <i>expectations of staff</i> - <i>working of new structure</i> - <i>rationale for change and business visions</i>
Inadequate Informative Communications	<i>Design Issue</i>	* Poor administrative communication * Insufficient communication on issues of staff concerns
Lack Appropriate Rewards	<i>Design Issue</i>	* For new ways of working
Poor Staff Morale	<i>Unintended Consequence</i>	* <i>Feeling overburdened, Uncertain</i>
Erosion Flexi-Time	<i>Design Issue</i>	* Way erosion of flexi-time being handled
Lack of Change Management Resource	<i>Design Issue</i>	
No Change Management Training	<i>Unplanned Event</i>	
Late Contracts	<i>Unplanned Event</i>	
Stories in Press	<i>Unplanned Event</i>	* Office site redevelopment * Director Salaries
Early Accommodation Problems	<i>Design Issue</i>	* At head office
Extension Staff Uncertainty	<i>Unintended Consequence</i>	* Some staff initially not told if they can have exit or not
Delayed External Tendering	<i>Unplanned Event</i>	

Cross Reference of Processes: Distribution Management

Administration Mistakes Workshops	<i>Unplanned Event</i>	* Poor administration of one workshop
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Key:

xxxx: Categories included on the final interview prompt cards.

xxxx: Categories identified either from the final interviews or in subsequent focus groups.

Other Obstructing Processes Identified in the Distribution Management Division

Design Issues

- * *Centralisation of Connections*
- * *Total Quality - Insufficient Effort Follow-up*
- * *Launch Communications - Distribution Video Content*
- * *Information Oversights in Communication*
 - *Relocations dates and details*
 - *Plans and progress*
 - *Event outcomes*
 - *Changes to plans*
 - *Inter-divisional issues*
- * *Little Communications prior to April 1993*

Unintended Consequences

- * *Contracts*
 - *Implementation and interpretation problems*
 - *Speculation over contents / concerns*
- * *Staff Reactions - Resistance, concern, cynicism*
- * *Temporary Transition Problems*
 - *Difficulties with team building early on*
 - *Car parking on office move*
- * *Connections*
 - *Skills and Experience Shortages*
 - *Work Backlog*

APPENDIX 7B
CROSS-REFERENCE OF ENGINEERING FACILITATING PROCESSES

Facilitating Process	Theme	Sub-Categories
Ongoing Communications	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Team briefing * Ad-hoc briefing of managers by Director * Director and senior manager visits to depots to brief staff / listen to their questions * Special locally organised workshops held for staff by their local managers
Executive Director	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Management Style / Leadership
One-off Communications	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Special change management workshops (Nov / Dec 93) * Engineering Business Seminars * Briefing of staff on review of their department * Business Plan Launch (April 94/95) & Operating Plan presentations / video * Explanation of share price performance * <i>Services Review Roll out</i> * <i>Records Office Centralisation</i> * <i>Depot Relocations</i>
Plans & Planning	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Transition plan * Workshop rationalisation plan * Depot rationalisation plan * Change Plan * Business Plans
Understanding of Need for Change	<i>Positive Development</i>	<ul style="list-style-type: none"> * Of new Structure and way of operating * Of Principles of and Rationale behind changes * <i>Expectations of Staff</i> * <i>Business vision</i> * <i>Roles and Responsibilities</i> * <i>Personal Vision</i> * <i>Competition</i>
Launch Communications	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Vision workshops * Distribution video * Briefing Meetings
Diary System	<i>Designed Change Intervention</i>	
Change Management (er)	<i>Designed Change Intervention</i>	
New Structure	<i>Designed Change Goal</i>	<ul style="list-style-type: none"> * Design and "shape" - 3 Divisions & 3 Engineering businesses - Contracting * New roles, responsibilities and relationships
Market Rates of Performance	<i>Designed Change Goal</i>	<ul style="list-style-type: none"> * Introduction of Productivity Improvements * Oncost / overhead reductions
New Working Practices	<i>Designed Change Goal</i> <i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Devolution * Flexible working * Time-sheets for engineering staff / time recording * Design and Build * Inter-business charging * Drawing Office performance measurement * <i>Working Parties on new working practices</i>
Team Building	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Appointment of staff to teams * Developing team relationships
Local Initiatives	<i>Positive Development</i>	

Cross Reference of Processes: Engineering

Appointments Process	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Briefing meetings & Information Packs * Counselling * Training on briefing of staff for middle managers * Role played by foremen in counselling industrial staff
Union Co-operation	<i>Positive Development</i>	<ul style="list-style-type: none"> * New working practices and procedures * Pay deals * Redundancies
Divisional Director	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Involvement in briefings and vision workshops * Union negotiations
Work Location Changes	<i>Designed Change Goal</i>	<ul style="list-style-type: none"> * Depot Rationalisation * Workshop Rationalisation * Centralisation of Records Office
Review Group & its Output	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Including Information packs for middle managers
Training	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Financial * Devolution * General * <i>Management Information System</i> * <i>Technical</i>
Inter-Divisional Co-operation	<i>Positive Development</i>	<ul style="list-style-type: none"> * At Senior Manager level * At middle manager level * At lower levels * <i>Good working relationships</i> * <i>Contract Co-operation</i>
Total Quality	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Training - with mini vision workshops * Quality Teams
Threat of External Tendering	<i>Designed Change Intervention</i>	
Introduction new Systems	<i>Designed Change Goal</i>	<ul style="list-style-type: none"> * Management Information * Transfer Pricing * Time-sheets / time recording * Job Numbers
Transitional Co-ordination	<i>Designed Change Intervention</i> <i>Positive Development</i>	<ul style="list-style-type: none"> * Inter-divisional Directors Meeting (Oct 1993) * Inter-divisional senior manager quarterly meetings * Black holes working party * Ad-hoc inter-divisional meetings to resolve problems * <i>Contract issues / responsibilities resolution</i>
External Influences	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Price Review * Competitive environment
Contracts	<i>Designed Change Goal</i> <i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Implementation * Writing * Training
Controls / Measurements	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Team brief audit
Redundancies	<i>Designed Change Goal</i> <i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Reduced number of staff * 58+ / 50+ exit policy * Transition '93 * Improved exit packages / extension of exit opportunities
Communications prior to April '93	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Team briefings on review group and its work
Appointments New Structure	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * People allocated to positions within the new structure
Values & Behaviours	<i>Designed Change Intervention</i>	
Senior Management Behaviour / Role in Change	<i>Designed Change Intervention</i>	

Business as usual	<i>Designed Change Intervention</i>	
Rewards	<i>Designed Change Intervention</i>	* Profit related pay * Start of productivity scheme industrial staff * Pay agreements * Other initiatives
Empowerment	<i>Designed Change Goal</i>	* Of staff as part of move to new culture

Key:

xxxx: Categories included on the final interview prompt cards.

xxx: Categories identified either from the final interviews or in subsequent focus groups

Other Engineering Division Facilitating Processes identified

Designed Change Interventions

- * *Records Office Working Practice Changes*
- * *Retention of some senior managers taking redundancy for early part of transition.*

Positive Developments

- * *Staff Adaptation*
 - *Work & role evolution*
 - *Willingness to adapt*
- * *Staff Attitudes*
 - *Accepting Changed Duties*
 - *Positive Attitude*
 - *Staff Commitment*

Unplanned Events

- * *Better than planned performance*

APPENDIX 7B
CROSS-REFERENCE OF ENGINEERING OBSTRUCTING PROCESSES

Obstructing Process	Theme	Sub-Categories
Continued use of Old Management Style	<i>Inherent Obstructive Process</i>	<ul style="list-style-type: none"> * 'Blame / Control' management style * Punishing mistakes * Little delegation to / empowerment of middle managers * Lack of response to diary reports / staff problems
Workload	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Heavy workload - for all levels of staff * Backlogs of work * Overtime Restrictions * No spare staff for cover for holidays, sickness, etc. * Perceived shortage of resources in terms of numbers / experiences * Middle managers working 50 - 60 hour weeks * Continual demand for information * Lack of time for training * Pace of devolution not fast enough/ delayed in some sections * Staff exits without replacements * Creeping Bureaucracy
Prolonged Business as Usual	<i>Unintended Consequence</i>	
Poorly Developed New Systems	<i>Design Issue</i>	<ul style="list-style-type: none"> * IBT system * Creeping Bureaucracy
Senior Management Approach	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Lack of MBWA / poor visibility * Lack of thanks and recognition to staff * Little evidence of a move to a more honest and open culture * Slow response to diary system * Lack of encouragement of empowerment * Little contact with middle managers * Counteraction of decisions made at local level
Old Culture	<i>Inherent Obstructive Process</i> <i>Unintended Consequence</i> <i>Design Issue</i>	<ul style="list-style-type: none"> * Continued use of old control systems * Blame / Control approach * No empowerment of managers * No move to control at profit centre level * No new performance measures (profit centre and others)
Inter-Business Barriers	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Lack of understanding of rationale for / buy-in to new structure * Lack of understanding of operation of new structure * Inter-business disagreements e.g. over equipment * Senior management implications that intention to create barriers * Resentments about differences in overtime levels, working conditions, etc. * Lack of co-operation / extension of black holes * "Personality Problems"
Staff Attitudes	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Poor staff morale * Lack of trust of senior managers
Inadequate Informative Communications	<i>Design Issue</i>	<ul style="list-style-type: none"> * Lack of information on Devolution - who it affects and how * Lack of information on exits e.g. exit 94, terms, who it is for, etc. * Poor publicity of Diary System * <i>Lack of information on plans & progress, changes to plans,</i> * <i>Lack of on-going information</i> * <i>Poor communication of business plans</i>

Cross Reference of Processes: Engineering

Poor Communications Infra-structure	<i>Inherent Obstructing Process Design Issue</i> <i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Senior managers slow to pass information to middle managers * Lack of face-to-face communication, specific change seminars, etc. * Over-reliance on team-briefing / drip-feeding of information * Lack of communication efforts by middle managers to pass on learning they have acquired to their staff
No Detailed Review Group Output	<i>Design Issue</i> <i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Lack of clear responsibilities within / between divisions * No detailed: <ul style="list-style-type: none"> - working practices - job roles and descriptions - inter-divisional / inter-business operation guide-lines * Black holes * <i>False Expectations of Review Group Output</i>
Poor Management Information	<i>Unintended Consequence Design Issue</i>	<ul style="list-style-type: none"> * Problems in Obtaining Accurate Information * Difficult to prepare budgets with old information * Lack of use of information from new systems such as timesheets and IBT
Poor Inter-Divisional Problem Resolution	<i>Design Issue</i>	<ul style="list-style-type: none"> * No inter-divisional decision making / co-ordination body * No assigned responsibility for tackling inter-divisional problems * Little output inter-divisional senior manager meetings
Negative Inter- Divisional Attitudes	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Protection of "turf" * Resentment * "Personality" problems * Belief that Distribution Management in out to get Engineering * Lack of co-operation / extension of black holes
Poor Understanding Need for Change	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Change = redundancies, increased responsibilities and workload for no additional reward * Poor understanding of rationale for new Engineering structure * Lack of Visible Change at Lower Levels of Division / slow pace of change for industrial staff
Redundancies	<i>Design Issue</i> <i>Unintended Consequence</i>	<ul style="list-style-type: none"> * 58+ / 50+ exit policy * Management of exits * Letters confirming exit arrangements for staff late * Renewed counselling for exits in March 94 * Renewed exit efforts - oncosted staff, etc * Reduced number of staff (workload / experience) shortages
Slow Decision Making / Prolonged Uncertainty	<i>Design Issue</i> <i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Some staff not told if they can have exit or not or when * Time taken to make decisions on depot rationalisation, shift technicians * Continual new reviews of one Engineering section or another prolonging fears about job security * Rumours
Resistance	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Resistant new working practices * Fear of change & new working practices * Fear of inability to cope * Implied messages of changes * Older staff vs younger staff
Lack of Consultation / Co-ordination	<i>Design Issue</i>	<ul style="list-style-type: none"> * Some sections introduce new working practices / systems that impact other sections without telling them or consultation
Inadequate Educational Communications	<i>Design Issue (leading to Unintended Consequence of "Who does what" due to lack of knowledge of roles, responsibilities, contracts)</i>	<ul style="list-style-type: none"> * <i>Lack of information on people movements</i> * <i>Over-reliance on information packs</i> * Lack of knowledge of: <ul style="list-style-type: none"> - roles and responsibilities within and between divisions - who to contact for what and where - contract details - working arrangements between Divisions and Engineering

Cross Reference of Processes: Engineering

		Businesses - review group terms such as 'Design and Build'
Lack of Positive Message	<i>Design Issue</i> <i>Unintended Consequence</i>	* No clear vision * Message given out "You're lucky to still have job" * Poor understanding vision
Culturally Inhibited Middle Manager Change	<i>Inherent Obstructive Process</i>	* Reluctance to do things differently Locally * Fears of taking initiatives
Rapid Pace of Change	<i>Design Issue leading to Unintended Consequence</i>	* Difficult to juggle business as usual, forward planning, working practice changes, change management, etc. * No time for consolidation / review
Perceived Inequities Skills Allocations	<i>Unintended Consequence</i>	* Inappropriate skills / experience levels for section's needs * Poor staff profile - old, not completely healthy, etc. * Initial incorrect allocations
Stores System	<i>Unplanned Event</i>	
Union Response	<i>Unplanned Event</i>	* Union resistance to change - mainly engineers e.g. Timesheets and Devolution
Engineering / Union relationship	<i>Unintended Consequence/ Unplanned Event</i>	
Plans / Planning	<i>Design Issue</i>	* Lack of publicity of business plan (until April '94) * Lack of publicity of transition plans early on * Lack of well-defined medium to long term plans * Lack of implementation plans depot rationalisation
Negative Rumours / Stories	<i>Inherent Obstructing Process</i>	* Inter-divisional problems * Senior Management attitudes * Distribution Management seen as "Head Office" * Work to go to outside contractors * "Engineering set up to fail", etc. * Exits ... and so on
Insufficient Training	<i>Design Issue</i>	* Contracts * New Systems e.g. management information
Implied Messages New Structure	<i>Unintended Consequence</i>	* Distribution Management staff safe * Engineering / Metering staff not so safe
Poor Perceptions Counselling	<i>Design Issue</i> <i>Unintended Consequence</i>	* <i>Way counselling Done</i> * <i>Use of managerial preference</i> * <i>Appointments process / industrial counselling does too quickly</i> * Belief personal preferences ignored for managers' preferences * Counselling seen as paying "lip service", a "rubber stamping process", "a bit of a farce", at more junior levels
Perceived Inequities Rewards - Senior Managers & Directors versus Staff	<i>Unintended Consequence</i>	
Late Contracts	<i>Unplanned Event</i>	
Staffing Problems	<i>Unplanned Event</i>	* Unfilled vacancies * Difficulties getting Administrative support
No Change Management Training	<i>Unplanned Event</i>	
Stories in the Press	<i>Unplanned Event</i>	* Office site redevelopment * Director Salaries
Rumoured Removal Flexi-time	<i>Design Issue</i>	* Briefing of staff in one department that they must be at their desks at 8.30 am despite flexi-time
No Tendering for External Work Yet	<i>Unplanned Event</i>	

Delayed Distribution Management External Tendering	<i>Unplanned Event</i>	* Not to be done until April 1995
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Key:

xxxx: Categories included on the final interview prompt cards.

xxxx: Categories identified either from the final interviews or in subsequent focus groups.

Other Engineering Division Obstructing Processes Identified

Design Issues

- * *Launch Communications*
 - *Distribution Video Content*
- * *Little Communications Prior to April 1993*
- * *Appointments Process*
 - *Briefing Poor*
 - *Way allocations made*
- * *Contracts*
 - *Missing Tasks*
 - *Implementation Problems*
- * *Over-rapid Connections centralisation*
- * *No new HRM systems*

APPENDIX 7C
CROSS-REFERENCE OF DIVISION FACILITATING PROCESSES

Facilitating Process	Theme	Sub-Categories
Launch Communications	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Vision workshops * Distribution video * Briefing Meetings * '93/94 Action plan launch
One-off Communications	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Visits to depots by flexible working project manager / team member to explain what all about * Statement on training policy * April '94 Action Plan Launch * Operating plan presentation / video (April '94) * Explanation of share price performance
Understanding of Need for Change	<i>Positive Development</i>	<ul style="list-style-type: none"> * Of new Structure and way of operating * Of principles of and rationale behind changes * Greater awareness of need for customer service in Metering in comparison to other divisions & <i>therefore expectations of staff</i> * <i>Business Vision</i> * <i>Competition</i>
Training	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Vision workshop presenters * Financial * General
Appointments & Process	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Managerial - briefing meetings, information packs, counselling * Non-managerial - Cap Badging, counselling when needed. * Fit of appointees to positions (allocations)
Staff Attitudes	<i>Positive Development</i>	<ul style="list-style-type: none"> * Commitment by supervisory levels & staff * <i>Positive Attitudes</i> * <i>Accepting Changed Duties</i> * Shift to customer focus orientation already made due to previous position within Customer Services and impact of privatisation regulation on them
Ongoing Communications	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Team briefing * Director and senior manager visits to depots to brief staff / listen to their questions
Team Building	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * <i>Allocation of staff to teams in one location</i> * <i>Team Meetings</i> * <i>Development of team</i>
Total Quality	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Training * Quality Teams * Continuous Improvement Group
New Working Practices	<i>Designed Change Goal</i>	<ul style="list-style-type: none"> * Flexible working * Hand held instruments * Amalgamation of Operations * Work load planning
New Systems	<i>Designed Change Goal</i>	<ul style="list-style-type: none"> * Work Management System * Walk order System
External Influences	<i>Designed Change Intervention</i>	<ul style="list-style-type: none"> * Regulatory Review * Competitive environment / commercial pressures
New Accommodation	<i>Designed Change Goal</i>	<ul style="list-style-type: none"> * For example, Data and installation staff moved into one building
Unexpected Restructuring	<i>Unplanned Event</i>	<ul style="list-style-type: none"> * Amalgamation of two zones, creation of Project Teams including one for work management system
Divisional Director	<i>Designed Change</i>	<ul style="list-style-type: none"> * Involvement in briefings and vision workshops

Cross Reference of Processes: Metering

	<i>Intervention</i>	* Management Style
Union / Metering Co-operation	<i>Positive Development</i>	* Union negotiations * Union agreement to new working practices and procedures, pay deals, redundancies
Working Parties	<i>Designed Change Intervention</i>	* Flexible Working * Hand held instruments * Work load planning / work management system
Diary System	<i>Designed Change Intervention</i>	
New Structure	<i>Designed Change Goal</i>	* Design and "shape" - 3 Divisions * New roles, responsibilities and relationships
Plans & Planning	<i>Designed Change Intervention</i>	* Transition plan * Business plans
Contracts	<i>Designed Change Goal</i> <i>Designed Change Intervention</i>	* Implementation * Writing * Training,
Senior Management Behaviour	<i>Designed Change Intervention</i>	
Change Management	<i>Designed Change Intervention</i>	
Redundancies	<i>Designed Change Goal</i> <i>Designed Change Intervention</i>	* Reduced number of staff * 58+ exit policy * Transition '93 * Exit '94
Rewards	<i>Designed Change Intervention</i>	* Profit related pay * Administrative and engineer pay agreements
Review Group & Its Output	<i>Designed Change Intervention</i>	* Including information packs for middle managers
Executive Director	<i>Designed Change Intervention</i>	* Management Style / Leadership
Threat External Tendering	<i>Designed Change Intervention</i>	
Values and Behaviours	<i>Designed Change Intervention</i>	
Centralisation	<i>Designed Change Goal</i>	* Relocation to new head office * Centralisation of Administrative staff at new head office
Inter-Divisional Co-operation	<i>Positive Development</i>	* At Senior Manager level * At Middle Manager level * At lower levels
Communications prior to April 93	<i>Designed Change Intervention</i>	* Team briefings on the review group and its work
Transitional Co-ordination	<i>Designed Change Intervention</i>	* Inter-divisional Directors Meeting (Oct 1993) * Inter-divisional senior manager quarterly meetings * Efforts to resolve problems with Supply Division * Ad-hoc inter-divisional meetings to resolve problems
Business as Usual	<i>Designed Change Intervention</i>	
Controls / Measurement	<i>Designed Change Intervention</i>	* Team brief audit
Empowerment	<i>Designed Change Goal</i>	* Of staff as part of move to new culture

Key:

xxxx: Categories included on the final interview prompt cards.

xxxx: Categories identified either from the final interviews or in subsequent focus groups

Other Metering Division Facilitating Processes Identified

Designed Change Interventions

- * *Staffing*
 - *Shift Technicians resolved*
 - *Administrative support provided*

Positive Developments

- * *Staff work and role evolution*

APPENDIX 7C

CROSS-REFERENCE OF METERING DIVISION OBSTRUCTING PROCESSES

Obstructing Process	Theme	Sub-Categories
Poor Inter-Divisional Problem Resolution	<i>Design Issue</i>	<ul style="list-style-type: none"> * No inter-divisional Distribution decision making / co-ordination body * No assigned responsibility for tackling inter-divisional problems * Little output from inter-divisional senior manager meetings * No-one from the review group to drive through planned changes * Little action following meetings between Metering / Distribution Management re Connections problems * No forum for tackling problems with Supply Division
Prolonged Business as Usual	<i>Unintended Consequence</i>	
Interface Problems - Supply	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Too many am appointments (and later pm) * Duplicate jobs * Uncooperative Supply attitude
Negative I-D Attitudes	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Protection of "turf" / walls * Metering frustration with Distribution Management Division * "Personality" problems * Lack of willingness to co-operate / extension of black holes
No Detailed Review Group Output	<i>Design Issue</i> <i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Lack of clear: <ul style="list-style-type: none"> - responsibilities within and between divisions, - detailed working practices - job roles and descriptions - inter-divisional operation guide-lines. * Black holes * False expectations of output
Review Group Design Issues	<i>Design Issue</i>	<ul style="list-style-type: none"> * Shift technicians * Incorrect resourcing in terms of staff numbers by Metering branch
Old Culture	<i>Inherent Obstructing Process</i> <i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Blame / Control approach * Continued use of old control systems * Unions * No empowerment of managers * No move to control at profit centre level
Other Divisions behind Metering	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Perception that Metering moving faster than other divisions
Rapid Pace of Change	<i>Design Issue leading to Unintended Consequences</i>	<ul style="list-style-type: none"> * Difficult to juggle business as usual, forward planning, working practice changes, change management, etc. * No time for consolidation / review
Workload	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Change process in terms of redundancies and exits ahead of new working practice changes * Lack of time for middle managers for MBWA * Heavy workload - for all levels of staff; continual exits of more staff (skills) without replacements; lack of time for TQ training
Staff Uncertainty	<i>Unplanned Event</i> <i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Fears of reductions in staff numbers and pay like in associated company * Rumours about contracting out of work * Unexpected re-structuring to combine two zones
Senior Management Approach	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Lack of MBWA / poor visibility * Lack of thanks and recognition to staff for hard work

Cross Reference of Processes: Metering

		<ul style="list-style-type: none"> * Little evidence of move to more honest / open culture * Slow response to diary system * Poor response to long-standing problems
Inadequate Educational Communication Early On	<i>Design Issue (leading to Unintended Consequence of "Who does what")</i>	<ul style="list-style-type: none"> * Lack of knowledge of: <ul style="list-style-type: none"> - roles and responsibilities within / between divisions - who to contact for what - working arrangements between Divisions
Negative Rumours / Stories	<i>Inherent Obstructing Process</i>	<ul style="list-style-type: none"> * Inter-divisional problems * Senior manager attitudes * Work to go to outside contractors * Associated company being used for work to demonstrate rates of pay too high * Exits and so on
Continued use of Old Management Style	<i>Inherent Obstructing Process</i>	<ul style="list-style-type: none"> * 'Blame / Control' management style * Punishing mistakes * Little delegation to / empowerment of middle managers
Rewards for senior managers / Directors vs staff seen as inequitable	<i>Unintended Consequence</i>	
Communications Co-ordination	<i>Unplanned Event Unintended Consequence</i>	<ul style="list-style-type: none"> * Zone amalgamation announcement * Feelings of non-managerial staff that not always well informed
Late Contracts	<i>Unplanned Event</i>	
Lack of Planning	<i>Design Issue</i>	<ul style="list-style-type: none"> * Lack of publicity of transition plans early on * Lack of well-defined medium to long term plans
Inadequate Informative Communications	<i>Design Issue</i>	<ul style="list-style-type: none"> * Little Exit Information (e.g. exit 94, terms, who it is for, etc.) * Little information on contract details * Little information on change progress * Little detail on flexible working and the impact on staff early on
No Change Management Training	<i>Unplanned Event</i>	
Stories In Press	<i>Unplanned Event</i>	<ul style="list-style-type: none"> * Office site redevelopment * Director Salaries
Poor Morale	<i>Unintended Consequence</i>	
Not Allowed to Tender for External Work	<i>Unplanned Event</i>	
Poor Understanding Need for Change	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Change = redundancies, increased responsibilities and workload for no additional reward * Lack of Visible Change at Lower Levels of Division / slow pace of change for industrial and Administrative staff
Redundancies	<i>Design Issue Unintended Consequence</i>	<ul style="list-style-type: none"> * 58+ exit policy * Reduced number of staff / experience / skills
Staffing Problems	<i>Unplanned Event</i>	<ul style="list-style-type: none"> * Lack of administrative staff / support early on
Perceived Skills Imbalance	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Between Operations and Data Foremen
Union Response	<i>Unplanned Event Unintended Consequence</i>	<ul style="list-style-type: none"> * 'Upset' over team briefing in December on Flexible Working etc., * Lengthy negotiations over new working practices for Data staff slowing down implementation
Implied Message New Structure	<i>Unintended Consequence</i>	<ul style="list-style-type: none"> * Distribution Management staff safe, Metering / Engineering staff not so safe and at the mercy of Distribution Management
Lack of Positive Message	<i>Design Issue Unintended Consequence</i>	<ul style="list-style-type: none"> * No clear vision * Message given out "You're lucky to still have job"
Delayed External Tendering	<i>Unplanned Event</i>	

Poor Perceptions Counselling	<i>Unintended Consequence</i>	* 'Why haven't I got my first choice?'
Early Accommodation Problems	<i>Design Issue</i>	* Head Office, Operations team in one area

Key:

xxxx: Categories included on the final interview prompt cards.

xxxx: Categories identified either from the final interviews or in subsequent focus groups

Other Metering Division Obstructing Processes Identified

Design Issues

- * *Launch Communications - Distribution Video Content*
- * *On-going Communications - Team Briefing (way done)*
- * *Little Communications prior to April '93*
- * *Total Quality*
 - *Insufficient Effort Post Training*
- * *Flexible Working - Insufficient staff involvement and briefing*
- * *Contracts*
 - *Implementation Problems*
 - *Way Introduced*
- * *Little Change Management*
- * *No new HRM systems*

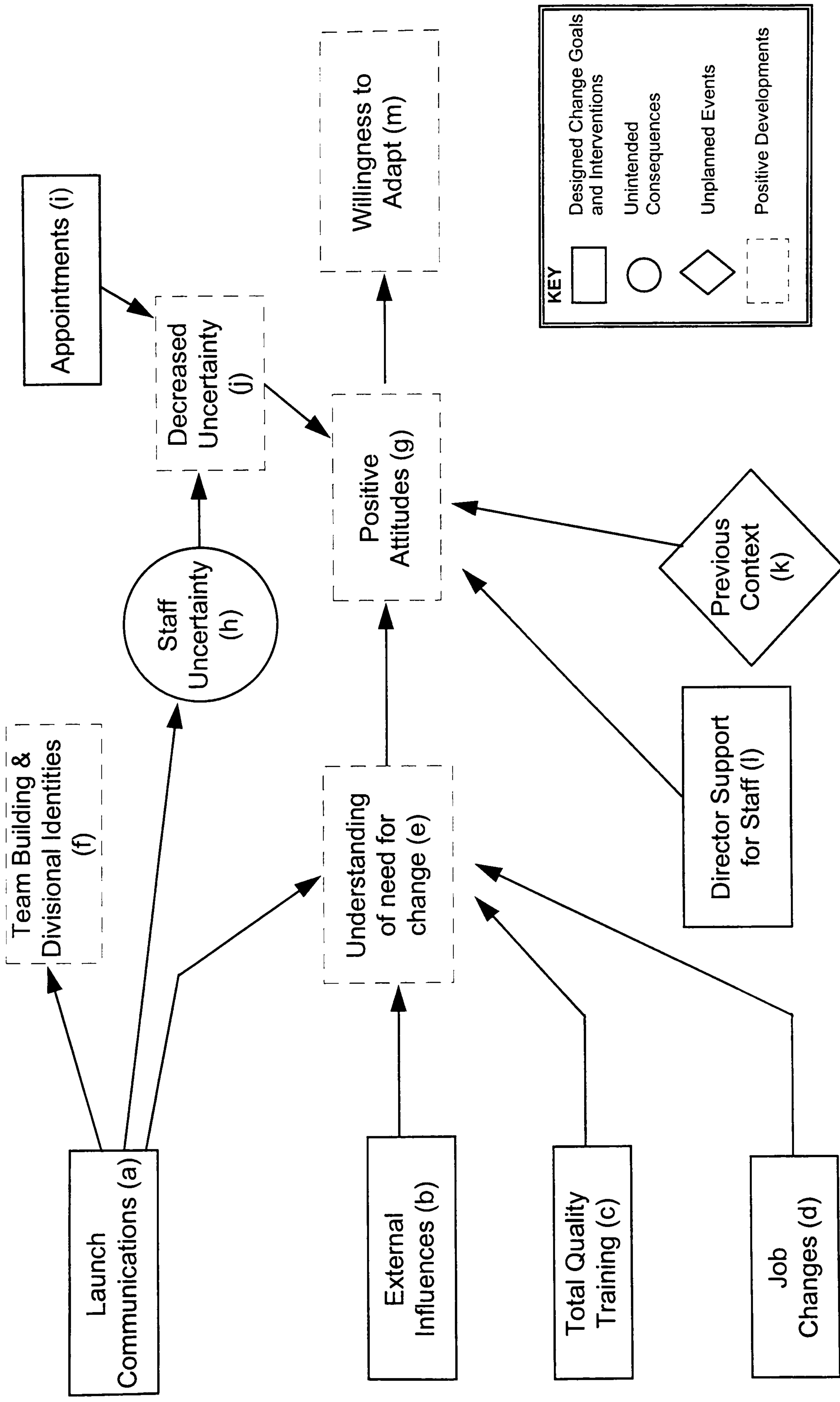
Inherent Obstructing Processes

- * *Cultural Differences Metering and Other Divisions*

APPENDIX 8

CAUSAL NETWORKS SHOWING PROCESS OF DEVELOPMENT OF UNINTENDED CONSEQUENCES AND POSITIVE DEVELOPMENTS

PROCESS OF DEVELOPMENT OF POSITIVE ATTITUDES IN DISTRIBUTION MANAGEMENT



Description of Causal Network showing Process of Development of Positive Attitudes in the Distribution Management Division

Chapter 7 discusses the example of middle manager adaptation. This example expands on the link between the launch communications, and the development of positive attitudes and commitment among staff in the Distribution Management Division, discussed in chapter 7 as part of the process of middle manager adaptation.

The launch communications (a), such as the vision workshops and action plan launches did create uncertainty (h) for staff, but also helped to create an understanding of the need for change (e):

“Vision meetings are also raising the staff awareness of the need to change and have been favourably received”

“.. it was put quite clearly why we are doing what we are doing, and it quite clearly puts where we want to go, I think, so that alone is something that has not happened before, in the way that it has happened this time ..”

“The Action Plan Launch was well received. It provided useful insights into where we are heading”

“The Action Plan Launch brought branch together and increased knowledge of each section within the branch. Clarified objectives and aims for the next year”

The understanding (e) was also helped by the impact of external influences (l), total quality training and staff’s job changes:

“I believe that all the staff whom I have contact with have an understanding that competition exists and we need to change for that reason. Understanding what the competition is is another matter - some work to do here. More senior staff in this group are also very aware of the aspects of the forthcoming regulatory review together with the city perceptions of the company.”

“In relation to competing for business within our region, its not just an alternative supplier or somebody else that can do our work it's actually that we might not be getting business that we've got now. On very simple terms I think they recognise that somebody else might be able to supply our customers. I think particularly in our business sector where we are doing quite a bit of work to actually preparing ourselves for this ..”

“it has certainly been reinforced with the TQ training, that has just taken place, the need for change very much”

“Lower graded administrative staff in Distribution Management are becoming very aware of the effects that the changes are having on the areas of the business for which they are responsible. This is prompted by the need to change through necessity (i.e.

to continue to carry out their job) as opposed to having considered why the changes are taking place.”

The launch communications (a) also helped the development of team building and divisional identities (f):

“Our section’s Action Plan Launch occurred this week. This gave the opportunity for staff to meet each other and commence the team building mentioned above. It also gave the opportunity for staff to be aware of the aims of the section and helped to put the individuals position into perspective”

“Staff see themselves as belonging to the Distribution Management Division and working towards its goals. This is probably due to the vision workshops and creation of individual identities by the Directors.”

“Team building activities are occurring and seen as important - the vision workshops and action plan launch re-emphasise this and has been appreciated”

As the understanding grew, staff become more enthusiastic about the changes leading to the development of more positive attitudes (g):

“Although team building is not easy under the current climate, particularly with staff being separated, I have noted that staff within my section have started to liaise with each other.”

“Generally staff within my area still seem willing to get on with the job. Self motivated effort has been made by various members of my section to team build by working with future colleagues”

“The one thing I will say is the majority of staff have been, that I have dealt with, really have tried to make things work, whether it is because they think they are saving the Division I don't know, and I want to keep it that way, but I am feeling that they are happy to be within the division and because of that, and they recognise the way we want to work they are willing to put the time, effort and the commitment into it”

“Staff adaptation to evolve own job roles to become more flexible - people have been reluctant to take that on, but they are beginning to recognise that they have got that responsibility now and to take on the accountability and people are starting to move in the right direction”

“Staff in post are showing a great deal of commitment to making the changes work. There is a realisation that it is our responsibility to make this change successful; it is not the sole responsibility of more senior management”

The development of positive attitudes to the changes (g) was also helped by the appointment of staff to their positions in the new structure (i) as this alleviated the uncertainty created by the launch communications (j):

“There was trauma leading up to the counselling, 'will I get my first choice'. The time between making the choice and being told was not long, but we first knew review was occurring in November. When expected senior manager did not get the bosses position this was a special worry.”

Another factor promoting the positive attitudes of staff appeared to be the staff's loyalty to the company (k) and their determination to make the changes work:

“Staff seem so committed, enthusiastic and want it to work”

“Staff are ensuring that work is prioritised with extra hours worked and work being taken home to ensure things are done to deadline, because we are committed to ensure things don't get missed/delayed”

“I wrote off 40 hours last month, so I did an initial weeks work, plus what I took home, I mean that is not counted, plus I actually worked through every lunchtime but there are a lot of people like that”

“the guys are in general saying there is a job to be done and we will do it to the best of our ability and when you see the outside world, not everybody has that sort of asset and I think we are lucky”

Finally the fact that the Director (l) was believed to be supportive of his staff was also a factor:

“The Director and our manager performed very well and perceptions of them by some staff who had little previous chance of seeing them in action were enhanced. The Director especially came across as honest, open and totally committed to the success of the Division and the business.”

"I would like to just voice appreciation really, I don't know if anyone else has benefited, but the Director actually came out from his office and visited us at our Control Centre....."

“I think the thing that is helpful is that the Director is actually very approachable and open... and although all right, we may not have got the balance right, you do feel and you do have a Director that actually cares, I think that helps a lot.”

Although there were also criticisms of the fact that he was not always visible enough to all staff:

“The Director I think is brilliant, he is very approachable, he is very good, he is split in so many different places that he is amazing to give as much time as he does, but I know there has been a lot of comments that Connections staff haven't seen him and all he has got to do is walk out of his office, he comes and sees us anyway and I go and see him, so we have a bit of a different relationship.”

“Certainly, he is a guy I can talk about quite comfortably to my staff even if they don't see much of him, which is a shame that we don't see a bit more of them because I believe he is the type who could carry people forward very effectively, very approachable and a common sense approach he seems to have to me”

“I suppose so, it would have been nice to see a bit more of him, to make it an easier decision, he is very shrewd, when you do get to talk to him, he is really a man you can get behind and follow, but in my view we needed to see more of him”

The positive attitudes of staff was one of the major factors then contributing to the willingness of staff to adapt (m) and take on their new roles. This linkage is discussed in the example on the process of middle manager adaptation in the main text in chapter 7, and will not be repeated here. The positive attitudes were important to the overall change process as the Division had a pool of staff prepared to work long hours to make the changes work. Had the staff not been prepared to put in extra hours and work hard, progress would have been slower.

Description of Causal Network showing Process of Development of Positive Attitudes in Engineering

Chapter 7 discusses the example of middle manager adaptation. This example expands on the link between the launch communications, and the development of positive attitudes and commitment among staff in the Engineering Division, discussed in chapter 7 as part of the process of middle manager adaptation.

The launch communications (a) such as the vision workshops helped to create an initial understanding (e) of the need for change:

“the vision workshops put a lot of flesh on the bones for me in what we are trying to achieve and they made my life a lot easier, once I understood what I was trying to do it was a lot easier for me to implement.”

“Well, the vision workshops, the information packs that we dished out to managers, particularly were very powerful I believe in moving people's understanding forward.

“I think the vision workshops were good because I was quite clear on the way forward and what we were doing, the video though I think let us down a bit”

External influences (b), ongoing communications (c), and in some instances the previous working environment (d) and other internal changes (h), all helped to foster the understanding:

“I think it is not just the fact that they can see what the regulator can do, it is looking at the general job market elsewhere, what is happening, I don't think it is just anything particular within the industry.”

“the business plan launch has filled a few of the gaps that were missing”

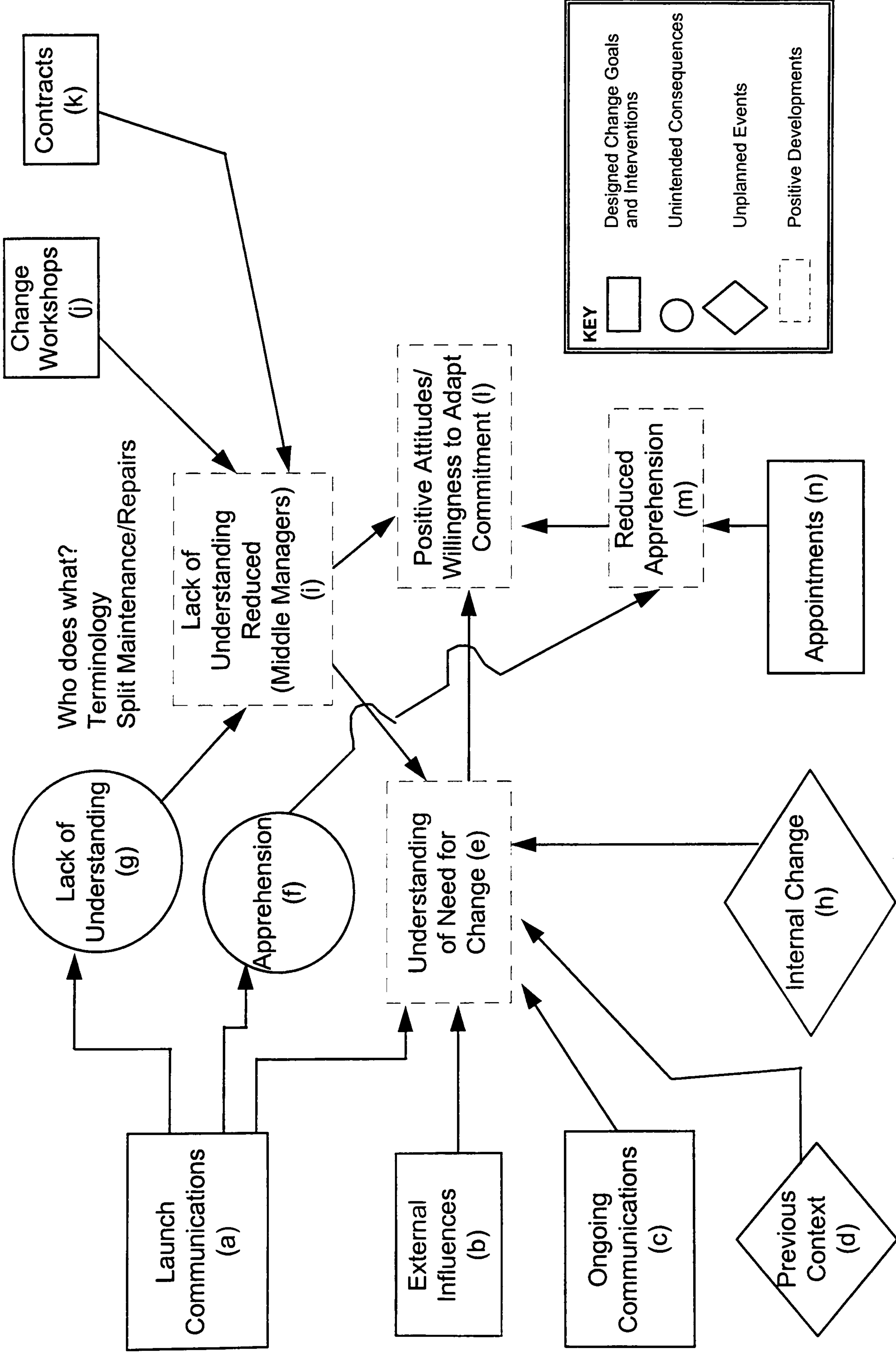
“I think everybody's entirely happy with the rationale, we've always worked in a market where we use a lot of contract work, so we're close to the market shall we say. We've been campaigning for a long time that we should be looking for outside work, we've previously done occasional jobs that came up ... all the people understand that we've got to compete against outside business, and we lie fairly easy with that because we've got the most relevant expertise in the game.”

“I think people do understand that change is real because they see other sections getting hammered because we have clearly not got market rates of pay”

However, the launch communications (a) also created apprehension (f) in some staff:

“But other people are now starting to fear, staff are fearing really for their job and job security, that's the main concerns at the moment.”

PROCESS OF DEVELOPMENT OF POSITIVE ATTITUDES IN ENGINEERING



And left areas of misunderstanding (g) - in particular about who does what, the split between Maintenance and Repairs and some of the terminology used such as “design and build”

“In general there is some difficulty in understanding who does what within the new structure”

“you are not sure where people have gone, who is responsible for what, who is doing what and that has been a problem. In all businesses, mainly Engineering and Distribution Management Division, but also in Engineering within your own little units you don't know who is doing what”

“you spend a lot of time on the phone trying to find out who is doing what, how it should be done..... when you have identified what section are doing what then you have got to find out who the individuals are within that section”

“Transfer pricing charges are adding a new dimension to the problem of who should do what. It now includes who should pay for what. These problems will not go away until staff have a clear definition of what their duties are”

“they still don't understand why Repairs has been split from Maintenance.”

“I think it is quite clear cut in Construction, I don't think there is much problem there but the split between Maintenance and Repairs.....”

“we could have done far more to educate people as to what... design and build actually means, what the contracts are in more detail”

Two things helped to dispel the lack of understanding (i) about issues such as the split between Repairs and Maintenance, who does what and the working of the new structure amongst the middle managers. The first of these was the change management workshops (j), and the second, much later into the change process, the issue of the contracts (k):

“The change workshops - the ones in December, well all the workshops that we've run. I always feel that the feedback that we've always had is very positive, that people have enjoyed them and always taken ... gone away with increased understanding and commitment to the plan. So I think they're probably the single most successful thing that we've done.”

“The beauty about them (change management workshop), it was middle to senior managers at the workshops, the whole thing ... it was a chance to get away from the office for a day, sit down with a mixture of managers across the piece and discuss not you're problems, but the problems of the company.”

“until that change management workshop I didn't know, or I didn't appreciate what had gone on in the review group about what was looked at and how they looked at breaking even ... that hadn't been explained really.”

“Locally there is still an amount of "business as usual". However the issue of the Repairs contract has cleared up a number of issues as to who will do what and charge whom.”

“I've got to comment, because I've been highly critical all the way through every meeting I think because the contracts have not been issued and that we are working to business as usual. Well I've got to report that the contracts have been issued and that has got to be a step forward, and we are starting to work out what people's definitions are, and again working better with the Distribution Management Division I think because of that, a lot of areas are starting to be cleared up now ...”

As understanding (I) improved, so did the number of staff feeling positive (I) about, and committed to, the changes:

“Staff generally seem to be switched on at last by the success of splitting the businesses and the focusing this has achieved. Whilst we will not hit the final year end targets, we will have the best result for as long as I can remember”

“we've obviously had to force change in, but it's certainly, without the co-operation of the staff we wouldn't be where we are today. And their willingness to accept the change, and question it in some cases, it needed questioning, it needed clarifying, but if they hadn't done that we wouldn't be where we are.”

“Just from the shop floor, on the good side I think, even with the difficulties, I think you are getting quite a flexible approach from staff in general now In general, there is a more flexible approach by most people, they will do most things that they are asked....”

Although the appointments (n) at the start of the change process also did a lot to alleviate staff concerns (m) and engender positive attitudes (I) to the changes:

“As more staff are appointed to the new structure, there is a lot of positive team building going on. Staff are beginning to feel more secure in their new units and to have a sense of purpose.”

“The counselling process, now complete has removed a significant part of peoples apprehension. The business teams are developing well. We are moving forward.”

“The majority of staff have been allocated to a business and are settling in well. Staff are feeling much happier now that they know where they belong.”

The positive attitudes then aided the willingness of staff to adapt and be flexible as shown in the example on the process of middle manager adaptation in chapter 7 in the main text.

Description of Causal Network showing Process of Development of Positive Attitudes in Metering

Chapter 7 discusses the example of middle manager adaptation. This example expands on the link between the launch communications, and the development of positive attitudes and commitment among staff in the Metering Division, discussed in chapter 7 as part of the process of middle manager adaptation.

As in the other two divisions, the launch communications (a) were instrumental in creating an understanding of the need for change (f):

“I think probably an understanding of what we were trying to do, which was probably a result of the last action plan launch, the vision workshop type situations, I would think that probably that 96% of the industrial staff which is obviously the biggest indicator, grumbled on day one and accepted very rapidly, and accepted the drive that we were going through, so I think a clear understanding of where the goal posts were

The vision workshops (a), in which the Divisional Director participated, were seen to have been particularly effective in creating understanding among non-managerial staff.

A strong influence on the development of the understanding of the need for change (f) in Metering appeared to be the old culture (c) of the staff. The diarists believed that since most of the staff in Metering had come from a customer services division where regulation had imposed customer service standards early on, and were used to having to deal with the end customer, that they were more receptive to the messages of the current change initiative:

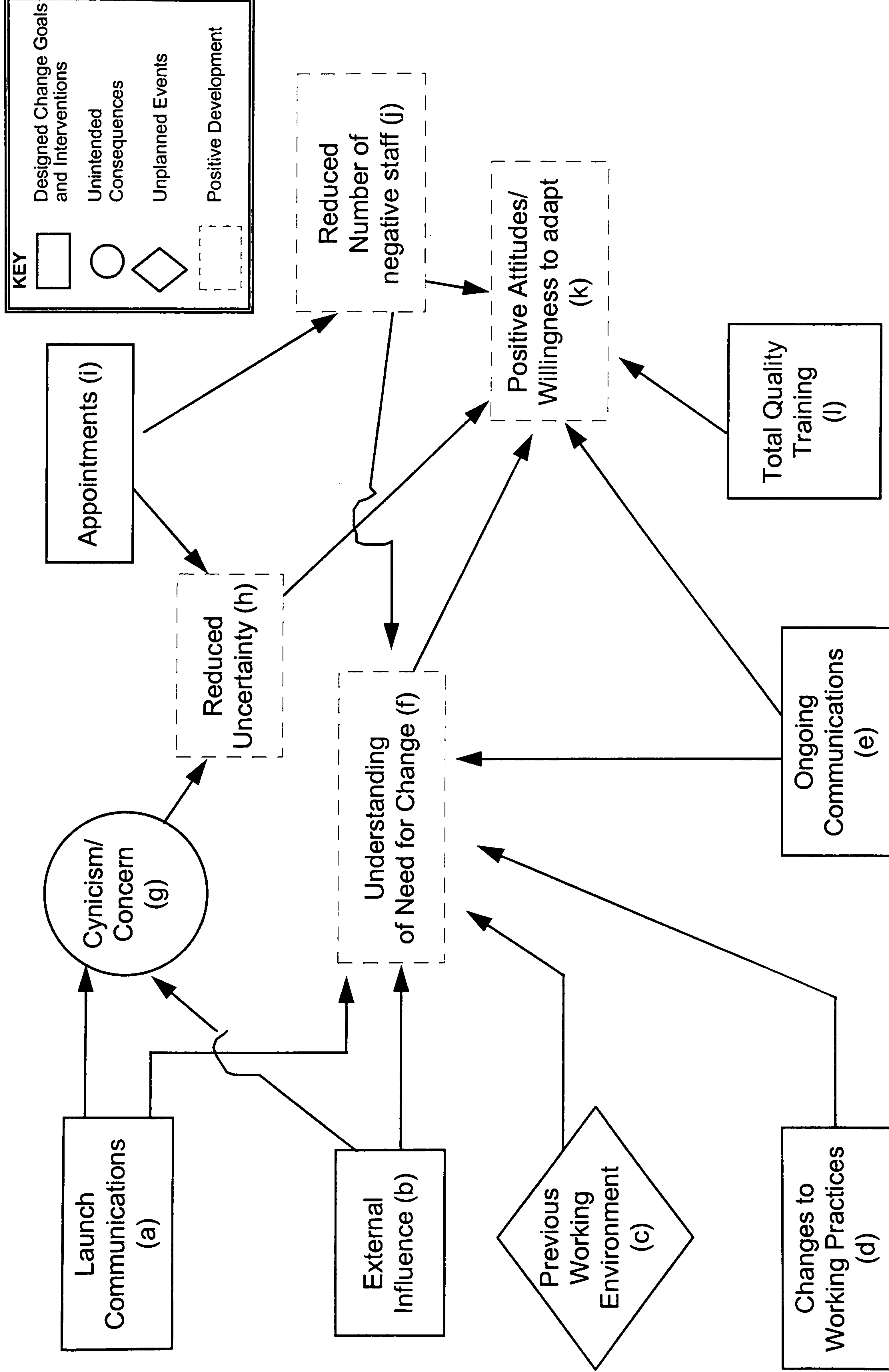
“that the awareness in Metering was already there because staff, a lot of them, particularly at the sharp end, used to work in a section known as contracting services which always, traditionally faced competition”

“part of it is that the guys that actually go and fix the meters and do all the repairs and things like that and certainly the foreman quite a lot of the engineers and the clerks have all come from the old commercial section, and are all commercially customer orientated and I think we've seen some of that following through that culture remaining in the section.”

“I think if you look at the Division as we were 1990, we had customer service standards and we went down a route of forcing staff into understanding appointments and that type of issue.”

“I think we are ... part of the old customer service section really.. so we've always had enough customer contact ... we have always been more commercially driven than the other two divisions we have been pulled out of the old commercial side, but I think because most of us have got the commercial background it helped”

PROCESS OF DEVELOPMENT OF POSITIVE ATTITUDES IN METERING



Other influences on the development of understanding, as in the other divisions, included external influences (b) and ongoing communications (e), but also visible changes to working practices (d):

“Explanations to staff of the role of new companies in the market has demonstrated to staff the truly competitive nature of the business”

“One of the things, the introduction of competition in parts of the market gave a real catalyst to the change in the sense that people then really did begin to understand the meaning of competition and not just their perception of unreal competition between internally, but also that the competition exists via the other companies and other companies coming into the market..”

“Staff can see the company changing to a customer driven rather than technology driven company. For example, staff being sent in twos and threes to who needs them and when needed, rather than on a rotational basis by area. Can also see the need to work harder as the volume of work has increased but there are now less people.”

Although the launch communications (a) and the perceived impact of external influences (b) also generated concern and some cynicism (g):

“What Change Process?”

“‘We have always done it, worked like this’ and ‘not my job’ attitudes still exist in some cases.”

“The main concern of staff is whether they will keep their jobs and what the rates of pay will be.”

However, the appointments (i) reduced staff’s anxiety and uncertainty (h), partly by also giving voluntary redundancy to some of the less adaptable and flexible members of staff (j), which helped both the levels of understanding (f) and the level of positive attitudes (k) among staff:

“On an individual basis, the exit deal helped us an awful lot, the staff who were stuck in the rut and we would have greatest difficulty with exited.”

The Director’s role in the on-going communications (e) also had an impact on staff’s attitudes (k):

“I know I put in the diary when the Director came round, he is particularly good at that, and he is particularly good on a one to one, probably better than when he is talking at meetings, but he came in my office a few months ago and it was excellent, he just talked to staff and the comments that you get back from that never fail to amaze me because I am not impressed by people's position at all, never have been, but he is very good at it”

As did the total quality training (l):

“The staff have just started doing the quality training, a 2 day course, whereas everyone else has done a one and a half days, all the feedback that's come from that, everything that I've got back is very positive, the lads can see the usefulness of it in trying to carry on the change and improve our performance long term”

“Quality training has started for all staff. This tends to start off as a forum for staff to vent day to day problems. However by the end of the session the overall reaction is a positive one and the training is proving very worthwhile.”

The staff's positive approach (k) to the changes was perceived to play a big role in the progress of change:

“That one stands out a mile.... commitment of supervisory staff unbelievable”

“I think, at the end of the day, over the last 12 months, the thing that has gone really well has been the co-operation and the commitment of the staff within Metering, I think without that I don't think we'd have got where we have got to.... We will have achieved a hell of a lot... far more than we ever thought we would....”

“Yes, if we hadn't got the positive attitude from.. you don't get 100% on things like that but I think we have probably 80% of the staff who are aware of the need to change and they show a positive attitude...”

Therefore, in the opinion of the diarists, the positive attitudes of staff was one of the major factors then contributing to the willingness of staff to adapt and take on their new roles. This linkage is discussed in the example on the process of middle manager adaptation in the main text in chapter 7, and will not be repeated here.

Description of Causal Network showing Process of Development of Workload Issues in Engineering and Metering

The workload issues are in part covered in the main body of chapter 7 in the example of the process of inter-divisional friction. That example shows how black holes and problems developed (a) (although in Engineering this was between the businesses as well as between the Divisions), which persisted (c) given the little transition management in place (b). The persistence of the problems (c), combined with no clear timescales for the end of business as usual (d), led to the continuation of business as usual (e).

Two other factors led to the extension of business as usual for Engineering and Metering - the “who does what issue” (f) and the slower than expected development of new working practices in the Distribution Management Division (g), particularly in Connections. The “who does what” problem was created by grey areas left in the review group output (h), combined with a lack of knowledge of the contract details (i) that would ultimately be able to resolve these gaps:

“There is a great deal of uncertainty regarding the split of responsibility of who does what between Maintenance and Repairs and between Maintenance and the Distribution Management Division.”

“Difficulties are still being experienced with the interfaces between the new divisions as a result of policy and areas of activity still requiring further management decisions.”

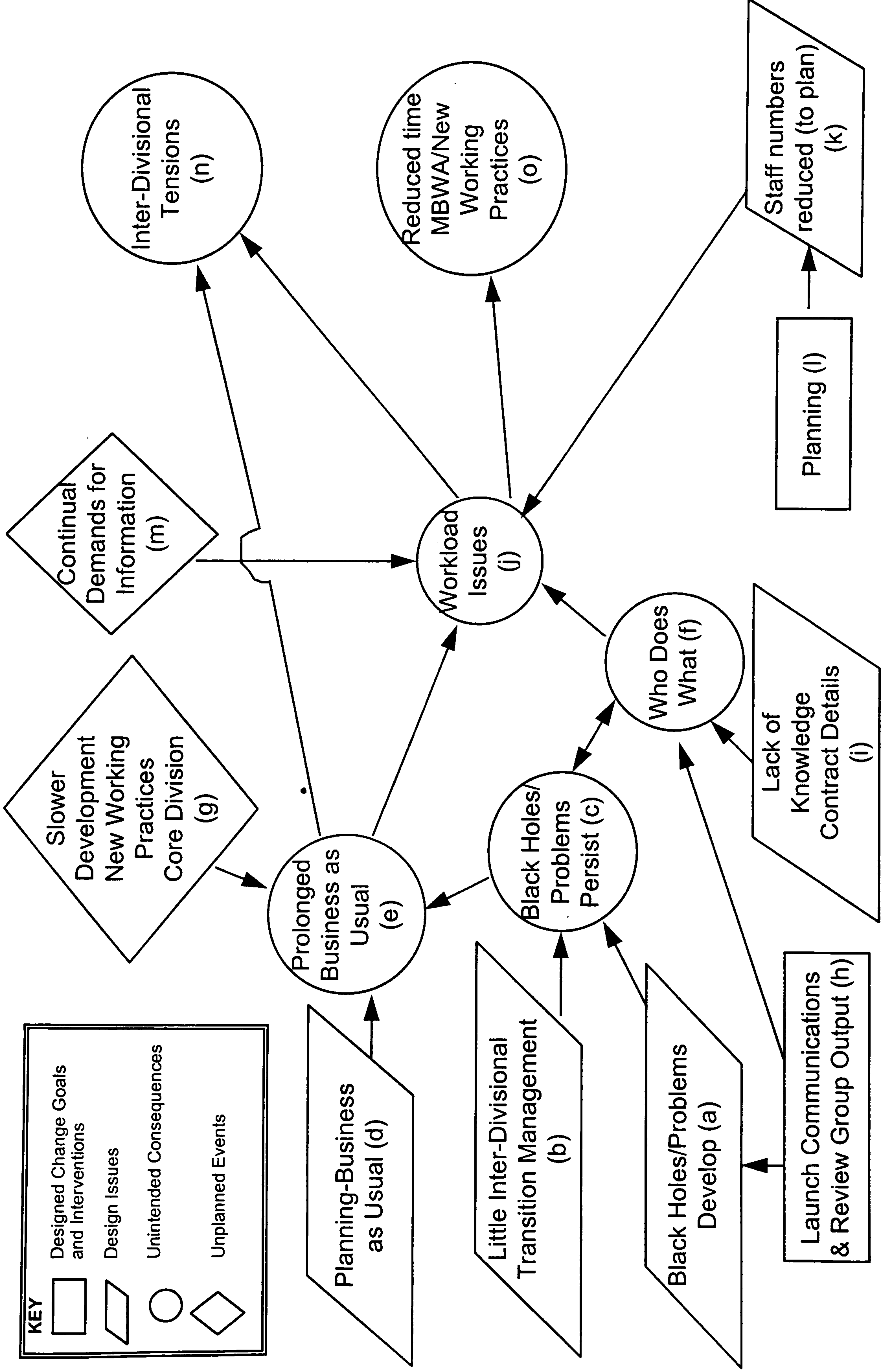
“Responsibilities and relationships, we’ve still not defined the edges properly yet ... I think the business as usual thing has drifted on too long, and it has been an excuse for us not tackling these sort of issues.”

“Efforts are now being made to identify 'black holes' work that has no place or formal ownership in the new structure but must be done to satisfy customers or service standards. However with no formal contracts in place and a business as usual policy it is difficult to identify what work is being done outside the new structure, as most people are still working to the old structure.”

The “who does what” issue (f) was mentioned frequently in the diaries with reference to the division of responsibilities between the divisions, and in Engineering, between the businesses. It made it difficult to resolve some of the black holes (c), and continued to be an issue for both Engineering and Metering until the contracts were issued, and sometimes beyond that:

“There are still a few black holes to resolve ... both inter-business and inter-divisional ones Construction business is in the business of planning things well in advance ... we don't do something for nothing and some jobs raise all sorts of questions of who is going to pay for it, who is going to do it, is it really a Construction job, that sort of thing”

PROCESS OF DEVELOPMENT OF WORKLOAD ISSUES IN ENGINEERING AND METERING



“I haven't seen the contract to date so because of that we are still doing so much business as usual which is frustrating because the lads now want to know what we handle and which direction we are going in. With the contracts, hopefully we will be able to identify the black holes and say whose accountable, whereas at the moment anything you pass up saying you can't say whether you are meant to do it or not, it is just business as usual and you have got to accept it, you have got to do everything”

“We are still having problems with Connections, based on a misunderstanding between us and them to what their role in the organisation is as seen by the review group.”

“Locally there is still an amount of "business as usual". However the issue of the Repairs contract has cleared up a number of issues as to who will do what and charge whom.”

As mentioned above, the slower than expected development of new working practices in the Distribution Management Division (g) also had an impact on prolonged business as usual:

“Connections have a problem that is accepted that is they have got untrained staff in that type of work. The problem at the moment is that because of that they are making life for us difficult, whereas I think if the systems were working properly we would have more than enough staff in there to cope with the amount of work that we have got. The systems aren't up and running....”

“from Meterings' viewpoint we thought business as usual had finished yet we had Distribution Management Division still saying it's business as usual and there was nobody there to resolve real interface issues.”

“you get a glib answer 'oh it is business as usual, we've not taken that duty on yet, you sort it out' so that puts my back up a bit really we are waiting for the contracts we need to know when Distribution Management are actually going to start doing some work... ”

The continuation of business as usual (e) had a severe knock-on effect on the workload (j) for Engineering and Metering. Primarily because the numbers of staff had been reduced (k) according to the original timetables (l), based on the assumption that the two service divisions would be fulfilling only their new duties. Thus as long as they were performing old duties as well as the new, with reduced manning levels, they had to cope with a heavy workload:

“We were set up as a department, to act as a contractor, to carry out work required by Distribution Management. As a result of that we exited staff accordingly. The problem of the prolonged business as usual is that our staff were exited and Distribution Management have failed to take on the duties they

should have done. Structures and numbers are out of sync with where they should be.”

“Distribution Management Division can back heel any responsibility they like that they don't want to pick up, knowing full well that we'll end up with the customer, really out of the goodness of our heart, but we're not staffed to do it.”

“there seems to be this huge ball that they seem to be able to throw around everything to say if we can't do it they will do it and we'll pay them through the contracts, but what they don't seem to understand is that a contractor has a limited resource as well, there is only a limited amount of work and extras, consultancy type extras that we can actually take on to do and with every decreasing numbers of staff and cost reductions that will become less and less”

“Staff are being expected to carry out the same amount of work (Business as Usual), in addition implement and coping with change, as well as providing information and facts on various aspects of their work.... The unit has the same amount of work but fewer staff with 25% of the staff new to the unit requiring training I am not the only person in this position.”

In Engineering, the workload problem was exacerbated by the constant demands for information (m) from within Engineering and from the Distribution Management Division:

“I don't think people appreciate the amount of information that people are requesting, because people are in new jobs, they have got completely new areas of responsibility, in some cases, people have never dealt with the type of job they are dealing with in the Distribution Management Division, and in order to understand fully, they are having to rely on the experience of some of the staff that are in Engineering to pass that information on, and it tends to be a constant drain, requests for information on Engineering people”

“One of the main problems I have is the time scales, the information, I'm requested things in, say, a budget in a fortnight's time, I want this but another problem I've got at the moment, is not knowing where to draw that information from, because I'm so new, and I'm also having very tight time scales imposed on me”

The who does what issue (f) added to staff's workload as it took time to resolve the disputes created:

“sometimes you sit down and think right, I know what I want to achieve, but what procedures have I got to go through and you spend a lot of time on the phone trying to find out who is doing what, how it should be done.... when you have identified what section are doing what then you have got to find out who the individuals are within that section”

In Metering, it was also felt that the workload problems were in part due to the staffing levels (k) changing in advance of the introduction of new working practices such as WMS (l). Staff were lost “without tools in place to recompense”. Thus transitional workload problems would remain until there was no need to continue business as usual and new working practices and systems were in place.

The diarists continued to comment consistently on the fact that the workload problems were due to manpower level reductions and working practice changes been out of synchronisation:

“Within Metering, the teams are still suffering from the reductions in manpower without the systems being re engineered resulting in total out of balance between available staff and appointments.”

The workload issue (j) itself had other impacts. It affected the inter-divisional relationships (n) as documented in the example in chapter 7, but also made staff feel that they were spending their time fire-fighting rather than developing needed new working practices, and reduced the time managers had to spend with their staff (o):

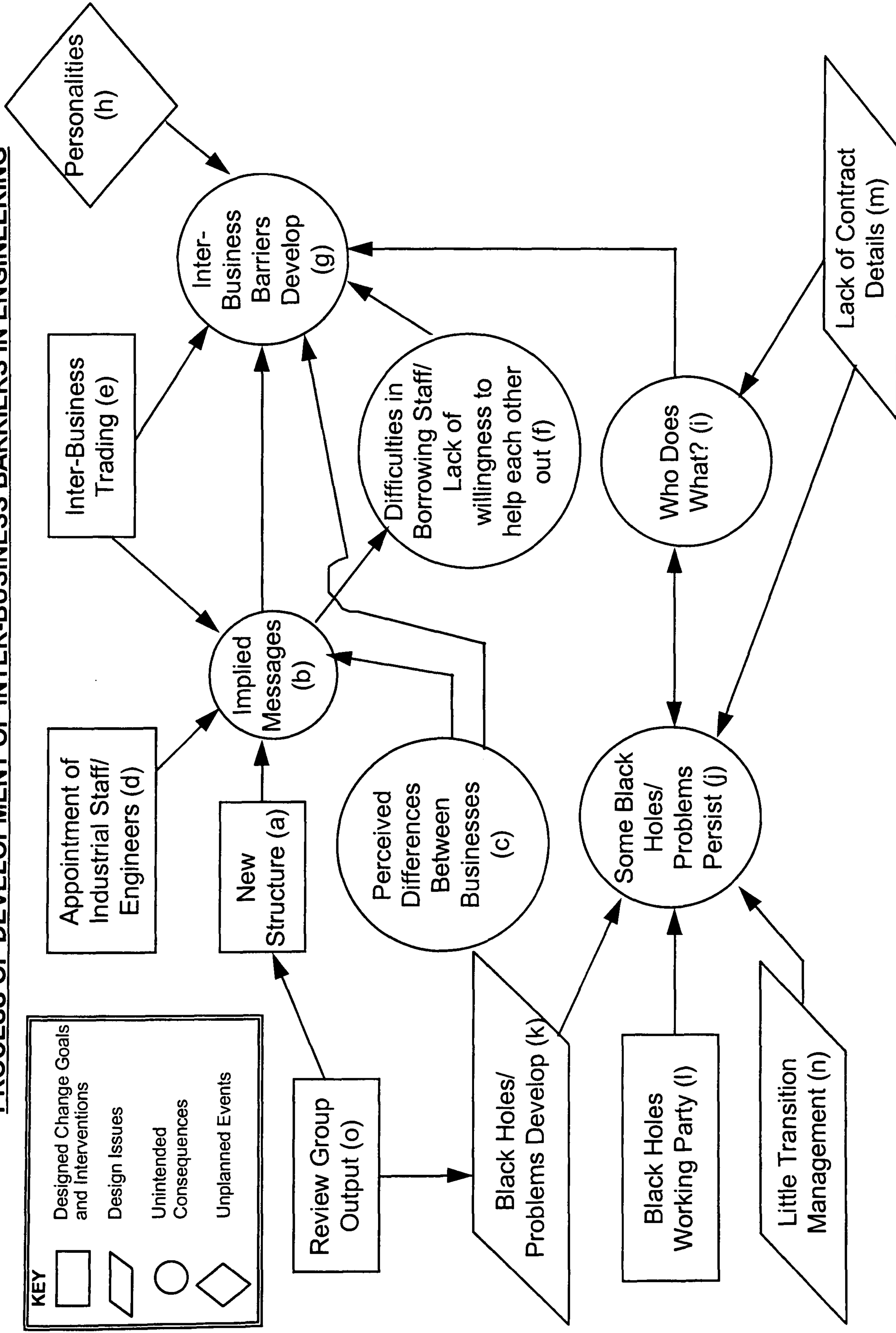
“it is one of the things I am very keen on walking the job and going out, I am the sort of person ... I like to know what is going on in my section, but the number of times I manage to get out ...”

“Managers (me) are finding it difficult to spend time with new members of staff and explain what is expected of them in their new posts, due to other time pressures.”

“in some ways we have been so obsessed by the change management process and wanting to get ... all the people appointed and all the change situations that we've had to go through, that we've neglected the workforce at the work interface and I know for instance that I have not done, I used to make a point of being at each depot at least once a week, just call in one morning and see people and have a cup of coffee with them, and I've not done that in six months. Its not that I don't want to, its just that there's not been the time there.... And all of us are involved in a number of projects which are quite time consuming”

The issue of the contracts from April 1996 onwards started to resolve some of the black holes, and allowed a gradual move away from business as usual, thereby easing the workload situation. However, there were still areas where business as usual had to continue, for example, Connections, as the Distribution Management Division had still not got all new working practices in place enabling them to carry out all the work they were ultimately to be responsible for.

PROCESS OF DEVELOPMENT OF INTER-BUSINESS BARRIERS IN ENGINEERING



Description of Causal Network showing Process of Development of Inter-Business Barriers in Engineering

As with the development of inter-divisional tensions, the new structure in Engineering Division (a) created from the review group (o), with three businesses, and staff allocated to a specific business rather than operating out of a central pool of staff, implied certain messages (b) about the way it was supposed to work. In particular that the new structure was about creating barriers. This was exacerbated early on by perceived differences between the businesses (c):

“The workloads between the three businesses seems unbalanced, Construction numbers have been reduced, yet Repairs seem over-staffed for the amount of work. Low fault incidence means that staff are under utilised.”

“Worries of staff re differences between branches e.g. overtime and standby arrangements between businesses.”

“It is clear that by moving to 3 businesses within Engineering, barriers are being created. Indeed, at a recent meeting to introduce the new Inter business trading philosophy one branch manager said the intention was to create barriers.”

This created concern because it was felt that the espoused intention of the new structure was for staff in all businesses to work together, sharing staff and resources when necessary / possible to maintain flexibility.

There was also perceived favouritism in the way staff were allocated during the appointments (d). It was felt that non-managerial allocations had favoured Repairs at the expense of Construction in terms of both experience and numbers by the Construction diarists:

“The basis for allocation has not favoured Construction Repairs are considered by many as having taken all the best industrial staff.”

“There appears to be resentment at all levels over workload, for example older staff are left in Construction to do heavy construction work and the younger staff are doing the less physical inspection work.”

“Engineering staff allocations favour Repairs dept. at the expense of Construction dept. both in terms of experience and numbers. Again the Repairs departments seem to have come out on top in terms of expertise and quality supervisors at the expense of other departments.”

Difficulties in getting other businesses to loan needed staff via inter-business trading (e), particularly in Construction, did not help the situation, with one diarist complaining that staff were only lent subject to certain restrictive conditions. The perception that the new structure was about creating barriers, also led to problems with the division of equipment and the willingness to help each other out (f):

“Construction are experiencing problems in obtaining human resources from other sections to engineer projects. With resources being reduced in most sections, managers are reluctant to release staff to work on other sections projects”

“The division of tools and equipment between the 3 businesses at any location is problematic, care and maintenance needs to be agreed.”

These problems did not affect all areas, however. One diarist reported that in his area, Repairs, Maintenance and Construction managers were working closely together to ensure a smooth transition. Further that the “air of co-operation was rubbing off on the foremen”.

As a result of the messages (b) read into the new structure and the other events, of walls between the new businesses, and the need to look after one’s own interests first, inter-business barriers started to develop (g). Some diarists believed these were further exacerbated by the principle of inter-business charging (e), partly because it implied that each business needed to work to protect itself as a stand alone profit centre, which in turn led to disagreements about which business was responsible for what:

“Transfer pricing charges are adding a new dimension to the problem of who should do what. It now includes who should pay for what. These problems will not go away until staff have a clear definition of what their duties are and we move away from business as usual which does not fit into the new structure.”

“Arguments have occurred as a result of inter- trading. This undermines the spirit of co-operation between businesses.”

Others thought that on-going perceived “unjust” differences (c), such as differences in numbers of staff for foremen to supervise between the businesses, and different levels of overtime and workload between businesses, were contributing the problem:

“there are certain aspects of it they find difficult to cope with, the imbalance between workloads at foremen level, you've got some foremen supervising only 4 or 5 staff, and another foremen who is supervising 20 getting paid the same”

“Staff allocated to the separate business units are now seeing what they see as inequitable benefits to their colleagues. Main point of contention is the different levels of overtime worked by the 3 businesses. Construction staff see Repairs personnel gaining more overtime than themselves. Conversely Repairs staff complain that Construction teams are not "worked as hard". These views are a clear case of people seeing the grass on the other side as greener.”

“Bad feelings are developing at foreman and industrial level because repairs staff appear to be treated better than the others, ie training to devolve duties and more overtime. Staff have been informed of the proposed training in the other two businesses and overtime is shared out where possible.”

One diarist said that the issues “generally boil down to if he has a new coat why haven't I.” In other words, the businesses had to start doing things differently, but the industrial staff did not like it if they perceived the staff in one business to be getting more than them, or to have less work than them.

All of these problems added to barriers between the businesses at all levels of staff (g).

Yet another factor believed to add to the inter-business barriers in some areas was individual “personalities” (h):

“But some people are taking a confrontational attitude and saying, they don't know the contract either, but they are saying I don't think I should be doing this, so I'm not doing it, and that's what is causing the friction, so I'm not personally seeing much friction because the majority of the time I'm saying that unless it is clear and black and white that someone else should be doing it, and then I pass it on to them and I haven't had any problems so far.”

“.. we are all completely new to the location, so that we have all come in to do a job but we have got no axe to grind about things that have gone on in the past and I know in other locations there are one or two things that really have caused problems which are really just down to personalities and there would have been problems if we hadn't have had repairs, construction and maintenance it is just the fact that these personalities are in post that's my opinion.”

One of the branch managers did send a letter out reminding people that they were one business and needed to work together. Only one diarist mentioned this letter.

However, as with the inter-divisional friction, experiences of inter-business friction varied. For example, one Maintenance diarist was getting on very well with Construction, but less well with Repairs:

“I seem to be at the losing end with Repairs every day until we know what's in the contracts ... we don't know whose is what ... when is a repair a Repairs job and when is it a Maintenance job There is a lot of ... I think I'd describe them as black holes.”

Whereas another felt that neither Maintenance or Construction were particularly helpful to Repairs:

“When building the business teams in Engineering there has obviously been the statement "Don't help Repairs Sections". This has had certain knock on effects with "tit for tat" statements. However, management co-operation within Engineering should ensure these are isolated teething problems.”

Another issue affecting the inter-business barriers, was the who does what issue (i). The development of this issue, and the persistence of black holes (j) connected with it, are

well documented in the previous example on the process of development of workload issues and will not be repeated here. The development of black holes (k) is also documented in the example in chapter 7 on the development of inter-divisional tensions, although in this example here inter-business black holes are more of a concern than inter-divisional ones. A black holes working party (l) was set-up in Engineering to deal with the inter-business black. However, the working party could not solve all problems given the lack of knowledge of the contract details (m):

“The none event of the black holes report as far as we are concerned continues to give problems, as to what and who to charge for faults in some instances.”

These problems added to the friction (g) experienced between the businesses.

As change progressed into the second year in April 1994, the contracts may have resolved the who does what issue between businesses, but it did not resolve all the tensions at the lower levels. It was still thought that Construction were getting all of the planned overtime at the weekends, whereas Construction staff thought Repairs got all the overtime during the week. Also that Construction staff thought Repairs staff were not working as hard. There were also continuing reports about a lack of co-operation between businesses in the same area.

On the positive side it was reported that staff were developing an affinity and an identity with the business they were allocated to, referring to themselves as, for example, Construction staff. One area did find that moving the three businesses into different offices helped to improve the relationship between the businesses.

Description of Causal Network showing Process of Development of Poor Staff Perceptions of Counselling in Engineering and the Distribution Management Division

The launch video (a) gave certain messages about counselling (b) to non-managerial staff, since on the video it was said all staff would be counselled. Exactly what this meant was not explained. The only meaning that staff could attach to this promise was what they saw happening at the managerial level (c). At the managerial levels, staff were briefed on the positions available to them at a meeting, given a counselling session with a more senior manager at which they could discuss the options for them and what they wanted to do (including exit), and then following decisions on appointments, staff were told by their managers which position they were being offered. This led to certain expectations about counselling from non-managerial staff (d).

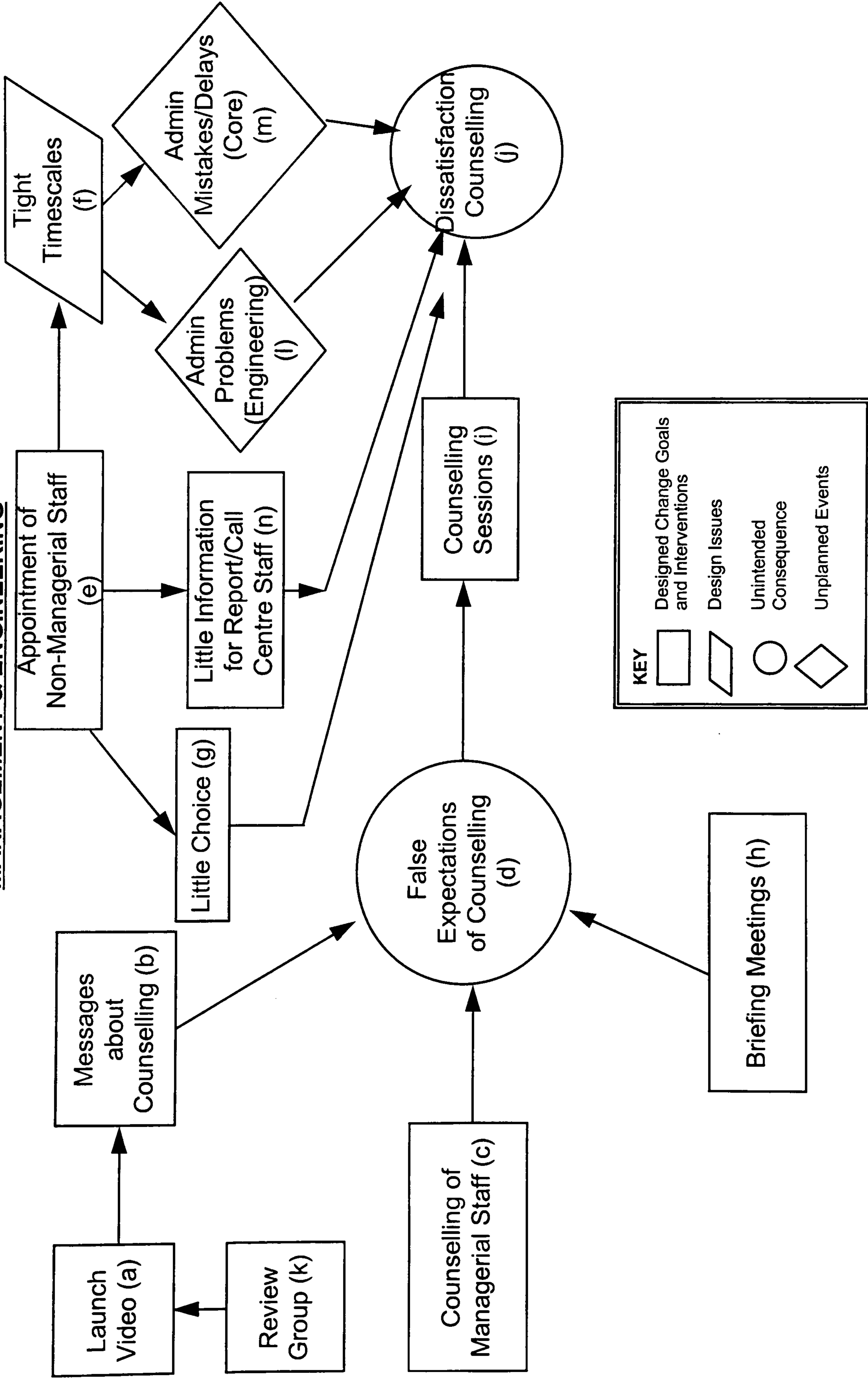
The appointment of administrative and industrial staff (e) were all done very hurriedly, partly because of the need to appoint a large number of staff in Engineering in a short space of time (f). This was due to the change in the appointments timetable, bringing the completion date for all appointments forward from January 1994 to September 1993. Furthermore, there was little real choice (g) available for the industrial and administrative staff, thus they were given briefing meetings at which the appointment and counselling process was explained (h), and a one-to-one "counselling" (i) meeting at which they were told of their appointment, but no counselling in the form more senior managers had received. This mis-match with their expectations, and the limited choice (g), and the rushed process (f) led to dissatisfaction with the counselling (j).

Counselling (i) was described to be perceived as "only paying lip service to the principles it is supposed to embody"; "a rubber stamping process", "a bit of a farce". Some staff believed appointments had been pre-arranged and decided by managerial rather than personal preferences. Many diarists commented on the dissatisfaction in both the Distribution Management Division and Engineering:

"it was a sham, I had a lot of feedback from industrial staff that they had already made their mind up, and administrative staff, that it wasn't counselling, it was a briefing session you were basically being told where you go. But when you think about it, you've got so many staff, and you've got to do that work, the work's not changed..."

"The promise to counsel everyone is thought to be a shallow one borne out by the reality of what has happened on the administrative and industrial round. True counselling has only taken place for senior managers, engineering and administrative staff."

PROCESS OF DEVELOPMENT OF POOR STAFF PERCEPTIONS OF COUNSELLING IN DISTRIBUTION MANAGEMENT & ENGINEERING



Thus one diarist blamed the dissatisfaction with the counselling firmly on the launch video (a):

“It didn't answer any of their questions, really, it didn't. I mean, what it did do is it built up their expectations of the counselling they would get. They expected a mammoth counselling exercise. In the video it was said we will counsel everybody, so they all expected to get the same counselling that I got, which was sort of 15 to 20 minutes with a very senior manager, whereas what in fact happened was they got 5 minutes with either a foreman or in some cases a team leader if the foreman was absent, and was told, well come in lad, have a seat, we want you to work for this part of the business, any objections.”

Not everyone agreed with this interpretation, but primarily because some engineers and administrative supervisors felt the same way about the counselling:

“it could have done, but certainly all the engineers had been counselled, and a lot of administrative supervisory staff I think had been counselled, by then, and they all thought that it wasn't a counselling really, it was just, tell us where you want to go really, it was fitting people into holes.”

Other diarists questioned how well briefed (h) the staff had been as to what extent there was to be a choice open to them, adding to the false expectations about counselling (d):

"There have been some comments following the administrative counselling that this process was somewhat cut and dried and that in reality administrative staff had little choice. This need for minimal disruption of administrative should have been briefed to all staff - it makes one wonder just how effectively the briefing was carried out."

“I think the main problem with counselling was that staff were not briefed before hand on what their options were, they were expected to work out what they could do but when they got counselled they ... a new structure that they knew nothing about so how can they express any preference where they want to be when they didn't know what was around for them.”

Others suggested the problem was promising counselling (k) to all staff in the first place when it was inappropriate for some:

“Perhaps we over did it ... In terms of counselling - at the lower levels. It wasn't really proper counselling, and what they should have, in my opinion, done is said to people, if you want to be counselled, the majority of you are going into Construction, a small number of you will go into these other two businesses, Repairs and Maintenance, if you want particularly to be counselled, we'll counsel you, that would have made the workload a lot easier. The rest went very well. Engineers, managers, yes you have to consult and counsel, and the same with the equivalent on the administrative grades... and foremen equally...”

“it wasn't really counselling it was really telling people, certainly by the time it got down to the industrial level. But at least they made the effort in some way, and I know in my area at least 2 industrial staff were very unhappy about where they had been put and they flagged that up and they were actually changed ... they were moved and swapped with other people who weren't bothered either way so it meant that everybody was fairly happy.”

The change managers agreed that the problems with industrial and administrative staff counselling had been due to a misunderstanding (d):

"The reality of the situation for the counselling process, for administrative and industrial, is not really a matter of individual choice, in other words it has to be for the good of the business, we are not saying to all these people who have worked for us suddenly what job would you like, we are saying if you are located here, this is your experience and tell us if you really want to exit the company, tell us now, but basically we know we want to place you, we can't give all these people a choice."

"There is a misinterpretation they may have got a message about being counselled and they think suddenly they are going to be given all these choices .. well it never really was or could have been. What we did for the administrative staff is what we call a desk top exercise. Effectively they said right lets agree where it is sensible to put these people there were some people we changed our minds about but not wholesale, we were not moving people around a chess board."

Thus one of the prime reasons for dissatisfaction with the counselling (j) at non-managerial levels was that staff had little choice (g) and received no real counselling (i) contrary to expectations (d). However, the tight timescales also created administration problems (l) and mistakes (m). In Engineering, for industrial staff, briefing packs were to be issued at the end of August and counselling completed within 8 days, although there was a bank holiday during this period. This created difficulties in some circumstances:

“Volumes of people to counsel in the middle of the holiday period is causing admin problems. People are being rung at home and preference forms filled in by proxy. Concerns that the administrative staff briefing sessions have not explained the job options clearly enough.”

There were also administration problems with the administrative staff:

“Allocation lists for administrative staff were issued late and at a bad time, completion of counselling will take longer as a result.”

There were similar problems in the Distribution Management Division (m). There was a delay in the administrative counselling process with appointments made 1 week late. There were comments that staff had had to ask for briefing documents, had not been given appointment letters and had been told what positions they had been given

without counselling. There was also confusion as to whether administrative staff who wanted to take exit would be allowed to do so.

Yet the administrative staff counselling and allocation was completed to the planned timetable, and so was the industrial staff counselling and allocation, with only a few sections overrunning due to the short timescales.

A particular problem in the Distribution Management Division was the counselling and allocation of administrative staff at the Control and Call centres (n). The staff knew there was to be a centralised Call Centre at the new office site from 1994 and that there was to be a centralised Control Centre sometime in 1996. But that was about it:

"I think in control they are aware of what's going on outside, but they're more worried about what's going to happen to them in 1996. As yet we don't know the staffing levels, that's supposed to be announced in December it's all hypothetical at the moment, nobody knows what's going on. We know where we're going to go, we know we're going, but what job you're going to have and things like that...."

"the staff are wondering whether they've got a job or what kind of job they'll have. They've said they'll be a job for everybody, but what job they won't guarantee. A lot of people work shifts and want to carry on working shifts, but there is no way they can guarantee that, a lot of people might have to go on day"

However, despite all the dissatisfaction, the appointments were successful and the majority of diarists felt the staff recovered from their unhappiness with the counselling.

"The staff's concerns of counselling, I think there was a view the whole process was a lip service thing and a rubber stamp, but I don't believe it impacted on .. impacts on our performance as significantly as the others, I think the people were cross at the time. But they are in a job now as they know what they are doing and its gone"

Further, in Engineering, given the numbers of industrial staff to be appointed, the overall operation was viewed as a success.

In terms of the impact on the overall change process, some diarists argued that the dissatisfaction with the counselling had been forgotten. Other diarists said it would be remembered with cynicism next time any similar exercise was carried out.