CRANFIELD UNIVERSITY

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Corporate turnaround as knowledge subversion: a dialogic
perspective on transformational change

School of Management

DBA
Academic Year: 2006 - 2013

Supervisors: Professor Ashley Braganza and Professor Donna Ladkin
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ABSTRACT

This research presents a knowledge-based perspective on corporate turnaround. In this research it is proposed that subverting existing knowledge is as much a part of the corporate turnaround process as other change management activities, a concept termed "dialogic knowledge subversion". Conceptual development was supported by a literature review into change, knowledge, discourse and Bakhtinian theories. This theoretical investigation was further developed using two empirical studies. The first empirical work focused on the case study of an organisation which had turned itself around. Findings from fifteen interviews and a focus group workshop were gathered and analysed using story network architecture and dialogic concepts. The data was further developed with a second empirical study, which investigated corporate turnaround from the perspective of twelve expert practitioners. Findings from these studies were used to develop a model for knowledge subversion in corporate turnaround situations. There are a number of contributions to change management theory and practice offered by this investigation. The research finds that dialogic knowledge subversion is present and required in the process of corporate turnaround. Furthermore, practitioners use the breakdown of existing knowledge in the organisation to create the impetus for change and build momentum for the turnaround. Indeed the research suggests that experts regard knowledge subversion as essential to the change process and actively create the conditions where it thrives. A dialogic knowledge subversion model for corporate turnaround is proposed, which is a resource for change theorists and practitioners alike.

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DISBURSEMENTS

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Pillay, J. & Braganza, A. (2007), "Deconstructing organizational knowledge and corporate culture: an investigation into the conditions of transformational change", *Proceedings of the 2007 Academy of Management Conference*, Philadelphia, US

Pillay, J. & Braganza, A. (2007), "Utilising knowledge deconstruction as the basis for creating the conditions for transformational change", *Proceedings of the 2007 British Academy of Management Conference*, Warwick, UK

Pillay, J. & Braganza, A. (2008), "The Chronotopic change discourse: the dynamic interplay of theory, narrative and storytelling in organizational transformation", *Proceedings of the 2007 Academy of Management Conference*, Anaheim, US

Pillay, J. & Braganza, A. (2008), "The architectonics of transformational change: towards a dialogic theory of corporate turnaround", *Proceedings of the 2008 British Academy of Management Conference*, Harrogate, UK

Pillay, J. & Braganza, A. (2010), "Building informed strategic change", *Proceedings of the 2010 Academy of Management Conference*, Montreal, Canada

Pillay, J., & Woods, M., (2010), "How do Leaders lead change?", in Ladkin, D., *Rethinking Leadership*, Edward Elgar, pp127 - 152

Pillay, J., Hackney, R., Braganza, A., (2012), "Informing Strategic IS Change: towards a 'meta-learning' framework", Journal of Strategic Information Systems, vol. 21, issue 1, pp58 - 71

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CHAPTER 1: INTRODUCTION

Successful organisational transformation has long been associated with corporate survival, and the need for organisations to reinvent and renew themselves has perhaps never been greater (Schaffer & Thomson, 1998; Senge et al, 1999; Lawler & Worley, 2006). Writing in 2013, as the world faces a prolonged recession, rising unemployment and rising sovereign debt, the stakes seem to have been raised even higher. More companies than ever are facing the consequences of faltering management, misplaced strategies and failing business models. As company insolvency rises globally, the need for corporate turnaround capabilities may never have been more important.

Alongside these "real world" concerns, change theory also seems to be at a key moment of uncertainty. Initial optimism about how planned change can lead to better organisational outcomes (Bennis, Benne & Chin, 1961) has given way to a more fragmented, less confident change literature (Caldwell, 2005). What has emerged is a general acceptance that change is not easily codified or routinely well executed (Beer et al, 1990; Beer & Nohria, 2000; Pettigrew et al, 2001). And as mechanistic change models have increasingly become rejected, change theory has moved to embrace more metaphorical and multi-disciplinary approaches. These have served to enrich the academic literature and to deepen our understanding of change management practice (Alvesson & Willmott, 1992; Buchanan & Badham, 1999; Marshak, 2002; McKenna, 2010).

This research programme investigates the theory and practice of corporate turnaround. In this work I investigate the changing status of knowledge in the transforming organisation and use this as a way of opening up new perspectives on organisational change. I also describe the process of change in the transforming organisation and present ideas on how turnaround practitioners go about effecting successful corporate turnaround. This analysis is informed using theoretical ideas derived from the work of a key philosophical thinker: Mikhail Bakhtin. Bakhtinian theory leads to the development of a new model for corporate turnaround based on language, knowledge subversion and change theory.

1.1 Research issue

In my opening remarks concerns were noted about the track record of change (Beer & Nohria, 2000). These concerns are borne out by various surveys indicating a continued low rate of change success, and poor levels of executive confidence in change management (Royal Academy of Engineering & British Computer Society, 2004). Clearly, there is room for improvement in change management theory and practice, and there is much still to understand about the nature of change in organisations. These problems are made even more critical in corporate turnaround situations where the very survival of the organisation is at stake. With continued volatile economic conditions, corporate failure is on the increase (UK Insolvency Service, 2012) and corporate turnaround is once again a board level issue. Given this theoretical and

empirical context, calls for new ways of looking at change are increasingly being attempted and discussed (Boje, 1991a; Marshak, 2004; de Cock & Land, 2006; Buchanan & Dawson, 2007; Jabri, 2010).

However, not all companies in distress fail. Many management teams pull their organisations out of corporate nosedives, returning them to profitability and sustainable success. Notable examples of these successes include the turnarounds at IBM (Gerstner, 2002), Apple (Cruickshank, 2006) and Chrysler (Iacocca, 1986). It is this process of transformation that is of primary interest in this research. As the literature shows, change processes have been the subject of many investigations from a number of perspectives. For example strategic, operational, leadership, psychological, and team based approaches have variously been offered (Hofer, 1980; Castrogiovanni et al, 1992; Harker & Sharma, 2000; Kow, 2004; Harreld et al, 2007). Other change management texts focus on the business techniques surrounding corporate recovery such as refinancing, restructuring, divestment, and other transitional actions (Slatter, 1984; 1999). However, a knowledge-based view of change, focused on the subversion of knowledge in the transforming organisation has had little discussion in the current change literature. This research proposes that knowledge subversion is a key area that can provide new insights into the process of profound organisational change, and this is a theoretical gap in need of further investigation.

The perspective that this research specifically builds on is Argyris (1997) and Senge et al's (1999) contention that transformational change is ultimately concerned with changing individual, and in turn organisational, beliefs. This dimension of organisational transformation, based on learning based concepts and "mental models"

of the organisation is not in itself new. In addition to Argyris and Senge, others have sought to develop the concepts of "belief" and "learning" centred change, and this grouping of ideas is reasonably well represented in the literature (Leonard-Barton, 1992; Rampersad, 2004; Cegarra-Navarro & Mayo, 2005). This "learning oriented" strand of the change literature focuses on discovery moments and creative processes leading to organisational learning and in turn group-level change.

However, whilst acknowledging these theoretical antecedents, this research takes the investigation of transformational change in a different direction. In this research the converse of mainstream learning and knowledge creating processes, the *subversion* of knowledge, is examined. This idea, which will be developed in detail, focuses on ways in which existing knowledge becomes marginalised, challenged and broken down in the transforming organisation. It will be argued that this perspective represents an important gap in the literature in need of further investigation, and that this perspective can offer new insights into the transformative processes operating in corporate turnaround situations.

In introducing knowledge subversion, it is worth noting that frameworks for knowledge management and processes of change have already been proposed and are theoretically well established in the literature (Nonaka & Takeuchi, 1995). However, existing knowledge based theories of change tend to be heavily biased toward the process of innovation and the creation of "new" knowledge in the organisation. There is no doubt that the creation of new knowledge is essential to the rebuilding process of failing organisation, and this research will not in itself challenge this concept. However, in this work it will be argued that the destruction or subversion of existing knowledge is

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equally important to the transformation process. Indeed, in the course of this research programme it will be argued that knowledge subversion is a critical process, central to the enactment of corporate turnaround. This research will intensively explore this proposition, both theoretically and empirically.

1.2 Research propositions

This research offers fresh perspectives on the corporate turnaround process using the concepts of Dialogism and Dialogic Knowledge Subversion. It also offers a model for the application of Dialogic Knowledge Subversion in corporate turnaround situations. Dialogism is a branch of linguistic and knowledge theory originally developed by Mikhail Bakhtin (1984a; 1984b). Bakhtin's work, which is often allied to the poststructuralist movement, has achieved widespread support in arts and philosophical literature ever since its translation from its original Russian in the 1980s. Dialogic Knowledge Subversion, founded on the dialogic philosophy provided by Bakhtin, is the main conceptual development offered by this research.

The research programme is underpinned by two main propositions, both of which aim to make contributions to our current understanding of corporate turnaround. The first proposition is that the subversion of knowledge is integral to the process of corporate turnaround. Central to this proposition is a new concept called Dialogic Knowledge Subversion; which is a Bakhtinian-based theory of social interactions leading to the breakdown of existing knowledge. This investigation will define Dialogic

Knowledge Subversion, attempt to isolate those critical organisational interactions where Dialogic Knowledge Subversion is present, and also explain its role in the process of corporate turnaround. The second proposition investigated by this research is that, although they may frame the concepts using different language, the principles of Dialogic Knowledge Subversion are understood and valued by expert corporate turnaround practitioners, and that successful practitioners create the conditions where Dialogic Knowledge Subversion thrives. By examining these propositions and integrating the resultant findings, this research proposes a new, knowledge-based model for corporate turnaround situations.

1.3 Research context and DBA research programme

DBA programmes attempt to combine academic rigour with a practitioner emphasis and this work seeks to continue this tradition. As such, both the theory and the practice of corporate turnaround are the subject of this investigation. In terms of the overall design of the research, the programme was divided into an initial scoping study followed by a literature review and two empirical studies focused on developing theoretical and empirical perspectives on corporate turnaround. I will now summarise the overall chronology of the main stages of the research programme and their contribution to this final thesis document.

The first significant development of the topic was a scoping study paper, which introduced the initial theoretical constructs of the research, conducted an initial literature

review and proposed an overall the research programme design. The scoping study was built from the concept that corporate turnaround somehow requires the destruction or subversion of existing knowledge in the failing organisation. Using these foundations, an empirical project was built around an in-depth case study of an organisation which had undergone a corporate turnaround; name withheld, known in this thesis as "JV Corp". The JV Corp case study provided evidence that knowledge subversion did indeed play a role in the process of the turnaround of the organisation. This first empirical project developed a knowledge-based view of change based on the concept of Dialogic Knowledge Subversion, with Bakhtinian theory providing an overarching framework to analyse and position findings.

The next stage of the research programme was to further develop the ideas explored by returning to the literature. A literature review then followed which comprehensively reviewed sources of change management theory, knowledge management theory, discourse theory and Bakhtinian theory. The literature review found that although many theoretical sources implied the concept of knowledge based change and knowledge subversion, these concepts were both under-developed and under-represented in the literature. The literature review was also used to investigate and make explicit the philosophical foundations of the research topic. This exploration of the literature was used to further develop the concepts of dialogic knowledge subversion.

Conceptual development was then followed by a second empirical research project to test and refine the concepts. In this study, the process of corporate turnaround was examined from expert turnaround practitioner perspectives. Using

practitioner reflections and insights gathered from twelve semi-structured interviews with experts in corporate turnaround, the dialogic knowledge subversion model was further refined and developed. The expert practitioner study also actively sought to build in the change practitioner perspective to the dialogic knowledge subversion model by drawing out common themes and key learnings from respondents. This helped to elaborate the dialogic knowledge subversion model by adding in phasing for the overall process of corporate turnaround, supported by practitioner examples of dialogic knowledge subversion in action.

Alongside the scoping study and individual empirical research projects, concepts were developed through active engagement with the academic and practitioner communities. Conference papers, journal papers and a chapter in a book were produced during the doctoral research period. A list of these publications is shown in the "Disbursements" section at the front of this thesis. A wide group of academic contacts were developed in a variety of different disciplines ranging from researchers in change management, to scholars in Bakhtin studies, to experts in research methodology. I also joined and participated in practitioner groups focused on corporate turnaround, such as the Turnaround Management Association and the Turnaround Management Institute. Throughout the research programme a supervisor and supervisory panel provided input to the development of the topic and reviewed the outputs of each of the main checkpoint stages.

This final thesis document seeks to draw together the overall research programme into a complete body of work. In the thesis I will explain and justify the process of developing the research, outline findings from the research conducted, and

offer contributions to the theory and practice of corporate turnaround. As an overall contribution, this thesis will offer a knowledge-based model for corporate turnaround, underpinned by Bakhtinian dialogic theory, and supported by two empirical studies. I will also recognise limitations of the research and highlight opportunities for further development. Figure 1 below shows the various stages in the development of the investigation and positions the thesis within the DBA research programme.

Figure 1: Summary of the DBA research programme

	Scoping study and initial literature review	JV Corp Case Study	Main Literature review	Expert practitioner interviews	Thesis
Investigative basis	Initial development of the concepts, scoping of the literature review and proposal for the research programme	Proposition that knowledge subversion is present in corporate turnaround change situations	Literature review into change, knowledge management, linguistic theory, Bakhtinian theory	Proposition that dialogic knowledge subversion is required during the process of corporate turnaround and is used by successful expert practitioners	Proposition that knowledge subversion is integral to the corporate turnaround process justified by both theory and practice
Data collection method	Review of literature sources and scoping of the corporate turnaround practitioner community	Case study of a corporate turnaround gathering perspectives from respondents across the organisation	Theory building from a systematic review of change, knowledge, Bakhtin literature sources	Expert practitioner insight into the process of corporate turnaround and the role of knowledge subversion	A comprehensive review of change, knowledge and linguistic theory literatures, supported by case study data and reflections from expert practitioners
Outcomes	Support for the development of Dialogic knowledge subversion as a concept	Development of a framework to describe and position Dialogic knowledge subversion	Development of the theoretical basis of Dialogic knowledge subversion as a model for transformational change	Refinement of Dialogic knowledge subversion model linkage to the corporate turnaround change process	Theoretical model for dialogic knowledge subversion linked to the corporate turnaround process

1.4 Thesis structure

The thesis is structured into eight chapters. This introductory chapter will be followed by Chapter 2 Theoretical Basis, which will introduce the main theoretical ideas underpinning the investigation. It will provide the rationale for choosing Bakhtin as the key theoretical resource and will describe the concept of dialogic knowledge subversion. Chapter 3 is the Literature Review chapter which will describe the process of carrying out the survey of the literature and will summarise findings. Having established a theoretical basis for the research supported by review of the literature, the focus will then shift to the empirical studies conducted. Chapter 4 will outline the research methodologies adopted for the two empirical projects undertaken. This chapter will describe and justify the methodological choices made and will introduce the JV Corp turnaround case study and then the expert practitioner study. The methodology chapter will be followed by Chapter 5 which introduces the JV Corp case study. Chapter 5 describes the JV Corp investigation from research design through to findings from the interviews conducted. The JV Corp case study will be followed in Chapter 6 by the second empirical investigation. In this study, the research was further developed by conducting twelve interviews with expert corporate turnaround practitioners. Here once again, I will explain the research design and methods undertaken, along with findings from the interviews conducted.

After outlining the literature review, the theoretical basis and the empirical studies undertaken, Chapter 7 will synthesise findings from the research. The Synthesis chapter will seek to achieve that by developing the research into a knowledge subversion model for corporate turnaround based on Bakhtinian dialogic theory. In Chapter 8 conclusions

from the research undertaken will be provided. Contributions to the theory and practice of corporate turnaround will be presented, along with proposals for further development and observations on limitations recognised.

1.5 Definitions of key concepts

The concepts explored during the research programme and described in this thesis cover broad ranging subject areas and it is necessary to outline some definitions of the key concepts used. In particular the terms "knowledge", "corporate turnaround" and "transformational change" are used in particular ways throughout the thesis and require clarification of meaning.

Knowledge

In management literature, the term "knowledge" has been used in a variety of different ways and some scoping statements are required to define the boundaries of this inquiry. Kakabadse et al (2003) provide a survey of the different ways in which the term "knowledge" is used in management theory and this work was used early in the research programme to frame the field of inquiry. In the Kakabadse et al survey, five models of knowledge management theory are described: Philosophy based, Cognitive based, Network based, Community based and Quantum based. Each model has a different meaning and emphasis for the term "knowledge". The Philosophy based model, following Plato, focuses on knowledge as "justified true belief" and emphasises ways of knowing in the organisation. The Cognitive model treats knowledge as the

codification of facts and is concerned with knowledge capture and storage. In the Network model, knowledge is a way of connecting across boundaries and is external to its adopter. The Community model regards knowledge as a social experience and knowledge is a socially constructed entity. Finally, the Quantum model treats knowledge as a system of possibilities and a paradox to be solved. Each of these models has a different emphasis for the term "knowledge" and varying aims for the use of knowledge theory. For example, the use of IT in these different models varies considerably, from "almost irrelevant" in the Philosophy based model to "critical" in the Quantum based model. Similarly, the different models for knowledge surveyed by Kakabadse et al (2003) have different primary outcomes targeted such as the acquisition of new knowledge or the reuse of knowledge or the creation of multiple realities through knowledge.

Table 1 below shows the key attributes of knowledge models described in Kakabadse et al's (2003) framework.

Table 1: Models of knowledge theory

Knowledge models / Key attributes	Philosophy based model	Cognitive model	Network model	Community model	Quantum model
Treatment of knowledge	•Knowledge is justified true belief	•Knowledge is objectively defined and codified as concepts as facts	•Knowledge is external to the adopter in implicit and explicit forms	•Knowledge is constructed socially and based on experience	•System of possibilities
Dominant metaphor	•Epistemology	•Memory	•Network	•Community	•Paradox
Focus	•Ways of knowing	•Knowledge capture and storage	•Knowledge acquisition	•Knowledge creation and application	•Solving paradox and complex issues
Primary aim	•Emancipation	•Codify and capture explicit and knowledge	•Competitive advantage	•Promote knowledge sharing	•Learning systems
Critical lever	•Questioning, reflecting and debating	•Technology	•Boundary spanning	•Commitment and trust	•Technology
Primary outcomes	•New knowledge	•Standardisation, routinisation and recycling of knowledge	•Awareness of external development	•Application of new knowledge	•Creation of multi-reality
Role of IT	•Almost irrelevant	•Critical integrative mechanism	•Complimentary interactive mechanism	•Supporting integrative mechanism	•Critical-Knowledge centric

(Adapted from Kakabadse et al, 2003)

As Kakabadse et al note, the Philosophy based model of knowledge management is "an attempt to think and act by posing deep-knowledge questions about knowledge within organisation" (Kakabadse et al, 2003). From a philosophical, theoretical and methodological point of view, the Philosophy based model is the best fit to the term "knowledge" in this research programme. With its emphasis on knowledge as a collection of beliefs and the construction of meaning in the organisation, it is this

model that provides the primary definition of knowledge used in this research programme.

Corporate turnaround

Corporate turnaround is another focal point of the research programme and an area that requires further definition. Indeed, Pandit (2000) notes issues with the definition of "corporate turnaround" in the literature and proposes that one of the reasons why corporate turnaround is poorly represented is because the term "corporate turnaround" is usually limited to describing the profitability of the organisation. For Pandit (2000) and Baden-Fuller & Stopford (1992), profitability is only one dimension that needs to be considered in determining whether a company is a turnaround candidate because profitability is a lagging indicator. The survey conducted by Baden-Fuller & Stopford (1992) shows that companies can remain profitable for long periods even though they are losing competitive position. An associated issue is that management can manipulate profitability while systemic issues remain in the business. Pandit in agreeing with Fuller & Stopford notes "profitability may decline very slowly at first and then suddenly plummet" (Pandit, 2000 p34). This discrepancy is shown in Figure 2 below and as Pandit (p37, 2000) notes, this highlights that "much research has proceeded on the basis of research samples consisting of many unrepresentative cases".

Figure 2: Profits with falling competitiveness (Baden-Fuller & Stopford, 1992)

High profits
Strong competitiveness

Time

Profits

Competitiveness

Losses
Poor competitiveness
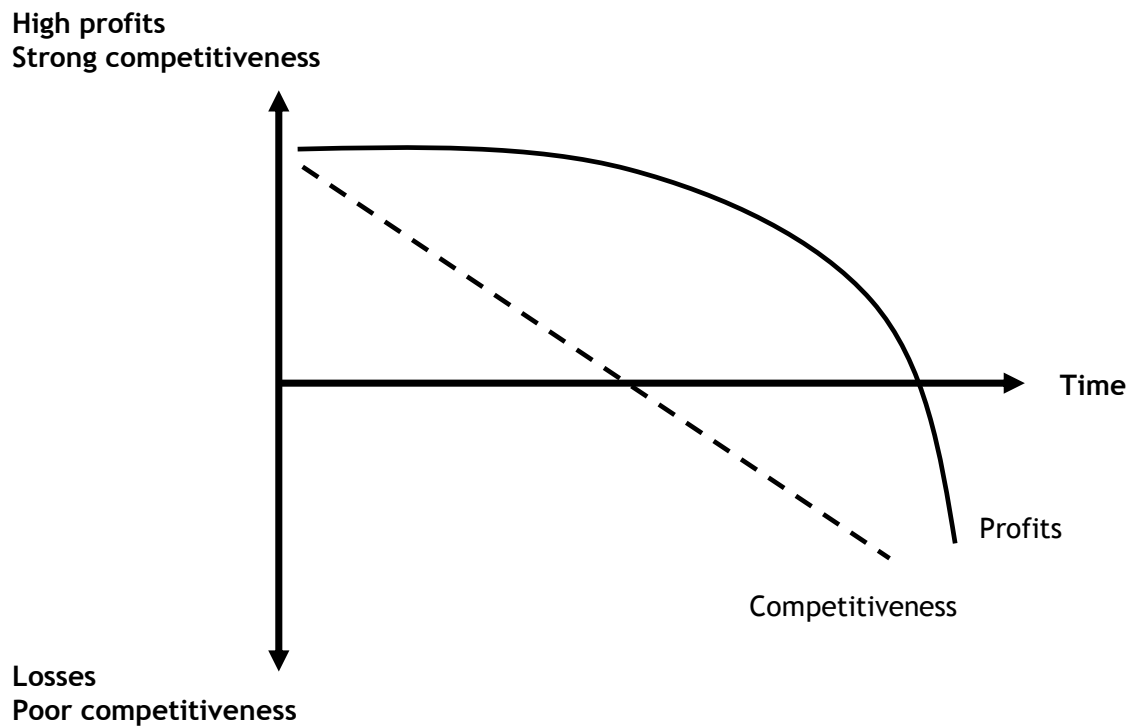
(Baden-Fuller & Stopford, 1992, p124)

Pandit goes on to offer a refined definition of corporate turnaround, which is used

in this research programme:

> Turnaround candidates are firms whose very existence is threatened
> unless radical action is taken and successful recovery cases
> demonstrate improved and sustainable environmental adaptation.

(Pandit, 2000, p37)

Pandit's definition therefore focuses on the underlying wellbeing of the organisation rather than a more narrowly defined, profitability based view of the status of the company. It is this version of the definition of corporate turnaround that is used in this research. Further support for Pandit's view of corporate turnaround can be found in the guidance given by the Chartered Institute of Management Accountants (CIMA) to their members. CIMA also indicate the need to consider non accounting aspects of corporate turnaround and use the following definition for corporate turnaround:

> Corporate turnaround is defined as: the implementation of a set of actions required to save an organisation from business failure and return it to operational normality and financial solvency. Turnaround management usually requires strong leadership and can include corporate restructuring and redundancies, an investigation of the root causes of failure, and long term programmes to revitalise the organisation.

> (CIMA, 2009, p3)

A company that requires turnaround is therefore facing complete failure and without intervention will cease to trade business. It is not a company that is reducing in terms of profitability alone and it is not a company that is simply underperforming for a temporary period of time.

Transformational change

The definition of "transformational" change also requires some explanation. In the change literature, there have been various theoretical debates on the different kinds of

organisational change and discussion on what could constitute "transformational" change (Chapman, 2002). In this respect, this research draws on the work of Argyris (1997) and Senge (1999), who argue that transformational change is not simply another term for "big" or "widespread" change. Instead, Argyris and Senge argue that transformational change is concerned with changing individual, and in turn organisational, beliefs. In this formation therefore, a change can only be described as "transformational" when organisational belief systems are challenged and changed. This could mean for example that an organisation could undergo significant, but nevertheless not transformational change if its fundamental beliefs remain unchanged. As described above, this focus on beliefs provides a link to Philosophy based theories of knowledge within the organisation (Kakabadse et al, 2003). These concepts will be discussed further in the next chapter, which expands on the theoretical basis of the research programme.

CHAPTER 2: THEORETICAL BASIS

Chapter 2 provides the theoretical grounding for the key concepts used throughout the thesis. In the forthcoming sections I will locate the research within the key literature domains and then position the main theoretical strands leading up to the development of the concept of dialogic knowledge subversion.

2.1 Theoretical origins

As described in the Introduction, this research is rooted in theoretical and practical concerns about the current status of change management, specifically in the context of corporate turnaround. The most widely known and cited theory of corporate turnaround is a framework developed by Slatter and et al (2006). In the Slatter et al framework, the turnaround is broken down into four phases: the Analysis phase, Emergency phase, Strategic change phase and Growth / Renewal phase. Slatter et al (2006) provide descriptions for each of these phases and highlight key activities that are required at each stage. In the analysis phase, Slatter et al advise practitioners to focus on developing a diagnosis of the issues causing the failure of the organisation. This diagnosis is taken forward into the Emergency phase, where management takes on short term remedial actions. Slatter et al characterise activities in the Emergency phase as "surgery" (p44, 2006) required to correct the immediate issues in the organisation. The next phase, the Strategic change phase, is where the focus is on building up capabilities within the organisation and establishing a new strategic direction. In final

phase, the Growth / renewal phase, the organisation focuses on balance sheet growth and a return to ongoing profitability. The Slatter et al framework for the phases of the execution of the turnaround is shown in Figure 3 below.

Figure 3: Phasing of workstreams during a turnaround (Slatter et al, 2006)

Phasing of workstreams throughout a turnaround process			
Analysis phase	Emergency phase	Strategic change phase	Growth / renewal phase

Diagnostic review

Crisis management

Develop business plan

Financial restructuring

Implementation of business plan

Selection of turnaround team

Stakeholder management

Project management of the turnaround
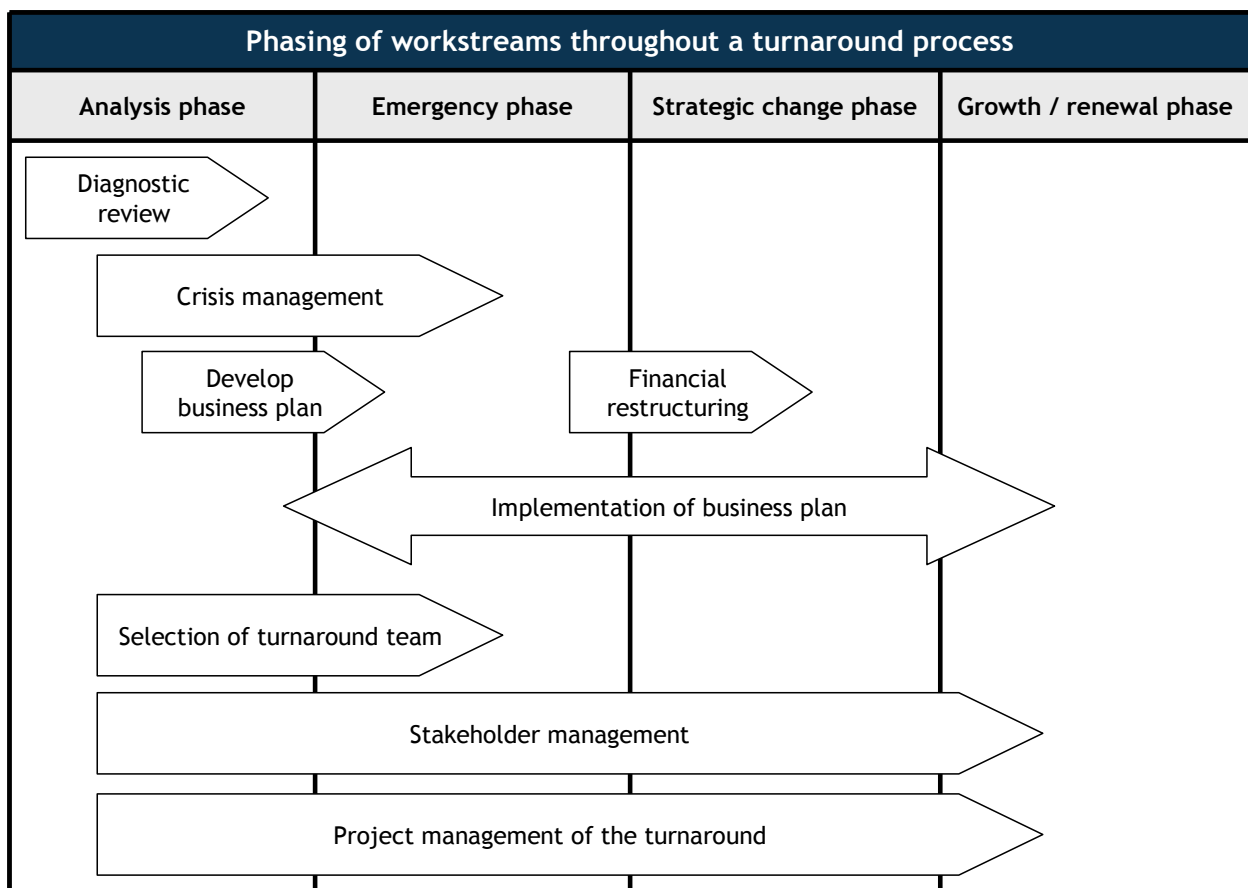
(Slatter, Lovett & Barlow, 2006, p44)

Slatter et al provide further support for their framework by offering generic turnaround strategies to be carried out in each phase such as asset reduction,

downsizing, outsourcing, quality improvements and many other activities (pp19-35, 2006).

However, although Slatter et al's framework provides significant insight into the overall turnaround process, there is no evidence that it provides improved chances of success. In fact, a study by Bibeault found that of 1,094 corporate turnarounds analysed only 33% were successful in their efforts to recover the company (Bibeault, 1982). The Slatter et al framework is a classic example of the rationalistic tradition of change theory (Caldwell, 2006). In this formation, change is highly deterministic and focuses on how formal planning and structure can be used to control the organisational environment. Although popular, rationalistic approaches have been highly criticised in the change literature. Among the concerns about the kind of approach espoused by Slatter et al are that it ignores organisational context (Pettigrew, 1985; Pettigrew et al, 2001), creates spurious objectivity (Mintzberg, 1989), lacks responsiveness (Duck, 1998), and relies on over-simplistic assumptions (Johnson & Scholes, 1999). Furthermore, the Slatter et al approach does not explain *why* an action or set of generic strategies might work. In order to explore these underlying factors, a deeper perspective on the change process is required; and this is where it is proposed that examining the changing conditions of knowledge within the organisation can provide further explanatory power.

In choosing a departure point from a planned view of change, this research has been heavily influenced by a "belief centred" view of transformational change. The basis for a linkage between change, knowledge and beliefs has ancient roots which can be traced back to Plato's definition of knowledge as "justified true beliefs" (Plato, 2004). Intuitively, a knowledge based approach to transformational change seems to hold

promise for a number of reasons, particularly in the context of corporate turnaround. Firstly, although different corporate turnaround situations offer different contexts and challenges, a common element cited by many theorists and practitioners is the need to change mindsets and the overall organisational "paradigm" (Argyris & Schon, 1978; Kuhn, 1996; Senge et al, 1999). For this reason, the need to change individual and group beliefs in conditions of profound organisation change seems to have a great deal of face validity. Secondly, a beliefs centred view represents a move away from the techniques and prescriptions provided by Slatter et al (2006) and other change theories which focus on the "mechanics" of change (Peters & Waterman, 1995; Conner, 1992; Kotter, 1996). Instead of providing prescriptions or a "how to" guide, this research highlights the conditions required to generate the transformational change necessary to turnaround a failing company. It will also identify the ways in which skilled practitioners set about creating the conditions where that becomes possible. The key area of interest is an exploration into how knowledge subversion creates ways in which people think differently, and how it can help groups and individuals (in a social constructionist sense) move towards new realities for themselves and those around them (Berger & Luckmann, 1966).

In bringing these aspects of a beliefs centred view of change together, it is a core contention of the research that in conditions of transformational change, group values and beliefs become destabilised and this creates challenges to the existing basis of knowledge in the organisation. It is this subversion of dominant knowledge hegemonies that enables transformational change. Correspondingly, this research is allied to philosophies and theories that actively seek to destabilise the basis of knowledge and

tend to promulgate an oppositional stance. In this respect poststructuralism stands out as an allied and potentially useful theoretical perspective.

Poststructuralism is theoretically unorthodox. Some theorists regard Poststructuralism as "anti-theory", "playful" or "fashionable" (Habermas, 1987; Sokal & Bricmont, 1998). However, despite this controversy, postmodernist and poststructuralist ideas have been regularly debated and co-opted into the management literature over the past twenty years (Clegg, 1992; Power, 1992; Gergen & Thatchenkery, 1996a; Calas & Smircich 1999; Jabri, Adrian & Boje, 2008). Indeed, although it could not be regarded as part of the theoretical mainstream, Poststructuralism has found many strong proponents in management theory and has been influential enough to be frequently discussed at conferences and in leading management journals (Bushe & Marshak, 2007; Boje, 1991; 2006). For example, theorists have focused on poststructuralist themes such as deconstruction (Steingard & Fitzgibbons, 1993), the "linguistic turn" (Gergen & Thatchenkery, 1996; Alvesson & Karreman, 2000a; 2000b), or organisational emancipation (Alvesson & Willmott, 1992). It is worth noting that whilst poststructuralist thinking is currently confined to the margins of management theory, in the arts and the social sciences poststructuralism is well established and is no longer regarded as strange or unconventional (Lodge, 1990). However, in management theory poststructuralism remains unusual and, in the view of many theorists, is ripe for further exploitation (Hazen, 1993; Jabri, 2004; Boje, Oswick & Ford, 2004; Boje, 2006b).

Poststructuralism offers a philosophy and method compatible with the core thesis of this topic. In common with the processes associated with dialogic knowledge subversion, poststructuralism is suspicious of "truth" and knowledge, and actively seeks

to undermine what is purported to be "known". Poststructuralism is rooted in a language and discourse based view of the basis of knowledge. In this respect, poststructuralism can be regarded as explicitly subversive. The poststructuralist perspective arises from a direct reaction to structuralism, which seeks to interpret and define universal archetypal structures within texts and symbols (de Saussure, 1983). Instead, Poststructuralism rejects a quest for absolute truth or certainty in interpretation and turns language in on itself to expose paradoxes and inconsistencies; even within the same text or utterance (Alvesson & Karreman, 2000b). This poststructuralist context is part of the positioning of Bakhtin as the primary theorist for this research.

2.2 Knowledge subversion and the use of Bakhtin

Bakhtin is typically associated with the poststructuralist movement described above. In common with other poststructuralist thinkers, Bakhtin has a primary concern with the destabilisation and subversion of meaning and structures (Holquist 2002). He is also interested in analysing texts and deconstructing meaning (Lodge, 1990). However, Bakhtin also has many different methodological and philosophical characteristics to other theorists in the poststructuralist movement. Bakhtinian theory offers a discourse-based view of knowledge with Neo-Kantian and relativist leanings (Brandist, 2002). Bakhtin is a philosopher and his interest in knowledge is closest to the Philosophy based model amongst the definitions of knowledge provided by Kakabadse et al (2003) in the previous chapter. Furthermore, Bakhtinian theory is deeply interested in a

sociological rendering of knowledge and change, and it is this factor that sets his work apart from other poststructuralist theorists. Derrida for example, another highly influential poststructuralist, was also considered as a potential lead theorist for the research. Derrida also provides a deconstructive stance which seeks to undermine the certainty of knowledge through language (Derrida, 1978). However, Derridian readings focus heavily on the text itself and tend to extrapolate the text from its socio-political setting (Norris, 2002). This is a key concern when considering Derridian theory to the sociological setting of the management research. Contrastingly, Bakhtin is directly interested in the sociology of human interactions and the ways in which knowledge is created, undermined and transformed. Unlike Derrida, Bakhtin offers a "dialogic" theory of knowledge which is intimately concerned with the sociology of language and meaning. It is these Bakhtinian philosophical and theoretical pretexts that this research draws on and seeks to use in corporate turnaround situations. Some further commentary is now provided on the use of Bakhtin as the lead theorist for the research.

As noted above, in addition to poststructuralist thinkers, there are also management theorists who are interested in the idea of challenging beliefs and belief systems in organisations (Argyris & Schon, 1978; Senge et al, 1999). The main difference between the use of Bakhtin rather than these other management theorists is the specific concern that Bakhtin has with knowledge. In the case of Argyris, Schon, Senge and Schein for example, challenging beliefs is supportive of other concepts focused on themes such as learning "loops", the learning organisation or cultural change (Argyris & Schon 1978; Schein, 1985; Senge 1990). However, for Bakhtin knowledge subversion is central to his philosophical analysis of knowledge, language

and sociological phenomena. Bakhtin's work provides a complete philosophy of the process of knowledge destabilisation within groups or communities and his theories of language are directly related to the conceptual development of the topic (Holquist, 2002). For this reason, although the uses of Bakhtinian theory are less well developed in change theory, Bakhtin provides many of the elements required to develop a theory of knowledge subversion in an organisational setting. I will now outline the main strands of Bakhtin's contribution to the development of the research programme.

Firstly, Bakhtin offers a theory of knowledge. Bakhtin was greatly influenced by the concept of architectonics proposed by Kant in his *Critique of Pure Reason* (Kant, 1784 (2007)). Kant used the term architectonics to signify the systematisation of knowledge. Influenced by Kant, Bakhtin is also fundamentally preoccupied with the concept of beliefs coalescing into knowledge systems. For Bakhtin, the systematisation of knowledge is based on building a sense of collective meaning derived through language and social interactions (1981). Bakhtin is particularly interested in defining the architectonics of social settings (1984a). In Bakhtin's view, architectonics leads to an awareness, and close readings, of the underlying knowledge and power structures of events, structures and sociological formations (1986).

Secondly, Bakhtin's philosophy of knowledge is dominated by the analysis of language and dialogue. Bakhtin seeks to explicitly link dialogue and knowledge, and this duality is bound up in the concept of "dialogism" (Bakhtin, 1981). With knowledge we are not always dealing with something that is immediately obvious or explicit (Polanyi, 1967). Instead an investigation of organisational knowledge is an exploration into deeply held views at both an individual and group level; what Plato defined as "justified true

beliefs" (Plato, 2004). However, it is difficult to say with certainty what "justified true beliefs" might *be* at either an individual or group level. In order to analyse and explore knowledge therefore, we need to investigate the closest proxy for knowledge available. Bakhtin argues that knowledge reveals itself in language and dialogue (it is for this reason that knowledge subversion must become "dialogic" knowledge subversion in a Bakhtinian context). Language and dialogue is also something that we can collect and analyse in organisations, and build a research programme around: it is researchable.

The third argument used in justification of Bakhtin in this research topic is based on his direct interest in the transformation of knowledge, and in his interest in the conditions of profound change. Bakhtin was writing in an extremely intellectually oppressive era, in Russia during the Stalinist purges. There is little doubt that much of Bakhtin's work is a thinly veiled critique of Stalin's regime, and is figurative of social unrest and political change (Holquist, 1981). However, even though Bakhtin writes in metaphorical terms, the polemical and powerful nature of his work is quite extraordinary. In *Rabelais and His World* Bakhtin describes the grotesque physical transformation of the main character Pantagruel, the subversion of hierarchies, the use of profanity, and the defamation of authorities (Bakhtin, 1984a). These powerful themes of transformation, disorder and subversion run throughout his work and, as I will argue, provide a metaphorical language that can be applied to organisational change. Perhaps most usefully, Bakhtin builds up a conceptual framework of how transformation actually works. Although Bakhtin is theorising in a different domain, and some conceptual leaps are needed to transfer these ideas into an organisational setting. However, as has already been noted above, there are few management theorists investigating the

subversion of knowledge. And while there are other thinkers that are philosophically relevant to this theoretical debate (such as Foucault, Kuhn, Derrida and Polanyi), I would argue that Bakhtin provides a directly useful blend of the main attributes implicated in the transformation of knowledge. Many of the key concepts underpinning this philosophy will be described in the forthcoming sections. There will also be further discussion on the Bakhtinian canon of literature, influences and related works.

2.3 Philosophical alignment

Just as an examination of the origins of the research topic provides some background to the core theoretical argument, in the reviewing the literature it is also important to make the philosophical assumptions implicit within the research as explicit as possible (Hart, 1998). As Easterby-Smith et al argue (2006), making these philosophical orientations clear helps to define the overall research design and to position the theoretical and methodological choices made. Following this approach, the first step in developing a philosophically aligned research design is building an understanding of the intrinsic philosophical biases within the research. Burrell and Morgan (1979) use a matrix for this purpose which maps philosophical assumptions along four inter-related continua. These continua are based on ontological, epistemological, human nature and methodological assumptions.

<u>Ontological assumptions.</u> Ontological assumptions are concerned with the nature of being and conceptions of reality. At one end of the

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spectrum, there is realism: a belief in a concrete reality which our observations bring us closer to. At the other end of the spectrum nominalists hold that social reality is relative and that ideas are representational. Bakhtinian theory and the social constructionist perspective proposed within this work are located towards the nominalist pole of this continuum.

Epistemological assumptions. Epistemological assumptions are concerned with the basis of knowledge and evidence. A positivist stance indicates a belief that knowledge can be authenticated through objective, scientific methods, whilst anti-positivists believe that the basis of knowledge is more interpretative and sociologically oriented than based on objective truth. The Bakhtinian research perspective represented in this work is strongly interpretative and leans towards the anti-positivistic pole of this continuum.

Human nature assumptions. Assumptions on the basis of human nature vary from a belief that the world is essentially deterministic, to a belief in free will and voluntary action. Bakhtin's work is imbued with the concepts of free will and leans towards the voluntaristic pole of this continuum.

Methodological assumptions. Finally, methodological assumptions are derived from the research and researcher positioning on the previous three assumptions. In terms of methodological assumptions the range is from the nomothetic (a tendency to focus on generalisation) to the

ideographic (a tendency to focus on specific examples). The ideographic method is based on building a deep understanding of the subject through close observation, biography, and lived experiences, whilst the nomothetic approach is based on scientific methods, hypothesis testing and clinical trial. The Bakhtinian perspective, my own personal preferences and the research topic are oriented towards the ideographic pole of this continuum.

Table 2 below shows a relative mapping of philosophical assumptions for the research topic across Burrell and Morgan's (1979) four continua.

Table 2: Mapping Implicit and Explicit Research Assumptions

Mapping philosophical and implicit research assumptions		
Philosophical assumptions	Continua	Research / Researcher orientation
Ontological assumptions	REALISM - NOMINALISM	NOMINALIST •A rejection of "concrete" reality •A belief that realty is relative and that ideas are representational
Epistemological assumptions	POSITIVISM – ANTI-POSITVISM	ANTI-POSITIVIST •A suspicion of scientific methods claims to objectivity •A belief that knowledge is interpretative and sociological
Human nature assumptions	DETERMINISM - VOLUNTARISM	VOLUNTARIST •A rejection determinism •A focus on free will and voluntary action
Methodological assumptions	NOMOTHETIC - IDEOGRAPHIC	IDEOGRAPHIC •A rejection of generalisation •A tendency to focus on specific examples

(Adapted from Burrell & Morgan, 1979)

A number of conclusions arise from this philosophical positioning of the research, which have direct implications for the literature review and theory development. As an overall standpoint, this positioning allies the research topic to the social constructionist philosophical tradition. In defining this philosophical perspective further, Easterby-Smith et al summarise this theoretical and methodological tradition in the following way:

> "the constructionist perspective… does not assume any pre-existing reality, the aims of the researcher are to understand how people invent structures to help them make sense of what is going on around them. Consequently, much attention is given to the use of language and conservations between people as they create meanings."

> (p34, Easterby-Smith, Thorpe & Lowe, 2006)

In addition to being closely in tune with my own personal perspective, this philosophical mapping helps to position the theoretical stance of the research and provides further cues to the directions of the literature review itself.

2.4 Literature domains

In the original scoping study undertaken early in the research programme, three key literatures central to the subject area were identified: change management theory, knowledge theory and linguistic theory. These literatures are all interconnected and contribute towards the concept of dialogic knowledge subversion in overlapping and complementary ways. All of these literatures were viewed through the lens of Bakhtinian

theory, the main theoretical basis for this research. An initial, broad-brush, survey of each of these literatures led to a more targeted scoping for the literature review.

The initial survey of change management theory focused on meta-reviews of change management theory and theoretical offerings on corporate turnaround. It was soon established that, with some exceptions (Slatter, 1984; 1999; Slatter et al 2006; Juha-Antti & Pajunen, 2005), the literature on the change management of corporate turnaround is not well developed. This is not to say that the topic of corporate turnaround has been completely overlooked in the literature. Indeed, corporate turnaround has been the subject of many investigations. But most of these have focused on the techniques involved in insolvency or corporate recovery such as refinancing, restructuring, divestment and other structural activities (Hofer, 1980; Castrogiovanni et al, 1992; Harker & Sharma, 2000; Kow, 2004; Harreld et al, 2007). The Slatter et al (2006) framework described earlier in the chapter is widely known and discussed, however as commented about the Slatter et al framework only provides a superficial rendering of the dynamics at play in the organisation. This represents a gap in the literature in terms of our understanding of the change management methods and processes operating in the context of corporate turnaround.

Change management theory comprises of a diverse collection of literatures. Various meta-reviews were used to frame the topic (Bennis, Benne & Chin, 1961; Van de Ven & Poole, 1995; Rajagopalan & Spreitzer, 1997; Caldwell, 2005; 2006). The work of Raymond Caldwell was particularly useful in this respect. Caldwell's survey groups the change literature into four underlying discourses: Rationalist, Dispersalist, Contextualist and Constructionist. This formation fits well with the discourse and

knowledge based view of change promulgated in this research, principally by emphasising the philosophical contexts and boundaries for each perspective. Of the four categories developed in Caldwell's framework, Constructionist change has the closest philosophical and thematic representation of Bakhtinian thought. The Constructionist perspective offers three main features for this investigation. Firstly a constructionist view of change is based on the view that knowledge and perceptions of reality are created by social interactions. This is consistent with Bakhtin, and provides a basis for knowledge based concepts of change. Secondly, constructionist change has a philosophical basis which is consistent with Bakhtinian concepts being introduced to the change literature. Additionally, constructionism provides a critique of, and alternate perspective to, mainstream rationalistic change models.

Alongside change management theory, knowledge theory was another key literature domain. The review of knowledge theory included philosophical theories of knowledge, knowledge based theories of organisation, tacit and explicit knowledge, and cognitive models for the organisation (Kant, 2007; Polanyi, 1967; Nonaka & Takeuchi, 1995; Kakabadse, Kakabadse & Kouzmin, 2003). Bakhtin's work is also deeply concerned with changing conditions of knowledge, and he provides a theory of knowledge based on Neo-Kantian leanings, language and sociological interactions (Bakhtin, 1981; 1984a; 1984b).

The third main literature domain was linguistic theory. Linguistic theory is central to the concepts developed in this research, with a particular reference to the ways in which narrative reveals concepts and deeply held beliefs within the organisation. The survey of linguistic theory encompassed language based views of the organisation and

change, including discourse and linguistic analysis, narratology, conversation and storytelling analysis (Skoldberg, 2001; Czarniawska, 1997; Barry & Elmes, 1997; Alvesson & Karreman, 2000a, 2000b; Boje, 1995; Clegg et al, 2006; Shotter, 2006, Buchanan & Dawson, 2007). Correspondingly, Bakhtinian theory is rooted in a language based view of knowledge and social interactions (Bakhtin, 1981). For Bakhtin, the transformation of knowledge is intermediated through language. In discourse theory, therefore, we find the opportunity to bring together theories of organisation, knowledge and change within a Bakhtinian context. For this reason, discourse theory took a prominent role in the theoretical and empirical dimensions of the research programme.

This broad-based survey led to the concentration on four subset areas contributing towards the concept of "dialogic knowledge subversion". The first area is Constructionist change theory: a belief in anti-rationalist, anti-scientist, anti-essentialist and anti-realist views of change (Caldwell, 2006). The second subset is Architectonic knowledge theory, providing Bakhtinian (and Neo-Kantian) analyses of the structures and systematisation of knowledge in the organisation (Bakhtin, 1981; 1993). The third area is Discourse theory: a view of organisation and change based on analysis of texts and dialogue (Gergen & Thatchenkery 1996a, 2004; Kilduff 1993; Kilduff & Oh, 2006). The fourth and overarching subset is Bakhtinian theory, imbuing all of the above theoretical concepts with Bakhtinian readings of change and the organisational site.

Figure 4 below shows this scoping and focusing of the literature diagrammatically.

Figure 4: Literature positioning and theoretical focus
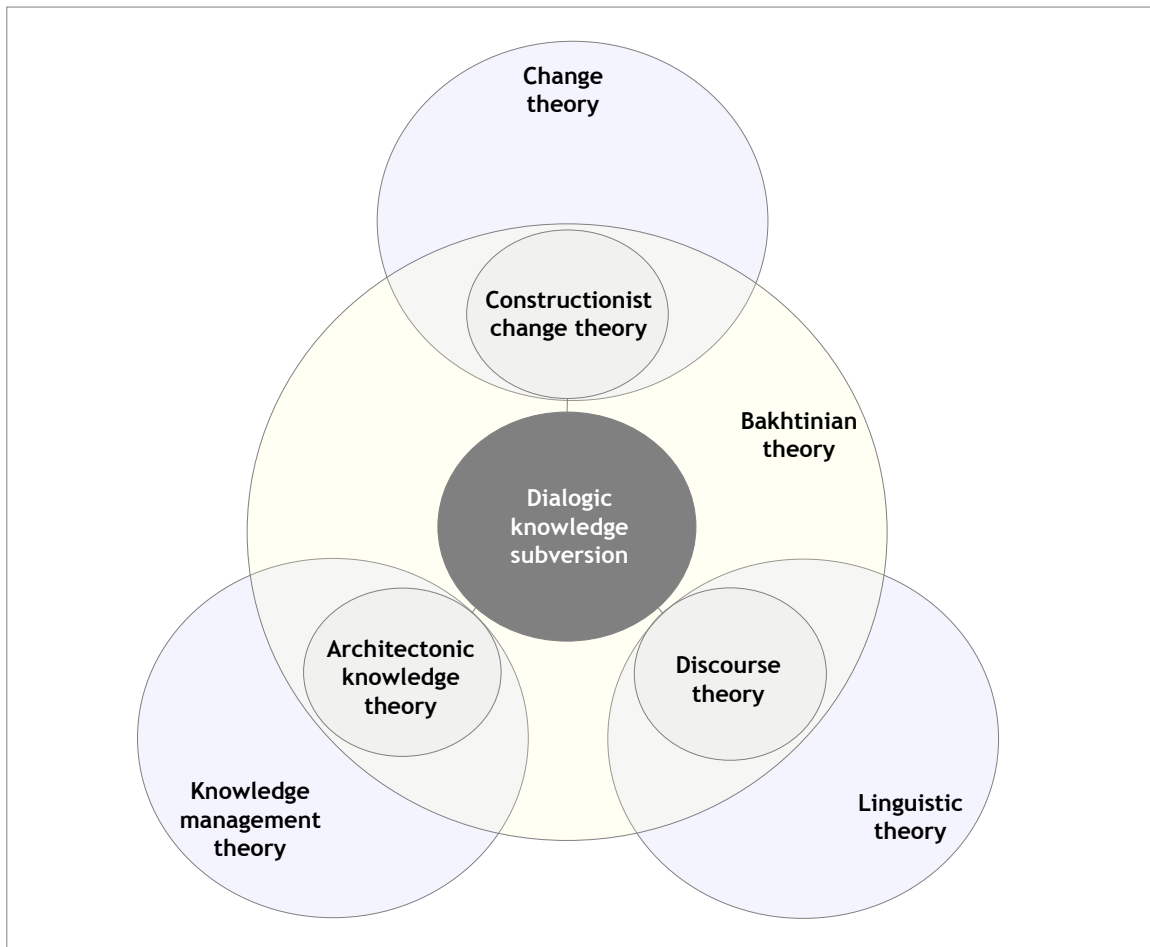
2.5 Theoretical consistency and inconsistency

As Lincoln & Guba (2000) argue, bringing together different literature domains to synthesise theoretical concepts has both benefits and risks. The main strength of integrating theory across disciplines is the potential to develop new insights and build new theoretical perspectives which would be difficult to generate from one theoretical

tradition alone (Gioia & Petrie, 1990). Another benefit is the potential develop a form of theoretical triangulation between the multiple sources (Easterby-Smith et al, 2006), which can provide greater explanatory power than one existing theoretical discipline alone. However, although opportunities arise through bring together multiple literature perspectives, the merits of demerits of using cross-disciplinary approaches are a long-running and ongoing debate in management theory and there are inevitably some inconsistencies introduced by bringing different literature domains together (Kroker, 1980; Klein, 1990; Floyd, 2009). Two of the main concerns highlighted by these theorists are the potential to distort the sense of the original concept or the potential to conflate ideas in such a way that neither is useful any more. Therefore a key objective in using these multiple theoretical perspectives was to explore the possibilities of an integrated approach whilst remaining faithful to the conceptual intent of the theories under investigation.

As I have described in the Philosophical Alignment section above, one of the ways of reducing potential inconsistencies is to consider the philosophical alignment of different theories. As I have shown above, the underlying philosophical orientations within the research locate it within a particular nominalist, anti-rationalistic, voluntaristic, ideographic philosophical tradition (Burrell & Morgan, 1979). Constructionist change theory, architectonic knowledge theory and discourse theory are largely consistent with this philosophical tradition, and there was a high degree of theoretical and methodological consistency between the key articles uncovered in the literature review. However, I would not wish to overstate the case for philosophical alignment in the literature review process. Although this may provide some internal philosophical

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consistency of argument it would be somewhat undesirable and constraining to limit the development of the topic to only investigate articles which were philosophically congruent with the main thrust of the research. Rather than guiding literature searches, this was more of an underlying awareness of the philosophical perspectives of each of the literatures under examination.

Furthermore, dialogic knowledge subversion is a new formation and these literature domains have not been pulled together in exactly these ways before. The literature domains of change, knowledge and discourse have different heritages and have been developed by different groups of theorists. There are a variety of concepts at play within these literature domains and as such different ways of conceiving of the organisation and of approaching organisational issues. For this reason there are not many theoretical precedents for the synthesis of these concepts and it is important to acknowledge that the synthesis of these cross-disciplinary concepts necessarily requires some adaptation for the purposes of the research programme. For example, the use of narrative and storytelling espoused by Boje (1995), did not particularly marry up with knowledge management theory. However, it did help to provide a discourse-based theory of the organisation which was linked to Bakhtin's theory of knowledge (1981). Although there were some inconsistencies identified in the course of the literature review, there were many more examples of cross-disciplinary integration between the literatures. The work of Tsoukas (1996) for example takes a knowledge-based view of the organisation and marries it up with language, interspersed with Bakhtinian based concepts. Boje also crosses the boundaries between the literatures with his work on language, change and Bakhtinian theory (Boje, 1995; Boje, Oswick &

Ford, 2004; Boje 2008). As Figure 4 above suggests, Bakhtinian dialogism provided an integrating theme across the literatures and there was evidence of uses of dialogism in all of the literature domains. In this respect, and as shown by other Bakhtin commentators (Lodge, 1990; Brandist; 2002), dialogism could be regarded as a "trans-disciplinary" (Miller, 1982), meaning that it spans academic domains in a meta-theoretical way similar to Marxism or Feminism.

However, even given these examples of successful cross-disciplinary integration, it should be noted that Lincoln and Guba's concern (2000) was evidenced in many places in the literature review conducted. Many scholars integrate across literature domains without making their assumptions explicit; assuming that the points of connection between the literatures are self evident. In this work, I have tried to make the process of theory building from the literature and empirical studies as clear as possible. The philosophical basis for the topic was made explicit from the outset, literature sources were documented throughout the systematic literature review process, and conceptual gaps and points of intersection were highlighted and reviewed at each stage of the research programme. These characteristics from the literature review will be expanded upon in the next chapter, which provides a comprehensive view of literature searches undertaken and findings from each of the literature domains both individually and collectively. Having set some context for the review of the literature, I will now describe key theoretical concepts within each of the main literature domains.

2.6 Theoretical foundations: Constructionist change theory

Constructionist change theory involves the explicit rejection of rationalistic ideas and models of organisational change. Caldwell (2005) outlines four key features of the Constructionist change theory discourse:

1. Anti-rationalism: a rejection of reason and the idea that experience can be bound within principles or rules.

2. Anti-scientism: a rejection of the notion of cumulative knowledge and scientific progression.

3. Anti-essentialism: a rejection of the belief that an essence or absolute truth can be found.

4. Anti-realism: a rejection that there is a single reality that can be discovered through empirical observation.

As might be expected, Constructionist change theory explicitly opposes rationalist change approaches. Instead, Constructionist change theory offers a strongly pluralistic approach, which emphasises the multiplicity of conflicting perspectives involved in change (Boje, Oswick & Ford, 2004). There is also an interest in the social intricacies of how change works. This is consistent with the social constructionist view that we co-create our social realities and the "lived world" in which the change is situated (Berger & Luckmann, 1966; Caldwell, 2005; 2006).

Constructionist ideas have been assimilated to some extent into organisational and change theory. For example, this assimilation has included theorising on the linguistic turn in management theory (Alvesson & Karreman, 2000a), discussion on

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dynamic capabilities (Marshak, 2004; Lawler & Worley, 2006), and the exploration of key postmodern or poststructuralist theorists including Bakhtin (Boje, 2006b).

2.7 Theoretical foundations: Architectonic knowledge theory

Architectonic knowledge theory derives from Kant's *Critique of Pure Reason*. Towards the end of *Critique of Pure Reason*, Kant noted: "Human reason is by nature architectonic. That is to say, it regards all our knowledge as belonging to a possible system" (p471, 1784 (2007)). In this respect Kant provides a view of "architectonics" as a basic human need to organise knowledge into rational systems. For Bakhtin, who was deeply influenced by Kantian philosophy, this was a profoundly important idea and he put this organising impulse at the centre of his own theory of knowledge (Bakhtin, 1981).

Taking these ideas forward, Bakhtinian architectonics is deeply concerned with the ways in which social interactions serve to build and systematise knowledge. An architectonic view of knowledge therefore focuses on the creation of collective meaning and experiences, and is interested in how these social interactions enable the disruption and transformation of existing knowledge systems. It is the investigation of these knowledge systems, their structures and key premises (beliefs), that is the primary focus of this enquiry.

A Bakhtinian view of knowledge and architectonics has a variety of key features which are central to this research. For Bakhtin, knowledge and meaning are not static;

they are ever changing and in a constant state of flux (Bakhtin, 1981; Holquist, 2002). This means that knowledge systems are dynamic and are continually being created, reinforced or subverted (Jabri, 2004). Furthermore, knowledge in itself is not absolute and can only be regarded as situated within a specific context (Bakhtin, 1986). Consistent with this emphasis on the contextual nature of knowledge, knowledge is interrelated and relative. Therefore, the study of architectonics is the study of implicit, explicit and ever changing belief systems (Bakhtin, 1986; Boje, 2004). Critically for Bakhtin and for this research, knowledge becomes manifest through language and social interactions. It is through close scrutiny of language and social phenomena that we come closer to understanding the underlying assumptions behind knowledge and architectonic systems (Bakhtin, 1981; 1986).

Parallels can be immediately drawn with Kuhn's concept of a "paradigm" (Kuhn, 1996), or Foucault's concept of an "episteme" (Foucault, 1989). In common with Bakhtin, both of these focus on organising knowledge systems. However, Bakhtin, through his focus on language and sociology, is much more explicit than these theorists on how knowledge can become transformed and move from one state to another. These transformative processes are intertwined and fundamentally connected with Bakhtin's dialogic perspective, which links dialogue to knowledge, and knowledge to dialogue (Holquist, 2002).

2.8 Theoretical foundations: Discourse theory

As noted above, Bakhtin's philosophy is rooted in a language based view of knowledge and social interactions (Bakhtin, 1981). For Bakhtin, the transformation of knowledge is intermediated through language. In discourse theory, we find the opportunity to bring together theories of organisation, knowledge and change within a Bakhtinian context. For this reason, discourse theory takes a prominent role in the theoretical and empirical dimensions of the research programme. Discourse theory offers a number of theoretical resources to support the development of the concept of dialogic knowledge subversion. In particular it can help to provide a theory of the organisation based on stories, narratives, dialogue and texts (Alvesson & Karreman, 2000a, 2000b). Correspondingly discourse theory provides ideas on how change can be enacted through conversation, language and social interactions (Boje, 1995; Baker, Jensen & Kolb, 2005). This leads to ways of exploring the basis of knowledge within the organisational site through the close analysis of dialogue and texts (Shotter, 1992; Boje, 2006a). This in turn enables the use of a variety of language based frameworks and tools to analyse discourse. These frameworks include Bakhtinian concepts such as monologic and polyphonic discourse, carnival, and dialogism (Bakhtin, 1986; Pentland, 1999; Boje, 2001).

Given these theoretical formations, narrative and storytelling analysis becomes central to the development of a Bakhtinian perspective on change. Narratives represent ways of ordering data (stories or "ante-narratives") and shaping knowledge in the organisation (Berger & Luckmann, 1966; Pentland, 1999, Boje, 2001). As such, the value of Bakhtinian readings of corporate turnaround hinges on insights gained from the

stories and narratives gathered from the organisational site. Readings involve participation and it is also important to recognise the role of the researcher in the interpretative process (Plummer, 1994). This self conscious and self-reflexive duality is typical of poststructuralist theory, and necessarily becomes part of the research process (Tsoukas, 1992).

2.9 Theory development: Dialogic readings of corporate transformation

Dialogic Knowledge Subversion represents a fresh view of organisational change based on the combination of the various theoretical elements described. Using these conceptual elements, it is now possible to summarise the key features and propositions embodied within the idea of dialogic knowledge subversion.

Firstly, dialogic knowledge subversion involves a knowledge-based, architectonic, reading of the changing organisation. This view of the organisation is built up through tracking the transformation of old narratives (and monologies) into new narratives (and monologies). Secondly, dialogic knowledge subversion centralises the role of language in the change process, and in particular the interplay of polyphonic and monologic modes of language during the transformation. Polyphony helps to break down the monologic organisational narrative by releasing previously repressed voices and exposes the multiple meanings and the plurality of perspectives within the organisational site. Thirdly, dialogic knowledge subversion shows the transformation of knowledge hegemonies in the organisation through the subversion of dominant

narratives. A key moment in the transformation is a period of "carnival", where existing knowledge structures become laid bare, debased and are subverted (before being restored to new hierarchies and orders).

Having positioned the main strands of theoretical interest to this topic and introduced the basic concepts of Dialogic Knowledge Subversion, the next chapter will explain the approach to reviewing the literature in detail. This will lead to further theory development, which will then be explored in an empirical context.

CHAPTER 3: LITERATURE REVIEW

In this chapter I will outline the literature review method and search strategies adopted to find academic sources related to the research topic. I will also explain the key findings arising from the literature review. The overall process for organising these diverse literatures will now be described, along with observations on the contribution of each of these literature sources.

3.1 Systematic literature review approach

The systematic literature review approach, widely used in health sciences (Fink, 2005) and promoted by Tranfield, Denyer and Smart (2003) in management research contexts was used to structure the literature review. The goal of a systematic literature review is to provide a robust and objectively rigorous way of carrying out the review of the literature. In a systematic literature review the overall process of conducting the review is broken down into a series of planned steps which, in principle at least, could produce similar results if another researcher adopted the same methods (Fink, 2005). Therefore in a systematic literature review, the researcher attempts to make the literature review method as explicit as possible by documenting search criteria and searches applied, defining literature review sources and quality appraisal criteria, and outlining observations and findings uncovered by the literature review (Tranfield, Denyer Smart, 2003).

While there are some variations in the way that systematic literature reviews have been used in management literature, there is a basic framework that is commonly applied across all systematic reviews (Davies & Crombie, 1998). At the outset of the literature review, the researcher plans out the purpose and approach to the literature review. This plan is encapsulated into a research protocol which documents the proposed structure and procedures for the literature review. The next stage is to scope the literature review and to undertake some initial screening of sources available. Having established these foundations the researcher defines search methods from data sources, including selection criteria and quality appraisal conditions. Data is then extracted from sources and finally findings are synthesised and written up into the literature review itself.

In this research programme, these steps towards developing a systematic literature review were adopted in the following way. A protocol paper, outlining the approach to the literature review and initial scoping of the topic was written and critically appraised by a supervisory panel. The supervisory panel included domain experts in knowledge management and change management theory (Professors Ashley Braganza and Donna Ladkin) and a prominent expert in the systematic literature review method (Professor David Denyer, who is also an expert in change management). The supervisory panel discussed and agreed the proposed approach before literature review activities were started. As noted in the previous chapter, the foundations for the literatures under review were established in the scoping study developed at the start of the overall research programme. This initial scoping and the screening of the various literature domains under scrutiny were included in the systematic literature review

protocol. Search criteria were defined, informed by the high level scoping study and by an initial review of data sources available. Search strings to be used across the numerous journal databases and other data sources were devised and documented. The complete process of extracting relevant articles and other useful data was then started. The yield of results arising from each of the search strings applied against the databases was recorded and used to devise new search strings. This recursive process of interrogating journal databases continued until a consistent mapping of the literature terrain had been obtained and until the quality of useful search started to reduce. Having found a pool of relevant database sources, articles were downloaded and bibliographical information was stored in Refworks (Refworks is a widely used, specialist bibliographic software solution which includes data storage and catalogue search functions). Further information on the content of the search strings and the results obtained are outlined in the following subsections in this chapter.

3.2 Literature review purpose, planning, selection and data extraction

The purpose of the review was to evaluate academic sources on the topic of the change management of corporate turnaround, with a particular focus on the perspectives of knowledge management, discourse analysis and dialogic analysis. In surveying literature review methods, I was introduced to Hart's (1998) guidelines on developing an effective literature review and I found these helpful in framing the content that needed to be extracted from the data sources available. Hart (1998) proposes that

any literature review needs to answer fundamental questions about the topic under investigation.

1. What are the origins and definitions of the topic?

2. What are the main issues and debate about the topic?

3. What are the key ontological and epistemological grounds for the discipline?

4. What are the key sources?

5. How has knowledge in the topic been structured and organised?

6. What are the key theories, concepts and ideas?

7. What are the main questions and problems that have been addressed to date?

8. How have approaches to these questions increased our understanding and knowledge?

The first three of Hart's questions relate to the origins of the topic and have already been discussed in the previous two chapters; the focus of the remainder of this chapter will be on the last five questions. The main features of the research protocol including scoping, quality appraisal and data extraction methods will now be outlined. This will include commentary on each of Hart's questions relating to insights gathered during the course of the literature review.

<u>Scoping the literature review</u>

The scoping of the literature review was based on the literature mapping described in the previous chapter and summarised in Figure 4 above. Following these theoretical pretexts, the four primary literature domains under consideration were defined as constructionist change management, architectonic knowledge management theory, discourse theory and Bakhtinian theory. Search strategies comprised of four main data gathering activities that were carried out throughout the course of the literature review, and subsequently through the reminder of the research programme:

1. Reviewing journal articles gathered through database searches based on keywords and search strings.

2. Identifying journal articles, books, and working papers selected through analysing the reference sections of previously identified articles and books.

3. Following up on articles, books, and other resources (such as key contacts) recommended by the review panel or doctoral supervisor.

4. Gathering references at conferences, symposia or other academic meetings (including discussions with the Sheffield University Bakhtin Centre).

Quality appraisal

All sources of data were assessed to evaluate their academic reliability and to justify their inclusion in the literature review. Correspondingly, all journal papers that were identified as directly useful to the research and studied in detail were subjected to a quality appraisal process, based on pre-defined selection criteria. In particular, three selection tests were applied to all articles gathered.

1. Was the article relevant and additive to the research topic? The relevance of the article was initially screened using search strings applied to titles, abstracts, and the main body of the text.

2. Was the source of the article regarded as authoritative within the field? This quality appraisal was supported by the ratings provided by the Cranfield School of Management (2012) and the Association of Business Schools rating systems (2010).

3. Was the article itself regarded as authoritative within the field? This evaluation was supported by the number of cross references and citations within the topic area. This became a useful integrity check for the literature search. It is worth noting that during the course of the literature review, the reference sections of articles frequently provided further avenues for investigation (especially given the exploratory nature of the research topic). Where repeat citations of the same article appeared, this tended to add weight to the inclusion of the article.

The literature review also involved extensive use of books and some journals from non-management literature sources, in particular philosophy and literary theory. However, in general terms the same approach to quality appraisal was applied throughout, and all non-management articles and books cited were regarded as authoritative within their own disciplinary fields. It is important to emphasise that this process was not slavishly applied and an element of subjective judgement was required throughout. For example, in some cases useful articles from non ranking journals were included in the literature review. This was particularly true of some of the postmodernist, knowledge management and specialist Bakhtinian references obtained. A complete list of journals identified (ranked and unranked) is included in Appendix A below, classified according to the Cranfield (2012) and the Association of Business Schools (2010) rating systems.

When approaching a topic as broad as transformational change, many choices need to be made about which literatures to focus on and which literatures play a supporting role. Furthermore, theory development is progressive throughout a long research programme and was informed by new insights arising from the empirical studies undertaken. The main literature domains underpinning the research topic have already been introduced in Chapter 2 along with theoretical and philosophical justifications for their inclusion. In the following subsections, I will elaborate on the search techniques used to investigate the literature domains under investigation. However, I do not want to create the impression of a neatly organised collection of literatures, easily classified into thematic groupings. The reality of the literature review

was far less orderly and many decisions needed to be made concerning the most appropriate targeting of data sources and the uses of the articles uncovered.

A key consideration in this respect was how to incorporate transformational change management topics, which although not directly focused on corporate turnaround, were nevertheless relevant to the development of the research. For example, cultural change, leadership and business process re-engineering are all common dimensions of corporate turnaround which may or may not be picked up by searches focused on corporate turnaround alone. However, given the breadth of change literature and the many perspectives that change theory can be divided into, it was not practical to search every potential source for corporate turnaround related insights to see if it might have a link to the research topic. Therefore, whilst there was not a collection of deliberately excluded searches, there was an implicit prioritisation of searches conducted within the literature review.

One way of mitigating this issue was to broaden the scope of searches undertaken. Searches strings carried out across the various databases were extended beyond title fields to citation, abstract or the text body fields of the journals. Depending on how broad-based the search string was, in most cases this was a workable option, and in many cases broadening search criteria in this way was necessary to thoroughly map out the potential references within the literature. Another form of mitigation was to use the bibliographies of articles gathered as a way of identifying further relevant studies. In many of these cases, cross referenced articles would not have been picked up using search strings alone. In these instances the databases were used to pick out these key articles and to frame further exploratory search strings. During the course of

the databases searches, the main body of which spanned two years, this "snowballing" effect (Patton, 1990) became more and more important as direct search string yield began to drop off.

Data extraction: journal databases

Three main databases were used to source journal articles: ABI/Inform (Proquest), EBSCO (Business Source Premier), and Emerald (Fulltext). These databases were used in a variety of ways. Firstly, search strings were devised and were used to broadly interrogate each of the databases (usually based on author, title and abstract fields). These searches were then subjected to the quality appraisal methods outlined above. Following this screening, articles then judged as likely to have a significant contribution to the research were downloaded for further review and evaluation.

As will be commented further, articles were often identified that were not included on the three main databases (either because the journal was not part of the database, or because the article was too old for inclusion on the database). In a few cases Google Scholar was used to source a copy of the missing article. The Sheffield University Bakhtin Centre also enabled access to some other more obscure references (in particular, references gathered from the Bakhtin Centre produced *Dialogism: An International Journal of Bakhtin Studies*). In all other cases, the Cranfield University Library Service provided assistance in obtaining target journals and articles.

<u>Data extraction: primary and other source materials</u>

As noted above, books were another key source of relevant material. Traditionally, books are not regarded as the best source of data for doctoral research; due to both their perceived lack of timeliness and breadth (Mahoney, 1985). However, in this research certain key books were vital to the literature review. Most obviously, the translated source works from Bakhtin were a key aspect of this research. A review of the complete scholarly output of Bakhtin was undertaken as part of the literature survey, and the literature review included the investigation of all six of Bakhtin's translated books (which in some cases are actually compendiums of shorter essays).

However, this reliance on certain key books extended beyond references to primary Bakhtinian source material. As I will show in the findings section, many of the debates on Bakhtinian scholarship have been played out in a number of seminal works. Most prominent among the scholars involved in these debates are Michael Holquist, Ken Hirschkop, Craig Brandist and Caryl Emerson. The contributions of these key theorists were reviewed and incorporated in the findings from the literature review. In terms of physically sourcing these books, the British Library Online Catalogue (usually accessed via the Refworks software tool) proved to be a useful resource for database book searches.

The Proquest, EBSCO and Emerald databases were used as an ongoing way of keeping up to date with current developments in the field. Each of these databases is regularly updated with new articles and journals, and it became important to periodically scan for new articles and emerging research topics. These articles were duly identified and added to the compendium of the literature review. After a certain period of

undertaking searches across the databases, and again as the search string yield dropped off, this became the main function of database queries.

During the course of the research, I published conference papers throughout and attended a number of conferences. This proved to be a useful source of relevant connections within the academic community. In particular, conferences attended at the Academy of Management and the British Academy of Management provided helpful feedback on the research topic. I presented papers at both of these conferences in consecutive years, and this enabled discussion on the research topic amongst interested academics. Conferences also provided an opportunity to engage with leading thinkers in the research area. As noted in the Introduction, the poststructuralist / constructionist management community is relatively small, and this made it fairly straightforward to identify the narrow group of theorists in the field. Conferences were an ideal mechanism to engage in this way, and I made contact with leading academics all of whom were supportive and helpful in developing the research topic. A list of the disbursement of publications is provided at the front of this thesis document.

Another important source that has been previously noted was the Bakhtin Centre at Sheffield University. The Bakhtin Centre provided detailed information on Bakhtin, Bakhtinian critical thinking and leading edge research; much of which would have been impossible to have sourced through other means. In addition to providing access to source material, another benefit of making contact with the Bakhtin Centre was that it provided access to Bakhtin related discussion groups, seminars and other scholarly

events. In this respect, the Bakhtin Centre provided a window on leading thinking and debates in Bakhtinian scholarship.

Analysis of findings

At the outset of the research, there had been an expectation that, although the change management literature was broad, the span of articles relevant to dialogic knowledge subversion would be somewhat limited. Generally speaking this view was evidenced by the literature survey. The change management literature was indeed found to be broad and highly diverse (numbering many tens of thousands of articles in itself), whilst Bakhtinian perspectives were found to be small in number (numbering only a few dozen articles). However, it should be noted that the boundaries of the topic were often difficult to define. In this respect, change theory blended into knowledge theory, which in turn blended into discourse theory. This looseness in terms of the theoretical boundaries was more of an observation than issue, but tended to highlight the diverse nature of current change literature.

In terms of sizing the main topic areas, using broadly defined search strings it was possible to gain a general feel for the breadth of the literature. Change management literature yielded more than 10,000 results from the Proquest database. Knowledge theory was the next most densely packed literature domain, with an estimated 5,000 – 10,000 journal articles. In a management context, linguistic theory was smaller than either the change or knowledge literatures, and was estimated to span somewhere between 1,000 and 5,000 articles. Bakhtinian theory results were much more limited, and across all three databases only yielded an estimated maximum of 200

scholarly articles (although at least some of these articles were found to have been drawn from non-management disciples). For this reason, the total breadth of Bakhtinian articles was estimated at between 50 and 200 articles. These high level journal "demographics" for the research topic are depicted diagrammatically in Figure 5 below.

Figure 5: Literature review high level journal demographics
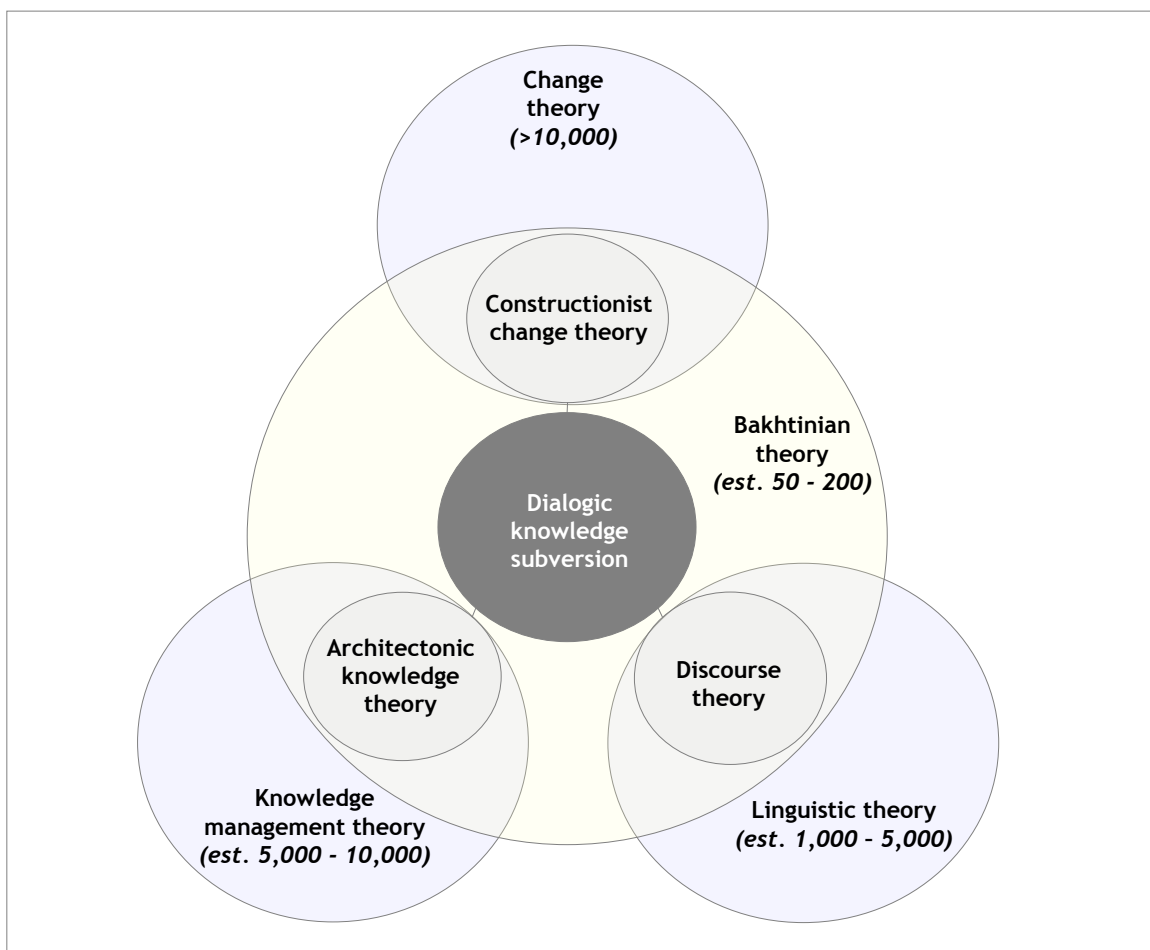
This initial sizing showed that, although there would be no shortage of potential sources to investigate, there was a need to be highly discriminating in the articles

referenced. Metrics on search string hits and yields are captured in tables in the following subsections and in the Appendices at the end of this thesis. These metrics attest to both the breadth of the literature and the need to focus the review. Even the targeted search strings used on the Proquest, EBSCO and Emerald databases produced more than 6,000 results on articles potentially relevant to the research topic. However, using the selection criteria process explained above, this wide grouping of change, knowledge and discourse related articles was progressively whittled down to a core of just over 130 journal papers that were regarded as important to the development of the research topic and were accorded a "High Priority" status. Each one of these papers was only given this priority status if it had been fully reviewed and was believed to offer a specific contribution to the development of the research topic. High priority articles were reviewed in depth, and a summary of the article was prepared alongside analytical notes. In addition to high priority articles, many hundreds of other articles were reviewed to a lesser degree. Many papers were de-prioritised or fully excluded following critical review, usually for quality or relevance reasons.

As noted in the methodology section above, the complete list of high priority articles comprised of articles found using search string yields, articles identified through cross referencing of papers, and from articles provided by recommendation or other sources. Table 3 below summarises the sources of journal papers for each targeted literature domain. There was a high degree of overlap between searches and this summary table has been de-duplicated to eliminate double counting.

Table 3: Summary of sources and outcomes of the evaluation process

Summary of sources and "high priority" journal papers				
Sources	Constructionist change theory	Architectonic knowledge theory	Discourse theory	Bakhtinian theory
Journal databases	23	27	27	13
Cross referenced	12	6	10	8
Recommendations and other sources	1	1	2	4
Total "High Priority"	36	34	39	25

Having tabulated the main outcomes of the literature in terms of numbers, Figure 6 below shows the spread of articles across each of the main literature domains.

Figure 6: Literature review targeted journal articles demographics
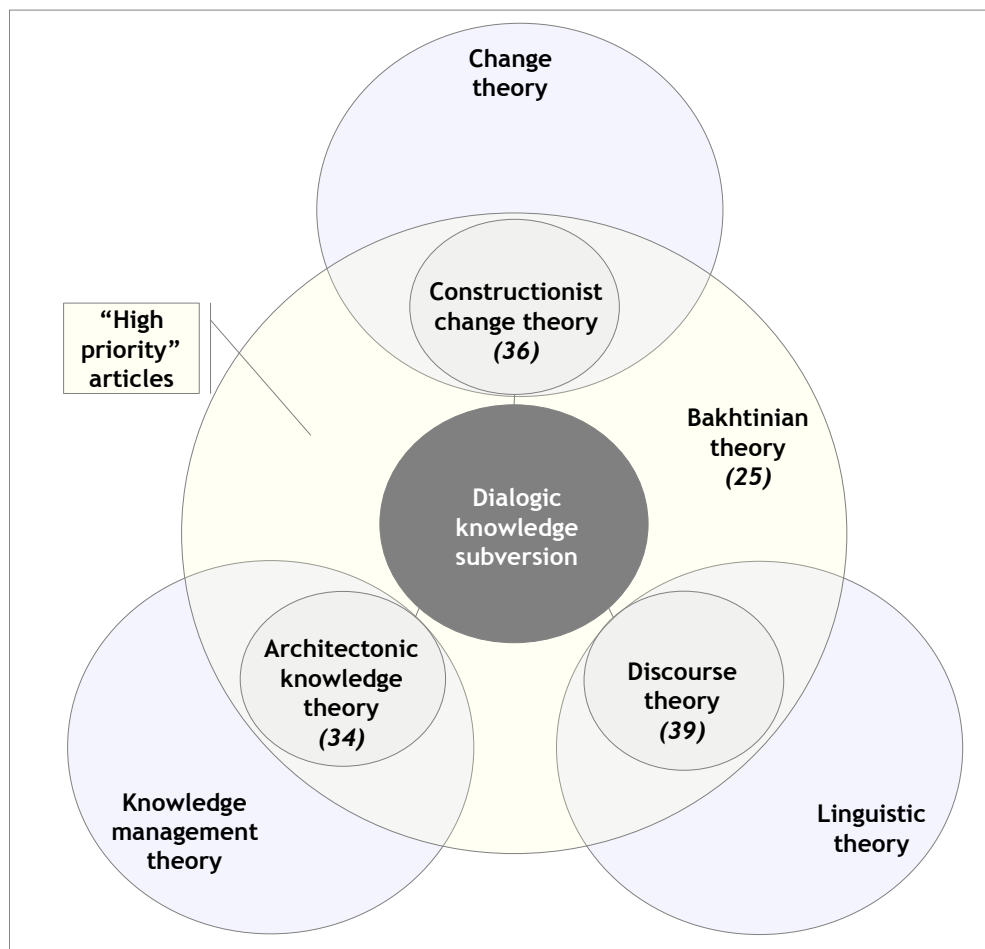
<u>Analysis of journals used</u>

The various groupings of journals represented a diverse collection of sources. More than thirty journals provided the key articles relevant to the development of dialogic knowledge subversion. The spread of these journals was quite wide, with some regarded as highly prestigious (rated four stars within the Cranfield and Association of Business Schools rating systems), whilst others were unrated. The ratings of the journals taken forward from the literature review are summarised in Appendix A.

Further scrutiny of these journals showed some of the underlying patterns of research and a rough chronological development. A broad sweep of the literature revealed that Bakhtinian thinking, and other topics closely allied to this research, have been championed in a number of places. The journal *Human Relations* for example has dedicated space to the development of constructionist change theory and generally has an empathy with qualitative / interpretative research methods (Alvesson & Karreman, 2000a; Caldwell, 2005). *The Academy of Management*, *British Academy of Management*, and *Administrative Science Quarterly* have also published work on postmodernist, narrative and storytelling: all areas of direct interest to this research topic (Kilduff, 1993; Boje, 1995; Kilduff & Mehra, 1997; Pentland, 1999; Boje & Rosile, 2001). Often these were introductory or awareness building works, providing an overview of the subject area. Other highly regarded journals with good links to the research topic included the *California Management Review* (in particular for knowledge related articles), *Sloan Management Review* (which was useful for narrative and change theory), and the *Strategic Management Journal* (helpful for providing ideas on sense giving / sense making, learning, constructionism and knowledge-based approaches).

Perhaps the strongest support for the topic, specifically from a Bakhtinian perspective, came from the *Journal of Organizational Change Management.* The *Journal of Organizational Change Management* has published successive papers on Bakhtin, and has consistently supported research in the area since the early 1990s (Rouleau & Clegg, 1992; Jabri, 2004; Anderson, 2005; Hazen, 1993; 2006). One clue to this support was that David Boje (the leading Bakhtinian proponent in the context of management theory and change) had been an editor of the journal for long periods of time and remains active on the editorial board. The *Journal of Organizational Change Management* was consistent in this respect, and over a number of years carried the work of poststructuralist theorists and other "unorthodox" thinkers. In fact, in reviewing change theory articles more generally, it did seem that this theoretical unorthodoxy had become part of the remit and editorial policy of the *Journal of Organizational Change Management.* Another example of this policy seemed to be found in the *Journal of Applied Behavioural Science,* which was strongly represented in the literature review. In this respect, both of these journals seemed to be interested in deliberately branding themselves as forums for discussing innovative and radical change management ideas, including Bakhtinian perspectives.

However, although many of these journals evidenced some support from various corners of the academic community, it became quite clear from the literature review that this research was focused on relatively new (or at least under exploited) theoretical perspectives. Articles selected could not be described as part of the theoretical mainstream or critical orthodoxy (although it should be acknowledged that given the fragmentary nature of change literature it is difficult to define what "mainstream" actually

is in change theory (Caldwell, 2005). Furthermore, although there are overlaps between literature domains, the literature review indicated that a direct synthesis between the change, knowledge and discourse literatures has not been attempted, and that this would be another new element offered by the research. Therefore a major part of this research programme was the attempt to draw these diverse theoretical strands together into a cohesive theoretical framework. In the course of this work, it became clear that a synthesis could only be achieved through careful understanding of the concepts and "loose ends" offered up by allied theorists. The theory development sections of this document will comment on this view more fully.

I will now turn to describing the detailed findings from the literature within each of the main literature domains. This will then lead to further analysis of the key concepts at play.

3.3 Constructionist Change theory and literature

As emphasised above, change theory is a broad literature domain. The starting point for the review of change theory was therefore to understand existing research and to find out the many ways in which the literature had been organised. Indeed, over the past fifty years numerous attempts have been made to develop comprehensive meta-frameworks or compendiums of change theory (Bennis, Benne & Chin, 1961; Van de Ven & Poole, 1995; and Rajagopalan & Spreitzer, 1997 are influential examples). An alternative perspective, and one that provides a particularly useful framework for this

research, has been proposed by Raymond Caldwell. Caldwell offers a discourse based view of change theory (2005, 2006). This perspective, which has already been alluded to in the earlier "Theoretical Basis" section analyses the underlying philosophical discourses of change theory and groups the literature into four groupings: Rationalist, Dispersalist, Contextualist and Constructionist. This formation fits well with the discourse and knowledge based view of change promulgated in this research, principally by emphasising the philosophical contexts and boundaries for each perspective. Of these categories, constructionist philosophy is the fundamental basis for this research and in this subsection I will explore the main themes within constructionist change theory, and evaluate the ways in which it can be used to support dialogic knowledge subversion.

Constructionist change theory is based on the four dimensions identified earlier: anti-rationalism (a rejection of reason), anti-scientism (a rejection of scientific progression), anti-essentialism (a rejection that an essence or core truth can be found), and anti-realism (a rejection of discovery through empirical observation). Each one of these perspectives requires further consideration and will be opened up to more deeply assess its underlying tenets and theoretical pretexts. However, before doing this, I will briefly summarise findings from the survey of the constructionist change literature itself.

The search strings that were used to explore the journal databases drew from Caldwell's definitions of constructionist change theory (Caldwell, 2005; 2006). In addition to using Caldwell's guidelines, the search for constructionist change theory also required a high degree of judgment and content review of the literature. For example, simply entering "anti-rationalism" / "anti-scientism" / "anti-essentialism" / "anti-realism"

as search strings was too narrow in scope and only yielded a small number of useful outputs. Fortunately, within Caldwell's definitions, there is wider discussion on the philosophy and key concepts within constructionist change theory, and this provided the basis for investigating these thematic research avenues further. As such, it was possible to find relevant articles through a combination of broad based search strings (e.g. "Change theory" followed by further probes) and also by focusing on specific topics (for example "Social constructionism", or "Postmodern" AND "Organi*ation theory"). Furthermore "plurality", which is a key word in poststructuralist contexts, yielded useful results. These search strings helped to focus the resulting database interrogations into an archive of relevant and useful articles. Appendix B summarises the searches used to source articles on constructionist change theory.

There were a number of rich offering from the articles available on constructionist change theory. As Caldwell argues, the constructionist change discourse is "by definition, diffuse" (p107, 2005) and this was borne out in the literature review conducted. Constructionist change encompasses such diverse areas as, for example, the "linguistic turn" in organisational theory (Alvesson & Karreman, 2000a), dynamic capabilities (Marshak, 2004; Lawler & Worley, 2006), and theories of organisational resistance (Mumby, 2005). It is also marked by a particular interest in introducing overtly philosophical, postmodern or poststructuralist ideas to management theory (Rouleau & Clegg 1992; Shotter, 2006). These attempts include efforts to introduce theorists such as Foucault, Derrida and Baudrillard to the literature (Townley, 1993; Calas & Smircich, 1999; Yanow, 2007). The result of this was a broad spectrum of multi-disciplinary change theory.

Possibly the defining feature of constructionist change is the rejection of rationalist change models, and it was found that this was a good "way in" to understanding the constructionist perspective. Constructionism is typified by a deep scepticism to the rationalisation of change, and all constructionist change theorists in some way express deep dissatisfaction with rationalist attempts to distil change management theory into a universal set of rules. Marshak, for example, contends that traditional rational / positivistic change model are no longer adequate for 21st century problems and believes that attempts need to be made to find a new language for change (Marshak, 2002; 2004). This "call to arms" against rationalism is replicated amongst numerous other constructionist change theorists, and the literature is characterised by a strongly polemical rhetoric (Boje, 1991; Boje, Oswick & Ford, 2004; de Cock & Land, 2006). This confrontation and deconstruction of rationalism manifests itself in many forms within the constructionist theory. In this respect, many constructionist change theorists ally themselves with postmodern and poststructuralist views of organisation (Boje, 2005; 2006).

It is not surprising therefore that constructionism and postmodernism frequently co-exist in change theory. Like postmodernism, constructionism questions modernistic notions of linear progress or movement towards objective truth or an absolute goal. This is where Caldwell's "anti-scientism", "anti-realism" and "anti-essentialism" is strongly represented within the constructionist literature (Caldwell, 2005). Constructionists celebrate the plurality of the everyday world and multiple perspectives within change and the organisation itself (Kilduff & Dougherty, 2000; Lim, Sia, & Yeow, 2011). Constructionists are fundamentally suspicious of notions of truth, and in particular the

question of "truth to whom"? Instead constructionists prefer to emphasise the idea that reality and meaning are constantly being created and recreated, and are constantly being formed and retreated from (Berger & Luckmann, 1966).

In terms of this research, and the development of the dialogic model, constructionist change theory contributes several directly useful areas to the development of Dialogic Knowledge Subversion. Firstly, constructionist change theory offers an oppositional and pluralistic stance which is critical of reductionist change theory. This helps to expose the complexities of change and provides the pretext for alternative readings of change. Secondly, constructionist change promotes the view that organisational "realities" and the basis of change itself is fundamentally created through social interactions. This is well aligned to Bakhtin's view that meaning is co-created through social interaction (Bakhtin, 1984a). Thirdly, the constructionist mode tends to focus on context, language and the specific organisational setting within which the change is situated. This is philosophically consistent with Bakhtinian theory, both in terms of its view of the organisation and in terms of the process of change.

These elements will be taken forward into the development of the dialogic knowledge subversion theory. I will now assess the contribution of architectonic knowledge theory and literature.

3.4 Architectonic Knowledge management theory and literature

The investigation of "architectonic" knowledge management literature had some similarities to the review of constructionist change literature described above. Just as change theory encompasses a wide range of theoretical perspectives, "knowledge management" is another identifiable body of literature and there is a well defined academic heritage for knowledge management. However, as with change theory, it was found that on closer examination only a relatively small subset of articles and books were directly relevant to architectonic knowledge specifically. The main endeavour of the literature review therefore was to trace down these scarce references and to seek "cross-over" and associated literatures.

As noted above, although searches for the term "architectonics" itself yielded limited results, a broader focus on organisational knowledge structures and belief centred change (for example, "Belief" AND "organi*ational transformation") provided many useful avenues for investigation. Similarly, the string "knowledge management" AND "change management" provided a strong return of insightful articles across the various databases. Another grouping of search strings focused on the learning tradition within management literature. The string "knowledge" AND "unlearning" for example produced three articles that were important to the development of the research. The contribution of tacit knowledge was a further area providing useful insights into some of the key academic debates within the knowledge management literature. The poststructuralist term "deconstruction" also led to the uncovering of further relevant journal articles, often with a focus on knowledge subversion related topics. Appendix C below summarises the results from the main search strings used across the Proquest,

EBSCO and Emerald databases for architectonics and related topics. As with constructionist change theory, there was a comparatively low yield of papers for the number of articles reviewed. However, despite the low yield, the literature review found that knowledge management theory provided many useful concepts and had the potential to contribute to the research in a number of different ways.

Before dealing specifically with the review of "architectonic" knowledge management theories, I will briefly comment on knowledge management literature in the broader sense.

The investigation of knowledge and knowledge based systems has existed as a core pillar of Western philosophy since Socrates, Plato and Aristotle's early writings in the fifth century BC. Interest in the management of knowledge in the workplace is more recent, but knowledge management is nevertheless a highly popular and influential area of management research. In the modern era, and specifically in the context of organisational theory, Drucker's work on the post-industrial knowledge economy and "knowledge workers" (Drucker, 1992; 1993; 1999) stands out as seminal in the field. At around about the same time, the highly influential work of Nonaka and Takeuchi (1995) on the knowledge creating company also helped to develop the idea of organisations as a knowledge-based entity. The work of Nonaka and Takeuchi linked knowledge formations to both Japanese and Western philosophical traditions, and drew heavily on Polanyi's distinction between tacit and explicit knowledge (Polanyi, 1967; 1973; 1974). From these seminal works, a significant outpouring of management study flowed, which has continued to the present day.

However, the literature review showed that mainstream knowledge management theory has in many ways moved away from its philosophical roots (Mooradian, 2005). As described in the Introduction, much of current knowledge management theory seems to focus on highly quantitative and IT-oriented topics, such as the codification knowledge and the development of knowledge databases to support learning processes within the organisation (Stenmark, 2001; Kakabadse, Kakabadse & Kouzmin, 2003). An "architectonic" or Neo-Kantian view of knowledge in organisations is much less well defined and discussed. There are some sparse references to architectonic forms which appear from mid 2000s onwards, however this strand of the literature is not a well represented tract of scholarly investigation. In this context, the term "architectonics" can be regarded as shorthand for a broader span of belief-centred systems of knowledge within the organisation. These wider topics are represented much more strongly in management theory and literature, and in the course of the investigation became the main focus for inquiry.

The knowledge literature offers up useful perspectives on the role of knowledge in organisational change. Theorists express concern about how knowledge can coalesce to form dominant "core rigidities" (Leonard-Barton, 1992), which can inhibit change and hold back progress. In recognising this, knowledge management theorists describe the need to attend to knowledge management issues during periods of organisational change. Washington and Hacker (2005) for example emphasise the need to manage knowledge during the process of change to help to reduce organisational resistance. Other theorists emphasise the importance of tacit knowledge as a key part of the change management process itself (Nonaka & Takeuchi, 1995; Leonard &

Sensiper, 1998; Brockmann & Anthony, 2002); particularly as a source of innovation and new ways of thinking.

The knowledge literature and associated disciplines also offer perspectives on how knowledge becomes locked into systems and ways of working in the organisation. This subject is of direct relevance to the concept of architectonic forms. Tsoukas (1996) for example conceives of the organisation as a distributed knowledge system, which holds a "stock" of individual and group level knowledge which needs to be harnessed to enable organisational progress. In other areas of the knowledge systems literature, the concept of tacit knowledge again plays a prominent role; both in terms of conceptualising the mechanics of knowledge transfer (Nonaka & Takeuchi, 1995), and also in terms of the process of embedding knowledge structures (Leonard & Sensiper, 1998). There are theoretical overlaps here between knowledge theory and discourse theory, where organisational narratives are seen as the external manifestation of individual knowledge and collective beliefs. For example Linde (2001) regards narrative as "social knowledge", whilst Pentland (1999) focuses on the importance of stories and storytelling in the organisation as the primary way in which knowledge becomes locked in to the organisation.

Another major strand of the knowledge literature linked to the concept of knowledge systematisation is the "learning" based literature. Organisational learning is a theoretical stance which is well established and there are many conceptual tools and case studies to draw on. For example, the idea of a "learning organisation" promoted by Senge (1990) draws parallels with knowledge based and cognitive views of the organisation. Senge promulgates the examination of "mental models" and "systems

thinking" to explore the ways in which learning and knowledge can both serve to maintain the status quo, and can also be manipulated to create sustainable change (Senge, 1990; 1999). These ideas have been picked up and developed by many other theorists and there is much scholarly discussion on the ways in which learning contributes to the transformation of organisations (Easterby-Smith et al, 2000). This has led to learning based change frameworks (Schein, 2004; Senge et al, 1999; Feldman, 2000), and the notion of organisational knowledge as an experiential and shared learning phenomenon (Baker, Jensen & Kolb, 2005). These ideas all have strong resonances with Bakhtinian philosophies of knowledge.

There are other knowledge based theories uncovered by the literature review, which are helpful to the development of the architectonic theoretical stance. Another allied theoretical grouping, is the "sensemaking" literature. The sensemaking literature is particularly helpful in considering the *process* of organisational development and change (Bartunek et al, 2006). For Weick, sensemaking is "the ongoing retrospective development of plausible images that rationalize what people are doing" (p409, Weick et al, 2005). Building from Weick's lead, Rouleau thinks of sensemaking as the way in which management teams seek to understand and interpret their environment (Rouleau, 2005). In this formation, Rouleau argues that sensemaking should be regarded as one of the critical processes through which knowledge becomes identified and made explicit in the organisation. In an associated theoretical strand, other theorists focus on organisational "sensegiving" in the change process (Gioia & Chittipeddi, 1991; Maitlis, 2005); particularly in terms of attempts to *manage* the organisational mindset. Theoretically these diverse strands support the idea that both sensemaking and

sensegiving are important to knowledge creating and knowledge sustaining processes within the organisation (Weick 1995; Weick & Quinn, 1999; Berry, 2001; Weick, Sutcliffe & Obstfeld, 2005).

A general finding from the review of the knowledge literature was that there is strong theoretical bias towards knowledge creation processes. This bias seems to have grown without corresponding consideration of processes of knowledge subversion. Indeed, the topic of knowledge subversion receives little attention in the literature which is perhaps surprising given concerns noted above on the constraints to change created through "core rigidities" (Leonard-Barton, 1992). Although under-represented, this is not to say that the literature is completely silent on the topic of knowledge subversion or associated ideas. Argote for example focuses on the need to remove "low value" or "depreciated" knowledge in the organisation (1999). In doing this Argote promotes the need for organisational "forgetfulness" through changes in structure, routine and learning practices (Argote, 1999; Rao & Argote, 2006). de Holan et al (2004) also promulgate the need for managing "unlearning" processes in the organisation to enable organisations to continually develop and change. In a similar vein Rampersad (2004) identifies "unlearning" as a core organisational capability and proposes that the "learning organisation" should be able to unlearn as well as learn. However these references and ideas are sparsely populated in the literature and there seems to have been limited theoretical focus on the processes by which knowledge can be subverted and changed.

In summary, the literature review of architectonic knowledge uncovered many theoretical antecedents for dialogic knowledge subversion. Even though the technical

term "architectonics" is not well represented in management theory, there is clearly a rich and varied collection of associated literatures which are directly relevant to the research programme.

As with the constructionist change theory subsection above, it is possible to capture the key elements of architectonic knowledge management theory and identify their contribution to the development of the concept of Dialogic Knowledge Subversion. Fundamentally, an architectonic knowledge view offers a beliefs centred, knowledge-based, view of the organisation, its priorities and motivations. This provides a conceptual framework for considering both individual and group level knowledge within the organisation, and a way of analysing how knowledge becomes organised into belief systems. Architectonics also provides a means of representing the "before" and "after" structure of the transforming organisation, in terms of its pre- and post- turnaround knowledge structures and narratives. This further reinforces the theoretical links between knowledge and discourse, and provides the basis for dialogic analysis of the organisation and the process of change.

These theoretical elements will be further developed in the next chapter of the thesis.

3.5 Discourse theory and literature

The review of discourse theory and literature was quite different in character to the investigation of constructionist change and architectonic knowledge. In the course of the literature review it became apparent that, as a general topic, discourse theory was

well established in management literature and that some of the main strands of this development were directly relevant to the research topic. For this reason, the review of discourse literature required much less adaptation than either the constructionist change or architectonic knowledge management literature domains.

Comparatively speaking, database search strings for discourse theory related subjects produced the highest yield rate of primary articles amongst the literature domains targeted. With a rich tradition of analysing change in the context of change management, broad search strings such as "discourse" AND "change" AND "theory" produced many articles that needed to be furthered filtered to extract directly useful articles. Discourse related terms such as "narrative" or "storytelling" resulted in high returns which required more detailed review to focus down the data set further. Similarly discourse related terms including "text", "linguistic" and "conversation" also evidenced the diverse ways in which discourse theory has been applied in change management contexts. In addition to change management searches, the intersection between organisational theory and discourse related theory was another area of investigation. Appendix D summarises the main searches strings used to source articles on discourse theory.

As a general finding, discourse theory related papers were represented in most of the top management theory journals, and were regularly cited as an area of interest in change management articles. However, although discourse related topics regularly appear in organisational theory and research methodology discussions, much less space is specifically dedicated to discourse theory in the context of organisational change. However, discourse papers that were focused on organisational change and

knowledge related topics were not in themselves difficult to find, and those gathered appeared to be directly useful to the development of the research topic. It was also useful to explore the wider body of discourse theory and change, and to explore the various discourse related theories of the organisation as defined in textual / linguistic forms.

The literature review showed a growing interest in discussing and applying discourse theory in management contexts from the mid-1990s onwards. From this point the literature shows discourse analysis and the linguistic "turn" increasingly being discussed and defended in methodological, theoretical and analytical debates (Barry & Elmes, 1997; Alvesson & Karreman, 2000a, 2000b; Boje, 1995; Clegg et al, 2006; Shotter, 2006, Buchanan & Dawson, 2007). During this period theoretical discussions on discourse theory branch off in a number of different directions. Some theorists for example use linguistic concepts to conceive of the organisation as a textual entity (Alvesson & Karreman, 2000a), others apply discourse theory to analysing writing or conversations in organizations (Calas & Smircich, 1999; Baker, Jensen & Kolb, 2005; O'Neill & Jabri, 2007; Moffat & McLean, 2010). Other theorists again focused on literary devices such as organizational genres, rhetoric or drama to provide "readings" of the organisation and its internal processes (Skoldberg, 2001; Finstad, 1998; Czarniawska, 1997; McKenna, 2010). Discourse based empirical studies were found to be widely represented in the literature, in a number of different empirical studies (Soderberg, 2006; Buchanan & Dawson, 2007). In this regard discourse related case studies were layered throughout the literature (Boje, 2008; Collins & Rainwater, 2005; Brown 2005).

The diverse perspectives and theoretical ideas gathered in supporting articles and books gathered were also useful in defining a discourse based view of the organisation and change. Within this theoretical debate, probably the most important strand of discourse theory for this research was work focused on narrative, stories and storytelling. Again, it was apparent from reviewing the literature that narratology in organization theory was a major area that had gathered a number of theoretical proponents, supported by a variety of empirical studies. This work was of direct interest to the research, both in terms of tying narratives to an architectonic view of the organisation and also by through change processes in discourse related terms. In this aspect of the literature, the work of Czarniawska and Boje stood out in the field. Both of these theorists are interested in how beliefs coalesce into narratives and stories in the organisation. Czarniawska is particularly interested in analysing narrative forms (Czarniawska 1997, 1999), whilst Boje is interested in poststructuralist (including Bakhtinian) readings of stories, and their anarchic potential (Boje, 1995; 2008). These complementary ideas have been picked up by a number of other theorists who have developed narratology in their own ways, and these provided interesting, discourse related perspectives on the role of storytelling within the organisation (Alvesson & Karreman, 2000b; Berry, 2001; Søderberg, 2006).

As noted above, narrative has been used to analyse organisational forms and to develop linguistic perspectives on the organisation and its internal power struggles (Czarniawska 1997, 1999). This has led both Boje and Czarniawska to conceive of the organisational site as a multiplicity of ever evolving stories and a battle to control the dominant narrative (Boje, 1995; Czarniawska 1999). In this case, the unit of analysis is

either individual stories or the overall organisational narrative itself. This has led to, for example, readings of project and corporate failure (Brown, 2005; Lim, Sia & Yeow, 2011), organisational communications (Llewellyn & Harrison, 2006), institutional rigidities (Zandee & Bilimoria, 2007), decision making and strategic management (Barry & Elmes, 1997), and strategy evolution (Langley, Kakabadse & Swailes, 2007). In each of these cases, narrative analysis is used to unlock deep insights into the organisational consciousness, and to reveal internal power dynamics and unwritten rules.

This focus on narrative as the key to unlocking deep structures within the organisation is closely aligned to Bakhtinian readings of the organisation and organisational change. Bakhtin, in common with these management theorists, attempted to develop a model for knowledge and human interactions through discourse (Bakhtin, 1984a). Bakhtinian concepts such as architectonics, polyphony, and carnival all rely on closeness to the organisational discourse and an empathy with the social interactions surrounding it (Bakhtin, 1984b). Boje, amongst modern management theorists is particularly interested in developing this perspective (Boje, 2006b) and this area will be discussed further in the next sub section.

Discourse theory contributes a number of useful areas relevant to the development of Dialogic Knowledge Subversion. Discourse theory presents a view of the organisation as a textual entity comprising of language based interactions between actors within the change. This provides a means of tracking organisational changes and changes in organisational mindsets, through close attendance to changes in dialogue and the overall dominant narrative. In this way, discourse theory further supports the investigation of knowledge and knowledge structures in the organisation through the

analysis of narratives, stories and conversations. In turn this allows the introduction of Bakhtinian concepts such as dialogism, polyphony, and carnival into the organisational setting and helps to frame the overall process of change.

I will now examine Bakhtinian theory within the literature.

3.6 Bakhtinian dialogic theory and literature

As noted in the theoretical position section above, Bakhtin was identified as the lead theorist for this research due to his unique blend of knowledge, language and change philosophy. In this subsection I will review some of the key theoretical contributions of Bakhtin to the research and the ways in which his ideas have been further represented in management and other literatures.

In many ways the review of Bakhtin sources in the literature was more straightforward than the other searches conducted across the literature domains. Due to the specific and technical nature of Bakhtin related searches, search strings for the databases tended to be highly targeted. For example the search string "Bakhtin" OR "Bakhtinian" yielded a manageable number of results across the databases. Other search strings were specific to Bakhtinian concepts such as "Carnival", "Polyphony", and "Monologic". Although relatively low in number, these results found useful articles both from a change management and from an organisational theory perspective. Other Bakhtinian terms which are not fully explored in this research, such as "heteroglossia" and "Intertextuality" also helped to gather examples of the uses of Bakhtin in management theory contexts. Broader searches were also applied to investigate similar

or associated concepts, for example "Voices" (used with additional search qualifiers) incorporates the sense of the term "polyphony" in a less technical way. These kind of search queries returned many results, which needed to be further filtered for relevance to the topic. Appendix E summarises the searches used to find articles on Bakhtinian dialogic theory. I will now describe primary Bakhtin source materials and key concepts used within this research, highlighting some of the challenges and problems associated with working with the source material.

The canon of Bakhtin's writings is set out in six translated books (some of which are collections of extended essays). Bakhtin's output is generally divided into different phases, and a useful categorisation is a fivefold thematic distinction offered by Brandist. Brandist divides the Bakhtin canon into early philosophical work, the philosophy of language, the novel, literature and popular culture, and methodology (Brandist, 2002). This research tends to focus on the first three of these periods and mostly draws on Bakhtin's output from the 1920s. Within these periods there is much creative development, but also a high degree of fragmentation with some concepts left hanging and undeveloped. Here we encounter our first problem with Bakhtinian scholarship. The Bakhtin archive is known to be incomplete and some parts of Bakhtin's work remain untranslated from the original Russian (Hirschkop, 1999). Vigorous debate continues amongst Bakhtinian scholars about the meaning and translation of many key concepts. This is not helped by Bakhtin's propensity to use highly technical and neologisms in his work, which in places makes the precise intention of some ideas loose and unclear (Brandist, 2002). There are also problems with the provenance of large sections of the Bakhtin archive. Most Bakhtin scholars now agree that some previously attributed works

(such as *The Formal Method in Literary Scholarship* and *Marxism and Philosophy of Language*) were actually written by Pavel Medvedev and Valentin Voloshinov rather than Bakhtin himself (Clark & Holquist, 1984). These problems of disputed authorship continue with allegations that Bakhtin plagiarised the work of other theorists and liberally borrowed many ideas from contemporary intellectual debates without attribution or reference (Brandist, 2002).

The intricacies of Bakhtinian authorship are not the primary concern of this research, but they do highlight some important points about working with Bakhtin as the lead theorist. Bakhtin, since his translation into English in the 1980s, has typically received a somewhat "heroic" reception into the arts and social sciences (Brandist, 2002). This mythologizing is in part due to his personal life story and the exceptional challenges that he experienced as an academic writing during the periods of extreme intellectual repression in Russia in the Stalinist era (Clark & Holquist, 1984). It has sometimes led to an overly simplistic portrayal of Bakhtin as a massively original thinker and an intellectual maverick (Brandist, 2002; Boje, 2006a). Without detracting from the creativity of his work, or denying the tremendous individual bravery of Bakhtin and his collaborators, it is probably more helpful to think of Bakhtin as something of a "synthesizer" of many of the contemporary and associated intellectual debates. Putting direct authorship debates to one side, this helps to re-conceive of Bakhtin as more of the lead representative of a grouping of like-minded Russia thinkers, or as Brandist and others have termed it a "Bakhtin Circle" (Brandist, 2002). This slightly more nuanced rendering of the Bakhtinian archive allows for a more critical and objective examination of Bakhtin's output and contribution.

One aspect that becomes immediately apparent on close investigation of Bakhtin's work is that Bakhtin and the Bakhtin Circle were very much influenced by the major intellectual debates of their time. Writing from the 1920s onwards, the early period of Bakhtin's output is concerned with diverse topics such as structuralism, Neo-Kantianism, sociology, even Einstein's relativity; all areas of significant development and debate at that time. However, although rooted in the overall intellectual milieu, at least some of the Bakhtin Circle's thinking can genuinely be regarded as ahead of its time. Bakhtinian theory positions itself in opposition to Russian formalist theory, which held the dominant intellectual mainstream in that period. For example, in *Problems of Dostoyevsky's Poetics*, Bakhtin rejects the structuralist formations of de Saussure and Russian formalists such as Shklovsky and Jakobson, by emphasising the "unfinalizability" of meaning and language (1984a). From a modern day perspective, this inevitably draws parallels with the critiques of structuralism mounted by Derrida and other poststructuralist theorists which followed many decades later.

There are a number of clear influences on Bakhtinian thought. One that has already been mentioned is Kant and Neo-Kantian philosophy, and this can be regarded as a foundational basis for Bakhtinian theory. Bakhtin saw many of his theoretical antecedents in Kant's philosophy of knowledge and Kant's views on the mind's relationship to the world. Bakhtin was particularly attracted to Kant's idea that thought is a synthesis between "sensibility" and "understanding" (Holquist, 2002). In addition to supporting Kant's "architectonic" view of systems of knowledge (developed in *Toward a Philosophy of the* Act, 1993) Bakhtin came to interpret the synthesis between sensibility and understanding as a *dialogue* between the inner workings of the mind and the

outside world. For Bakhtin, this was a hugely important insight because it rejected the notion that concepts and thought could be essential or fundamental. Instead this allowed Bakhtin to argue that knowledge is actually situated, contextual, and bound up in social interactions as an ongoing process (Bakhtin, 1990; Holquist, 2002).

Another major influence for Bakhtin was phenomenology. In phenomenology Bakhtin saw the opportunity to develop many of his Neo-Kantian leanings and to link knowledge based philosophy with language and change. Bakhtin was interested in the phenomenological idea that consciousness involved consciousness *of* something. Bakhtin found this useful in the development of his own musings on the nature of knowledge because it helped him to reinforce the notion of intentionality within the conscious mind. In this respect, Bakhtin was influenced by Voloshinov's adoption of phenomenology into his theory of language. For Voloshinov, language is a superstructure which is the material embodiment of "social psychology" (Brandist, 2002). In a key section of Voloshinov's *Marxism and Philosophy of Language*, we see a clear exposition of the importance of language in the development of knowledge and change, as noted by Brandist:

> "Voloshinov notes that 'productive relations and socio-political structure... determine all possible verbal interactions between people, all forms and means of their verbal intercourse'. It is for this reason that verbal interaction registers social changes, even if at an elemental stage: words are the 'most sensitive indicator of social changes' even when they have not stabilised into ideological systems."

> (p77, Brandist, 2002)

These ideas were crucial to Bakhtin's development of the concepts of polyphony (developed in *Problems of Dostoyevsky's Poetics* (1984a)), and carnival (developed in *Rabelais and His World* (1984b)), and their role in the transformation of meaning and knowledge through language. This formation also underpins many of the concepts of dialogic knowledge subversion proposed within this research.

Another major influence on Bakhtin that is worthy of note at this stage is the roughly contemporaneous the work of Einstein on relativity. For Bakhtin, relativity held a number of resonances with his conception of dialogism. In particular, Bakhtin was very interested in Einstein's "thought experiments" on how the motion of a body only has meaning compared to the positioning of other bodies. Positioning is relative, or in Bakhtin's language, is in *dialogue* with other bodies within the system (Holquist, 2002). This sense of relativity is carried forward by Bakhtin into his conception of meaning. In a corresponding way, dialogism holds that meaning can only be relative to other meanings and that it is co-created through simultaneous interaction with other participants within the same dialogue (Bakhtin, 1993; Holquist, 2002). Simultaneity and co-creation is therefore crucial to Bakhtin's theories of knowledge and architectonics (Bakhtin, 1993; Jabri, Adrian & Boje, 2008). Over the course of his theoretical development, Bakhtin continued to be influenced by other philosophical debates from both the East and the West, and these influences could be extended to include Gestalt psychology, other German philosophers in addition to Kant, and even Russian orthodox religion (Hirschkop, 1999; Brandist, 2002; Holquist, 2002).

Dialogism and Bakhtinian theory offers to this research a philosophical perspective which brings together the main theories of interest to this research:

knowledge, language and change. Primarily, Bakhtin provides the philosophical basis for linking knowledge to language and social interactions. His work also provides theoretical resources to analyse language and narrative structures. Following Kantian influences, this ultimately becomes bound up into a theory of knowledge and knowledge-based structures. The breadth of Bakhtin's work is wide (Brandist, 2002), extending into concepts of community and folklore such as carnival. As part of a natural death and renewal cycle, this broad vision helps to frame ideas on how societies formed and reform (Hirschkop, 1999).

The use of Bakhtin in the literature seems to have followed a typical pattern of exploration followed by low level adoption. Following some early introductory work (Shotter, 1992), there seems to have been a sharp rise in the number of papers and academic interest in exploring what he could offer to organisational theory and change management. These papers tend to focus on describing the main Bakhtinian concepts, and promoting Bakhtin as a new "discovery" to management literature (Hazen, 1993). These promotional activities reach a peak in the mid 1990s. Following this initial exuberance, there is a noticeable gap in Bakhtinian management scholarship in the late 1990s. However, this is replaced in the early 2000s by a burst of activity within the literature (in many respects fuelled by the support of the *Journal of Organizational Change Management*, but also in some other journals at this time). Currently papers citing Bakhtin or using Bakhtin as the lead theoretical influence continue to be published, although this tends to be a trickle rather than a steady flow, and confined to lower and mid-tier management journals.

One of the main groupings of support for Bakhtin is in the area of organisational theory. Organizational theorists interested in framing the organisation in postmodern and poststructuralist forms, such as Thatchenkery, Gergen, Gephart, and Kilduff, have co-opted Bakhtin into their theoretical ideas (Gergen & Thatchenkery 1996a, 2004; Kilduff 1993; Kilduff & Oh, 2006). This adoption is often borne out of textual analyses of the organisation, and tends to focus on Bakhtin's theories of language rather than knowledge (Clegg, 1992; Clegg et al, 2006; Cooper & Burrell, 1988).

In addition to textual analysis, Bakhtin features in discussion on dialogue, narrative and conversational analysis. These uses of Bakhtin have already been alluded to in the discourse theory section above. In this respect, Bakhtin's perspectives on the dialogic nature of language and social interaction have influenced a number of discourse oriented organizational theorists. For example, Kornberger, Clegg and Carter (2006) focus on the anarchic possibilities of the "polyphonic organisation". Hazen (1993; 2006) draws on polyphony to characterise the organisation as a dialogue based system. Rhodes adopts Bakhtinian terminology and ideas to describe the organisation as a heteroglossia of linguistic interplay (Rhodes, 2000; 2001). In perhaps the most thoroughgoing support for Bakhtin, Boje uses Bakhtin to frame his "storytelling" view of change and the organisation, and also to promote poststructuralist organisational theory (Boje, 1991; 1995; 2001; 2006b; Boje, Oswick & Ford, 2004). In another useful reference, de Cock (2006) uses Bakhtinian theory to argue for the need for organisational conflict. Jabri (2010) uses Bakhtin as the basis for his ideas on utterance as a tool for change agents. This formation has some similarities with the idea of dialogic knowledge subversion proposed by this research, however it does not seem to

have been taken further in the literature. In addition to these theoretical debates, there are some case studies and empirical analysis of Bakhtinian forms such as dialogism, carnival and polyphony (Anderson, 2005; Hazen, 2006; O'Neill & Jabri, 2007; Jabri, Adrian & Boje, 2008).

In summary, there is some limited development of Bakhtinian ideas in the management literature and these provide some helpful theoretical resources for this research. Theoretical pretexts are mostly centred on building knowledge, linguistic and poststructuralist views of the organisation. There is also some exploration of the use of Bakhtinian concepts in the context of organisation change, mostly through theoretical analysis of carnival and polyphony. However, these theoretical investigations are limited in number and there are few examples of empirical studies where Bakhtinian theory has been applied to change practice.

I will now present the main outcomes arising from the literature review, before moving on to the empirical development sections.

3.7 Outcomes from the literature review

The literature review considerably deepened the theoretical basis of the research and offered many additional theoretical insights for further development. These various elements were gathered together into an overall theoretical perspective for the research. Component parts are summarised into three main conclusions arising from the literature review.

Firstly, this research is anchored in a knowledge based theory of the organisation and there is support for this proposition within the literature. In the knowledge and Bakhtinian literature we find the foundations for an architectonic, knowledge based theory of the organisation (Bakhtin, 1981). In this formation, a Bakhtinian perspective of the organisation is based on analysis of the deep structures of knowledge and meaning within the organisational site itself. The Bakhtinian perspective is supplemented by associated "belief-centred" theories, such as the sensemaking / sensegiving literature (Gioia & Chittipeddi, 1991; Weick, 1995), storytelling (Boje, 1991b; 2008) and discourse analysis (Pentland, 1999; Alvesson & Karreman, 2000b). In these forms, knowledge itself becomes manifest through language, and can be analysed through close attendance to narratives with the organisation, as also informed by Bakhtin and Voloshinov's theories of the relationship between knowledge and language (Brandist, 2002).

Secondly, the literature review gathered together constructionist and Bakhtinian philosophical perspectives on organisational change. These Bakhtinian and constructionist views of change are typified by a strongly anti-rationalist and anti-realist stance (Caldwell, 2005; 2006), and there a number of theoretical sources within the literature to support this oppositionality. In particular there is a rich variety of change theories which directly oppose rationalist / realist prescriptions. In addition to rejecting rationalist / realist philosophical paradigms, the literature offered views on what a dialogic view of change could be. The primary Bakhtin literature shows that a Bakhtinian philosophy of change is based on social interactions and that meaning is constantly

evolving and transforming (Bakhtin, 1981; 1984a; 1984b). In this formation change is not episodic, and is instead based on a constant *dialogue* between colliding narratives.

Thirdly, in addition to helping to establish a Bakhtinian constructionist philosophy of change, the literature review provided some of the building blocks to develop a knowledge-based process for organisational change. As noted above, change is intermediated through language, and Bakhtinian theory (1984b) offers perspectives on how this can happen through the unlocking of multiple voices (polyphony), dialogic interactions (dialogism) and the subversion of authority (carnival). Each of these concepts provides insight into the process by which knowledge can become transformed in the organisation. In this formation, transformational change is represented and enacted through the language and this can be tracked through subversion of the dominant structures and forms of narrative within the organisation. This subversion, which is played out through language and dialogic interactions, signals changes to the basis of knowledge or organisational architectonics.

These theoretical elements are represented diagrammatically in Figure 7 below, capturing the main elements of change, knowledge, discourse and Bakhtinian theory relevant to this research.

Figure 7: Theoretical elements of Dialogic knowledge subversion

Dialogic knowledge subversion	
Bakhtinian theory of organisation	**Bakhtinian theory of change**
Knowledge based view of organisation • Narratives (organisation is framed through dominant monologies) • Architectonics (knowledge is organised into belief systems) • Justified "true" beliefs (core beliefs underpin existing knowledge and perceived realities)	**Constructionist philosophy of change** • Anti-rational (rejection of existing rationalities) • Sociological (reality is created through social constructs and interactions) • Disruptive (change arises through confrontation of the status quo) **Discourse based process of change** • Dialogic (change is intermediated through language) • Polyphony (emancipation of multiple voices) • Carnival (subversion of existing authorities)

The literature review also served to establish key questions to take forward into the empirical studies, specifically focused on the intersection between theory and practice. Firstly, although there is a theoretical basis for the concept of dialogic knowledge subversion, can it be shown to be present in the turnaround organisation? This question focuses on the extent to which changes in the turnaround organisation can be described and informed by the theory and concepts of dialogic knowledge subversion. This leads to a second associated question: what is the role that knowledge subversion plays in the turnaround? This question focuses on the motivations of, and the activities undertaken by, the main actors within the turnaround, and it also focuses on how well dialogic knowledge subversion can be used to explain them.

In the next three chapters these dimensions will be further developed using empirical studies focused on corporate turnaround.

CHAPTER 4: EMPIRICAL METHODOLOGY

Two empirical studies were undertaken in the course of the research programme. In this chapter I will describe the research methodology taken for both projects, alongside justifications for the design decisions made. This section will begin with setting out objectives for the empirical research conducted and will then move onto an explanation of the research designs for each study. This methodology chapter will introduce the rationale for, and approach to, the empirical studies undertaken; in subsequent chapters the specific features of each study will be further described.

4.1 Empirical objectives

Where the literature review sought to establish the theoretical basis for the research, the two empirical studies were intended to build the practitioner perspective into the investigation. The questions arising from the literature review led to the development of two main objectives framing the strategy and design for the empirical research projects.

1. The first empirical research objective was to establish whether or not knowledge subversion was present in the process of corporate turnaround. This foundational objective sought to establish a bridge between change theory and the practice of corporate turnaround.

2. Having established whether or not knowledge subversion was found in corporate turnaround situations, the second objective was to find out the specific role that knowledge subversion played in transforming the organisation. Essentially this objective sought to understand how and why practitioners create the conditions of knowledge subversion in the turnaround organisation.

These two objectives shaped the empirical research activities undertaken in both projects.

4.2 Research strategies

Research strategies focused on finding an appropriate fit between the research objectives and the wide range of methodological options available.

In selecting a suitable research method, an initial question for both studies was whether to focus on quantitative or qualitative research methods. As noted in the theoretical basis section, a knowledge based view of change requires the examination of individual and collective "beliefs" within the organisation (Plato, 2004; Kant, 1784 (2007); Bakhtin, 1984a). Uncovering personal beliefs involves deeper exploration of the issues than the superficial gathering of explicit, visible, signs of knowledge. Since the data required was likely to be thematic, survey based or the highly structured data forms offered by quantitative research methods were thought to be of limited use to the empirical research aspects of the investigation. Instead, qualitative methods were found

to offer many options for data gathering and interpretation useful to the development of the research.

In sorting through the variety of qualitative methods, a number of meta-reviews were used to examine the approaches available (Jacob, 1987; Wolcott, 1992; Miles & Huberman, 1994; Denzin & Lincoln, 2005). A three layered model, offered by Tesch (1990) was found to be particularly helpful in navigating the rich variety of methodological options within qualitative research. The first layer of Tesch's model (1990) categorises the various qualitative research methodologies broadly into the pursuit of one of three main questions:

1. What are the characteristics of language itself?

2. Can we discover regularities in human experience?

3. Can we comprehend the meaning of a text or action?

Given the strong bias of this research towards discourse based readings of theory and organisation, this question can be answered by the third of the three options: the comprehension of the meaning of text or action in the organisation. Taking Tesch's model to the second layer, Tesch then asks the question whether the research is concerned with either:

1. Discerning of themes, or;

2. Interpretation.

The research objectives once again provided guidance for these choices. Whilst this research is highly interested in analysing various patterns and themes, the purpose

of the investigation is interpretation. In the third layer of Tesch's model, there are now two methodological choices:

1. Hermeneutics, or;

2. Case study and life history

This research is intimately concerned with organisational journeys through its period of turnaround and it is also directly interested in gathering the individual perspectives of practitioners. This led to the combination of a case study based approach with individual life histories in a two staged data gathering process. This "decision tree" process, guided by Tesch's model, is summarised graphically in Figure 8 below.

Figure 8: Selection of the Qualitative Research Methodology (Tesch, 1990)
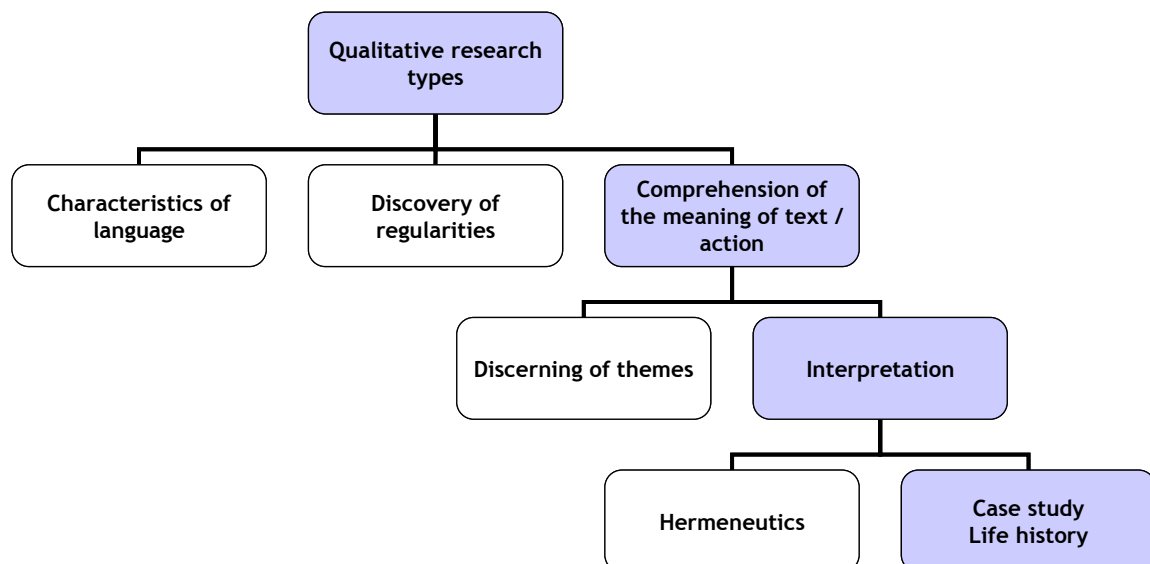
(Adapted from Tesch, 1990)

Tesch's model helped to sort through the options available and to provide alignment between the methods applied and the philosophical paradigm of the research. Although the selection process required judgment and was not as precise as following a formula, the outcome was consistent with the specific focus of the research project and with the overarching interpretativist research paradigm that this work is located in. Indeed, many other researchers, who have sought to apply Bakhtinian and poststructuralist analyses to organisations, have adopted case study / life history based approaches (Townley 1993; Boje, 1995; Mumby 2005; Yanow & Perrow 2007).

A high level outline of the overall research design will now be presented.

4.3 High level research design

In the first project, a case study of an organisation which had undergone a turnaround was undertaken. A six month, case study based, research project followed, focused on a company that had undergone a corporate turnaround in the UK financial services industry. The case study focused on reflections gathered from fifteen interviews conducted across a broad cross-section of the organisation (name withheld, and known as "JV Corp" in the case study), followed by a focus group workshop to discuss findings. What emerged from the data was a series of stories and reflections that centred on the profound changes experienced in JV Corp during its transformation.

Story network analysis (Boje, 2001) and Bakhtinian analysis were used to interpret the data gathered.

The second empirical project targeted expert practitioner perspectives on corporate turnaround. In this investigation, twelve corporate turnaround experts were interviewed to analyse their observations and reflections on corporate turnaround. This second empirical research project extended the first project by providing rich insights into the motivations and techniques used by expert corporate turnaround practitioners: "life histories" on their experience of corporate turnaround. As with the first study, story network analysis (Boje, 2001) and Bakhtinian techniques were used to analyse the data.

I will now move onto describing the basic research design features for each of the projects.

4.4 Research design: Corporate turnaround case study

The overall design for the corporate turnaround case study was based on the methodological approach described above and each of the main elements of the research design are now described in further detail.

Selection of the target organisation

The selection of the right target organisation was a key consideration for the study and required a rigorous selection process. To be useful as a case study the target

organisation had to have undergone a recognised corporate turnaround which could be evidenced through quantifiable means as well as subjective judgment. The turnaround needed to have happened reasonably recently (as a guideline within the past five years) to increase the likelihood of the validity of the recollections of interviewees. The turnaround also needed to have been completed and not be partway through. It was felt that whilst it would be interesting to capture in-flight responses to a changing organisation, it was believed that this would make the study highly volatile and may even interfere with the process of change within the organisation; which was not an objective of this research. Access was another key consideration in identifying the target organisation. As Yin (1994) notes, opportunities to gain full and free access to an organisation to study its people and processes are not always easy, or agreed on the researcher's terms. In practice the availability of access to target organisations was a key consideration and was a starting point for the search for a suitable case study site.

Respondent selection

It was also important to assemble an informed group of respondents from the case study organisation (Tremblay, 1982). This meant that interviewees needed to be selected that had lived through the changes and were actually a part of the overall turnaround story of the organisation (Czarniawska, 1997). Therefore, interviewees were screened for the depth of their contribution to the turnaround. They needed to have been part of the turnaround throughout its various stages and to have been part of the pre- and post- turnaround organisations. Interviewees needed to have been present throughout the totality of the change, and they needed to have been intimately

connected with the shaping of the organisation itself and to have participated in all of its turnaround phases. Internal employees, consultants and contractors were all considered as potential interviewees, if they met the foregoing criteria. These were significant qualifying requirements and it was realised that this might limit the number of potential interviewees, resulting in a fairly small sample of interviewees relative to the size of the organisation. However, ultimately it was believed that for this research the quality of contribution was more important than quantity of perspectives (Tremblay, 1982).

Before going further it is worth reflecting on ways of assessing the robustness of the overall case study design. Turnaround is a period of crisis and a time of extreme pressure within the organisation. There is the overarching threat of corporate bankruptcy and jobs may be at risk. It is therefore inevitable that post hoc rationalisation is likely to be a major part of personal accounts of the change, including elements of revisionism. This is a general consideration for any case study researcher within the design of their empirical work (Yin, 1994), and requires some self reflection and assessment.

In Yin's formation, there are four dimensions to consider in the development of a case study design: construct validity, internal validity, external validity and reliability. Each one of these dimensions was factored into the research design. In terms of construct validity, a number of tactics were employed to gather relevant data on the corporate turnaround within this study. Data was gathered from multiple sources such as interviews (which were taped, transcribed and coded) and corporate documents gathered from the research site. This allowed triangulation between the data and the

establishment of chains of evidence. Also the research design included a focus group where interviewees were given the opportunity to comment on and refine the data. Internal validity was targeted through the development of pattern matching between the data gathered. Coding of the data and story network analysis techniques (Boje, 2001) were used to map common themes or narratives within the data; this technique will be described in further detail in forthcoming sections. As noted above, this was supported by transcription and coding of the interviews. External validity, or the extent to which data from the case study could be generalised, is difficult to assess by purely objective means; particularly given the lack of academic sources of corporate turnaround case studies. Furthermore, as Eisenhardt (1989) and Weick (1993) argue, in theory building research such as this the objective is not so much to find a case that is generalisable to a broad population, as to find a case study which is theoretically useful. The organisation selected was an example of a large scale company (greater than 1,000 employees) operating in an industry sector where significant change and corporate distress has occurred in the past ten years (financial services). In terms of Yin's evaluative criteria (1994), this is the domain to which the case study findings can be directly applied. The unfettered access to the organisation and the clarity of the turnaround were regarded as factors which were likely to "illuminate" (Eisenhardt & Graebner, 2007) theory in a previously under-researched area. It is also worth noting that subjectively, the interviewees and management of the company believed that the turnaround was likely to be instructive to others, and this will be commented on further in the next chapter of the thesis where the case study organisation and interviewee profiles are set out in detail. The final evaluation criteria noted by Yin, reliability within

the case study, was fostered through the ongoing documentation and self-reflexive examination of the research process as it unfolded. A pilot study was conducted prior to the main body of data collection to refine and improve data gathering practices. A research protocol, including the preparation of an interview schedule, were documented and reviewed by a supervisory panel prior to starting data collection activities. As noted above, the focus group conducted with interviewees also gave the opportunity to correct errors or misunderstandings in the data. Every effort was made to diligently record findings from the data and a large archive of interview recordings, transcriptions, and company documents was assembled to support data collection activities.

Even given these attempts to design a robust case study investigation, it is not possible to completely objectify case study findings or the accounts of the individual interviewees. In fact this type of research is directly interested in post hoc rationalisation and the emerging development of an organisational narrative amongst the participants in the turnaround (Czarniawska, 1997; Boje, 2001). Exploring the reflections of the actors involved in the change is part of what this research is attempting to investigate and indeed it has been argued that all narrative is a form of revisionism (Genette, 1980; Czarniawska, 1997). The use of a focus group allowed a chance to review individual accounts and to discuss elements of skew in the data (Jankowicz, 1995). Bringing the interviewees together as a group in this way provided the chance for respondents to discuss consistencies and inconsistencies within the analysis (Krueger, 1994) and to thereby assist in the theory building stages (Plummer, 1994).

<u>Researcher positioning: ethnographic participant-observer</u>

Another aspect of the research design that needed to be considered was my own the positioning within the empirical study. This research involved the exploration of concepts, ideas and theories and touches on both explicit and tacit forms of knowledge (Polanyi, 1967). In order to obtain this kind of deep understanding of knowledge within the organisation, I believed that there was a need to gain familiarity with the organisation and its people (Hammersley & Atkinson, 1995). I also believed detachment from the research subjects would weaken the dataset and that I needed direct access and two-way dialogue with respondents to understand their perspectives and opinions (Czarniawska, 1997). In this respect I believed that my task was not only to develop an understanding of the data being provided to me, but also to support respondents in their reflections on the organisation and the turnaround (Pentland, 1999). As Plummer (1994) notes, narrative is a "shared" format linking the interviewer and the interviewee together. Given the research topic, which was directly concerned with exploring individual and group reflections on profound organisational change, there was a direct need to develop a high degree of context sensitivity of the organisation and a rapport with respondents (Hammersley, 1991).

For these reasons, during the period of data collection, I spent considerable time on-site in the case study organisation observing the day today functioning of the company and seeking to uncover the social practices, rituals and routines of its people. This implied and required an ethnographic participant-observer approach (Hammersley & Atkinson, 1995) and a relative immersion in the day to day running of the organisation for a period of time. In the event, I knew the organisation selected quite well and day to

day access was not an issue. In total the empirical research project lasted for eight months, which included protracted periods onsite with the organisation and which provided many opportunities to build up a close understanding of the organisation over a long period of time.

Semi-structured interviews

Semi-structured interviews were one of the primary data collection mechanisms used for both research projects. As a data collection method, semi-structured interviews are intended to provide a balance between freeform discussion and a highly structured interview (Jankowicz, 1995). A highly structured interview format was rejected due to the constraints that it would put on the exploration of the key concepts; which would be inappropriate for this research (Hopf, 2004). At the other extreme a totally freeform format was rejected due to the risk of losing focus. It was considered that semi-structured interviews would offer the benefit of offering a high degree of flexibility, but within the boundaries of an overall framework. The most important aspect of using semi-structured interviews in this respect was the opportunity to open up dialogue with the respondent, to discuss their perspective on the change and to elicit their narrative on how the turnaround had occurred.

An interview framework was prepared to support the interviews. For the corporate turnaround case study, the interview framework was constructed around a personal chronology of the organisational turnaround, leading to discussion on the organisational changes witnessed. The framework was divided into three data collection dimensions: questions, probes and other discussion points (additional areas of interest for the

research). Influenced by Wengraf's (2001) "minimalist passive" view of "narrative inducing" questions, only a limited number of questions were actually included in the framework. Those questions that were added were intended as a semi-structured guide rather than a list to be followed. This approach was designed to allow some flexibility in the direction of the discussion and to give scope for digression and elaboration. A draft framework was prepared and piloted on four interviewees selected from the target organisation (the organisation and the interviewees are described in further detail in the next section). Pilot interviews were taped on a digital recording device, coded in the Nvivo research software and analysed. The pilot exercise turned out to be useful and prompted some changes to the interview framework. One of the main observations arising from the pilot was that, in the majority of cases, I only need to ask a small number of questions to get the discussion going. This reinforced the view that the framework itself needed to be quite minimalist (Wengraf, 2001). Appendix F shows the finalised framework used in the case study interviews. Without leading the interviewee, each of the five question areas was directly linked to the research objectives of the study: principally, how had the turnaround occurred at JV Corp, and was there evidence that knowledge subversion had been part of turnaround?

1. Personal chronology. This grouping of questions focused on the specific role that the interviewee had played in the JV Corp turnaround. This allowed further validation of the interviewee as a suitable respondent.

2. Pre-turnaround architectonics. These questions provided insight into the assumptions and mindset of the organisation prior to the

turnaround. This was also an opportunity to explore why respondent believed that the organisation had got into distress.

3. <u>Processes of change.</u> This grouping of questions enabled discussion on the key features of the change and the key milestones in establishing the turnaround at JV Corp.

4. <u>Post-turnaround architectonics.</u> Questions in this section focused on the key features of the present day organisation, following the execution of the turnaround.

5. <u>Personal reflections and theories.</u> This section of the interview allowed respondents to describe their personal learning from the JV Corp turnaround and was an opportunity to identify heuristics which might be applicable in other transformational change contexts.

Using this framework allowed a balance between a free flowing discussion with channelling the responses of interviewees into topics that could directly inform the research topic.

<u>Focus group</u>

A focus group was an additional dimension of the research design for the case study. As noted above, it was believed that data collection from the individual interviews alone would only partly support the data collection methodology. As Morgan notes, focus groups are essentially "a way of listening to people and learning from them" (p9,

Morgan, 1988). The purpose of the focus group in this case was to provide the opportunity to initiate and observe a group level discussion on the theme of the corporate turnaround and to record the narrative themes emerging. The main input to focus group discussion was the preliminary analysis of the output of the individual interviews. This gave me an opportunity to report back on the analysis undertaken to date and to give the group the opportunity to refine, correct and add to the data. As Madriz argues, focus groups are particularly suited to uncovering "daily experience through collective stories and resistance narrative that are filled with cultural symbols, words, signs and ideological representations" (p368, 2003). The focus group therefore provided the opportunity to develop a collective account of the turnaround.

The focus group discussion was structured around an agenda which included five main items:

1. Explanation of the research process. This was included at the outset of the session to describe where the data collection and analytical stages were up to and to describe the role of the group in refining the output.

2. Discussion on the pre-turnaround organisation. Enabling feedback on the key themes identified from the individual interviews. Themes were presented using story network analysis techniques (Boje, 2001). This technique will be described in further detail below.

3. <u>Discussion on the post-turnaround organisation.</u> Again feeding back key themes identified from the individual interviews and using story network analysis techniques.

4. <u>Discussion on the process of change.</u> This provided the opportunity to highlight key themes identified from the individual interviews.

5. <u>Presentation of the current research analysis.</u> This supported the analysis of patterns within the data, leading to corrections and refinement to findings and conclusions arising from data collection activities.

<u>Key documents</u>

In addition to oral testimony gathered through interview and the focus group methods applied, it was felt that there also needed to be an archival dimension to the empirical research in order to triangulate the data further. This form of data collection ran throughout the period of the empirical study. There were a number of reasons for adding this further layer of data collection. In general terms, it was felt that the use of key documents would be consistent with the ethnographic dimension of the research strategy (Hammersley & Atkinson, 1995). This was in keeping with the long established ethnographic tradition of collating and cataloguing on-site documentation in the field and using it to support analytical methods (Garfinkel, 1967; Sacks, 1972; Smith, 1984).

The collation of documents was also used to support efforts to tap into the explicit dimension of knowledge within the organisation (Nonaka & Takeuchi, 1995). This involved gathering together information on formal elements of the organisation, many of which were in the public domain (for example structure charts, governance frameworks and financial results). This was helpful in framing the organisational priorities and context. This was extended to include informal organisational documents such as email, communications bulletins, and PowerPoint slides from key meetings. These documents were a kind of "time capsule" for how individuals and the collective organisation were thinking at a given point in time (Smith, 1984).

Having introduced the research design for the case study, I will now provide a similar introduction to the design for the expert practitioner investigation.

4.5 Research design: Expert turnaround practitioners

Where the first empirical project investigated the turnaround at a single organisation, the second targeted individual changes practitioners across the turnaround profession. Following Eisenhardt (1989), the initial stage of the study was to understand the community of turnaround professionals, the types of roles within the industry and its structures. The main activity was then to narrow this group down into a subset of clearly identifiable experts and to target that specific subset population. As with the JV Corp research design, the objective of the research design was to find a theoretically useful, rather than complete group of interviewees (Eisenhardt, 1989; Weick, 1993). Having gained access, data collection took the form of a series of semi-

structured interviews, each lasting between one and two hours. Data collected was then transcribed and analysed using techniques similar to those used in the first empirical research project (this will be expanded upon further towards the end of this chapter). Each of the stages of the research design is described in more detail in the following sections.

Corporate turnaround roles

Corporate turnaround is a complete business transformation and there are many different kinds of expertise involved in turning around a failing company. For example, lawyers, bankers, management accountants, investigating accountants, interim executives, management consultants and investors are all involved in the turnaround of a company, often all at the same time. Each of these groups may describe themselves as a turnaround expert. Broadly the industry can be divided into four categories of expertise: turnaround executives, management advisors, technical advisors and equity investors. A short summary of each of these roles now follows.

1. Turnaround executives: sometimes called chief restructuring officers, interim chief executive officers or chief financial officers. Turnaround executives are directly involved in the management of the turnaround and become officers of the company either on an interim or long term basis.

2. Management advisors: these experts are management consultants engaged to offer advice on the management or

operational aspects of the turnaround. They could be engaged by the company in distress or by investors or by other associated stakeholders such as banks. Management advisors would usually be engaged on a temporary basis and remain external to the company.

3. Technical advisors: experts in a specific discipline such as finance, forensic accounting, lawyers, technology, or whatever skill is required as part of the turnaround team. Technical advisors would usually be engaged on a temporary basis and remain external to the company.

4. Equity investors: these are individuals or companies who specifically look for opportunities to partially or fully acquire companies in distress. They take an equity stake in the business and take part or full ownership of the assets or liabilities of the business. They may be part of a consortium or operate independently. Equity investors are looking for opportunities to benefit from the turnaround of the business through increasing the value of their financial investment.

This research is primarily interested in the practices of the first two of the four categories identified above: interim executives and management advisors. The primary reason for this narrowing is due to the relevance to theory building offered by this subset of prospective interviewees (Eisenhardt, 1989). The emphasis of this research is on the managerial and organisational dimensions of the change, and not on the

technical or financial aspects of the change such as the legal, corporate finance or targeting of investment. By targeting turnaround executives and management advisors, there is a direct link to the theoretical objectives of this research; namely to understand the process of change in the turnaround organisation and to understand the role of dialogic knowledge subversion in this transformation. Although they may have an interesting point of view, technical advisors and equity investors are one step removed from the changes and management actions undertaken in the organisation during its turnaround.

Having sorted through the different types of roles involved in corporate turnaround and identified the key groups of interest, a key challenge was to establish the criteria on how to distinguish and connect with highly competent "experts" within the field.

Targeting "Experts"

There are frequently problems with reaching an accepted definition of "expert" in many industries and this also held true for turnaround professionals. An expert needs to show high levels of competence within their field and this can only be demonstrated through a strong track record of successful delivery. However, a generic problem with change management is how to define whether a change is successful or unsuccessful. In this respect, corporate turnaround is a relatively decisive subset of change management because the outcome of a corporate turnaround is usually reasonably clear (the company either fails or survives). However, there are multiple factors at work influencing the outcome of the change ranging from management actions, to customer

demand, to macro economic factors. To be theoretically useful (Eisenhardt & Graebner, 2007) the investigation therefore relied on accessing experts who could demonstrate a solid track record of delivering multiple corporate turnarounds and were recognised as outstandingly successful within their field by their peer group. These initial qualifying characteristics of the target group were then taken forward into the research design and developed further using the work of Hoffman, Shadbolt, Burton and Klein (1995).

Hoffman et al (1995) offer a number of ways of achieving a definition of the term "expert" in a professional context and this was a helpful in terms of framing the study. In their survey of data collection methods, Hoffman et al (1995) were influenced by definitions originally used by craft guilds as a way of stratifying experience and competence. Using a classification ranging from novice to master, Hoffman et al offer a framework for classifying various levels of expertise. This framework is based on a hierarchy of experience, capability and knowledge. Table 4 below captures the main features of Hoffman et al's taxonomy of expertise.

Table 4: Definitions of expertise (Hoffman et al, 1995)

Terminology	Definitions
Novice	Someone who is new - a probationary member
Initiate	Someone who has been through an initiation ceremony – a novice who has begun introductory instruction
Apprentice	One who is learning – a student who is undergoing a program of instruction beyond the introductory level
Journeyman	An experienced and reliable worker or one who has achieved a level of competence
Expert	A distinguished or brilliant journeyman: • Highly regarded by peers • Performance shows consummate skill, can deal with rare or "tough cases".
Master	An expert among experts: • May be qualified to teach those at a lower level • One of an elite group of experts whose judgements set standards or ideals

(Adapted from Hoffman et al, 1995)

The first four definitions, "Novice", "Initiate", "Apprentice" and "Journeyman" are not of direct relevance to this investigation, but they do play a supporting part in contextualising the term "expert". At the top end of the scale, the terms "expert" and "master" incorporate the concepts of subject matter expertise, demonstrable achievement and peer recognition. There is also the notion that experts are set apart from the typical journeyman practitioner and may be qualified to teach others. Using

Hoffman's framework to establish selection criteria, the main attributes for "expert" and "master" shown in Table 4 were used to target turnaround professionals for the investigation. Applying these attributes to turnaround professionals, each of the criteria developed by Hoffman et al (1995) were used to support the definition of the term "expert" and in so doing establish the sample subset of turnaround practitioners (Eisenhardt, 1989). Each of the four generic attributes of "expert" and "master" highlighted by Hoffman et al (1995) was developed into criteria to be used in the context of turnaround professionals.

Highly regarded by peers. Some turnaround professionals have an outstanding reputation within the industry. These individuals were recognised and recommended as turnaround "experts" by other turnaround professionals. In addition to these referrals, individuals who had been recognised for their achievements by professional bodies (through awards or other commendations) were also targeted.

Performance shows consummate skill, can deal with rare or "tough cases". Turnaround experts need to have demonstrated a long history of successful delivery of turnaround engagements. Individuals with more than ten years experience within the industry and evidence of managing more than five turnarounds were targeted. The turnarounds that the executives had managed needed to be verifiable by information that was in the public domain. Although it is impossible to absolutely measure whether one turnaround is harder to achieve than another, these turnarounds needed to exhibit high levels of complexity and challenge.

As with the peer review criteria noted above, the turnaround professional needed to have gained a reputation for multiple successes in a variety of settings.

Qualified to teach those at a lower level. The turnaround industry does have some formal qualifications. In order to meet this selection criterion, the turnaround professional would need to have evidence of providing advice to others within the turnaround industry. This may include delivering teaching as part of accredited courses from the Turnaround Management Association (TMA) or the Turnaround Management Institute (TMI). This requirement could also be filled where the expert had reached such a senior level in their organisation that advisory roles was a necessary requirement of their job (for example, a partner in a consultancy firm).

One of an elite group of experts whose judgments set standards or ideals. Experts needed to have provided some form of thought leadership within the turnaround industry. This could be evidenced through a senior appointment within one of the turnaround industry's professional bodies, where they would be involved in setting standards for the industry. Other qualifications could include authorship of industry-wide or corporate-wide professional standards, reports, books or papers. Alternatively the professional could be a recognised spokesperson for the industry at international conferences or within the professional media.

These were high qualifying criteria which helped to, as Hoffman et al (1995) describe it, "set apart" the experts from experienced "journeyman" practitioners. It also helped to significantly narrow down the target group from a potential pool of many thousands to only a few dozen practitioners. Again following Eisenhardt (1989) and Weick (1993), this served to establish a sample useful for theory building.

Capturing "Expert" knowledge

Despite the intuitive attractiveness of using expert resources to further develop the research, there are certain practical issues to overcome. Research has shown that experts can be poor at communicating their methods and that insight into their technique can be difficult to elicit (Kidd, 1987). These potential issues were factored into the overall design of the data collection methods described below.

As with the case study research project, a semi-structured interview format was chosen. A highly structured interview format was rejected due to the constraints that it would put on the exploration of the key concepts. Action research methods were also considered, but an action research study would be difficult to set up due to access and confidentiality reasons. However, as I will comment on in the final section of this thesis, a series of action research studies could be a highly informative way of developing this research further.

The sample size of the number of interviewees targeted was largely determined by the use of Hoffman et al (1995) selection criteria with the aim of targeting of a theoretically useful sample (Eisenhardt, 1989). As previously noted, the level of

experience required served to narrow down the target community to a small group of individuals at the top of the profession. As one interviewee observed:

> "When I first started this, years ago, there weren't really turnaround professionals, there were insolvency practices. Nowadays there are proper turnaround professionals, but at the top end it is still quite small. You find that you keep bumping into the same people."

(Interviewee 6)

In addition to Eisenhardt's (Eisenhardt, 1989; Eisenhardt & Graebner, 2007) guidelines on reaching a theoretically "useful" sample of interviewees or cases, other analysis within the research methodology literature were used to frame the sample size. Onwuegbuzie and Leech (2007) note for example that the objective of determining the sample size was to reach a level where there was consistency in the themes that were being drawn out, with minimal "new" theoretical developments arising. This view of theoretical saturation is consistent with Eisenhardt (1989) and Glaser & Strauss (1967). Sample size guidelines for theory building research vary, but the recurrent theme is that quality is far more important than quantity. Cresswell (1998) for example recommends up to ten interviewees for theory building, Morse (1994) recommends at least six participants and Guest et al (2006) also suggest that, even in exploratory interviews, as few as six respondents are typically required to develop the repetition of themes adequate to support theory development. For this research, eight interviews were initially set up and then there was a checkpoint to review progress. At that stage, although there was already good consistency within the data, it was felt that more data

collection was required to obtain a broader cross section of interviewees and to ensure that a level of theoretical saturation had been achieved (Eisenhardt, 1989). A further four interviews were planned and undertaken, leading to a total of twelve interviews completed.

<u>Interview schedule</u>

The semi-structured interviews were supported by an interview guide or schedule. The design for the interview schedule was influenced by Hoffman et al's (1995) framework for "eliciting" knowledge from experts. The Hoffman review divides up semi-structured interviews into "generic" probes and "domain" specific probes. As the terms suggest, "generic" probes are used to broadly frame the discussion whilst "domain" specific probes are used to narrow down the topic more deeply. Using this framework, a four part interview structure was devised. The first part of the interview focused on "context setting". In this section, interviewees were asked general questions about their experience of corporate turnaround and some information was gathered on the case studies relevant to the discussion. The second section was focused on the establishment of the corporate turnaround. In this section interviewees were asked to describe how they go about initiating the corporate turnaround process. Having described establishment processes, the third section of the interview was focused on the process of corporate turnaround. Using examples from their own personal history, interviewees were asked to explain the methods and approaches that they have seen and used to manage a corporate turnaround. Finally, interviewees were invited to offer their own reflections on the process of corporate turnaround. This was a chance for

respondents to discuss their own theorising on change and where the problems often lie. Just as with the corporate turnaround case study, a draft interview schedule was prepared and piloted. Two pilot interviews were taped on a digital recording device, transcribed and analysed. The pilot exercise turned out to be useful and prompted some refinements to questions within the interview schedule. Appendix G at the end of the thesis shows the schedule used to conduct the interviews.

4.6 Analytical methods

Similar analytical methods and interpretative strategies were used across both empirical research projects. Prominent among these methods was the use of storytelling analysis (Czarniawska, 1997; Boje, 2001) and Bakhtinian analysis (1984a, 1984b, 1986).

As discussed above, the compilation of stories and narratives from individual respondents was specifically targeted in the research design. The challenge was to find an appropriate way of processing and analysing the numerous stories gathered. The methodological work of Boje (2001) was found to be particularly useful in this respect. In Boje's review of narrative methods, he surveys various approaches used to analyse stories ("ante narratives") and narratives. One of the variants that Boje describes is story network analysis. In story network analysis the researcher tries to represent the complex relationships between stories by building an architectural representation of the intertextual ties between them. In so doing, story network analysis maps the storytelling

"territory", by forging the thematic connections between the stories, and forming narratives (Boje, 2001). This architectural view of storytelling provides a diagrammatic representation of the architectonic forms targeted by the analysis. Figure 9 below shows an example of the thematic connections developed using story network analysis. In this depiction, the circular nodes represent stories and the interconnecting lines represent thematic links (Boje, 2001). Further description of the application of this method is provided in the next chapter.

Figure 9: Depiction of Story Network Architecture (Boje, 2001)
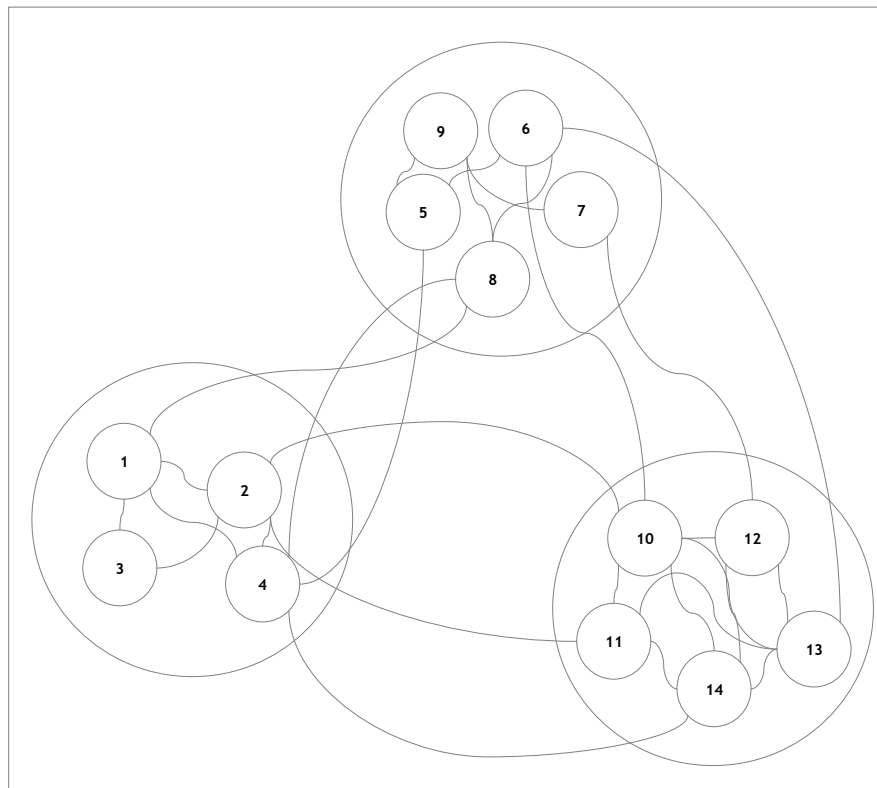
(Adapted from Boje, 2001)

It is worth noting that, although Boje regards story network analysis as an important approach for discourse based research, he also provides some self-critique of the technique (2001). Boje's concern is that on its own story network analysis only helps to organise the data gathered and story network analysis needs to be part of the development of a richer view of the data. Boje's guidance is to overlay story network analysis with interpretative readings of the story network architecture (2001). This is where Bakhtinian analysis was deployed and led to a two stage method used to analyse both case studies. In the first stage, key themes emerging from the data are mapped and turned into narratives for the change. These themes are presented in the next two chapters as findings from the empirical work undertaken. In the second stage, Bakhtinian analysis is overlaid over these narratives to provide dialogic readings of the case study. In this thesis, dialogic readings are found in the "Synthesis" chapter following the presentation of findings.

Having outlined the research designs for both empirical research projects, the next two chapters summarise the specific characteristics of each investigation and findings from the data gathered.

CHAPTER 5: JV CORP CASE STUDY

The JV Corp case study provided the first practitioner overlay to the theories under investigation and helped to considerably deepen understanding of the topic. JV Corp was an organisation that had faced complete failure and had managed to turn itself around over a two year period. The name of the organisation has been withheld to protect the confidentiality of the company, respondents and other stakeholder groups.

5.1 Organisation selection

In the methodology sections above, I defined the selection criteria required for the case study organisation. A preliminary trawl of potential organisations identified three possible candidates:

1. An international travel organisation which had faced bankruptcy and subsequently turned itself around to stabilise and return to profitability. This organisation was rejected because many of the main people involved in the change had subsequently left the organisation. It was considered that key personnel and the organisation had now become too fragmented and disparate to provide a good case study organisation.

2. A global consultancy firm which had suffered a severe downturn but had completely transformed its business model and grown into a significant major player in the oil and gas industry. Access was

good to this organisation, but the change had happened too long ago (eight years hence) to provide a good match to the selection criteria.

3. A large joint venture organisation formed between a group of major banks and business process outsourcing provider to manage and deliver UK based cheque processing. This organisation, "JV Corp", had faced potential dissolution, but had turned itself around to become a profitable enterprise. This organisation was selected as the best fit with the research project and became the case study organisation.

In the introductory chapter, there was some discussion on the definition of a "corporate turnaround", and using Pandit's guidelines I will further elaborate on the use of JV Corp as a case study. Pandit's definition of a corporate turnaround is as follows:

> "Turnaround candidates are firms whose very existence is threatened unless radical action is taken and successful recovery cases demonstrate improved and sustainable environmental adaptation."

(Pandit, 2000, p37)

The case of JV Corp meets all of these characteristics. Firstly, when the organisation started to falter this was more than a lapse into unprofitability or a loss of revenue growth. The banks, who were also part owners of the organisation, were threatening to wind up their involvement in the organisation and take back their clearing

operations. This would have resulted in the complete failure of the organisation and the dissolution of the company. Secondly, the turnaround at JV Corp could be evidenced by both quantifiable and subjective means. At the end of 2004 the company was estimated to be £250 million in debt and at this stage the organisation was known to be in trouble throughout the financial services industry. There was speculation in the UK press about the viability of JV Corp and widespread comment on the impact that it was having to the profitability of its US parent. Thirdly, and also following Pandit (2000), the intervention and radical actions undertaken by the turnaround team at JV Corp could be shown to have resulted in a sustainable change to the organisation. By the end of 2006 the organisation was profit-making again and generally regarded as successful by its client shareholders and US parent. This success continued and JV Corp remains profitable and highly regarded within the industry to the present day.

The selection of JV Corp also met Eisenhardt and Yin's characteristics of a strong case study candidate (Eisenhardt, 1989; Yin, 1994). The turnaround at JV Corp was relatively recent and this meant that the data gathered was relatively fresh in people's minds, increasing the reliability of the interviewee testimony. In terms of timing, the period of the transformation of the organisation can be roughly sketched as spanning from early 2005 to the end of 2006. Data collection at the research site started in 2008, which was a sufficient period to adequately assess the sustainability of the turnaround (Pandit, 2000). Additionally, in the course of initial discussions with JV Corp, senior management felt that the experiences that the organisation had gone through could be instructive to others. Interviewees felt that the problems that JV Corp had experienced were not unique and that much had been learnt in the organisation during

the process of change; in Eisenhardt's terminology (1989), they felt that the case study could help to "illuminate" the field of corporate turnaround. Access to the organisation was full and unconditional, which was another significant factor in support of using JV Corp as a case study (Yin, 1994). No explicit agenda was set by the CEO or any other manager in JV Corp, and no additional reports or analyses were requested.

I will now provide further contextual information on JV Corp, particularly focused on key features of its history and configuration.

5.2 Organisational background

The history of JV Corp can be broadly grouped into three stages: the pre-turnaround organisation, the transforming organisation and the post-turnaround organisation.

Stage 1: The pre-turnaround organisation

JV Corp was part of a US based larger group of companies focused on technology, business process outsourcing and consulting activities (known as "the Lead Supplier" or "the parent company" throughout this thesis). The parent company had a long history of providing infrastructure and operations in the financial services industry since the 1960s and had been highly successful in marketing those services into top tier banks in Europe, the US and Asia. By the 1990s, the parent company had established a worldwide reputation for the provision of cheque clearing hardware and software and, in

common with many other large technology companies in the decade (such as IBM, Accenture and Infosys), had decided to extend these core competencies from a technology based proposition into operations management. This shift into business process outsourcing greatly extended the size and scope of services and was also a highly attractive proposition to the larger banks who were correspondingly trying to reduce organisational headcount and contract services into vendor partners. A period of high profitability for the parent company in the growing business process outsourcing market followed.

During the early 1990s, the US parent established a series of financial services operations in the UK through partnering with the major UK banks or providing directly contracted services. In line with the consolidation and growth strategy of the US parent, these operations were brought together through a series of mergers, until eventually a new entity called "JV Corp" was formed in 2000. At this stage, the company comprised the lead supplier and five client banks. The company was owned by the US parent who maintained a controlling (51%) stake. In 2001 two further banks joined, and at this stage JV Corp was the largest third party banking operation in the UK, running the majority of cheque clearing operations in the UK.

The early years of the organisation's history were characterised by a great deal of optimism that JV Corp would continue to grow and that the US parent would continue to reap large profits. However, by the end of 2004, it was clear that the organisation had fallen into significant trouble and was struggling to meet its operational commitments. The company at this stage was heavily loss making. At the end of 2004, the company

was estimated to be approximately £250 million in debt and the bank shareholders were seriously considering withdrawing from the business and writing off their stake.

Stage 2: The transforming organisation

During the main period of the transformation, JV Corp underwent wide scale changes of management, staff, technology and services.   During this period, a new management team was put in place and the organisation reduced in size by headcount by approximately 40%. The main board of the company was reconstituted, including increased representation from the bank shareholders. A senior executive from one of the banks was appointed to the position of Chief Executive Officer, replacing the incumbent who had been a member of the US parent company. A significant restructure of the business was announced and management layers were reduced across the organisation. The change programme was radically reduced and stabilized. Many long running programmes focused on migrating customers onto a common technology platform were cancelled and a new change portfolio was agreed and launched. A re-evaluation of suppliers (including the lead supplier) was initiated and delivered. All activities to market services to win new client business were suspended during the period of the transformation. From a financial engineering perspective, the business was refinanced and the original contract between the shareholders was re-written. Stability started to return to the organisation in 2005 and the company returned to profit again at the end of 2006.

Stage 3: The post-turnaround organisation

JV Corp continued to stabilize and continued to be profitable. Service levels increased and customer satisfaction improved to such an extent that new business opportunities started to emerge. Stability also returned to the management team and the structure of the organisation, as staff turnover levels reduced and JV Corp became recognised as a credible place to work. Having consolidated its position, JV Corp started to grow once again. In becoming profitable, JV Corp became able to pay down the debts incurred from refinancing the business and from the previous years of instability. JV Corp was fully debt free by the end of 2010 and contract renewal was also achieved with the major shareholders at time of renewal. From being a high profile industry spectacle, JV Corp became recognised as a significant turnaround within the financial services sector.

At the time of writing, the post-turnaround organisation has a strong change portfolio, service levels are high, and there is a steady pipeline of new business flowing into the company. The company provides a large proportion of the profits of the US parent company and JV Corp is marketed as a major success. The characteristics of the organisational turnaround will be described in depth in the findings section of this chapter.

Organisational configuration

The size of JV Corp increased as new client banks became signed up to the joint venture. In its original formation, JV Corp had numbered only a few hundred staff,

located in a dedicated operational centre. However, as new contracts were agreed, operational staff from the banks transferred into the organisation and this significantly increased headcount. As the scope of JV Corp grew, the company took on client owned sites and key supplier contracts. JV Corp reached its peak size in 2003 when staff headcount numbered approximately four thousand employees. At this stage operations were split across fifteen sites. Throughout this growth period the executive team and the chief executive officer reported into the Business Process Outsourcing (BPO) division of the lead supplier organisation.

The majority of staff in JV Corp were employed in cheque clearing operations which comprised of semi-skilled labour and manual handling tasks. In 2003 approximately five hundred staff were also employed in a large change programme, scoped to deliver site closures, technology change and process change. The lead supplier provided the majority of resources dedicated to the delivery and management of the change programme. As the turnaround took hold a number of changes were made to the configuration of organisation. Many members of the management team were made redundant and the overall size of the organisation was significantly reduced. By the end of 2006 the organisation numbered approximately 2,500 employees by headcount.

5.3 Interviewee and focus group selection

Once permission had been granted to access JV Corp, respondents were selected for the individual interviews and focus group workshop. The criteria identified in the methodology section were used to identify the interviewees to target within the organisation.

It was estimated that only twenty to twenty-five members of staff or external contractors fitted the selection criteria in the organisation. As noted above, a pilot exercise was run in the organisation prior to the main data collection exercise, and this helped to identify interviewee candidates. Following the pilot, an initial list of ten potential interviewees was drawn up. This list increased to twenty interviewees partly through "snowballing" methods (Patton, 1990); of which sixteen interviews were actually conducted (four interviewees could not be contacted or were not prepared to contribute). In the event, one interview was excluded after it became apparent that the interviewee had left JV Corp for part of the turnaround period but had then returned to the organisation later. This "hole" in their account was regarded as too significant a flaw to allow their inclusion in the data. Of the fifteen interviewees remaining interviewees, two had left the organisation at the time of the interview and two were external consultants. Of the interviewees selected and interviewed, all had been employed within JV Corp for at least the period mid 2004 – end 2006, which spanned the three stages of the organisation's history described above. Additionally, all of the interviewees had played a significant and active role in the changes leading to the organisational turnaround. They were also not confined to a single department or area. The

interviewees formed a broad cross section of the organisation and people involved in the change.

In JV Corp organisation levels ranged from the CEO and Executive Board (Level 1) to shop floor level workers (Level 6). Most interviewees identified held senior positions within the organisation. This was mostly due to the requirement that interviewees had to have played an active role in the turnaround. There were some gaps in coverage across the organisation (for example, there was no representation from the IT, Finance and HR top levels). This was due to changes in personnel between the period of the turnaround and the time of interviewing. There was a natural skew in terms of representation towards the change and service delivery parts of the organisation; not only did these areas have the majority of staff in them, they also had the strongest claim to being central to changes that had occurred. Table 5 below shows the roles and key attributes of the interviewees included in the data collection exercise.

Table 5: JV Corp case study interviewee profiles

Interviewee	Role	Specific and relevant case study attributes
Business architect	• Development of the organisational design and platform • Technology governance	• Direct perspective on the changes to the business, IT and operating model • A long standing member of the management team. Held a number of roles across the organisation
Chief Executive Officer (CEO)	• Leadership of the executive team • Accountability for organisational performance and change delivery	• Previously a manager within one of the banks • Involved in the inception of the company • Widely credited with leading the turnaround
Change Director	• Leadership of the change programme	• Previously a manager within the lead supplier organisation, then transferred to the joint venture • Promoted from being a programme manager during the period of the change
Head of IT Operations	• Ownership of IT platform • Leadership of IT service management teams	• Specifically involved in the technology changes defined for the organisation • Directly involved in lead supplier discussions
Head of Operations 1	• Management of a number of operational functions (reporting into the Service Delivery Director)	• Directly involved in the changes from a business and operational perspective
Head of Operations 2	• Management of a number of operational functions (reporting into Service Delivery Director)	• Directly involved in the changes from a business and operational perspective
Interim Change Director	• Redevelopment and interim leadership of the change programme	• An external consultant initially brought in to shape the change programme plan • Widely credited as having a key role in stabilising the change programme

Table 5: JV Corp case study interviewee profiles (contd)

Interviewee	Role	Specific and relevant case study attributes
Programme Manager 1	• Leadership of client facing projects and programmes	• A long standing member of the management team. Held a number of roles across the organisation • Involved in the set-up of the joint venture
Programme Manager 2	• Leadership of client facing projects and programmes	• Involved in various replanning exercises for the business • Widely respected and frequently cited as committed to the organisation
Programme Manager 3	• Leadership of client facing projects and programmes	• Part of the previous joint venture leading to the formation of the organisation • Directly involved in significant change programmes
Programme Manager 4	• Leadership of client facing projects and programmes	• External contractor, but long serving member of the change team • Directly involved in significant change programmes
Project Manager 1	• Project management and delivery	• Part of the original proposal team in the formation of the company • Very highly respected for industry knowledge
Project Manager 2	• Project management and delivery	• Part of the change team, but also part of the operational organisation • Very highly respected for industry knowledge
Risk Director	• Ownership of risk management processes	• Important member of the executive team throughout the turnaround, later to be promoted to CEO
Service Delivery Director	• Leadership of business operations (the majority of staff within the organisation)	• Widely credited with transforming the operational parts of the organisation

5.4 Data collection activities

A description of the data collection activities undertaken at JV Corp now follows.

<u>Interviews</u>

Interviews at JV Corp were carried out over a four month data collection period. Most of the fifteen interviews were held on-site in the offices and meeting rooms at JV Corp, the exceptions being two interviews that were held offsite (both of these people had left the organisation at the time of this phase of data collection). All the interviewees consented to the use of digital recording device. The interviews were typically about an hour in duration and ranged in length from 45 minutes to 120 minutes. In all cases, the discussion was free flowing and it was a relatively straightforward to prompt the interviewees into talking about their turnaround experiences, reflections and stories. Some interviewees were visibly moved by their recollections of the organisational turnaround, particularly when discussing the emotional impact of the pressures on the failing organisation. As the interviews unfolded, interviewees described their own perspectives on many of the same stories and moments in the history of the organisation. This enabled cross-interview comparisons to be drawn and opportunities to clarify details over the course of the complete data collection period.

Having captured data from the various respondents via a digital recording device, interviews were then transcribed longhand and uploaded into Nvivo. Nvivo is a research software tool which provides a data repository to combine multiple data sets and has

functions which allow the researcher to highlight specific words or passages within the transcriptions. Highlighting words or passages allows the researcher to cross reference separate sections within the transcripts and to interrogate the database with searches. Nvivo enables analysis and coding across the entire dataset to draw out common themes or paradoxes. The fully transcribed interviews conducted at JV Corp created a large overall dataset of more than one hundred thousand words and so the Nvivo tool became an important resource in organising and manipulating the data.

Focus group

As noted in the Research Design section above, a focus group workshop was held to enable group level discussion and refinement of the initial analysis of the data. The focus group workshop was held one month after the last interview had been held, and after a preliminary analysis of the data had been prepared. Eleven of the fifteen interviewees participated in the workshop. Of the four absentees, two had left the organisation and were unable to attend (the CEO and the Interim Change Director), and two were unable to attend due to other diary commitments (the Risk Director and Project Manager 2). After the workshop, follow up interviews were held with three of the four absent interviewees (the CEO, the Interim Change Director and the Risk Director), which gave a further opportunity to incorporate their feedback. The workshop lasted for three and half hours and prompted vigorous debate amongst the attendees. Story network maps were used to present the first pass analysis of the interview data and slides showing key quotes from the interviews were presented back to the group to highlight recurrent themes and ideas. An overall "narrative" for the change was

discussed. Refinements to the preliminary analysis were made and improvements to the theoretical model were discussed. Further stories and elucidations were offered by the participants, which were recorded and augmented to the overall data archive.

The focus group workshop resulted in clarifications to the data and some further developments to the thematic analysis. The comments offered by workshop attendees helped to refine findings from the data analysis and to elaborate on particular ideas. For example, and as will be expanded in the findings section below, workshop attendees emphasised the issues that the pre-turnaround organisation had experienced with cost management. The first pass analysis of the data had drawn out the theme of the drive to grow the business, but had largely overlooked the concurrent and seemingly contrary, strategy of reducing costs. Focus group attendees described how they were expected to both reduce costs and to increase the scope of business operations at the same time, which was a paradox that they had never been able to resolve. This theme was supported with examples provided by workshop attendees and upon re-examination of the taped interviews, it became apparent that there were further stories focused on this theme that had only partially been drawn out.

Another role of the focus group was to validate the existing analysis. On many occasions within the workshop, the presentation of a particular theme sparked further discussion and storytelling, which served to reinforce the importance of a particular thematic strand. Additionally, the focus group helped to draw connections between the stories within data. On many occasions within the workshop, the attendees present described how different stories interconnected. For example, attendees explained how the growth objective for the organisation was connected to the drive to develop a

common platform, which in turn was connected to the concept of a "utility" organisation. This ordering of experience, rationalising and "sensemaking" (Weick, 1995), and was helpful in developing theories in use to explain the turnaround process at JV Corp.

Key documents

Key documents gathered throughout the JV Corp case study provided a supporting role in data collection. These documents included the contractual documents created at the inception of the joint venture, depicting the key objectives of the organisation and the governance structure of the company. Amongst these were a number of contractual and client agreement documents, showing the commitments made to clients as part of the terms and conditions of the joint venture. Interviewees also provided a variety of organisational design and solution overview documents, showing the planned end state of the organisation. Additional documents provided included steering committee and board papers, change programme plans and project reports. Alongside these documents, interviewees sometimes referred to and provided emails taken from pre, during and after the turnaround of JV Corp. These documents formed a valuable repository of additional information which supported and added context to the data collected in the interviews and the focus group workshop. Key documents were stored in an electronic archive, which was organised into a series of folders for ease of reference.

5.5 Data analysis

Data collection activities yielded a rich source of predominantly qualitative data and in this subsection I will outline the methods used to analyse the data.

Data coding and thematic analysis

As noted in the sub-section above, the Nvivo database of transcriptions became the primary repository for the data collected. Data was analysed and coded for stories and narratives within the transcriptions. Some clarification of the terms "story" and "narrative" in this context are required to explain the main elements of the data analysis.

As Boje (2001) indicates, the term "story" is distinct from the term "narrative". Boje provides definitions for the two terms in his account of narrative methods in qualitative research: "Story is an account of incidents or events, but narrative comes after and adds 'plot' and 'coherence' to the story line" (p1, 2001). Following Boje, a story therefore is not a fully developed, ordered account of an experience or phenomenon. Instead stories provide individual reference points and narrative follows storytelling to add coherence and smooth out inconsistencies (Boje, 2001; Czarniawska, 1997). In terms of how the analysis of interviewee data was conducted this was an important distinction, because at times interviewees provided stories (specific and possibly disconnected accounts of incidents or events) and at times interviewees provided narratives (sensemaking of incidents or events, ordered into a plot or storyline). In the individual interviews, respondents tended to offer stories as they reacted to questions and then overlaid narrative reflections on the content that they had provided. However,

in the focus group, although a few additional stories were provided, the balance was more towards developing overarching narratives to make sense of the data gathered and presented to the group.

Using Boje's (2001) definitions, multiple analytical passes were made across the data to develop an audit of the stories and narratives provided by interviewees. These stories and narratives varied in length but, when stripped of biographical or other data of low relevance to the JV Corp turnaround, a typical interview yielded fifteen to twenty stories and three to six narratives. Sometimes stories were used to illuminate or provide evidence in support of a point of view, in other cases they were used to contextualise information provided. Almost all of the stories provided by the interviewees were used in some way, although aspects related to the more technical aspects of the turnaround (for example the refinancing of the company) were not used in the analysis. These de-selection decisions were made based on whether there was direct relevance to the management of the change. Additionally, outliner stories which did not have any cross interview commonality were also discounted from the analysis.

Each of the separate stories and narratives within the transcripts were coded using the Nvivo software and then classified into thematic groupings. Thematic groupings were based on recurrent narratives arising in the data, for example the "the change programme" narrative or "the lead supplier" narrative. These thematic groupings were context specific and derived directly from the data, not from a previously devised analytical template. The semi-structured interview format allowed comparisons of responses for similar questions to be made. In addition to comparing responses, in some cases it was also possible to compare and contrast different accounts of

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essentially the same story provided by different interviewees. Comparisons of this kind may have been more difficult if the data collection method had been more freeform or completely unstructured. Another feature of the data arising from the semi-structured interview format was that the interviewees were comfortable with following a roughly chronological perspective on the turnaround at JV Corp. Using the thematic groupings in Nvivo, stories and narratives were grouped together into the pre-turnaround, post-turnaround and transforming phases of the organisation. This led to the development of story network architecture diagrams to represent the data and to provide the basic components for an overall "dominant" narrative for each of the various phases of the organisation's history.

As described above, a focus group was used to refine the analysis of the data and to contextualise aspects of the data collected. Additionally, the focus group helped to establish connections between narratives. For example, during the workshop session the focus group discussed the connection between the "core operations" narrative and the "stability" narrative in the post-turnaround organisation. Respondents also explained why particular stories or narratives were pivotal in the development of the organisation, such as key milestones in the turnaround of JV Corp or particular confrontations between the old and new management regimes. This was helpful in sorting and prioritising the most important themes within the large dataset collected.

<u>Story network analysis</u>

Following these processes of sorting and making sense of the case study, story network analysis (Boje, 2001) was a primary analytic method applied to the data. Story network analysis visually organises qualitative data and depicts intertextual links between stories within the data (see Figure 9 above). In this way story network analysis was used to provide insights into deep underlying structures within the data collected, whilst also making the assumptions and connections that I was making within the data explicit. As Boje (pp67-72, 2001) notes, there are many ways in which story maps can be used to represent the data collected and in his survey he highlights five configuration options.

1. <u>Stories as links in network maps.</u> In this formation the nodes in the story map are names of entities (people, places or organisations for example), and stories link the various nodes together.

2. <u>Stories as context network maps.</u> Alternatively, rather than names the nodes can be contexts, themes or narratives which are connected together by linking story lines.

3. <u>Stories as nodes within network maps.</u> Another variation is to use linking lines to draw inter textual connections between the different story nodes.

4. <u>Stories and time networking.</u> A fourth configuration is to use the story nodes to depict chronological sequencing (usually through

arrows), whereby the stories trace the development of a phenomenon or event.

5. <u>Stories and multi-dimensionality.</u> As another option, Boje explains how story nodes can be used to show hierarchies and power flows between the different groups under observation.

For the JV Corp case study the first three of these techniques were combined in the story network architecture analysis and diagrams prepared. Firstly, an overall audit of individual stories recounted in each of the interviews was taken and these stories were listed and numbered. Secondly, links between the stories were represented in the diagrams through connecting lines between the stories. Thirdly, this led to a higher level of grouping of stories into narratives. Fourthly, connections were made between stories across the narratives. Fifthly, the overall "grand" narrative for each phase of the turnaround was grouped together. For example six narratives were identified as important within JV Corp prior to the turnaround, which led to an overarching grand narrative, for the pre-turnaround organisation. These five elements of the story network architecture method used are shown in Figure 10 below.

Figure 10: Story Network Architecture analytical method

Individual stories, numbered for reference

Links between stories across the different narratives

Overarching dominant or "grand" narrative

Multiple stories grouped together into an overall narrative

Links between stories within a narrative
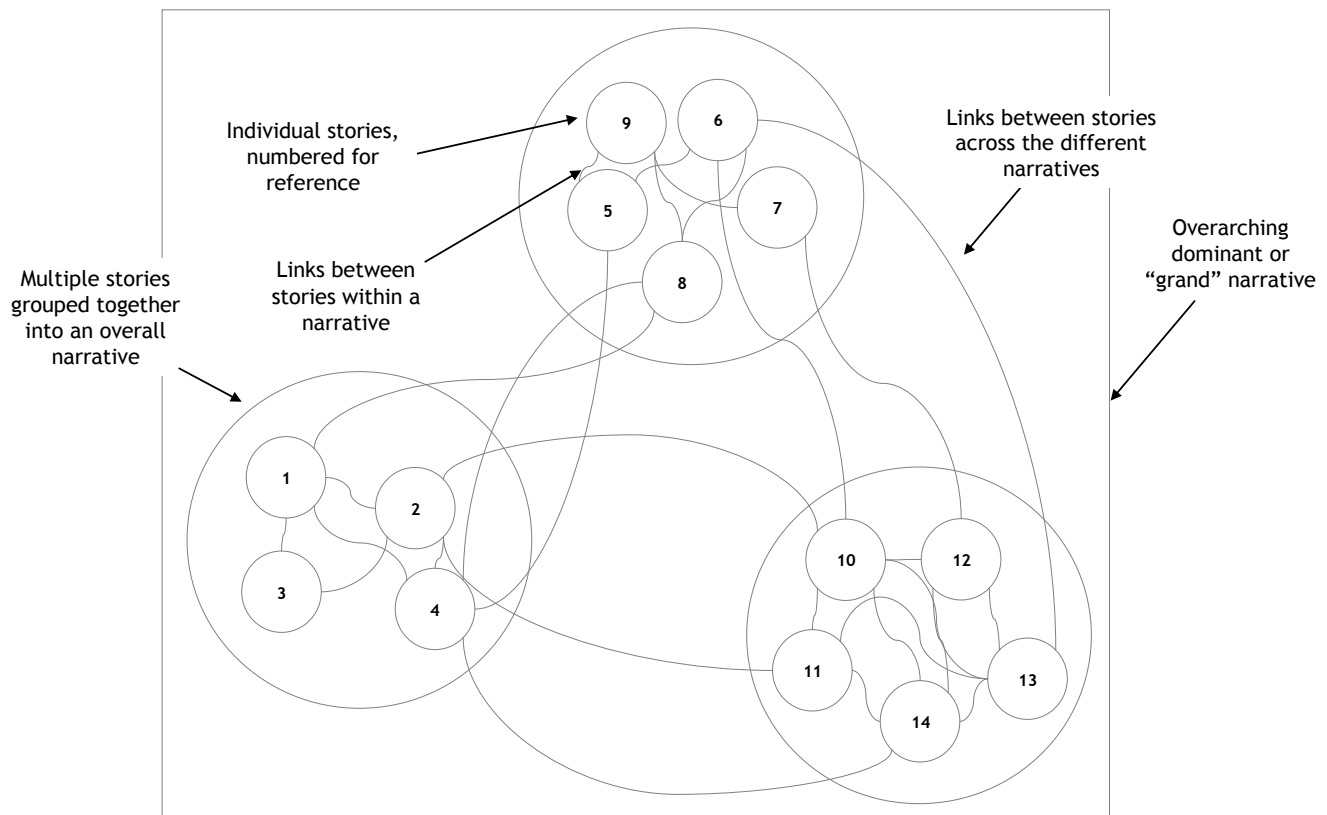
(Adapted from Boje, 2001)

As a further addition to the numerical referencing of stories, each story was given a short tagline to reference the story or group of common stories. In the findings sections below, excerpts from the stories collected are included to report on key themes arising from the data.

<u>Dialogic analysis</u>

The gathering of the interviewee and focus group data into the various story network maps helped to prepare the data for dialogic analysis. In dialogic analysis the specific features and modes of language are assessed within the data. This analytical process re-introduces the dialogic concepts outlined in the theoretical basis and literature review chapters. In terms of precedents for this approach, there are some examples of similar dialogic analytical techniques that have been used by other management theorists (Boje, 1995; Clegg et al, 2006; Shotter, 2006; Hazen, 2006). However, in the humanities Bakhtinian dialogic analysis is a commonly applied analytical perspective which is frequently used to analyse texts or social phenomena (Lodge, 1990; Brandist, 2002).

A key use of dialogic analysis was to examine the stories and narratives for the monologic and polyphonic modes of language. The monologic mode is characterised by attempts to control the discourse and by attempts to narrow down the number of "voices" carrying authority (Bakhtin, 1984a). Many examples of this mode of language were found within and across the data, particularly in the pre- and post-turnaround phases of the JV Corp turnaround. The polyphonic mode, characterised by many "voices" present within the language and relative free play of discourse, were equally richly represented in the transformational phases of the JV Corp turnaround. Polyphonic analysis of the data involved reviewing stories for signs of opening up within the discourse and for signs that alternatives to the dominant narrative and authority figures were being discussed within the organisation. Polyphonic analysis also gave the opportunity to assess whether the concept of carnival could be found within the

interviewee stories. In carnival (Bakhtin, 1984), there is a temporary period of the subversion of authorities in the organisation or society. This might be shown by open ridicule of authority figures within the organisation or ritualistic behaviour where dominant narratives are profaned or debased. Signs of carnival or the carnivalesque were examined either through assessing the content of the stories or by reviewing narrative themes across the stories. Bringing these elements together, story network maps provided insights into the architectonics of the organisation. Architectonic forms were revealed through analysing the knowledge structures across the interviewee accounts and by assessing the ways in which knowledge became embedded into the fabric of the organisation. The use of dialogic techniques in analysing the data collected will be further developed in the Synthesis chapter (Chapter 7).

I have now outlined the main features of the case study organisation, the data collection activities undertaken during the empirical investigation, and data analysis methods undertaken. These methods were also applied in the second empirical study in the research programme. In the next section I will review findings from the data collected and explain the key outcomes of the analysis conducted against it.

5.6 Findings: JV Corp Pre-turnaround

It was clear from the interviews that JV Corp had been a very uncomfortable place to be before the turnaround. All the interviewees recounted stories about the

problems that had occurred in the early days of the joint venture. One interviewee

described the organisation as "just hell on earth" (Programme Manager 2), another as

"a shambles" (Service Delivery Director), another as "profoundly broken" (CEO). In the

interviews, many interviewees became emotional when they talked about the state of

the organisation during this period of its history. Interviewees talked about how people

had left in frustration, how people had become ill with stress and even how one

manager had died as a result of the pressure. One interviewee, a senior operations

manager, described his typical day in JV Corp before the turnaround as follows:

> "I'd be coming in here about 5 in the morning, 5 half 5. I would meet with a half dozen people I could trust from the hundred of them that were on nights and say 'ok where are we guys, what the hell is happening here'. We'd talk about the night that they had had, what we were doing to fix those issues for a couple of hours and do some action planning, you know. The day shift would roll in about half 8. I would be having the same sort of dialogues with the day shift. I'd probably be preparing for the half dozen conference calls I would have with the various clients during that day to appraise them of what was going on. I had to know what was going on everywhere in my empire and its not easy to do you know, when you've got, you know hundreds of people and quite complex activities going on. I had to be completely on the ball and half of my day was probably managing client expectations… So, I'd probably start 5, half 5, and then work through as I say until about 9 in the evening or something."

(Head of Operations 1)

In addition to the extraordinary levels of pressure in the organisation during this

period, many interviewees also described conditions of low morale and despondency.

One interviewee, who was an external consultant on assignment in JV Corp, recalled

seeing the following limerick written on a piece of paper on one of the notice boards in the main building:

> "'There once was a team down in MK,
> Who came to work and didn't talk to each other all day,
> They grunted and farted till dusk when they parted,
> And they called it the [JV Corp] way.'
>
> …I saw that limerick pinned up on a wall in [JV Corp] when I first got there. Two things were amazing about that. One thing was that that limerick had been pinned up. The second thing was that it was there for about two months. So no management had taken it down and trashed it. It was utterly amazing really. And I think that that expressed the team psychology. Closed, insular, everybody hated them."
>
> (Interim Change Director)

Alongside these descriptions on the severe conditions of the Pre-turnaround organisation, the interviewees and the focus group outlined the main elements of the JV Corp mindset and business purpose at that time, as they saw them. These core themes were grouped together to build up a picture of the main priorities and knowledge systems operating in the Pre-turnaround organisation.

<u>Utility</u>

A major part of the rationale for forming JV Corp was the pooling of resources, technology and expertise from across the UK cheque clearing industry. Almost all interviewees described how consolidation in JV Corp was intended to drive "economies of scale" and lower "unit costs". The vision for JV Corp was that it would become a "utility" service provider to the banks, whereby JV Corp would deliver end-to-end business processes on behalf of the banks. The Service Delivery Director described these ambitions for the company in the following way:

> "the concept behind this company was that it was a huge opportunity to form a utility… that would move beyond cheque and would float and become a massive force for something in this country."

(Service Delivery Director)

And the CEO:

> "the dominant paradigm was we'll create this utility, this massive utility capability. We'll just flick the switch and turn on the power and everything will be fantastic."

(CEO)

Correspondingly, the original start-up plans for the company alluded to a "utility" ethos. An associated objective for the company was to grow the business beyond cheque clearing into other services. Cheque volumes in the UK had been declining for a number of years, and so JV Corp was focused on diversifying into both financial and non-financial operational services such as remittance processing, e-Banking, document

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management, imaging, and account servicing. Early documents from the inception of the organisation highlight the extent of these ambitions. For example, Figure 11 below shows one of the charts included in an induction pack for new joiners to the organisation.

Figure 11: Growth and Diversification Plans at JV Corp
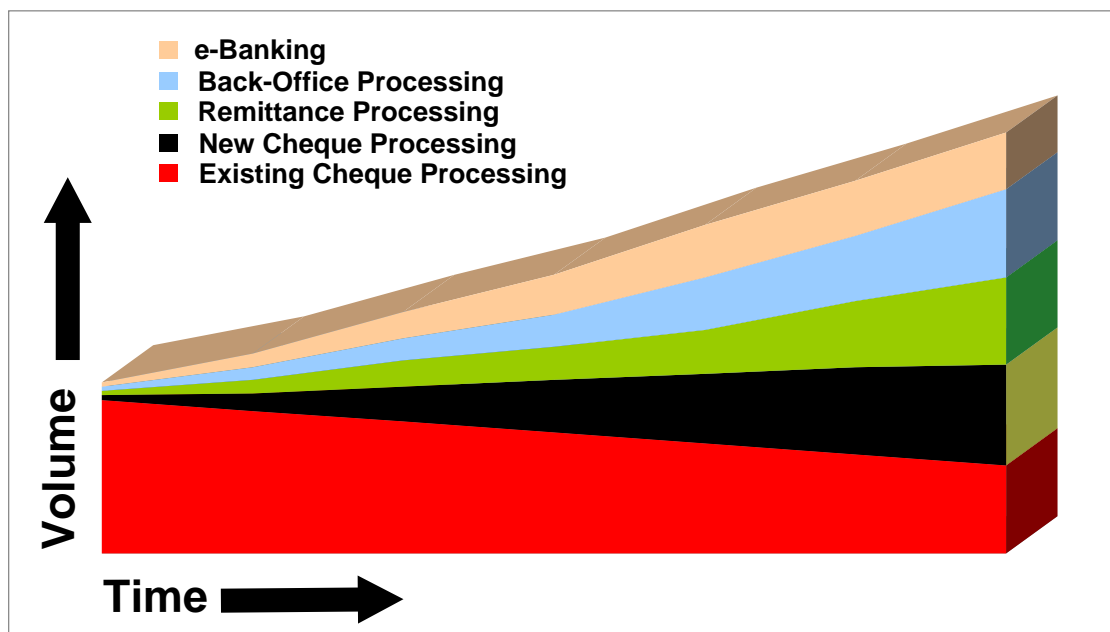
(JV Corp induction pack "The Future")

<u>Joint Venture</u>

Interviewees also talked about the idea of JV Corp as a joint venture. This was almost always described in negative terms; as something that had been tried but not achieved. In the view of the interviewees, there was a significant gap between the rhetoric of creating a joint venture with shared goals and the reality of the way that the organisation worked. The Risk Director described the issue as:

> "where you have got customers and shareholders or customers who are shareholders and suppliers who are shareholders, the governance becomes very difficult… they are in a position where they sometimes have a strong conflict of interest."

(Risk Director)

These conflicts of interest manifested themselves in a number of ways. In many cases interviewees regarded client behaviour as dominated by self-interest, for example one manager believed that the organisation was diverging rather than converging:

> "It just wasn't happening, the converse was happening, we were getting more and more diverse in our approach because, our clients, none of them were being bought into the concept of JV Corp."

(Head of Operations 1)

Another manager thought that JV Corp had actually given up on the idea of a joint venture early on in its history: "It quickly changed from a joint venture some where

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along the way" (Programme Manager 2). Another programme manager summed up the general feeing on the various factions that made up JV Corp in the following way:

> "What you could see happening was the coming together of 3 stroke 4 organisations. You could see that they weren't working together as a single organisation at all, there was no harmonisation. There was no feeling that this truly was the common aim… and you could see that they were going off at different tangents with regards to how they were operating, how they were setting their goals, and what they were aiming for… we were still functioning, although we are all under one umbrella, still functioning as discrete organisations within a single organisation."

(Programme Manager 1)

Growth & Profit

Growth and Profit objectives were also part of the original concept of the organisation. This group of themes was strongly associated with the "Utility" collection of stories noted above. From its inception JV Corp had committed itself to a rapid growth agenda, and actively sought new clients to take into the organisation. This drive to signing up more clients was regarded as a major mistake by all the interviewees. An interviewee described the situation:

"frankly it was a company that ate itself… we'd taken on the task, the monumental task, of changing all of [Bank 1] and [Bank 2]. And it all started to crumble down. And putting [Bank 3] on top was just as I say, putting straws on the back of the camel as it collapsed. And having [Bank 4] on top of that was just ridiculous."

(Programme Manager 3)

There was also suspicion about the profit motives of the lead supplier organisation. Many of the interviewees cited profiteering by the Lead Supplier at the expense of the client banks, for example:

"[The Lead Supplier] are just a disease to the organisation… we were forced to take people off the bench so people that were here were the worst employed by [the Lead Supplier] and that's what we had to pick from first and they were rubbish. And not only were they rubbish but it cost me £1,100 a day."

(Programme Manager 2)

The issue for many interviewees was that whilst the changes in the organisation were failing and ongoing, the Lead Supplier maintained the opportunity to sell resources into the organisation, or in the words of the then CEO:

"the supplier basically saw this as an opportunity to milk the business to death. And I think to get huge amounts of revenue out of it."

(CEO)

In contrast, the profit motives of the client banks were based on completing the changes as quickly as possible and reducing costs, as noted by a senior member of the change team:

> "the banks knew exactly what they had signed up to in financial terms. So we were in a situation then, very quickly, when we were having to deliver financial benefits back to the banks in terms of the revenue they paid us. Before we had made any of the savings expected in the changes."

(Programme Manager 1)

These disparities between the client banks and the Lead Supplier perspective seemed to cause major issues with the relationship and generated frustrations at all levels.

Common Platform

An important goal for JV Corp had been to migrate clients onto a common processing platform. This goal had been created at the outset of the joint venture and had been codified into the contract with clients. One of the client banks had even stipulated the target platform (known as "Sierra") as a proviso before they agreed to join JV Corp. A longstanding JV Corp employee, who had also been part of the team that had created the JV Corp deal, described the drive to get to a common platform as a key strategic objective:

"The, initial, the biggest thing to start off with was to put everybody on a common platform to get your economies of scale in terms of development support to have one system, you know. Then it would be cheaper in the long term to support the clearing platform and to make changes to it."

(Project Manager 1)

What followed was the creation of a large and ultimately unsuccessful change programme (this will be described further below). The business rationale for a common platform became fundamental to the concept of JV Corp. This commitment eventually became regarded as a liability for the company, as noted by the CEO:

"They came together with a hopelessly optimistic view that what you could do is build a common processing platform out of very diverse internal sets of systems. And that you could do that at relatively low cost providing massive economies of scale. And it was a con… it was a joint venture that all parties were locked into. And I'm not sure the lead supplier was the only one conning the customers. Everyone conned themselves really… We just wanted to believe our own rhetoric."

(CEO)

Or as described by the Business Architect:

"We engineered such a complex solution around Sierra with the reports and extracts that we dug our grave with that decision, that goes back to the decision… that was made in 2000 in my view."

(Business Architect)

Activities to migrate onto a common platform continued for five years, at significant expense, but with only partial success.

Cost Reduction

The pre-turnaround organisation was also characterised by a drive to reduce costs. This manifested itself in a number of different ways. For example, interviewees noted the lead supplier's role in this cost reduction imperative.

> "It was quite clear that [the Lead Supplier] were obsessed with cost. So they would not invest in people. They refused to take on a lot of people from [Bank 1]… they saw as too expensive. They were obsessed with getting to their cost base very quickly".

(Service Delivery Director)

This led to a number of associated initiatives, such as a ban on recruitment for the operational teams and difficulties in hiring addition staff into the change programme. In some cases this seemed to have a counterproductive effect on other organisational objectives. A Programme Manager described the situation as follows:

"JV Corp was created probably 2 months after [the Lead Supplier] did a world wide ban on recruitment. And I said, 'that can't apply to us' because I had moved people from Prescott Street to Northampton and I needed to recruit people. Because 40 people came up from our 40 strong operation in Prescott Street. First of all 'this can't apply to us'. 'Yes it does'… there wasn't the structure or connection between JV Corp and [the Lead Supplier] at that stage to go to the right person who needed to change that."

(Programme Manager 2)

Ironically, stories about cost reduction initiatives were placed side by side with stories about how costs were out of control in the organisation. The CEO believed that the business was losing "about fifty million every year" prior to the turnaround and the Service Delivery Director commented on his operation: "No one had a clue how much it cost or how efficient it was, or whether it could be more efficient".

The Change Programme

One of the dominant themes from the interviewee accounts was the JV Corp change programme. As noted above, the change programme had been set-up at the inception of the organisation and had grown to become a major division within the company. All the interviewees commented on the scale of the change programme. The Service Delivery Director remembered it as:

"The change programme was just a shambles, it was just huge… People put it proudly up on their walls. A great big chart… It was a

chart as big as that wall. Stretching on for 5 years, and sort of this deep."

<div align="right">(Service Delivery Director)</div>

The failure of the change programme seemed to be a major source of concern for the organisation and its shareholders. The Change Director, who had been employed by the Lead Supplier before moving into JV Corp, described the situation from their perspective:

> "Basically the whole thing was an absolute mess… to give you an example, I think that at one point in the whole of the world [the Lead Supplier] had something like 8 or 9 red rated PQO projects. Projects that the PQO were saying were absolutely an issue, and that meant that there was serious cost overrun. So these were ones that would go up to [the CEO] to reference. And of those 8 or 9 I think that I had 6 of them. And so that just goes to highlight the level of concern that there was around the whole piece."

<div align="right">(Change Director)</div>

Many of the interviewees who had been part of the change programme felt that at the time these concerns did not translate into senior management assistance.

"We had a weekly update Conference Call which used to be at 4 pm on a Thursday afternoon. Sometimes that conference Call would last in excess of three hours with essentially Tony and I just being shouted at… we'd really just be told generally that we didn't know what we were doing. We'd get no help at all. That's how it felt. And sometimes I'd get in the car at a quarter past seven on a Thursday evening thinking, 'why am I doing this', you know, 'what possible benefit am I getting out of this.'"

(Programme Manager 4)

There were many stories about failed projects, some of which had serious consequences for JV Corp. An operations manager explained the impact of failed change from his perspective.

[There were] massive changes you know. Tens of millions of pounds of investment infrastructure, of software support, all that sort of stuff but we weren't ready to reconcile the work. And I sat in various meetings including very senior, the most senior people in our organisation in fact [the previous CEO] and others at the time, saying 'we cannot reconcile, we shouldn't be doing this. And if we do it we cannot know the cost of failure here. It could be tens of millions.' And the collective group ignored my comments and went full steam ahead based on what was perceived to be a commercial cost of about five million pounds… and it cost us more than five million I think in losses if you can't reconcile the accounts. It cost a hell of a lot more than five million in reputation, because everybody in [Bank 2] were all over us for about two years until it got sorted out. It cost us millions and millions and that was simply because we jumped too far too fast and didn't have the strength and depth to (a) appreciate the size of the problem or listen and (b) invest a bit up front to fix it.

(Head of Operations 1)

In many ways it seemed as though the failings of the change programme symbolised many of the issues going on in JV Corp prior to the turnaround. The change programme provided many of the most vivid stories from the interviewees and linked together with many of the other themes described.

These stories build up a picture of the pre-turnaround organisation. The view emerges from the data of an ambitious but beleaguered company, dominated by wide ranging process and technology change programme, struggling with competing priorities. As described above, six narratives were identified as fundamental to ways of thinking in the pre-turnaround organisation:

1. The creation of a utility organisation for the financial services industry.

2. The incorporation of the organisation as shared, joint venture, entity.

3. A drive for rapid growth in scale and profit for the shareholders.

4. A transition to a common processing platform across all bank cheque clearing operations.

5. Radical cost reduction across the organisation.

6. A focus on the need to deliver a large change programme to realise the vision for the organisation.

Stories have been grouped together into these narrative themes and depicted in a story network architecture diagram in Figure 12 below.

Figure 12: Story network architecture for JV Corp Pre-Turnaround

Narrative themes	Key stories
Utility	1. Economies of scale 2. "Massive force for something" 3. Moving beyond cheque
Joint Venture	4. Difficulties with client co-ordination 5. JV business model 6. Change in language 7. Initial objectives of the organisation 8. Lack of a shared goal
Growth & profit	9. Lead supplier motives 10. Bank motives 11. New client take-on 12. "The organisation that ate itself"
Common Platform	13. Selection of Sierra 14. Principle organisational objective 15. Impossible mission 16. Technical challenge
Cost reduction	17. Getting to a costbase 18. Recruitment ban 19. Costs out of control 20. Banks obsession with cost 21. Lack of project resources
Change programme	22. Scale of the programme 23. Programme out of control 24. "Red" projects 25. Lack of internal co-ordination 26. Lack of senior management involvement 27. Ritualistic conference call 28. Replanning exercises

Initial conclusions arising from the data tend to validate both the importance of discourse in the organisation and the rigidities imposed by deeply embedded assumptions in the organisation. The various narratives show the systematisation of various modes of thinking in JV Corp prior to the transformation and, with hindsight, provide insight into why the company got into trouble. Moreover, organisational routines locked into the change programme and structures such as the business model served to reinforce the hold in place the assumptions characterising the dominant paradigm. Despite the clear issues being experienced in JV Corp, these monologic systems seem to have woven themselves so deeply into the infrastructure of the organisation that it was hard to voice an alternative view or suggest a departure from established practices. As Figure 12 also shows, stories and narratives were strongly interrelated and interconnected. For example, the drive to become a utility was directly connected with the desire to implement a common platform. Great emphasis was placed on the change programme as the enabler for the broader vision for JV Corp which in turn related to growth and profit aspirations. As we shall see in the following sections, the deconstruction of this "hard coded" knowledge in the organisation was one of the main challenges for the organisation to overcome in its turnaround.

5.7 Findings: JV Corp Transformation

If the pre-turnaround organisation had been a hard place to work, then the transforming organisation seemed to be equally brutal. Many aspects of the organisation changed at this time. One important milestone was the transfer of a senior executive from one of the banks into JV Corp to become its Chief Operating Officer (COO). He went on to become the CEO during the period of the turnaround. During the transformation many other new managers were brought in at different levels and the business was redefined from top to bottom. A large proportion of the incumbent managers were made redundant, contract staff levels were dramatically reduced, and organisation as a whole reduced in size by 40%. Client agreements were also reset and new governance forums were established. The majority of the changes happened over an eighteen to twenty four month period. I will now describe some of the major themes from the transformation highlighted by interviewees.

Shareholder agreement

One of the key changes identified by interviewees was the rewriting of the shareholder agreement. Tensions with the client banks seemed to have reached a point where the original agreement was untenable and in the words of one interviewee "we couldn't meet the expectations that we had been set in this contract" (Programme Manager 2). The process of changing the contract seems to have been one of the most difficult points in the turnaround. The CEO described how he needed to work very hard to argue the case for changing the contract:

"I did some analysis saying if the trajectory we are going on at the moment continues and we don't bring some element of order, then what does the end picture look like. So it also about building the picture of the stark reality. Bringing to light, so that no-one can deny what the burning platform looks like."

(CEO)

He went on to explain that this news was not well received by the Lead Supplier, who was also the majority shareholder:

"the parent company went apoplectic when I told them what I thought the level of the shortfall was, which was 150 to 100 million worse than they thought and that was a bit of an issue. And we wasted so much time… senior management prepared for three days a week for two, two hour bollockings from [the Lead Supplier]. But you know we had to work up the financials to work up a proposal, a way forward, we had to make up some stories."

(CEO)

Eventually the shareholder agreement was agreed and re-written and this led to the refinancing of the business and a new cost recovery mechanism for projects and small changes. The effect on morale in the organisation seemed to have been profound, as one interviewee commented: "before you knew it the contracts had been reset, we had got money, got a reasonable amount of work, and got the money to do it with" (Programme Manager 2).

Lead supplier role

Another significant change in JV Corp during the period of the turnaround was the repositioning of the role of the Lead Supplier. The first indication of this change in the power structure of the organisation was made when the executive from one of the banks joined JV Corp (first as COO and then CEO). One interviewee commented on the influence that the new CEO brought with him:

> "he had the backing of the shareholder group, and I believe that the shareholder group backing would have been along the lines of 'we will pull out of this. And it would be very damaging to you. It could take you under if you do not fix this'. And so I think that there was an awful lot of leverage there and [the CEO] was willing to use that.

(Programme Manager 1)

On arrival many interviewees commented on how they had personally tried to influence the new CEO to attempt to reduce the role of the Lead Supplier, for example:

> "one of the things we said to [the CEO] was, 'we need to get [the Lead Supplier] out of the game, managed at arms length as a true supplier that's what we need to do'."

(Programme Manager 2)

This seems to have been acted on, because there were numerous stories about how the new CEO "took on" the Lead Supplier directly. An interviewee recalls the tone of discussions in the following way:

"He challenged [the Lead Supplier]. Basically he told [the Lead Supplier] that 'if you don't do it this way you might as well forget it.'"

(Programme Manager 1)

During the turnaround, structural changes were made in the organisation which essentially removed the Lead Supplier from the senior management team. This was described by many of the interviewees as one of the key milestones for the company in its turnaround:

"the most significant thing is that layer of [the Lead Supplier] being taken out. Again its probably not the right term, it was removed and quite rightly removed and the right structure was put in to manage it, going forward."

(Head of IT Operations)

This grouping of stories was closely linked to the organisation design grouping of stories which will be described below.

Revised change programme

The change programme was another part of the organisation that was radically reconfigured. In a major signal to staff and shareholders, the new CEO suspended the programme and undertook a re-evaluation of priorities. In the words of one programme

manager, there was the view "we need to lock down here, and stop the haemorrhaging and consider what we really can do and can't do" (Programme Manager 1). Many aspects of the change programme had been written into contractual agreements with shareholders and clients, and so this was regarded as significant challenge to the basis of the company. The Risk Director recalled the personal drive of the CEO to reset the change programme:

> "we felt that we were contractually obliged to the change. But he just sat down and got in a room with a bunch of people for weeks on end and we went through every single bit of change and where we were at and what the implications were. And one by one he put them in to two buckets or three buckets, stuff that we were never going to do, because it didn't make sense to do it, because it was too difficult, or because it was you know, ill thought out. Things we definitely had to do to keep the business alive and there was a smaller bucket of changes we could make… he was extremely brave."

(Risk Director)

Many interviewees pointed out that this was not the first time that a replan had been called, but they felt that this time a critical moment had been reached. In the words of the Change Director: "people were saying 'I've had enough of this now'". It seemed as though previous attempts had lacked the same degree of conviction or follow through. A number of interviewees remembered the disappointment that had followed an earlier attempt to reset the change programme a few years before:

> "They sent in expert review teams, who came over from the States and sat down, supposedly project experts, and sat down with us and went through the plans. And for one week we were in until probably

10 O'clock every night and worked weekends creating a fresh set of plans that this expert review team were going to take to the banks and agree with the banks… I still remember on a Saturday, sitting and saying 'I guarantee you'll go to the banks and you will not agree that plan'… And it came back 'this is not what we're going to agree.'"

(Programme Manager 2)

Commenting on the purpose of resetting the change programme, the CEO noted "I realised that change was destroying my ability to deliver a good service". He went on to emphasise that a new attitude to change needed to be created:

"We stopped change being allowed to land and fail… we stopped a lot of change, but change that had to go through we tested much more rigorously to ensure that when it landed it worked and it didn't destabilise the operation."

(CEO)

New organisational design

A new organisational design was established at JV Corp during the turnaround. Many of the features of this organisational design overlap with themes that have already been commented on above, such as the new shareholder agreement, repositioning of the lead supplier and new management. In addition to these aspects, there were other features of the organisation design that the interviewees felt were important to describe. Many stories were told about the radical reduction in the size of the organisation from 4,000 employees to 2,500. This dramatic headcount reduction was a key imperative for the executive team, who believed that it was necessary for the survival of the company

both in terms of reducing cost and also in trying to change the organisational mindset. The CEO commented:

"You can change people, and you can get a lot more out of them, but I do think that you need to change an element of the DNA. The old adage 'fire people with enthusiasm or fire people with enthusiasm'. You know, you have got to do both. You have got to fire some people, you have got to kick some people out."

(CEO)

In addition to reducing the size of the organisation, reporting structures changed alongside the diminished role for the Lead Supplier. One interviewee explained this in terms of the changing reporting lines in the organisation:

"Really if you look back at the structure chart in the early days, the top two tiers at least were pretty much [Lead Supplier] people, so you were feeding back information to [Lead Supplier] people who just weren't going to listen to it. They were there for [the Lead Supplier] and whether or not they said they were, [the Lead Supplier] paid their wages and they would do whatever they were told… We need to do change layered on the need to do the right thing for [the Lead Supplier] not the right thing for [JV Corp].

(Head of IT Operations)

Business units, support areas and premises were restructured as a part of these changes. In the view of the Service Delivery Director, layers of management seemed to get in the way of delivery accountabilities:

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"they had this sort of blanket on top of them. And so the first thing that we'd do was remove that blanket. We had to reorganise... Reorganise so that all the sites would report into me."

(Service Delivery Director)

New tracking mechanisms

Another outstanding feature of the pre-turnaround organisation was its dependence on heavy processes and reporting systems. These tracking mechanisms were overhauled and replaced in all the main parts of the organisation. The Service Delivery Director described how he changed reporting systems for his operational teams:

"they had an unbelievably complex efficiency measurement process. That clever people had built. Which told you as an individual how efficiently you were operating, it gave you allowances for time off and holidays, sickness and coffee breaks, team meetings… the whole thing was designed to protect people and demonstrate efficiency where there was no efficiency… I had masses of data. I had reports this thick. And so I decided to chuck all that away because it was all totally meaningless, and there must have been 20 people across the business administering all of this. So we threw it all away and introduced two measures… we told our managers that all we were interested in was how much volume are you producing, and how much are you paying to produce it."

(Service Delivery Director)

This theme seems to have been equally true in the Change Programme. An interim change director brought in by the CEO to manage the change programme

described his concern about the "grotesque" tracking mechanisms that he took over when he arrived at JV Corp. He noted:

> "I quite consciously decided that I would forget methods and processes, and I would focus on getting some outcomes out. So I deliberately ignored the organisation and its methods and I put in place management processes, my own, that allowed me to drive people to focus on outcomes."

> (Interim Change Director)

These changes seemed to have a powerful effect on the day to day running of the organisation and were widely cited by interviewees as a break with the past.

New management routine

Another cluster of stories centred on changes to the management routines in the organisation. Many of the pre-turnaround management rituals and routines have already been described (for example the weekly conference calls and the twice weekly discussions with the US parent), what also emerged was a new management ethos and way of working. The CEO described the new management philosophy as based on close management:

> "we actually micro-managed. I think that what you need from a change programme perspective is to implement a process which has very close management, very regular management"

> (CEO)

The Interim Change Director expressed this more pointedly, making reference to the capability of some of the Change Programme team.

> "The lesson here is when you have a crap team you have to behave differently. And you have to accept that they are crap, and put management methods in place that get work out of crap teams. And that normally means very, very high levels of management. And so you end up with supervisor ratios, project manager ratios of 1 to 1."

(Interim Change Director)

These requirements for close scrutiny of the change and operational parts of the JV Corp business gave rise to new management routines, and an abandonment of old systems. One of these became known as the "Project Star Chamber".

> "our rules are simple, every week every project has to provide an update on what it is up to, where it has fallen short, what it is planning to do in the immediate future and where it needs help. And the basic rules are absolute integrity. No surprises… the thing I don't accept is, being told we know you had a problem weeks ago and we haven't told you about it. Dead heroes are no use to me."

(CEO)

The CEO and the Executive team established a rolling cycle of staff road shows throughout the transformation, that continue to this day. The CEO explained this philosophy:

> "get in front of the people. You have to, even if it is a really difficult message and people hate you for it. And you know, I'm considered

to be a fascist by some people in some locations despite what we achieved in others they consider me a bit of a saviour. You've got to just get out there and tell them the truth, give them some hope about where you are going. And if there is no hope, still tell them the truth."

(CEO)

Stories from this phase of JV Corp's history construct a colourful narrative for the transformation. The scale of change during this phase of the organisation spans a broad range; from the major reconfiguration of the organisation, to seemingly small adjustments to management routines. These narrative themes have been grouped together and depicted in a story network architecture diagram in Figure 13 below.

Figure 13: Story network architecture for the JV Corp Transformation

Narrative themes	Key stories
Shareholder agreement	1. "The contract" 2. New cost recovery mechanisms 3. "Stark reality" 4. Lead supplier "bollockings" 5. Refinancing agreement
Lead supplier role	6. "At arms length" 7. Majority shareholder to supplier 8. Removal of resources
Revised change programme	9. Scope reset 10. "Enough's enough" 11. "Stop the bleeding" 12. Replan 13. Rationalised change programme 14. Stop allowing failed change landing 15. Bring in the "big hitters"
New organisational design	16. New management team 17. Removal of lead supplier functions 18. "Fire with enthusiasm" 19. Removal of previous reporting structures 20. Delayering of operational teams
New tracking mechanisms	21. New metrics regime 22. New performance management system 23. No "dead heroes"
New management routine	24. The project "star chamber" 25. High levels of supervision 26. Staff communications

Initial conclusions can be drawn from the data collected on the transformation at JV Corp. As with the pre-turnaround narratives identified in the previous section, discourse is again seen to play an important part of the transformation at JV Corp. The dominant narratives and overarching knowledge hegemonies present in the pre-turnaround organisation are laid bare and come under intense scrutiny. These challenges to the pre-turnaround architectonics are stimulated through an opening up of alternative discourses, and it seems as though the new CEO was personally highly active in engaging across all levels in the organisation in a number of ways, both at an individual and a group level. This supports the view that dialogic interactions play a role in the turnaround by creating the conditions where knowledge subversion becomes possible. The other area of high activity for the CEO and other interviewees were their efforts to deconstruct existing ways of working at JV Corp. In some cases this was carried by disrupting and rejecting practices held important by the previous regime, in some cases this occurred through displacing previous ways of working by instilling new organisational routines. In dialogic terms, this signals the breakdown of previous hierarchies and the subversion of the earlier knowledge hegemonies.

These initial observations from the data collected will be further developed in Chapter 7 of thesis. I will now summarise findings from the interviewees on the topic of the post-turnaround organisation.

5.8 Findings: JV Corp Post-turnaround

Following the stabilisation and turnaround of the company, JV Corp began to yield a profit for the first time. Client perceptions improved to the extent that new work started to be given to JV Corp. The Lead Supplier also benefited from the transformation and increasingly began marketing the organisation as a success story.

The stories recounted by interviewees build up a picture of an increasingly confident and focused organisation. Many of the themes from the transformation seemed to have become embedded in the post turnaround mindset and embedded in day to day structures. In the previous section an operations manager was cited describing the pressures of a typical day in the pre-turnaround organisation. The contrast with his typical day in the post-turnaround organisation is striking:

> "if I have a long day today its entirely through choice though. It's entirely through value added, whereas it was about how to survive… this morning for example I was in at 6 o'clock this morning to meet the night shift. We're talking about how we're going to meet our stretch FTE plan and that cost plan, where there are opportunities for driving the cost down, what staff moves we are making, what risks and opportunities are around those changes and whether or not we should make them. So we're making changes because we want to and on balance of risk and cost and all the right reasons, and in an informed way, because we want to."

(Head of Operations 1)

As in previous sections, I will summarise the main narrative themes for the post-turnaround organisation.

<u>JV Corp identity</u>

Interviewees described an emerging sense of identity in JV Corp in the post-turnaround organisation. One of the key themes was the sense that JV Corp was as good as, or better than, the banks at running the clearing operation. The operational teams took pride in the improvements that had been made since the turnaround. One of the operations managers described this through a variety of statistics:

> You know we had 500 staff in R&A and a year ago we had 250. So in less than three years we had halved the number of people doing the work and probably improved the performance by the service and the customer experience by at least 150%. Things were being done faster, quicker, better, cheaper, less financial risk. We were losing a million and a half pounds on [Bank 2] R&A where we lost about 100,000 last year.

> (Head of Operations 1)

This growing confidence in their abilities manifested itself in terms of increased confidence with discussions with the clients, to the point where JV Corp was trusted to even push back at times:

> "we have moved that dialogue on now to a point where we have good governance forums with all our clients. I think that we have a good open and honest relationship with most of our clients in terms of sharing information and in terms of how we actually interact with them. And we are not shying away from having the difficult conversations."

> (Change Director)

This sense of two way dialogue was in marked contrast to the previously submissive role of the organisation prior to the turnaround. Other stories described by the interviewees highlighting the new found confidence of the organisation included accounts of successful project deliveries, service improvements and efficiency gains. These stories all signalled the sense of a growing pride in the organisation.

Core Operations

Another important theme for the interviewees was an absolute focus on core cheque clearing operations over any other activities. In the view of many of the interviewees, one of the main lessons to be learnt from the turnaround was that day to day operations took priority over the change programme or any other ambitions to grow the business. This was explained by the Service Delivery Director as follows:

> "Our business is all about processing every cheque that comes in every day, every day. And doing it right… we probably have something here that is ongoing of value as a basis for expansion. But no, I don't believe that the future of this company is to float on the stock market or anything like that. We will always be about driving out cost, and running difficult semi-manual processes more effectively than other people can manage them."

(Service Delivery Director)

This was quite different to the previous priority attached to change and project delivery in JV Corp described above. A focus on core operations was reinforced by an increased level of visibility of operational metrics such as the industry stability ratings, known as "the traffic lights". During the transformation the executive team had also established a campaign, known as "the sea of green" to signify the importance of the measurement of operational stability. This campaign moved beyond the transitional phases of the organisation and became embedded in "business as usual" operations after the turnaround.

Value

Numerous stories were told by interviewees about how the previous emphasis on growth and profit had been replaced by a focus on creating shareholder value. The CEO explained this in the following way:

> "the mantra for [JV Corp] is that we are not here to make money. Our job is to create value for our shareholders, and that is that… Success will be measured by how much our clients perceive we add value, because they will then bring in more work because we are perceived to be successful… the only measure for the organisation will be its health and longevity."

(CEO)

For many interviewees this was closely linked to the theme of core cheque clearing operations described above. This was despite the fact that business volumes were declining, which may ultimately lead to the end of the company:

> So what we were trying to do was create a success out of this complete bloody shambles. And that success was about managing a declining business. Because that is a valuable thing to provide to our clients. To manage that decline. To provide employment in the meantime, and to ensure that people at the end came out with opportunity.

(Service Delivery Director)

This ethos seemed to have become embedded in the core infrastructure of the organisation, such as metrics systems (in particular a system known as "Vouchers per paid hour"), performance management and incentive schemes.

Multi-platform operation

As noted above, an important break with the past had been the abandonment of the programme to migrate systems and processes onto a common platform. Interviewees explained that this led to the need for JV Corp to find ways of operating in a multiple platform environment. JV Corp's business architect described this concept as "we are not moving off our current platforms, we are going to stay where we are" (Business Architect). Interviewees regarded this as a key way of working for the organisation.

The view that this was the right course of action seems to have been reinforced by the delivery of a number of key projects to shore up issues with the existing platform. Interviewees cited many examples of successful projects in this respect. One project in

particular, tellingly called the "Keep it Alive" project, had been particularly influential in shaping views. Another project called "Lift & Drop" also demonstrated that successful change could be delivered without the need for a high degree of technology innovation. This was described by the Change Director:

> "at that point people suddenly started to realise that you can exit a premises without having to fundamentally change the technology. And all of a sudden you start to see where a lot of the misdirection in the early days went wrong. And so I think that the [Lift & Drop project] was absolutely pivotal."

(Change Director)

A multi-platform ethos therefore became a defining characteristic of the post-turnaround organisation, both operationally and also in terms of the organisation's attitude to change.

Cost centre

One of the themes common to both the pre- and post- turnaround was the drive to reduce costs. However, there seemed to be differences between the way in which this imperative was interpreted and actioned in the pre- and post- turnaround organisations. In the pre-turnaround organisation, interviewees had regarded cost reduction initiatives as being strongly associated with supporting profit based objectives. However, in the post turnaround organisation, the emphasis turned to delivering value back to shareholders. In this respect interviewees described JV Corp as a "cost centre"

for its clients. Part of this focus on costs seemed to be linked to the sense of indebtedness following the losses of earlier years. This was described by the Risk Director in the following way:

> "the finances have turned around in the published accounts because we've got more revenue, against the same costs. But costs need to be clean operationally and of course the big chunks of change delivered were delivered highly successfully. Now we beat the budget by miles and that's all around. We're starting to reap the benefit of stable operations and strong management, and we will deliver all the money lost, the shareholders will deliver before 2010 we will deliver them some profit as well which is completely amazing."

(Risk Director)

Cost reduction became embedded in the day to day management cycle through multiple initiatives and close management oversight; this has already been cited in various placed in the sections above and will not be repeated here.

Stability

The final grouping of stories described by interviewees centred on the need to protect the stability of the operation. Paring back the change programme, giving visibility to operational metrics and "placing operations at the heart of change" (Service Delivery Director) were all cited by interviewees as part of a thrust to preserve operational stability. For most interviewees, this was part of a recognition of the failings of the past, when many high profile problems had been experienced. The ongoing commitment to

maintaining stability was expressed by CEO in terms of the needed to consider the priorities of clients and end customers:

> "the kind of thing that customers wanted was a stable service where cheques were processed every day and that they wouldn't be running huge operational and financial risk because we weren't in control. And actually to get their customers, who were complaining at a massive rate, off their back. So I started to go out initially to the staff to say the first priority that we have got to do is to get the service right."

(CEO)

This grouping of stories was linked with many other post-turnaround themes already discussed, but deserves special prominence because it was regarded by almost all interviewees as part of the core philosophy of the organisation.

As described above, six narratives had become central to ways of thinking in the post-turnaround organisation:

1. The company increasingly regarded itself as a self-standing organisation in its own right.

2. There was a focus on operations as a core competency.

3. The primary business objective became focused on client perceptions of value (rather than the goals of the parent company).

4. The organisation subverted its aspiration to move to a common platform and accepted the implications of moving to a multi-platform environment.

5. It became important to scale down the organisation in line with volume declines and reducing costs.

6. Maintaining service stability became more important than the delivery of change or growing the business.

The post-turnaround stories and narratives described in this section have been grouped together and depicted in a story network architecture diagram in Figure 14 below.

Figure 14: Story network architecture for JV Corp Post-turnaround

Narrative grouping	Key stories
JV identity	1. Better than the banks 2. Confidence in own abilities 3. Client dialogue
Core Operations	4. Operations at the heart of change 5. Service emphasis 6. Operations and support teams 7. Industry traffic lights 8. Performance management 9. "Last to leave work"
Value	10. "Not for profit" 11. Vouchers per paid hour 12. Longevity and jobs 13. Shareholder value
Multi Platform	14. "Keep it alive" 15. Abandonment of common platform 16. Low technology projects 17. "What's needed?"
Cost centre	18. Reduce unit costs 19. Productivity initiatives 20. Declining volumes 21. Headcount reduction 22. Site rationalisation
Stability	23. "What our clients want" 24. "Sea of Green" 25. Stable platform 26. "Right first time" 27. "Every cheque"

As with the previous sections, I will provide some initial conclusions arising from the data which will be expanded further in Chapter 7.

Once again, stories and narratives are critical in examining the dominant knowledge structures in the organisation. A key feature of the patterns emerging from the data is that the stories from the post-turnaround organisation show a complete reversal of many of the previously deeply held beliefs in the pre-turnaround organisation. The tone of the narrative also changes completely. Management in the organisation moves from being demoralised and even ashamed to being part of the company, to being confident about the organisation and proud to be there. Clearly the turnaround itself had been the crucible for the new sense of identity and the new direction for the organisation. Many of the new narratives had a subversive theme and explicitly focused on how JV Corp had rejected the ideas of the past. This inversion of previously held assumptions served as a point of departure and formed part of the new identity for the organisation. The emerging conclusion from the case study is that knowledge subversion, traced through changes in the organisational narratives, was essential to the turnaround at JV Corp. Knowledge subversion was at work in the execution of the turnaround plan and knowledge subversion enabled the formation of the new mindset for the organisation post-turnaround. Finally, knowledge subversion played a role in stopping the organisation slipping back to old practices, a key concern for management in the post-turnaround organisation. These initial conclusions will be further developed in Chapters 7 and 8.

In this chapter I have summarised stories provided by interviewees on various stages of the JV Corp's journey. This involved ordering of the data into themes, a mapping of the case study terrain and developing an overall narrative for the JV Corp turnaround. In the next chapter the second empirical study undertaken is described, which investigates the perspectives of expert turnaround practitioners. Following this chapter, I will return to the JV Corp case study to apply dialogic interpretations of the change in Chapter 7.

CHAPTER 6: EXPERT PRACTITIONERS

Where the JV Corp case study relied on gaining access to a strong example of a turnaround organisation, the second empirical project relied on access to identifiable experts in the practice of corporate turnaround. However, although the failure of a company can be a highly visible spectacle, the work and world of turnaround experts is highly secretive and confidential. Typically, companies do not want to advertise when they get into trouble and corporate turnaround experts do not wish to breach confidentialities or easily reveal their methods. A key consideration for this research was how to gain access to turnaround professionals. As one interviewee noted:

> "You may find that people are reluctant to talk to you. They may regard their methods as their own IP [intellectual property]."

(Interviewee 6)

The legal aspects of company insolvency are another contributing factor. When a company fails or is failing there are legal ramifications, such as the payment of creditors, the liabilities and conduct of directors, and the disclosure information to regulators. In the course of a corporate turnaround, factors may be exposed which officers of the company or investors do not wish to be revealed, such as theft, deception, non-disclosure of required information, misconduct of directors or other illegal activities. All of these pressures and concerns mean that the corporate turnaround "industry" is quite closed and difficult to access.

My primary access point into the community of turnaround practitioners was the Turnaround Management Association (TMA), the main professional body for Turnaround professionals. The TMA is a not for profit organisation which has more than nine thousand members globally, including representation from the various groupings described above. Although there are other turnaround professional bodies, the TMA is the largest and most influential. As Eisenhardt (1989) advises in her guidelines on research design, this helped to scope the broader population to target before narrowing the sample down into a smaller group of "experts" to interview (Hoffman et al, 1995). I joined the TMA and approached the President of the TMA of Australia to discuss the best ways of accessing expert turnaround professionals. The TMA President and the leadership of the Victoria State Committee supported the research. No specific conditions or outputs were requested by the TMA. Over a period of twelve months this included attending regular presentations, social events and the annual TMA conference. Having gained access to an initial few contacts, a "snowball" effect started (Patton, 1990), leading to the accumulation of a dataset of twelve interviews.

6.1 Expert Interviewees

Expert interviewees were targeted using the selection criteria defined in the Methodology chapter above (Hoffman et al, 1995; Eisenhardt, 1989; Eisenhardt & Graebner, 2007). The turnaround experts identified and interviewed were a highly experienced group. On average interviewees had seventeen years experience of corporate turnaround, all had played a part in more than five turnarounds and some had

been involved in more than thirty. All regarded corporate turnaround as their primary profession, all held senior positions in their companies and were well known throughout the industry. Four separate turnaround specialist companies were represented and two global consultancy firms, both of which offered specific turnaround services. Many interviewees held high positions in the TMA (including a past president of the TMA) and were regarded as thought leaders within the profession. Table 6 below provides summary profiles of each of the twelve interviewees.

Table 6: Expert practitioner interviewee profiles

Interviewee identifier	Selection criteria and assessment			
	Highly regarded by peers	Performance shows consummate skill, can deal with rare or "tough cases"	Qualified to teach those at a lower level	One of an elite group of experts whose judgements set standards or ideals
Interviewee 1	Highly recommended by peers for global turnaround experience	22 years experience. Has successfully turned around more than twenty companies.	Managing director of a specialist turnaround firm.	Regular speaker on corporate turnaround internationally.
Interviewee 2	Industry-wide reputation, highly recommended by peers.	14 years experience as a turnaround advisor across multiple industries and countries.	Managing Director at specialist turnaround firm.	Author of industry wide survey of turnaround professionals.
Interviewee 3	Strong reputation for turning around a companies in the manufacturing and distribution sectors.	16 years turnaround experience. Multiple examples of successful turnarounds.	Regular interim CEO and Chairman. Managing director of a specialist turnaround firm.	National TMA board member.
Interviewee 4	Past president of the TMA of Australia. Multiple turnaround awards and commendations.	20 year record of leadership of successful corporate turnarounds.	Owner of own turnaround firm and investment fund.	Regular spokesman for the industry within the Australian region and internationally.
Interviewee 5	Highly commended within the industry particularly within the supply chain and logistics sectors.	15 years experience in financing, business improvement and turnaround management.	Regular interim CEO, Managing Director and Vice President.	National TMA board member.
Interviewee 6	Established the turnaround division of a global firm. Highly respected within the industry.	30 years turnaround experience, credited with the leadership of numerous turnaround.	Partner within a global consultancy firm.	Developed the turnaround methodology a global firm.

Table 6: Expert practitioner interviewee profiles (contd)

Interviewee identifier	Selection criteria and assessment			
	Highly regarded by peers	Performance shows consummate skill, can deal with rare or "tough cases"	Qualified to teach those at a lower level	One of an elite group of experts whose judgements set standards or ideals
Interviewee 7	Well known interim executive, CFO and managing director.	20 years experience. Multiple examples of successful turnarounds.	Partner within a specialist turnaround firm.	Distinguished contributor to the development of turnaround accounting standards.
Interviewee 8	Recognised throughout the Asia pacific region. Winner of turnaround achievement awards.	20 years turnaround experience. Senior roles in a variety of high profile turnarounds.	Partner within a specialist turnaround firm. Visiting lecturer on turnaround.	Author of numerous articles and papers.
Interviewee 9	Senior leader at specialist turnaround firm, highly recommended by peers.	15 years advisory, insolvency and restructuring experience. Multiple executive roles in high profile turnarounds.	Executive Director at specialist turnaround firm.	National TMA board member.
Interviewee 10	Highly respected within the industry and TMA.	17 years business recovery and turnaround advisory experience, recognised advisor to business in duress.	Partner within a global consultancy firm. Leader of training courses on turnaround and credit risk.	National TMA board member.
Interviewee 11	Numerous testimonials and recommendations. Multiple turnaround award winner.	17 years turnaround experience. Long list of successful and high profile engagements.	Managing Director within a specialist turnaround firm.	International speaker on corporate turnaround.
Interviewee 12	Well known interim CEO and managing director.	12 years experience. Multiple examples of successful turnarounds.	Partner within specialist turnaround firm.	National TMA board member.

Having collected the interviewee data, findings were transcribed and as with the JV Corp case study, were grouped into the various themes. These were then used to map the common change management patterns, sub-processes and reflections from the interviewees.

In terms of background, many turnaround experts came from professional services backgrounds (accountancy, legal and management consultancy) and had developed into CEO, Chief Restructuring Officers or turnaround advisory roles. This was consistent with the earlier observation that the turnaround "industry" had tended to grow out of insolvency practices. Most interviewees spoke of early experiences in corporate turnaround as being particularly formulative experiences that had shaped their interests and career choices.

6.2 High level change activities

Interviewees were invited to comment on whether there were definite activities within a corporate turnaround that they always did and whether they followed a specific plan. In all cases, interviewees described a general approach that they followed which they broke down into various groupings of activities. Some shared high level change management frameworks that they used both individually and within their organisation. However, even where a change management framework had been set down, the unanimous view was that a good deal of judgment needed to be used in its application. For example, one interviewee commented:

"We have our approaches, but you have to know what to look for and what to do. It isn't like a formula that I apply."

(Interviewee 2)

The change activities described by interviewees tended to follow a common pattern. Although the language differed amongst the interviewees, analysis of the data showed that respondents talked about three main groupings of activities characterising their involvement in a corporate turnaround. The first grouping was discovery related activities: finding out about the organisation, where it had gone wrong and developing theories on how to remediate it. The second grouping of activities was the transition itself: engaging directly with the organisation and executing a turnaround plan. The third group of activities were activities focused on establishing the change: stabilising the company and making sure that the new strategy was embedded in the organisation. These three activity groupings were a helpful way of organising the data and understanding the role of the turnaround executive during the various stages of a corporate turnaround. Findings from each activity grouping will now be described in more detail.

6.3 Findings: Discovery activities

Discovery activities encompassed many of the early interactions between the turnaround expert and the organisation, from initially being invited into the company, right up to the presentation of recommendations. Broadly, experts described how these early stages they were focused on finding out where the problems were, getting a sense

of the company itself and forming ideas on what was needed to fix the problems. Talking to the interviewees about Discovery activities, there were a number of recurrent themes on how these interactions and events tended to unfold.

One of the themes developing from the interviews was that when a corporation turns to seek outside help, they were often at a point when their business was already in desperate trouble. As one interviewee noted,

> "They call us here when things have really hit rock bottom. They have already done all the simple things, and they may even have done them right. But now they need to do hard things."

(Interviewee 3)

The emerging picture of this early engagement stage was an extremely intense, critical period within the organisation. Indeed the mere act of inviting in external help seemed to be a big signal within a failing organisation and a key moment within its history.

Open up the dialogue

Without exception, all interviewees emphasised the need to open up dialogue within the distressed organisation early on in the process. Turnaround experts from their first interactions with the company sought to immerse themselves in the day to day running within the organisation and get close to its people. The need for this was

expressed in a number of ways, in particular in terms of building up an understanding of the organisation:

> "In our business you need to get onsite, to meet the client on their home turf. You need to quickly get a sense of what that culture is... I love to go into organisations and talk to people at the bottom end of the scale. I talk to the tea girl and say 'what happens here?'"

(Interviewee 9)

Getting onsite, talking to as many people as possible and discussing the issues were all part of the process of forming a view of the organisation. It also anticipated stages later on in the turnaround where broad engagement with staff and management would need to be continued. All of the interviewees emphasised the importance of identifying and engaging with stakeholders at all levels as crucial to the turnaround process, as commented by one expert:

> "The people component is very important. At [my turnaround company] we say it is about 50% stakeholder management, 25% financial, 25% operational. And when I look at turnarounds that we have done, and ones that I have been involved in, I'd say that is so true. In fact, I'd stick my neck out and say that stakeholder management is 75%."

(Interviewee 2)

In addition to developing a rapport with people in the company, early stage dialogue within the organisation was focused on finding out where the problems were, as noted by another interviewee:

> "You need to find out what is going on at a grass roots level. And frankly a lot of the time it is just about asking the same questions to many people."

<div align="right">(Interviewee 11)</div>

And another expert described how "taking the temperature" of the organisation through broad engagement with staff was a highly effective way of getting a sense of the major issues to overcome:

> "If you ask a hundred people, then you get some kind of average on what the issues are. It is very rare that after talking to all those people including customer people, that you don't get a pretty clear picture on what the issues are. Or at least have working assumptions that can be tested later."

<div align="right">(Interviewee 7)</div>

The ways in which turnaround experts sought to establish this direct contact were simple and direct. All described how they made a special effort to directly engage with staff:

"In my experience you need to put on a uniform and just ask everyone. Ask everyone who will talk to you. And ask 'what's going wrong, and how do things work around here'. And you sit on an orange crate and you just listen."

(Interviewee 6)

Another expert, who had turned around a large haulage company, described how he had joined lorry drivers for long cross country journeys to find out more about what was going on in the organisation. He described how this gave him unique insight into the issues in the company and the extent of loss–making activities; problems that senior levels of management seemed to be oblivious to, as he recounts in this excerpt from the interview:

"When I first arrived at [XYZ Haulage Company] it seemed so busy and flat out, trucks were going everywhere, and so as long as they could get those wheels turning it was going to be ok. So one night I got in a truck and drove all the way up to Sydney. And so I sat in the passenger seat and just listened to the driver. And this one driver was so proud, he was saying 'you know, I drove to Sydney the other day and it was a completely empty truck. And then I turned around and I drove home with a completely empty truck too. Gosh we are busy.' What a load of absolute nonsense, no one had paid for the truck to go there, and no one had paid for it to go back… their main way of measuring success was on how many new shiny trucks they had. And so they spent a lot of time preparing board presentations on how they had to buy new trucks. And the numbers, the profits were dropping and it was all because of that… I had no idea that we were driving empty trucks until I got in one and talked to the drivers."

(Interviewee 5)

One of the reasons why turnaround experts favoured direct communications with staff was because they did not always find the information provided by management reliable or detailed enough. This was described by an expert in the following way:

"I find that you need to get to understand how things work at a detailed level and get your information from the lowest common denominator rather than high level reports and senior people."

(Interviewee 12)

This gap between management and the realities of the business was one of the major themes emerging.

Assess management

Understanding the role of the management in the organisation and building an effective dialogue with the management team was regarded as critically important to the turnaround process. In common with many other interviewees, one expert noted:

"In turnaround, the patterns repeat themselves. It's almost always down to poor management in some way."

(Interviewee 8)

Consistent with this, an early stage focal point for all of the turnaround experts was to build an assessment of the management team. The methods used to assess management varied amongst the turnaround experts, but all involved spending time with management and getting a sense of their relative positions. It also involved building an understanding of the personalities at play in the organisation. A recurrent theme was the need to test the "ego" and the strength of personalities in the management team:

"The first thing that I want to do in a turnaround is test the ego of the management team, understand that. Because that is going to be a big issue."

<div align="right">(Interviewee 2)</div>

Developing this point throughout the interview, this expert talked about how over the course of a turnaround, management egos almost always needed to be "broken down", "set right" and "reset" (Interviewee 2).

In addition to the management team dynamics, all interviewees placed great emphasis on identifying the dominant characters within the management team and the business more generally. In some cases this assessment centred on the character and personality of the CEO. This sentiment was captured by one expert in the following way:

"No CEO wants people to think that he has brought in a consultant to fix problems that he should have been managing effectively… often it's because he's the problem."

<div align="right">(Interviewee 1)</div>

These issues with strong personalities vying for control of the turnaround or distorting the information made available to the turnaround team were not just confined to the CEO. The extent to which the turnaround team was either welcomed or tolerated often set the tone of engagements with management. This was something that turnaround experts were particular alive to in their first meetings with management, as noted by another interviewee:

"It is very evident the moment that you walk in. Who wants to be in control and who wants to manage the process and why they want to manage it."

(Interviewee 11)

The other reason for this focus on assessing the management team was to form an opinion of the culture of the business. As noted by one interviewee, interactions with management often provided insights into how the culture could assist or hamper turnaround activities.

"By testing what goes on at the top, you can read the culture of the organisation. That is fundamental. For example, if I ask the CFO for something and he says 'I've got to check with the MD', then that says a lot. It says that it is a culture of control… nailing that is critical in understanding what you are dealing with in turning around a company."

(Interviewee 2)

Management could also be economical with the truth or distance themselves from the problems that had been identified. Many experts gave examples of where management threw up a "smokescreen" to deflect attention away from themselves:

It may not be articulated… they are not going to say it was down to our bad decision making, but they may say 'we had a issue with the contract' Subtle. We do try to get the client to articulate where the problems are."

(Interviewee 7)

Turnaround experts commented that in many cases talented managers had already left the business when they saw that the business was starting to emerge and problems were not getting fixed. In a theme repeated by many of the interviewees, one expert noted:

"You will often find that the best people will have seen the writing on the wall and will have already left."

(Interviewee 12)

This meant that the cadre of managers that were left in the company were often "'yes' men" to top level management or weak in some other respect. This served to discourage any internal challenge to the status quo:

"Anyone who was any good probably got scared off years ago because these industry people were so strong and dominant and they didn't fancy a long term battle with these industry people. Anyone who was any good got out. And so you end with very meek and mild bean counters who just do as they are told. And if no one else cares how things are classified then never mind."

(Interviewee 7)

The turnaround experts seemed to quickly form a view on whether the incumbent management team had the potential to raise their performance to the necessary level to save the business. This assessment helped to determine who was likely to be part of the recovery of the business and who was going to be a drag on progress.

<u>Cut through the old rhetoric</u>

Interviewees described how they quickly needed to find out what had gone wrong in the business. In order to do this, they needed to cut through the existing ways of describing the company and reasons for its failure and get to the facts. However, in many cases the issue with quickly getting to the heart of the matter was directly related to the defensive strategies offered by the management team described above. Often these defensive strategies had become accepted and institutionalised and had evolved into a complete narrative on what had gone wrong in the company. A recurrent theme has how frequently external factors such as the GFC (Global Financial Crisis) were singled out for blame:

> "When people come to us, there is always an external activity that is blamed for where they are at. The GFC is a common one, the floods is another… but the reality is there is always something else."

(Interviewee 2)

As noted above, there was frequently a strong tendency for management to want to control the dialogue and to present events and circumstances in a way that supported their point of view. This might even involve restricting access to key personnel who may have an alternative perspective. The idea of bypassing management to gain access to alternative perspectives was repeated throughout the interviews:

> "Very often the MDs don't want us to meet with their management on their own, they want to be present… and so whatever the team is going to tell you is going to be his bullshit or his rhetoric. I don't need to hear his rhetoric, I need to hear the real stuff."

This protectiveness could be bound up in notions of not wanting to "break ranks" within the management team or loyalty to the incumbent CEO, as noted by another expert:

> "Often it depends on the culture of the CEO whether management will admit they know or whether they would see that as dobbing in the MD or not being part of the team because he has created this close knit team culture."

This theme of controlling how events were represented was prevalent throughout discussions between management and the turnaround experts. As commented by one interviewee, part of the job of a turnaround executive was to get management to understand that saving the company was bigger than their need to protect their reputation: "they need to understand that it is not about them" (Interviewee 3).

In addition to presenting events in their favour, management were often simply focused on the wrong things. This was vividly explained by one expert who commented on the disparity between board level discussions and the crisis going on in a failing haulage company:

> "The board discussions were all about valuation multiples and strategic intent and all this stratospheric stuff. But when I went in there I found that there had been one major road traffic incident every month for the past twelve months, there had been two deaths, there had been 141 reportable road traffic offences of the past 12 months, there was money being stolen, there was one division inside the business that was losing $3m per year and no one knew

about it. There were drivers on drugs. There were drivers who weren't following the fatigue laws. There was a network of prostitutes working in the cabs going up and down the East Seaboard. Yet the board were working on valuation metrics and strategic alternatives."

(Interviewee 5)

A recurrent theme from this example and others was that management had often become detached from the day to day realities within the business, and had got caught up in their own priorities rather than those important to the survival of the business.

Everyone knows the answers

Another clear theme emerging from discussion with the experts was that there was rarely a complex or entirely innovative solution to a failing organisation's problems. In fact turnaround experts frequently described their role as simply finding or facilitating a way of bringing these solutions to the surface. As noted by an expert:

"Usually there are people in the business that know what to do. It is just about having a lot of debates about what is right and what is wrong to do."

(Interviewee 10)

This further emphasised the importance of the need to open up dialogue within the organisation, as described above. The critical point here was that the answers to the organisation's problems were generally be found at multiple levels and if, as noted above, management were frequently focused on the wrong things, then solutions were

more likely to be found lower down the organisation. Again, this theme of "getting to the coal face" was critical to the turnaround experts, both to find out the real situation within the organisation and also to generate ideas on the possible ways ahead. For example, a tactic employed by one expert was to arrive early on site to ask the people on the reception desk about the organisation:

> "When I first go to a client, I go fifteen minutes earlier and I'll ask the receptionist a lot of questions. 'So who has been visiting here lately, lawyers and accountants or salespeople?' People know, they just know."

(Interviewee 12)

Even despite management's efforts to mask the issues, staff at the lowest levels in the organisation often seemed to have the best grasp of the key issues. Another expert described the situation more starkly:

> "Let me tell you, the dumbest person in the organisation generally knows what the problem is."

(Interviewee 1)

In addition to helping to diagnose the problems, experts also held staff opinions in high regard about potential solutions. Once again, the key for all of the interviewees was that the solutions and way ahead would not be complicated. In this respect, one expert, who specialised as an interim CEO, commented on the key decisions that he had made in turning around companies:

"I don't think that there is any business that I have been in that I have made a decision that I don't think that my mother could have made equally well… the decisions aren't difficult, the decisions are obvious things, and yet for some reason the company won't make them."

(Interviewee 5)

This difficulty in accepting and coming to terms with the problems and likely solutions was regarded as a key part of the demise of the company and a critical aspect of the role of the external intervention.

Offering a way ahead

After gathering information on the current state of the company and getting a sense of the internal dynamics, the culmination of Discovery activities was the presentation of a proposal of an overall turnaround plan to management. The focal point of this would usually be a meeting with the company board or chairman where recommendations and a plan were presented. Many of the experts particularly enjoyed this aspect of the job, as commented by one:

"I come alive when it comes to that presentation. At that moment I know that they are relying on me and I have got their undivided attention."

(Interviewee 1)

A consistent theme amongst turnaround experts was the need to present the current state of the company in as clear terms as possible.

"You need to give them a clear, warts and all picture of what is going on in the business."

(Interviewee 6)

Another expert explained that one way of grabbing the attention of the management or the owners of the business, was to make them "chose" to save the business by presenting liquidation as an option.

"I always say that liquidation is an option guys. Actually it's not an option, but they need to think that it is an option. That quickly forces them to focus on the thing that is going to work."

(Interviewee 11)

Having explained to management the seriousness of the situation, the turnaround experts would then set out recommendations on the way forward. As noted above, there would typically be a paucity of good quality data in the company, and one of the keys to winning over the executives and officers of the company was to present information in a clear way.

"We might present a 20 page report, but we all sit there and go through one page which in 18 point font says 'here are the six things that matter. You can read all the rest in your own time but these are the big things to focus on.'"

(Interviewee 2)

In addition to the presentation materials, the tone of the discussion was regarded as important. All interviewees emphasised the need for candour and frankness as essential to win over management and to set up the basis of the dialogue for future interactions:

"It is incredibly important to win trust. And to win trust it is about being direct and open and candid. If you can't win trust and be candid, then it is impossible to effect a turnaround".

(Interviewee 5)

As important as the specific recommendations was the need to build alignment between the stakeholders in the business. Interviewees felt it important to emphasise that this involved stakeholders in the broadest sense. In addition to the owners and officers of the company, this included banks, suppliers and customers and anyone else directly affected by the failure of the business. This sense of alignment of purpose was critical to all interviewees, as commented by one interviewee:

"You can't do a turnaround… unless all the stakeholders are involved in the same outcome. You need alignment."

(Interviewee 10)

And another:

"If you cannot get the stakeholders aligned, you cannot succeed."

(Interviewee 8)

Interviewees also explained that they would walk away from the organisation if they did not believe that their recommendations were being taken seriously, or if they believed that there was a low probability of turning around the business. Critical to this was the reception of management and other stakeholders to the changes.

"We talk to everyone, it is very important that all of the stakeholders come onto the same page… we back ourselves. To ensure success the process has to be followed in the way that we set out."

(Interviewee 12)

Over the course of the interviews, respondents built up a powerful picture of the pre-turnaround organisation and Discovery related processes and activities undertaken by the turnaround executive and team. These stories and reflections were analysed and were grouped together into a story network architecture diagram in Figure 15 below. In the next section I will examine the Transition activities described by the turnaround experts.

Figure 15: Story Network Architecture for Discovery activities during the corporate turnaround

OPENING UP THE DIALOGUE

ASSESS MANAGEMENT

OFFERING A WAY AHEAD

CUTTING THROUGH THE OLD RHETORIC

EVERYONE KNOWS THE ANSWERS

Narrative themes	Key stories
OPEN UP THE DIALOGUE	1. Get on-site, on the home turf 2. 75% stakeholder mgmt 3. Getting an average 4. Talk to the tea lady 5. Put on a uniform 6. Riding with the lorry drivers
ASSESS MANAGEMENT	7. Test the ego of the management team 8. What goes on at the top sets the culture of the organisation 9. Did the GFC happen? 10. I have figured out the problem and it's you 11. The best people will have left
CUT THROUGH THE OLD RHETORIC	12. Be factual 13. Management excuses 14. Get to the real issues 15. Stratospheric discussions
EVERYONE KNOWS THE ANSWERS	16. Facilitating solutions 17. The dumbest person knows 18. From the receptionist to the board 19. Decisions my mother could make
OFFER A WAY AHEAD	20. Warts and all 21. Liquidation is an option 22. 18 point font 23. Win trust 24. Align the stakeholders to the solution

6.4 Findings: Transition activities

The observations and recommendations gathered through Discovery are then used to frame Transition related activities and events. In describing Transition activities, interviewees created the strong impression of an intense and unsettling period within the organisation. Although the time periods varied depending on the size and complexity of the turnaround, Transition activities were usually carried out at pace. In most cases; the main bulk of Transition activities typically happened over a period of months rather than years (although this could be the case for particularly large or complex corporate turnarounds). Despite the variety of turnaround situations recounted by interviewees, there were high levels of consistency across the interviews on the change management activities undertaken during this stage of the turnaround.

Replace management

All interviewees described how management frequently needed to be replaced in the failing organisation. In fact the replacement of management was regarded as more the rule than the exception in the turnaround of an organisation, as noted by one expert:

> "It is fair to say that in turnarounds, every time I have had to change someone or a group of someones."

(Interviewee 3)

These management changes were often broadly applied across the organisation. Citing the example of an organisation that he was currently working in, another interviewee commented:

> "In this business we fired 8 of the top 10. As a rule of thumb, I probably get rid of half in the first year… the extra cost of having good managers rather than bad managers is very easy to recover. "

(Interviewee 6)

Often the problem with management and management performance was related to the most senior officer of the company, usually the Chief Executive Officer or Managing Director.

> "The real problem in the business is the MD. He's got to go. The things that he is doing are wrong and he is teaching his staff the wrong things."

(Interviewee 2)

In those cases where the removal of a problem Chief Executive was not permitted, this could be regarded as a "deal breaker" (Interviewee 11) for the turnaround experts. One of the recurrent situations where this could arise was in family owned businesses where the Chief Executive might be the head of the family, who was hard to remove for emotional or legal reasons.

The experts were quick to emphasise that firing managers was not something that they did lightly or for no reason. In addition to replacing low performers, one of the reasons cited by one interviewee was to energise the business:

"As you fire all the people that are involved, you get a huge surge of energy in the business from those that aren't involved."

(Interviewee 4)

Part of this release of energy involved unlocking talent within the organisation, who were now free to raise the "performance bar":

"These are the people that have been watching and thinking 'the bar is set pretty low here. If that guys gets to forge his timesheets and steal fuel then all I really need to do is turn up to work'. Once they see that the most ridiculous outliers have been wiped out then they see that it is less comfortable and they need to work hard."

(Interviewee 5)

In choosing who from the management team stayed and who went, there were a number of considerations factored into the assessment of the turnaround experts. In many cases, interviewees cited the difficulties in changing mindsets and the lack of time to turn wavering executives:

"If someone doesn't believe you don't have a lot of time to convince them… it is just easier to get rid of them."

(Interviewee 7)

Along the same lines, another expert noted that some managers were unwilling or unable to accept the changes required to turn around the business:

"There is always someone in the management team who will try to defend the indefensible. They don't last very long."

(Interviewee 9)

Something that interviewees also commented on was that in some cases, the expertise offered by the incumbent management team was no longer relevant to the challenges in the business. Experts commonly observed that this situation frequently occurred to start-up businesses rapidly growing and then struggling to come to terms with the change in the business:

"It might have been an entrepreneurial person who started the business, gained some success and some momentum. Typically they took on too much, grew the business, and didn't necessarily put some structures in place. Because his mind doesn't work like that, he is a deal maker, he is looking for the next opportunity. The business grew too quickly without the supporting structures. He didn't realise the financial implications of what he was doing."

(Interviewee 8)

Reflecting on this lifecycle of a business, another expert noted that different skills were required at different stages in its development and that this needed to be acknowledged in the replacement of management:

"Here is your dilemma: what are you replacing… I'm a big believer that someone's an architect, someone's a builder and someone's the repair man. And businesses depending where they are they will need one of those three. It is very unusual to get someone that can do all three."

(Interviewee 2)

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Change to the management team was one of the most impacting grouping of transition related activities. These changes were targeted early on in the turnaround and tended to signal a departure from the old regime and way of doing things.

Get the information flowing

One of the simple changes that turnaround experts also targeted in the early days of the turnaround was to get information flowing throughout the organisation. The lack of information or distorted information was recounted by interviewees as a key area to resolve:

> "In almost all failing businesses you will find that there is poor management information. Poor numbers. People literally don't know if they are making a profit or a loss. "

(Interviewee 5)

And another commented:

> "A lot of what drives businesses out of business, or to the brink of being out of business is incorrect information. And a lot of that is driven by the individual personalities around the business that have driven it one way or the other."

(Interviewee 6)

In addition to getting the business to run off the right set of numbers, getting information freely flowing was also part of a process of engaging with and aligning the

various stakeholders in the business. This was part of a process of establishing an ongoing and trustworthy dialogue with the constituent parts of the organisation:

> "We put together a hundred day plan, but very importantly we talk to stakeholders at that point. It is very important that everyone related to the business knows what is going on. Talking to the employees, talking to the creditors, talking to the debtors where it matters, talking to the banks, talking to the financiers, talking to the shareholders, it is very important that everyone is on the same page."

(Interviewee 1)

This opening up of channels of communication was usually in direct contrast to the previous mode within the organisation, where typically staff and external stakeholders were starved of information on the health and direction of the business.

Challenge current assumptions

Another pivotal grouping of Transition related activities were multiple actions focused on challenging assumptions embedded within the organisation. In some cases this involved debunking the excuses made by management on the reasons for the failure of the business. For example, one expert explained how he countered a long established belief regarding the failure of the organisation by using factual analysis.

> "I met with the sales director and he said, 'the GFC has killed us'. So I did a customer analysis of the last three years of their top team. And guess what, the top ten were exactly the same and they had grown each year, even through the GFC… the reality was the GFC had nothing to do with it."

(Interviewee 11)

Another interviewee emphasised that sometimes managers often had their views reinforced by "getting away" with it in the past:

> "I think that it is human nature. People have always worked in a certain way and it is hard to break out of that. Maybe they have been in difficult situations before with the banks and they have got by somehow and it is has gone away."

(Interviewee 10)

Although some of these challenges may have seemed obvious to external eyes, the experts also commented on how enormously difficult this could be to the managers in the incumbent team, who had got used to working and being successful, in a particular way.

> "It is really difficult. You have believed all your life that you have been doing the best you can and you know how to win the game. And some guy come along and says 'just forget about all of that'… you want to keep going back there because that's what you have lived, that is what you know… you are breaking down that person's self importance."

(Interviewee 8)

Challenges to current assumptions could manifest themselves in other ways. The fresh perspective brought by the turnaround team was often needed to reset previously established benchmarks. For example, another interviewee described how he worked with a client to revise the payment plan for a particular supplier.

> "I had one client and I said 'I am going to go with a payment plan and this is what I plan to pay'. And he said, 'are you serious, I was planning on paying four times that'. I said 'no, you can't afford four times that. Why make a commitment to something that you can't deliver on'... the client thought that we would never get it over the line, but we did, it was the easiest conversation in the world."

(Interviewee 7)

In other cases, the intervention by the turnaround team was more dramatic. Interviewees described various ways in which they set about trying to make an impact. For example, to break out of current thinking about how to safeguard the property of the organisation, one expert described how he stole four trucks from one of the depots to demonstrate the point:

> "I went into one depot one weekend to find that the gates were all open and there were trucks that had their keys in them. And anyone could come in and take these trucks away. And so I went and found four drivers and we stole four trucks and drove them over to another depot. Just to see how long it would take before people would realise that the trucks had been stolen. It was absolutely ridiculous."

(Interviewee 5)

Given that the interviewee was the interim CEO of company at the time, in addition to changing the way that people thought about individual existing practices, the

cultural effect within the organisation for these "set piece" events was likely to be profound.

<u>Challenge internal experts</u>

The rigidity of current assumptions were often embodied by various internal "experts" within the business. In this case, internal experts were people that held influence within the organisation due to their technical, organisational or industry knowledge. One of the recurrent themes emerging from the interviewees was that in most cases, in a failing company, the value of this expertise was limited or no longer relevant. One of the problems that interviewees identified was that expert knowledge had often stagnated within the organisation:

> "Often you will see that there are people that are experts on that market. But they are so much experts that they are unable to look at the market in an intellectual way. They say 'this is how this market works because this is how this market works'… they have lost the ability to stand back and say, 'well let's just test that assumption, let's find out what our customers would say.'"

(Interviewee 12)

In a similar vein, another turnaround expert commented:

"Although these businesses have experts, they don't really have any structured knowledge of how that market works at an intellectual level and so therefore they can't really make intellectually rigorous decisions."

(Interviewee 2)

Despite this, and even though they may be holding the business back, one interviewee noted that internal experts were often paid and valued more highly than people in comparable jobs in successful companies:

"As the company gets into trouble, people generally form the view that keeping key expertise is important. We see this a lot where senior people get a disproportionate amount of earnings compared to the norm. This becomes a big drain on profit making parts of the business."

(Interviewee 4)

Given the sway that these internal experts often held in the organisation, the job of the turnaround executive was to find those people that could offer genuine support for the changes and to identify those who were holding the business back in the past. In this respect, a major issue noted by interviewees was that misaligned internal experts could become a barrier to the change and, as noted by one interviewee, could distort or disrupt the activities necessary to turning around the business:

"The industry people will always try to shout down the need to classify information properly… and so you never really know quite what is going on."

(Interviewee 5)

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Frequently, internal experts were removed from the organisation and, just as with the removal of management, this could have a profound organisational impact. Also, in many turnarounds new expertise needed to be brought in and as noted by many interviewees, bringing in a fresh perspective was paramount. One expert for example cited how he actively sought to use expertise from other industries without the same "baggage":

> "Sometimes I bring in people from other industries. Sometimes it is just cold hard analysis."

(Interviewee 4)

This need to challenge current thinking, however valued in the pre-turnaround organisation, was a key feature of the turnaround process. The need to introduce new thinking and to make the organisation more malleable to new ideas was regarded as a critical factor in establishing the basis of the transition.

Urgency and pace

Although not specifically an action, another major theme of Transition activities was the need to generate urgency and pace in the transition. This was at least in part required as a matter of survival, as noted by an expert:

> "We need to move quickly. By the time they get to us, they kind of need answers today, solutions tomorrow and implementation the day after."

<div align="right">(Interviewee 11)</div>

Business pressures were an important factor, but turnaround experts also pointed to the needed to build up momentum to sustain the change. One interviewee, who had a background in working in large organisations, contrasted the rate of change in a turnaround situation compared with the typical pace of change in large corporates:

> "We have to do things quickly and see the outcomes of that change quickly… working for large corporates, and I have done it, we write four memos and it comes back and back, more memos. And really two years down the track very little has actually changed. Or maybe you have implemented some change, but it has gone through a process that is much slower."

<div align="right">(Interviewee 7)</div>

This point was also made in terms of the speed of the turnaround evaluation and assessment processes, as noted by another interviewee:

> "It takes about half a day to find out where the information is and what the quality of the information is."

<div align="right">(Interviewee 5)</div>

Turnaround experts used various techniques to emphasise the need to build up urgency in the turnaround. One approach used by an expert was to focus management

on the weekly staff payroll, to emphasise the human impact of the failure of the company and the need to move quickly:

> "A good question is 'when is your next salary or wages bill due?' That works because it tends to focus the mind."

<p align="right">(Interviewee 9)</p>

As noted above, the level of change within the organisation could be very unsettling for management and staff, however many people within the organisation seemed to find the changes invigorating. This tended to reinforce the transition and accelerate the speed of change as new ideas were brought forward. All interviewees noted the importance of getting everyone involved and committed to driving the change:

> "Turnarounds are executed on a daily basis by real people… you must communicate it right down to the lowest levels in the business. You need to take it down to a personal level. You need to be able to talk to someone and ask 'what are you doing between 8 and 5 today to turnaround the business?'"

<p align="right">(Interviewee 10)</p>

Although the Discovery activities often presented many confronting ideas for management and stakeholders in the organisation, the Transition activities seemed to represent the main battleground for control within the transforming organisation. During this period, the key issues in the business are brought out into the open and laid bare. There is a radical reset of management and other previously powerful individuals in the

organisation, a new strategic direction is set, and aggressive action is undertaken to arrest and reverse the decline in the business.

These stories and reflections were analysed and were grouped together into a story network architecture diagram shown in Figure 16 below. Next we will examine Establishment activities described by the turnaround experts.

Figure 16: Story Network Architecture for Transition activities during the corporate turnaround

Narrative themes	Key stories
REPLACE MANAGEMENT	1. 8 out of 10 fired 2. Problems with the MD 3. Huge surge of energy 4. The bar is set low 5. No time to convince 6. Defend the indefensible 7. Wrong skillsets
GET THE INFORMATION FLOWING	8. Poor management information 9. Ongoing dialogue 10. Communicate to stakeholders
CHALLENGE CURRENT ASSUMPTIONS	11. The GFC didn't kill the company 12. Breaking out of the old ways 13. Just forget all that 14. Reset the benchmarks 15. Stealing the trucks
CHALLENGE INTERNAL EXPERTS	16. Lack of intellectual input 17. Disproportionate value 18. Trying to shout down solutions 19. New experts
CREATE URGENCY AND PACE	20. Answers today and a plan tomorrow 21. Half a day to find out the information 22. When is payroll due? 23. Make the change personal

6.5 Findings: Establishment activities

As the turnaround plan begins to take hold, and following the removal of many of the physical and mental major barriers to progress, the turnaround starts to enter a new phase. Experts described how they carried out various "Establishment" related activities to create the sustaining structures and routines required to reinforce and embed the change. As described in the previous section, turnaround team strongly exert their presence within the organisation through stimulating a series of confrontations between the old and new regimes. As Transition related activities take hold in the organisation, the new regime and team become established in the organisation as new methods and thinking are embedded and applied.

<u>Build up the management</u>

Having replaced much of the management team, a key priority for the turnaround experts was to build up the newly formed team. For all of the turnaround experts, an important aspect of this was to ensure that the new management team owned the turnaround plan for the business. The seeds for this process of empowerment were sown throughout the turnaround process and this was noted by an interviewee in the following way:

"The plan has to come from the managers… it is not so much me saying here are the issues. You need to ask questions, and ask and ask, until you get to something that gets to the heart of the issues. Then the manager comes to you with the plan to turnaround their part of the business."

(Interviewee 1)

Another dimension of building up the management team was to ensure that the decisions were not just driven through by the turnaround team, as noted by another respondent:

"We make sure that management is making decisions all the way through."

(Interviewee 8)

These efforts to get management to buy in to the change were reinforced by providing encouragement where appropriate and building on successes in the business. In many cases this involved channelling praise for successes away from the turnaround experts themselves and directing it back into the management team:

"You will get a lot of praise from the client, because it's working. What you do next is a very important action. You have got to turn that praise back to the client and say 'hey mate, you did it. We just gave you the means to do it.' So you are pumping those tyres up."

(Interviewee 12)

Many experts described how they got a lot of pleasure from seeing the management team starting to gel and start to "stand on their own two feet". For many of the experts this was one of the most rewarding parts of the job.

Another way of building up the management team was to formally align a performance management regime to the goals of the turnaround. This was particularly focused on developing appropriate reward systems for managers linked to the performance of the business. Experts frequently commented on the need to establish incentives for managers and staff to keep the turnaround moving and on track:

> "I am a big believer in appropriate incentivisation… incentivisation with real targets, actual numbers or actual things that people have to achieve."

(Interviewee 4)

New rituals and routines

Another aspect of the turnaround was the establishment of new rituals and routines in the organisation. All the interviewees commented on how regular organisational cycles had frequently broken down in the failing organisation and that these needed to be re-established. In a pattern repeated throughout the interviews an expert noted the importance of building up organisational rhythms, to guide the change and sustain momentum:

"I work on setting a rhythm. A rhythm particularly of communication, and of meetings, and of keeping the change moving."

Another expert commented in a similar vein, noting that these organisational routines were needed to help management and staff to focus on how to navigate their way out of the gloom of the failing business:

"you need to break the negative cycle and get the guys to calm down and focus on what they should be doing."

Another recurrent theme was the need to embed the turnaround plan into the day to day workings of the organisation. Experts used a range of methods to create this regular organisational drumbeat such as "town hall" meetings to staff, the presentation of reports and checkpoint reviews. This was regarded as important to help to sustain the change, maintain focus and to keep organisational communication levels high, as summed up by one expert:

"You need to institutionalise the whole process."

These organisational routines also became part of the cultural legacy of the turnaround. The experts placed great emphasis on making these routines part of the rituals observed and valued throughout the company. For example, an experienced

turnaround executive described a particular ritual that he established with his management team, known as the "7.43 call". This ritual had become a particularly powerful way of ensuring that the organisation and the turnaround stayed on track:

> "Four mornings a week we have a 7:43 call which just lasts for 7 minutes. It's got the top 7 people in the business. We each speak for a minute on the topic of 'what we are going to do today.'"

(Interviewee 3)

In addition to a daily cycle, he went on to describe the weekly management routine that he had established in a turnaround organisation:

> "Every Friday morning at 8:30 we have a management meeting or an operations meeting, we alternate between the two. We have a revenue meeting every second Tuesday… these meetings don't have to last long but they do need to be frequent and to keep momentum up."

(Interviewee 3)

Having created a new organisational rhythm and routine, the turnaround experts were also looking for signs that the new management team were adopting these new methods wholeheartedly. A key indicator for this was whether they could see the team operating to the new regime of their own volition and without supervision. In particular, the experts were looking for signs that the new routines were being followed; even if they were not personally present to directly supervise:

"There is a moment when you know the management team doesn't need you around anymore to make sure that things happen. When you can stand aside and see that the management teams are running through the drill without you there."

(Interviewee 5)

For the turnaround experts, these signs of the management team taking ownership and control showed a growing level of competence and confidence developing in the organisation.

New symbols and language

Just as new routines were important to the turnaround, interviewees also described how new symbols and language started to become established in the organisation, and that this was part of discovering a new identity for the organisation. Sometimes some of the visual symbols associated with the organisation, such as the company's signage or logo were refreshed; as noted by an interviewee:

"Sometimes you need to make a break with the past, some of those things aren't appropriate any more."

(Interviewee 9)

However, many of the experts expressed caution that these kinds of symbolic changes needed to be done carefully because people would quickly see through superficial "window dressing", as commented by an expert.

"You need to be a careful. People will see through cosmetic changes that aren't really about moving the business forward."

(Interviewee 1)

In terms of internal change, turnaround experts explained how they were looking for deeper ways in which the mindset within the organisation was starting to change. They described how they actively sought to stimulate this by trying to keep new ideas flowing throughout the organisation. For example, one expert described how, as an interim CEO in a turnaround company, he encouraged managers to explore new thinking by starting a "library" to invigorate the discussion of new management ideas:

"Most of the managers there have been there for most of their careers and so they haven't seen many other things. And so we have built a library, a book club, on management theories and we pass around books and talk about what people think about them."

(Interviewee 3)

In addition to stimulating the development of new management concepts, turnaround experts also established new institutions within the organisation. A common technique was to draw together interest and peer-to-peer groups. For example, an expert who had led the turnaround of a holiday parks business described how he had set up a forum known as a "council of elders":

> "We had this council of elders where all the senior park managers could comment on things, help to design things and feel that they were part of the process. That helped to make it stick."

<p style="text-align: right">(Interviewee 4)</p>

Other experts used similar ideas to involve internal and external stakeholders directly in the change. These kinds of forums became a focal point for ideas to be tabled and discussed, and to maintain high levels of communication following the transition phase.

All of the experts emphasised the need for the business to work toward formally stated objectives or "KPIs" (Key Performance Indicators). These KPIs would become the guiding measure for the success or failure of the turnaround and were embedded in the normal running of the business, as noted by one expert:

> "You need to set up KPIs to know when the business is turning around. They will be different for the banks, for the management team… you measure it and work out what it needs to."

<p style="text-align: right">(Interviewee 7)</p>

Two of the fundamental requirements of these KPIs were firstly that they were specific to the business and secondly that they could act as a unifying focal point for the business. For example in another case, an expert described one specific KPI that he had devised had become an extremely powerful way of positively focusing and uniting business:

> "The CEO has got this one measure, and it is a bizarre measure, but it worked for this construction business. It is the cash that he'll have in the bank as of 30th June for whatever year. Because that takes in everything… that is our key number."

<div align="right">(Interview 9)</div>

These KPIs were also embedded throughout the tracking mechanisms established by the turnaround team. Many of these tracking systems were a legacy of tools used in the transition phase; tools which had persisted through the bulk of the changes and had become wrapped up in the identity of the organisation. For example, an expert explained how a control dashboard used in the transition had become embedded into the infrastructure of the business long into its future:

> "We have something called a Key Events Schedule. And it's the easiest thing, it is just green, amber and red. If it is happening it is green; if it is on track it is green. If it is not, it's amber. If it is a problem it's red. Every month we had a tracking meeting. And you measure them… I still sit on the board of this company, and even to this day I always look out for them in the board pack. They are still there and still just as important for them."

<div align="right">(Interviewee 10)</div>

All of these concepts and symbols changed the language and internal dialogue within the organisation and were used to support a fresh outlook within the business.

<u>Enforce the new methods</u>

Experts described how the establishment of new routines, processes and symbols needed to be reinforced by instilling a sense of an organisational discipline, as commented by an interviewee:

> "It is really about having a structure in place… that is where discipline kicks in, in the rigour around the enforcement of that. It means we are going to get together at the end of every day and talk about the performance of production and the number of units. We are going to do that at the end of the week where we will summarise and we will have a total at the end of the month. Your individual performance review will be on a monthly basis or quarterly basis or whatever. The moment that you put those structures in place you must adhere to those."

(Interviewee 5)

One of the key threats to the success of the turnaround was the risk of slipping back to old practices. As noted above, in the transition phase the experts placed great emphasis on breaking down old ways of thinking and doing things, and they regarded any roll back to old practices as one of the key challenges to the turnaround process. In dealing with slippage, the experts described how they were forceful in their actions. As an example, one expert described how one turnaround that he had worked on had initially been successful, but had then started to falter. The actions that were taken to remedy this situation were strongly focused on identifying and removing those individuals that were allowing the organisation to revert back to old the methods:

> "I had one, and the only reason why it was unravelling was because they went back their old practices… We were called back in and I'll tell you what I did. Every one of those people that had gone back to

the old ways, they were gone. We brought in a new team, no baggage."

(Interviewee 11)

Normalise the business

The turnaround cycle described by the experts was deeply impacting for the organisation and driven at a fast pace. One of the other dimensions of the renewal was a process of returning the business to a more normal steady state. Having reset the fundamentals of the business, turnaround executives described how they sought to build up the identity and self perception of the organisation. As explained in the introduction, the failure of a business often has broad social implications and a critical part of restoring the business to normality was to make it a socially acceptable place to work in again. As already noted, prior to the turnaround the organisation had struggled to attract talent, and much of the best talent was likely to have left the business already. One aspect of renewal was to reverse this trend and to try to make staff feel better about working for the company. For example, one expert reflected on the challenge in the following way:

> "People join an organisation for a variety of reasons. First of all there is the salary, then there is what the company stands for, in terms of whether their boss berates them if they are off when their kid is sick… you might be asking them to work harder or travel more. You are going to be changing all of these unwritten pacts. In order for that to occur, people have got to see that there is benefit in it otherwise all you are doing is taking things away from them."

(Interviewee 4)

Experts described how, after the turnaround was demonstrably working, stress reduced in the business. Throughout the turnaround, and possibly for a long time before, the company had been operating on a knife edge. As the turnaround began to work, interviewees explained how they were always looking for, and would seek to encourage, signs of a return to normality. An expert for example explained how he always thought of the reception staff as the "weather vane" for the post-turnaround organisation:

> "When a business is running badly, everyone is stressed.. if people start enjoying coming to work then it is because they are achieving something. If there is a smile on the receptionist's face at 11:00 in the morning, then it is good sign. Everyone has come in, in the morning. Everyone has said 'hello' to her. Because if the receptionist is stressed, it is because she is getting abusive calls from creditors, all those sort of things. The vibe is really important."

(Interviewee 7)

Another sign of success that the turnaround was working was a growing work ethic amongst staff, as they started to get more optimistic about the future of the organisation. The hours that people worked was frequently commented on by the

experts as a key indicator of the health of the organisation and how people felt about working there:

> "People start coming to work earlier, they leave work later. People are easier to talk to."

(Interviewee 2)

Experts also described how in the recovering business there would be acceptance of the changes made to the organisation and adherence to new routines and methods that had been established during the transition. Furthermore, experts wanted to see that these changes had become woven into the fabric of the business. One interviewee for example described how he always periodically returned to turnaround organisations that he had been involved in and on returning he would always look for a sense of "familiarity" in how the business felt and operated:

> "You come back in 3 months after you have been there and in a successful turnaround it feels familiar. The reporting feels familiar, it might have been upgraded in some ways but feels familiar."

(Interviewee 12)

Another sign of a return to normality highlighted by many of the experts was the demeanour of the CFO (Chief Financial Officer). Interviewees explained how the CFO in the pre-turnaround organisation was in a highly stressful situation. Usually they were the focal point problems with the financial performance of the company and often they bore the brunt of issues with suppliers and creditors. As the business started to recover,

these pressures on the CFO would start to recede. For example, when asked for what

signs he looked for in an organisation that the business was stabilising, an expert

commented:

> "If your CFO is sleeping at night. If he has got any buy in to the business he won't be sleeping at night when you first arrive. If he is sleeping at night a month in, then you are doing alright. Because creditors are on payment plans. They don't call every day, they call once a week."

(Interviewee 9)

After the gloom before the turnaround and then the disruption of the transition,

these signs of normality returning to the organisation were clearly highly prized goals for

all of the internal and external stakeholders of the business. This was another reminder

of the changes experienced in the business in JV Corp in the earlier case study.

These stories and reflections were analysed and were grouped together into a

story network architecture diagram in Figure 17 below.

Figure 17: Story Network Architecture for Establishment activities during the corporate turnaround

Narrative themes	Key stories
BUILD UP MANAGEMENT	1. The plan comes from the managers 2. Managers make the decisions 3. Pump up the tyres 4. Alignment and incentivisation
NEW RITUALS & ROUTINES	5. Setting a rhythm 6. Break the negative cycle 7. Institutionalise the process 8. Running through the drill 9. 7:43 call, 8:30 meeting 10. Town halls
NEW SYMOLS AND LANGUAGE	11. Council of elders 12. Management library 13. KPIs, cash at the bank 14. Key events schedule
ENFORCE THE NEW METHODS	15. Work off the numbers 16. Drive discipline 17. Removal of old practices
NORMALISE THE BUSINESS	18. An acceptable place to work 19. Enjoying coming to work 20. Feels familiar 21. The stress goes out 22. Sleeping at night 23. Smiling receptionist

BUILD UP MANAGEMENT

NEW RITUALS & ROUTINES

NORMALISE THE BUSINESS

ENFORCE NEW METHODS

NEW SYMBOLS & LANGUAGE

I will now summarise the broad themes emerging from the interviews conducted. Data collected from the interviewees showed strong consistency in the methods used and the basic groupings of activities carried by turnaround executives during the turnaround process. Given the fact that interviewees came from a variety of different companies and worked in a number of different industries, it was surprising that there was this high level of consistency between the overarching approaches used by the turnaround experts. Another surprising finding was that interviewees tended not to use any formal methodology in conducting the change. Instead, they emphasised the need for context sensitivity and adaptation to the specific circumstances within the failing organisation. This is where the real richness of the data was found. Although broadly applying similar methods, the expert practitioners were highly mobile in engaging across the organisation and learning about the issues and opportunities vital to the turnaround. This process of intensive learning was critical to adapting their approach and to quickly focus on the most important activities required to rescue the company. This is where the main differences between the expert techniques became apparent. Each expert described specific activities that they used to accelerate their impact on the organisation. For example one expert spent time riding with lorry drivers in a haulage firm, whilst another chatted with the receptionist to find out more about visitors to the organisation. In a similar way, in the previous empirical study in JV Corp the new CEO met up with key members of staff at informal dinners. These actions are highly context sensitive and can only be uniquely applied in the specific organisational setting.

In terms of an overarching approach, in the initial stages of the turnaround the experts always seek to immerse themselves in the organisation to find out as much as

possible about organisation, its people and ways of working. They engage widely with staff at all levels and encouraged open debate about solutions to the organisation's problems. This engagement with staff is driven by a belief, informed by experience, that in most cases solutions are already known by people in organisation. Experts also form an opinion of management and are alive to the rhetoric and strategies that they often use to defend their previous actions and decisions. These defensive strategies can be a barrier to resolving the issues in the business. Having formed a clear view of the way ahead, they present their solutions and a turnaround plan to the board of the company.

The transition itself is typically a very turbulent time in the organisation. In this period, much of the management team is likely to be replaced, and the strategy is reset. In addition to removing managers, turnaround experts go through a period of challenging current assumptions about how things got done, and set about revising current work practices. In addition to removing managers that are not malleable to the change, they identify and weed out those "internal experts" that are unsupportive of the change. Turnaround experts go to great lengths to get information flowing throughout the organisation and seek to create urgency and pace in the transition.

Having built the transition and set about implementing the bulk of the changes, turnaround experts work on getting the organisation back to a normal steady state. They build up the confidence and leadership role of management team. They establish routines and rituals in the organisation and embed the discipline of an organisational rhythm. Turnaround experts encourage new language and ways of thinking in the business, and seek to normalise the business from a social, career and operating

perspective. They strictly enforce the new regime and deal robustly with any slippage back to old ways of working.

Although outside of the scope of this research, it should be noted that in addition to these change management activities, many other, more technical, aspects of the turnaround run alongside this process. These are many of the strategies noted by Slatter et al (2006) in their framework for corporate turnaround. Depending on the specific issues within the organisation, these could include refinancing, dealing with legal challenges, union negotiation, technology replacement and various other activities relating to the infrastructure of the business.

In this chapter I have summarised the stories and reflections provided by turnaround expert interviewees and used this to gather insights on the various activities used to turnaround a failing company. In the next chapter both empirical studies will be analysed by applying dialogic knowledge subversion to the findings. Interpretations will be made and conclusions drawn.

CHAPTER 7: SYNTHESIS

In previous chapters I have outlined the theoretical basis for the research, reviewed the literature and described the two empirical studies conducted. These chapters have provided a variety of theoretical and empirical perspectives on the topic of corporate turnaround. In this penultimate chapter I will seek to draw these multiple strands together into an overall model for dialogic knowledge subversion in the context of corporate turnaround. Interpretative readings will be applied to the data using Bakhtinian concepts and this will be used to further develop the theoretical and practitioner basis for the research.

The initial scoping study and the literature review were central to the development of the concepts underpinning this research. These concepts were derived from change theory, knowledge management theory, discourse theory and Bakhtinian theory, and were developed into an analytical framework for dialogic knowledge subversion. This framework, which was the main outcome from the review of the literature, is reproduced in Figure 18 below.

Figure 18: Dialogic Knowledge Subversion analytical framework

Dialogic knowledge subversion	
Bakhtinian theory of organisation	**Bakhtinian theory of change**
Knowledge based view of organisation • Narratives (organisation is framed through dominant monologies) • Architectonics (knowledge is organised into belief systems) • Justified "true" beliefs (core beliefs underpin existing knowledge and perceived realities)	**Constructionist philosophy of change** • Anti-rational (rejection of existing rationalities) • Sociological (reality is created through social constructs and interactions) • Disruptive (change arises through confrontation of the status quo) **Discourse based process of change** • Dialogic (change is intermediated through language) • Polyphony (emancipation of multiple voices) • Carnival (subversion of existing authorities)

The various dimensions of the framework will now be applied to the data provided in the JV Corp case study and the interviews with expert turnaround practitioners. This will be done in two main ways. Firstly, I will analyse the data gathered from the two empirical studies using the dialogic knowledge subversion framework shown in Figure 18 above and additional ideas (supportive or otherwise) derived from the literature. Secondly, I will then position these concepts into the various organisational phases of a corporate turnaround and this will lead to the development of an overall model for dialogic knowledge subversion.

7.1 Dialogic Knowledge Subversion: analysis of the empirical studies

In taking a dialogic perspective, there is a direct focus on the discourses at play, leading to insights into the conditions of knowledge in the organisation. Consistent with the dialogic perspective, changes in the organisation are framed in language-based and sociological terms, and as such there is an interest in the interactions of the actors involved in the change (Bakhtin, 1981). The Bakhtinian concepts of architectonics, polyphony and carnival will now be used to analyse the data, alongside additional commentary gathered as part of the literature review.

Architectonic analysis involves assessing the conditions of knowledge in the pre-turnaround and post-turnaround organisation (Bakhtin, 1984a; 1986). This analysis centres on identifying existing belief systems and also "monologies"; the dominant narratives holding these beliefs in place. Polyphonic analysis focuses on the ways in which dialogue opens up within the organisation and where there are points of confrontation with existing monologies (Bakhtin, 1984a; 1984b). Carnival is a specific, intense period within the process of subverting existing authorities. This is a period where existing hierarchies and assumptions are laid bare, debased and ridiculed (Bakhtin, 1984a; 1984b).

The dialogic perspective proposed in this research encompasses all of these concepts. As noted in the preceding sections, although there are references to a Bakhtinian, dialogic approach to change (Rhodes, 2001; Boje, Oswick & Ford, 2004; Anderson, 2005; Hazen, 2006; O'Neill & Jabri, 2007), a framework for how to apply these concepts has not yet been proposed. The following analysis, drawing on the various strands within the literature, will offer a dialogic analysis of corporate

turnaround, first by tracing the overall architectonics of the turnaround within the pre-turnaround organisation, through its transformation, then onto the post-turnaround period. I start with analysing the architectonics of pre-turnaround forms of organisation in JV Corp, and then move onto analysis of the expert practitioner interviews.

<u>Pre-turnaround Architectonics</u>

As outlined in the Theoretical Basis and Literature Review chapters, architectonics seeks to understand the conditions of knowledge within the organisation. This is primarily achieved through analysis of the discourse (Bakhtin, 1984a; 1986; Boje, 2005) by mapping narratives in the organisation to identify key themes and narratives, and then by identifying ways in which the dominant narrative is held in place. The turnaround at JV Corp will now be described from the point of view of dialogic analysis and dialogic knowledge subversion.

As noted above, in the course of gathering the data, six core narratives were identified as fundamental to ways of thinking in JV Corp prior to its turnaround:

1. Utility: the creation of the organisation as a utility to provide services for the banking industry.

2. Joint Venture: the establishment of the organisation as a shared, joint venture, entity held together by a service contract.

3. Growth and scale: an emphasis on building up the business and creating profit for the shareholders.

4. Common platform: the transition to a common processing platform across all bank cheque clearing operations.

5. Cost reduction: the drive to radically reduce costs compared to previous operations.

6. Change programme: a focus on the need to deliver a large change programme to realise the vision for the organisation.

These were summarised into the story network architecture shown in Figure 12 above. From a dialogic perspective, the six narratives shown above represent various monologies operating in the organisation. As we have seen in the literature review, rigidities to thinking are not confined to Bakhtinian theory and are known to be a key issue when trying to transform an organisation (Leonard-Barton, 1992; Zandee & Bilimoria, 2007). Dialogic knowledge subversion takes a discourse-based approach to the problem, firstly by identifying where the monologies can be found and then by using polyphony and carnival to subvert them (Bakhtin, 1984b). Using dialogic theory and drawing on the story network architectures used to frame the data above, I will now analyse the key monologic systems highlighted by the JV Corp interviewees.

An important monologic system, which cast a shadow throughout the pre-turnaround period, was the contract; the original shareholder agreement created at the inception of the joint venture. In terms of discourse theory, documents such as a contract or strategy are useful artefacts to analyse because they help to make the organisational narrative explicit (Barry & Elmes, 1997; Finstad, 1998; Dunford & Jones, 2000). In this case, the contract was the formal articulation of the strategy of the organisation, including delivery commitments back to the major shareholders. In the

view of many interviewees, the contract was a major constraint in the pre-turnaround organisation, as commented by an interviewee: "I don't realise that they were going to tie one arm behind your back and tie your legs together and blindfold you" (Programme Manager 2). This document codified many of the ambitions and beliefs of the organisation prior to the turnaround, including the structure of the joint venture, targets and objectives for the organisation. As many interviewees explained, the contract was one of the main problems in the pre-turnaround organisation because it was something that locked them into redundant assumptions and old ways of thinking. Despite this, it seems as though the shareholders of the company were intractable in moving away from it, even after it became apparent that the contract was unachievable. As one interviewee noted, "the real resistance was telling our customers that you are not going to get what you want" (Risk Director). One of the major achievements that the new CEO was credited with was breaking the ties represented by this contract, to free up the organisation to focus on new priorities.

An associated monologic system was the change programme plan, the "Big chart" that proudly hung on peoples walls (Service Delivery Director). As identified in the interviews, the change programme was regarded as central to the vision for the organisation. The change programme plan, like the contract was a further manifestation of commitments made at the inception of JV Corp and symbolised many of the original ambitions of the organisation. In terms of dialogic analysis, the plan is another symbolic reference point within the organisation (Llewellyn & Harrison, 2006), which weaved its own narrative into the organisational fabric. Unfortunately, the change programme turned out to be "a pipedream" in the words of the CEO. The plan was intended to draw

together the delivery of a number of the key elements of the organisational agenda, such as building a common platform and the development of JV Corp as a utility. However, in the pre-turnaround organisation this programme plan seemed to have become another major issue in the development of the organisation. In the words of the Change Director "we felt that we were contractually obliged to the change". This was a constraint that needed to be removed before the organisation could establish new directions and ways of thinking.

The various tracking systems described by interviewees were another monologic system in the pre-turnaround organisation. This is an example of a monologic system established through prescribing specific routines and rituals. As noted by various change theorists these organisational rhythms and common practices can have a powerful effect in shaping the mindset of the organisation (Feldman, 2000; Becker et al, 2005). Interviewees described how measurement systems dominated operating practices in the organisation ("complex efficiency measurement… that clever people had built", Service Delivery Director). Interviewees also described how they locked JV Corp into outmoded reporting, measurement systems, and ways of describing the performance of the organisation and its staff. The breakdown of these day to day control systems signalled a rejection of many of the old perspectives and beliefs that were important in the pre-turnaround JV Corp.

The domineering influence of the Lead Supplier was another overarching monology enveloping the organisation, a "disease" in the view of one interviewee (Programme Manager 2). The Lead Supplier held a controlling stake in the organisation and staffed the majority of the management team in the pre-turnaround organisation.

Reporting lines for the incumbent managers led back into the Lead Supplier organisation and priorities were set by the US parent. In addition to the implicit power dynamics intrinsically embedded within these corporate structures (Foucault, 1989), this meant that the Lead Supplier essentially set the early management discourse. A striking difference between the pre- and post- turnaround organisation was how the influence of the Lead Supplier became radically diminished. The removal of Lead Supplier managers and the rejection of many of the previous management values seem to have played a key role in unlocking the discourse. In the words of interviewees, these actions were focused on "Getting the supplier at arms length" (Programme Manager 2, Head of IT Operations). Indeed, there are many other examples within the literature of how change at the top of the organisation is required to stimulate transformational change (Castrogiovanni et al, 1992; Sims 2000). In addition to the more traditional view of weak leadership leading to failing organisations, from a dialogic perspective a change to organisational hierarchies may be necessary to allow the opening up discourse, leading in turn to the destabilisation of the basis of knowledge within the business.

Interviews with the turnaround practitioners showed similar themes to those experienced in JV Corp prior to its turnaround. All of the experts described how in distressed companies, there are usually strong belief systems operating in the organisation and these belief systems hold the organisation in a certain mindset. Throughout the interviews it was clear that the management of the organisation played a central role in creating and sustaining architectonic structures. Experts described how management formed and embodied the dominant and domineering narrative pervasive

through the organisation. In many cases these narratives were defensive strategies designed to present management in a favourable light and to deflect attention away from the real issues in the business. This is another theme noted in the literature. Gerstner (2002) for example describes how successive managers at IBM wanted to show him how well their individual businesses were performing despite the record losses being registered in the company at the time. Similarly, expert interviewees commented on the variety of deflective and defensive strategies offered by managers in companies in distress. Frequently these strategies focused on external factors impacting the business which were outside of management control such as the economic situation (for example the Global Financial Crisis or "GFC"), market conditions or industry dynamics.

Experts described how senior management used their position of authority to control the flow of dialogue in the organisation. In many cases senior management would even deny access to lower level managers or constrain what managers were "allowed" to say. Lower down the organisation, these actions and signals from senior management caused significant issues. Experts noted that managers and staff would often see their messages of concern ignored or repressed. In many cases, frustrations with this lack of receptiveness would result in talented managers and staff leaving the organisation. This created the situation where much of the remaining team lacked the wherewithal to challenge senior management or to lead the organisation out of its problems. Experts described how often the remaining managers tended to be overly compliant to management's wishes. These rigidities of thinking were compounded by

internal "industry" experts who tended to contribute towards and reinforce the dominant rhetoric.

From a change management perspective, overcoming these rigidities and sources of resistance are important factors within the corporate turnaround. Attempts to control the organisational narrative or conversation are familiar within discourse theory and examples of how these techniques are played out in the changing organisation can be found in various places within the literature (Jabri, Adrian & Boje, 2008; Jabri, 2010). What is clear is that, whatever rationale or narrative is put around the situation, management or internal experts cannot deny their own culpability in the precarious situation that the company finds itself in. In this respect, it could be said that their "sensemaking" (Weick, 1995) is not "sensegiving" (Gioia, & Chittipeddi, 1991; Rouleau, 2005).

To the turnaround experts, these controlling monologies were more than passive observations that they just noted as they came into direct contact with the organisation. The experts explained that prior to committing to turning around a company, they would consider the preparedness of management, shareholders and staff to change. This would be factored into their assessment of whether the organisation was capable of being turned around. And this assessment seemed to hinge on whether they believed that these attributes and behaviours could be contained, broken down and reset. As noted by many of the experts, if they did not believe that these factors could be overcome then they would walk away from the change. This was particularly noted by the experts in the context of family businesses where internal structures and practices

could be bound up in emotional, legal, historical and familial ties that could difficult to change.

Polyphony

In polyphony we see how existing architectonics can be broken down through challenges to the dominant discourse. In this case we are looking for breakouts from the monologies and constraints of the dominant discourse, and for the liberation of previously repressed ideas in the organisation (Bakhtin, 1984b).

In JV Corp, this breakout seems to have happened on a number of levels. During the turnaround, one of the recurrent polyphonic themes described at JV Corp was the opening up of dialogue throughout the organisation. In this respect, the new CEO seems to have played a personal and high profile role in the process. Many interviewees explained how the new CEO knew many members of staff from pre-JV Corp days and commented on how he used these connections to quickly build an understanding of what was going wrong in the company. An interviewee explained for example, "I knew [the CEO] of old, and so from a shop floor level I used to talk to him" (Project Manager 2). As we have seen, another action that the CEO took, even before his appointment, was to meet up with many managers at different levels of seniority. One manager described how the CEO had turned up unannounced during one of the night shifts "I couldn't believe to see him walk in… he probably spent an hour talking to me, talking to the people" (Head of Operations 2). These actions seemed to have a profoundly positive effect on morale. The idea that CEOs and their executive teams

need to directly engage with and communicate to their staff is already well established within the change literature (Peters & Waterman, 1995; Kotter, 1996; Tourish, 2005). However, the main tradition within the change literature has been focused on engagement with staff from a communications standpoint, to understand the perspective of staff and in turn to explain the point of view of management. The dialogic perspective is more radical and centres on how, during the polyphonic phase, engagement between executives and staff blur hierarchical lines to the extent that they co-create meaning within their dialogic interactions as they discuss the problems and solutions within the organisation (Bakhtin, 1981). This is a strongly discourse and knowledge-based view of the change, which is only tentatively foreshadowed in the literature (Jabri, 2010).

There are many examples at JV Corp of these dialogic interactions. Interviewees talked about how the CEO met up with staff informally on a regular basis. A grouping of stories, recounted by a number of interviewees centred on evening meals that were set up between the CEO and long standing members of staff. This was known as "The Curry Club". It seems as though "The Curry Club" became an informal mechanism for the CEO to gather perspectives on the organisation. It was apparent to interviewees that were involved in this get together that this was more than a talking shop; the CEO seem to act on the advice that he was given, as recalled by one "curry club" member: "me and Mike and Jules were sitting there afterwards and saying these three or four things we mentioned to him at the curry do you know, they have been done" (Programme Manager 2).

Informal communications like these were matched by formal communications, such as the staff roadshows, which were part of a drive to "get in front of the people" (CEO). It seems as though these staff meetings were not always well received, as noted by the CEO: "I'm considered to be a fascist by some people in some locations despite what we achieved, in others they consider me a bit of a saviour". There were other set piece events, such as the "star chamber" project reviews, which were another opportunity for regular dialogue between staff and senior management. As the dialogue opened up, interviewees described how optimism started to filter into their discussions: "you know we'd go out in groups and obviously have a big conversation about it, saying, 'things will be getting better', then you start to probably think it yourself" (Head of IT Operations).

Opening up dialogue helped to open up challenges to the underlying basis of the organisation's strategy and values. Many managers explained how it had been extremely hard to be heard in the pre-turnaround JV Corp organisation if you were regarded as a dissenting voice. This was noted by the Change Director: "if someone had stuck their hand up and said 'I don't like the way that this is being done, there would have been a lot of challenge about that'" (Change Director). In the transforming organisation, it seems as though these opposing voices were actively encouraged to speak out. Part of this drive was shown by the CEO's attempts to connect with staff formally and informally, but it was also reflected in the structural changes that were implemented. The Service Delivery Director explained that there had been a "blanket" of management keeping him from understanding what was going on at "the coal face". Following the delayering of management, managers described a strong sense of

empowerment: "I was given an ownership that went down the line… that for me was a fundamental turnaround" (Head of Operations 2).

Some of the most memorable stories from JV Corp focused on the numerous confrontations experienced during the period of the turnaround. This seems to have been crucial to the process of overturning the core rigidities in the organisation. Many of the confrontation stories focused on the battles between the CEO and the Lead Supplier. Interviewees almost describe these struggles in heroic terms: "taking on" the Lead Supplier, and "he didn't take the crap from [the Lead Supplier]" (Programme Manager 1). As noted above, the CEO also described enduring "two hour bollockings from [the Lead Supplier]". In the view of interviewees, this seems to have been a difficult, but ultimately worthwhile experience. Some of the main outcomes of these confrontations seem to have been acceptance of the scale of the problem, agreements to reset contracts and agreements to redefine the change programme.

However, confrontation was not confined to just these debates on the future of the company. Confrontation seemed to have broken out on a number of levels and this was not only limited to discussions with the Lead Supplier, there seem to have been robust debates going on at multiple levels internally and between cross functional units:

> "And all of a sudden you had people who were prepared to stand toe to toe with… some of these guys, and say 'No I'm sorry, it's not acceptable, you are going to have to do better'. And that was when I think that some of those barriers started to break down a little."

(Change Director)

These various manifestations of polyphony, from dialogue to confrontation, started to unravel the monologic systems operating in the organisation by opening them up to discussion and challenge. The prevalence and even need for confrontation and conflict is another familiar topic within the change literature (Beech et al, 2002). Van de Ven and Poole (1995) within their well cited review of change theory include dialectic theory as a school of change theory in its own right, noting:

> "dialectical theory, begins with the Hegelian assumption that the organizational entity exists in a pluralistic world of colliding events, forces, or contradictory values that compete with each other for domination and control."

> (p517, Van de Ven & Poole, 1995)

This formation is consistent with a Bakhtinian dialogic theory of change. However, Van de Ven & Poole's (1995) exposition of dialectic forms ends at this point. Dialogic change theory significantly develops these concepts by elaborating on the rituals and primitive dynamics at play, how discourse drives the process of change, and how knowledge underpins organisational structures. Once again, Boje and others suggest some of these forms but do not propose a framework for change in their analyses (Boje, Oswick & Ford, 2004; Jabri, 2004; de Cock & Jeanes, 2006; Jabri, 2010).

Similar patterns of polyphony were evident in the interviews with the corporate turnaround experts. Throughout the interviews it was clear that all of the turnaround experts went to great efforts to open up dialogue at all levels within the organisation. They employed various methods and techniques to get discussions going across the distressed organisation. Just as with the CEO at JV Corp who appeared on the nightshift, experts sat down on the "orange crate" (Interviewee 6) or talked with the "tea lady" (Interviewee 6) to try to connect directly with staff. There was the example from the interviews where the Interim CEO rode with the truck drivers to find out how a failing haulage company worked (Interviewee 5), or where the turnaround expert arrived early to talk to the receptionist (Interviewee 12) to get the inside track on the company. These numerous examples showed the importance that turnaround experts attached to creating an internal dialogue within the organisation.

Another common theme between the JV Corp case study and the turnaround expert interviews was the desire to speak to people with an opposing point of view to management, or people whose opinions had been otherwise ignored or repressed. This theme of the unreliability of management compared to the insights to be gained from talking to staff directly was a recurrent message throughout the interviews. The various situations given above in the findings section offer many examples of this, but a particularly powerful one was given by one expert when he was engaged to turnaround a failing manufacturing company:

> "We had this manufacturing company and we had the whole leadership team together doing a workshop to come up with ideas on how to save the business. Anyway, we were really struggling and then one of our guys had this idea to bring one of the engineers up

from the shop floor. And someone asked him, 'how much could we save if we designed cost efficiency into the products' and he said, 'heaps' and gave us a load of examples… and from that point onwards we saved 10% almost immediately and millions over time. "

(Interviewee 2)

The interviewees talked about the need to connect with the "grass roots" or "the coalface". They also described how "the dumbest person" in the organisation would know what to do (Interviewee 1) and how there were obvious decisions that were sidelined that "my mother could make" (Interviewee 3). Unlocking the unheard voices was regarded as essential to the turnaround process in every interview conducted.

Just as in JV Corp, and as shown in the literature (Beech et al, 2002), confrontation of the issues was a critical aspect of turning around the company. Presenting a "warts and all" picture of the company and showing the "stark reality" of the situation were all part of creating the impetus for change. The turnaround experts described how they would try to shake management into facing up to their responsibilities and create the urgency to taking action. They would remind management when payroll was due to be paid and they tabled "liquidation" as an option (Interviewee 11), to make the dire condition of the company apparent to management. Recommendations would be set out in the clearest terms ("18 point font", "these are the things that matter" Interviewee 2) to focus the team on what they needed to do.

Carnival

For Bakhtin, carnival is a period of open rebellion and play when authority becomes debased and subverted, and hierarchies are turned upside down (1984a). In carnival we see the open subversion of authority, and the open rejection of previously "sacred" values. It is also transient; after carnival has gone new authorities are fused together. Carnival and the carnivalesque are probably the most well known Bakhtinian concepts and, as noted in the literature review, these terms have been widely adopted in the humanities such as linguistics, cultural studies and philosophy (Brandist, 2002). Building on the polyphonic mode of language, the carnivalesque denotes ritualistic death and renewal ceremonies which Bakhtin identifies as primitive instincts shown throughout human existence (Bakhtin, 1984b). Drawing on Greek Menippean satire and medieval festivals such as the Feast of Fools, Bakhtin (1984b) identifies the destructive forces at play in carnival at a period where "truths" can be openly contested to reveal their absurdities and contradictions. In the change management literature, there have been some theorists who have adopted these ideas (Hazen, 1993; Jabri, 2004; Styhre, 2008) but mostly in an incidental way through focusing on other factors such as the role of community, shifting identities and the need for laughter in organisational change. In this research, the characteristic signs of carnival are directly examined within the process of corporate turnaround itself.

At JV Corp, perhaps the most obvious sign of the organisation moving into a carnivalesque stage was the explicit rejection of the Lead Supplier, the dominant shareholder in the company. This manifested itself in numerous ways. The Change

Director for example described how frustration levels reached a point where line management ties back to the parent organisation no longer carried any weight:

> "I said 'unless you allow me to fix it, in this way, and do these things, then you might as well forget it… I don't care that we are employed by you... We have got to fix this.'"

(Change Director)

In addition to the humiliation of these moments of open hostility, the Lead Supplier's grip on the leadership of the organisation seems to have been taken away piece by piece. It seems as though the Lead Supplier's influence significantly diminished following the removal of senior layers of management. The contractual confrontations between the CEO and the Lead Supplier (with their implied threat of the withdrawal of the banks) culminated in a reset of the power structures within the organisation.

Rebellion continued in other ways during the turnaround. The Service Delivery Director described "chucking out" metrics systems. Project and programme managers, emboldened by the actions of the CEO, describe "sending back" low quality deliveries. The Interim Change Director explained how he turned his back on the existing values of the organisation:

> "I quite consciously decided that I would forget methods and processes, and I would focus on getting some outcomes out. So I deliberately ignored the organisation and its methods and I put in place management processes, my own, that allowed me to drive people to focus on outcomes."

(Interim Change Director)

These mini insurrections seemed to be quite widespread, as expressed by the Change Director:

> "I said, 'I don't care anymore, I'm just going to do it myself' … and I think that there was a number of those sort of things going on, not just in my programme but in other programmes."

(Change Director)

Widespread rejection of authority and authority figures therefore were characteristic features of the turnaround period and at times there seems to be a highly theatrical dimension to the transformation at JV Corp. This is sometimes revealed in the language used by interviewees, for example the debate to reset the contract became "a case of the Emperor's new clothes" or uncovering "a con" (CEO). It is also shown in set piece events such as the project "Star Chamber", or the contractual discussions between the Lead Supplier and clients which are almost ritualistic in their forms. In many of these stories there is a real violence in the language used to describe these moments in the changing organisation "fire people with enthusiasm or fire people with enthusiasm… you have got to kick some people out" (CEO).

There are signals in the language that show a return to the debased, bodily forms that Bakhtin describes as typifying the carnivalesque period (1984b). For example, discussion with clients is seen as the need to "grow a set of plums" (Programme Manager 2), loss of money is described as "haemorrhaging" (Programme Manager 1) and the cutting of the change programme is regarded as "stopping the bleeding" (CEO). These events and metaphors are all consistent with Bakhtin's conception of carnival as a period of grotesque spectacle and destruction (1984b). On a wider scale, there is a sense that the turnaround of JV Corp was a cross-industry spectacle in itself. The Interim Change Director commented on JV Corp in the pre-turnaround period: "they had been shouted at by the industry, they were seen as the outcasts in the financial services community". This idea that the industry was watching the events at JV Corp was reinforced by the threat of the banks to the Lead Supplier, "we will take you under" (Programme Manager 1).

However, although the brutality and spectacle of carnival comes through in the interviewee accounts, so does the sense of community (Hazen, 1993). In this respect carnival is not just about breaking things down, it is also about bringing people together. There were many ways in which the "stark reality" and the changes themselves seemed to have united different groupings of the organisation, by highlighting the need to move away from the values of the "old" world.

> "We saw such results so quickly. And people had felt so rudderless. It wasn't, 'well I'm not changing because everything that I do works'. It was recognition that we had to change because everything was a complete bloody shambles. And

then when they saw the change was working so quickly, there was just such enthusiasm for it"

(Service Delivery Director)

The JV Corp community also seemed to establish an almost cultish support for the new CEO. This is described by one of the Programme Managers, who explained how people started to talk about how the CEO would lead them out of the crisis.

"we were sort of singing folk songs about it. 'I think you know he will turn it around, he is strong enough to turn it around, you know he is a proper leader.'"

(Programme Manager 2)

Perhaps unsurprisingly, the sense of community established during this transformation phase became the basis for many of the values of the post-turnaround organisation. Although anarchic at the time, many of values and ideas explored during the turnaround became part of the established modus operandi within the organisation.

These carnivalesque themes are also apparent in the commentaries from the turnaround experts. In particular, the subversion of authority is strongly represented in their mistrust of senior level accounts of the problems in the business. The experts describe how they "don't want to hear the bullshit" (Interviewee 9) of company's management, and how they would rather hear about the problems from the "lowest

common denominator" than existing management or senior level reports (Interviewee 12). They also talked about how they turned their back on the previous methods used by the managers in the business and encouraged staff to "forget" about how things were supposed to work (Interviewee 8). This was very similar to the actions taken by the new JV Corp management team, and resonates strongly with the dialogic literature (Bakhtin, 1984b).

One of the most obvious changes seen in failing businesses was the replacement of senior management, and as noted by all of the interviewees, this always seems to happen in turnaround situations. Given that interviewees variously estimates that typically eight in ten of the senior executive officers of the business were typically removed, this could be quite a shock to the organisation. Of course, in many cases the turnaround executives themselves embodied this change by replacing the incumbent chief executive officer or by taking a seat on the board. These actions were regarded as necessary and inevitable by the turnaround experts, and in fact when asked whether there were any lessons learnt about turnaround, one of the experts commented:

> "I would always fire people earlier. The whole team can't move forward until the team is there. We talk about 'jokers in the pack'. You need to get them out as early as possible."

(Interviewee 2)

Subverting these previously important hierarchies was another big signal to internal and external stakeholders that there would be a significant break with the past. The experts described how it released "a surge of energy" (Interviewee 4) to the

business and how it raised the "bar" on performance (Interviewee 5). Critically, it also created the pretext to reset existing belief systems within the organisation and re-conceive the prevailing organisational narrative. This was also consistent with more mainstream accounts within the literature on the need for structural changes within the organisation. Gerstner (2002) and Iacocca (1986) for example both talk about widespread management changes in the organisations that they turned around. However, this research seeks to dig deeper in terms of the underlying reasons why these changes were necessary. From a dialogic perspective, structural changes may be required to allow the subversion of knowledge hegemonies currently held in place by the incumbent management team.

Consistent with this subversion of authority the turnaround team sought to encourage and gave licence to the free play of dialogue in the organisation. This period of internal challenge was further reinforced by various "set-piece" events to add impetus to the process of opening up. For example, experts variously described how they stole trucks, exposed illegalities, and tore up previously important reports to show that the bonds of the past could and would be broken. These events created a highly visual, culturally impacting way of showing that the old regime was no longer appropriate in the organisation. Again, many of these highly symbolic events can be found in other accounts of transformational change (Bibeault, 1982), but do not have a theoretical perspective to support the reason for their validity.

Alongside these events, dissenting voices were encouraged to speak and allowed free rein. Indeed the turnaround experts actively sought out people with a contradictory view. During this period, and with reduced fear of sanction, many of the

ideologies espoused by the earlier regime were openly challenged, debased and rejected. Fundamental concepts for the business were reappraised and rejected, such as the operating model, key customers and sources of profit. As part of this re-evaluation, internal experts were also challenged. In many cases the turnaround experts regard these internal experts as potential barriers to progress, or no longer relevant to the changing business. Just as with senior management, they were often removed or otherwise no longer relied on.

In addition to gathering information from staff, the turnaround team established communication systems back to staff and with external stakeholders. This could be provided in the form of written reports, progress emails, or town hall meetings. These communications mechanisms formed a direct connection with staff and other stakeholders throughout the change.

Post-turnaround architectonics

Having endured the breakdown of monologies in the organisation through polyphony and carnival, there is an increasingly return to monologic forms of narrative during its post-turnaround phase. In this respect, new dominant narratives and key monologic systems begin to emerge. This return to normality is similarly anticipated in almost all change theories in the literature (Van de Ven & Poole, 1995). For example, although coming from a psychological and not discourse or knowledge-based tradition, the classic case of this is in the Lewinian unfreeze / move / freeze model for change

(Lewin, 1948). These parallels to Lewin will be further developed towards the end of this chapter.

In JV Corp (and as summarised in Figure 14), six narratives were regarded as fundamental to ways of thinking in the post-turnaround organisation:

1. JV Corp identity: rather than regarding JV Corp as a subsidiary of the US parent, or a collection of previously bank owned operations, the company increasing regarded itself as a self-standing organisation in its own right.

2. Core Operations: a focus on the core competencies that the organisation had a proven track record of, and a "stick to the knitting" ethos. This was in direct opposition to the previous emphasis on the delivery of change and growth into new markets.

3. Value: as the primary business objective overriding previous priorities on growth and profit for the organisation, and focused strongly on client perceptions of value.

4. Multi-platform: moving away from aspirations to standardise onto a common platform and learning to live in a multi-platform environment. The belief in a common processing platform was rejected as too expensive and abandoned.

5. Cost centre: scaling the organisation down in line with volume declines and reducing costs; even if this meant that the ultimate future of the organisation was at threat.

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6. Stability: maintaining service stability became a fundamental business principle and this was regarded as more important than the delivery of change or growing the business.

As noted above, many of the monologic systems operating in the post-turnaround organisation were borne out of the experiences of the transformation and the perceived learnings from that period. A characteristic monologic system was the management routine originally established during the turnaround (Feldman, 2000; Becker et al, 2005). The processes of "micro-management" that the CEO described and left behind in JV Corp are still largely in place and persist to this day. For example, the weekly "Star Chamber" meetings for the projects still run in the same way, and the Change Director explained how he fought to keep these forums in place:

> "do we really need to have one of these executive reviews every week?' And I said 'absolutely yes'. I said 'even if you guys don't turn up, I will be sitting there on a weekly basis.'"

(Change Director)

Many other aspects of the management regime established in the turnaround continued to be regarded as essential to the daily running of the organisation. The tracking systems, rituals and routines put in place by the Interim Change Director and the Service Delivery Director remain in place and active. Many of the symbols developed ("industry traffic lights", "sea of green") also remained as core parts of the organisational infrastructure. The client governance forums established in the turnaround are still an important cycle within the organisational routine. In all of these

cases, the primary justification cited for keeping these systems in place seemed to centre on a fear of slipping back to the "bad old days" when the organisation was out of control and needed to be brought to heel.

This leads on to one of the most pervasive dominant monologic system in post-turnaround JV Corp, the "Long Shadow" of the past. In many ways JV Corp seems to be pre-occupied with learning lessons from its history and this seems to be wrapped up in a complex, organisational sense of guilt and fear of failure. Many interviewees described concerns about whether JV Corp would return to the difficulties of the past. In the focus group, Programme Manager 4 described as this like being "A recovering alcoholic, only one drink away from lying in the gutter again" and the same Business Architect further commented:

> "I think we've reversed that experience but still think there's at the back of everyone's mind, the people who were here through the dark days have that knowledge of, you know, these were the people who were here then and they caused me some pain so there's always an undercurrent there in my experience."

(Business Architect)

In this respect, it was evident that part of JV Corp's post-turnaround identity was bound up in its troubled history and that this had become part of the basis for the new organisation. This observation draws comparisons to Van de Ven and Poole's (1995) Hegelian dialectic school of theory, whereby thesis and anti-thesis co-join to form a new synthetic formation for the organisation.

In the interviews with the turnaround experts, we also see a shift in role of the turnaround expert from confronting the old regime to embedding the new ways of working into the organisation. As with JV Corp, one of the main mechanisms to achieve this was through the systematisation of routines, rituals and methods (Feldman, 2000; Becker et al, 2005). Expert interviewees all described how they worked hard to establish organisation "rhythms" and to "institutionalise the turnaround process" (Interviewee 5). As we have seen, rhythms manifested themselves in various ways from daily management calls, to gatherings in "councils of elders" (Interviewee 4). From a dialogic point of view, these are part of the new monologic forms required to cement power structures through knowledge hegemonies (Bakhtin, 1984b).

The turnaround experts described how they sought to bring fresh thinking into the organisation. This was done in a variety of ways, such as recruiting executives from different industries or passing around management books in a leadership "book club". A dialogic reading would suggest that these are the basis for new monologies (Bakhtin, 1984b) rather than any licence to open up the discourse in challenging ways. The turnaround experts described how they created new metrics systems to measure progress and established new (monologic) signs and symbols in the organisation. The experts also made it clear that, having settled on a new way of working for the organisation, they were strict in enforcing its methods. For example, they gave examples of how any managers who slipped back to the old methods or broke ranks with the new regime were forcibly removed.

Critical to establishing the new regime was the build up of the new management team. The turnaround experts described how they tried to instil confidence in the management team by channelling praise to them and building up their profile in the organisation "pumping up the tyres" in the words of one interviewee (Interviewee 12). This served to cement the new management team's position in the organisation and it also helped to pass authority away from the turnaround executive and back to the ongoing management team. From this point onwards, the experts described how the turnaround team would start to play more of a supporting role and deliberately begin to recede into the background.

7.2 Dialogic Knowledge Subversion: theory development

In this chapter dialogic readings have been applied to the stories and narratives gathered from the two empirical studies alongside commentary on the contribution of the literature. In the process of this analysis, the Dialogic Knowledge Subversion analytical framework has been used to position the various narratives and to provide interpretative readings of the data. These elements will now be tied together into a theoretical framework for dialogic knowledge subversion comprising of pre and post architectonics, polyphony and carnival.

<u>Pre-turnaround architectonics</u>

As we have seen in the theory development and the empirical studies, a deep understanding of the pre-turnaround architectonics operating in the organisation is required. Organisational architectonics and core rigidities to thinking are revealed through analysing the language of the people in the distressed organisation (Bakhtin, 1981; Leonard-Barton, 1992; Zandee & Bilimoria, 2007). The first place to begin this analysis is in investigating the current discourse and stories (Boje, 1995). These show the key beliefs that are important to the organisation and the assumptions that have become accepted knowledge in the organisation. The second analytical domain is to investigate the monologic systems holding the dominant narrative in place. These include explicit organisational artefacts such as strategies, contracts and plans but are also locked into implicit in controls such as the flow of information, informal hierarchies and expert power (Barry & Elmes, 1997; Finstad, 1998; Dunford & Jones, 2000; Feldman, 2000; Llewellyn & Harrison, 2006).

<u>Polyphony</u>

Polyphony challenges old narratives and existing knowledge and is critical to the process of corporate turnaround. In polyphony there is open dialogue and the encouragement of dialogue at multiple levels within the organisation (Bakhtin, 1984b). Opposing voices are liberated to speak, allowing the direct input of people who have a point of view that challenges the dominant narrative. Typically, these voices would have been marginalised or otherwise overlooked in the organisation. Polyphony also signals confrontation, where there are challenges to the dominant narrative, its propagators and

supporting systems (Boje, Oswick & Ford, 2004; Jabri, 2004; de Cock & Jeanes, 2006; Jabri, 2010).

Carnival

The breakdown of existing knowledge is given impetus by the spectacle and community of a period of carnival. For Bakhtin, carnival is an intense period where organisational hierarchies and authorities are up-ended. Moreover, the carnivalesque is a primitive urge and collection of rituals evidenced throughout human history (Bakhtin, 1984a). In carnival there is open challenge and ridicule of existing authorities, existing customs and conventions. Carnival creates a spectacle within the organisation where theatrical and exaggerated demonstrations of subversion are given licence to play. Many of these become part of the organisational folklore (Bakhtin, 1984b). Carnival is also a community event where internal organisational alliances are formed (Hazen, 1993), united by subversion against the dominant discourse and authority (Jabri, 2004; Styhre, 2008).

Post-turnaround architectonics

New knowledge hierarchies and systems of control are created, and they coalesce to form the post-turnaround architectonics of the organisation. Post-turnaround architectonics are embodied by the institutionalisation of a new dominant narrative or collection of narratives within the organisation (Bakhtin, 1984b). These narratives are further bolstered by new monologic systems (Feldman, 2000; Becker et al, 2005).

These monologic systems are explicit and implicit mechanisms created to support and preserve the new dominant narrative and to repress challenges to the new organisational authorities.

Figure 19 below summaries these theoretical elements along with their sub-components.

Figure 19: Dialogic Knowledge Subversion theoretical framework

Dialogic knowledge subversion			
PRE-TURNAROUND ARCHITECTONICS	POLYPHONY	CARNIVAL	POST-TURNAROUND ARCHITECTONICS
Old narratives Old monologic systems	Open dialogue Liberation of opposing voices Confrontation	Subversion of authority Spectacle Community	New narratives New monologic systems

This theoretical framework can be used to map the stories and reflections gathered in the two empirical case studies and provide a dialogic reading of the various story network architecture diagrams used in the empirical studies. Using key words for the stories gathered this interpretation is shown below in Figure 20 for JV Corp and Figure 21 for the interviews with the corporate turnaround experts.

Figure 20: Dialogic knowledge subversion at JV Corp

Dialogic knowledge subversion			
PRE-TURNAROUND ARCHITECTONICS	**POLYPHONY**	**CARNIVAL**	**POST-TURNAROUND ARCHITECTONICS**
Old narratives • Utility • Joint venture • Growth & profit • Common platform • Cost reduction • Change programme Old monologic systems • Contract • Shareholder intractability • Change programme commitment • Tracking systems (DCM, Operational metrics) • Lead supplier dominance	Open dialogue • CEO 1:1s • Weekly routine • Staff presentations • "Corridor conversations" • Curry club discussions • New recruits and "imports" • Cross functional meetings Liberation of opposing voices • CEO discussions • Big conversation • Delayering of management • Meeting the CEO for the first time • Empowerment • What do clients want? Confrontation • Individual battles • Creating the "burning platform" • Lead supplier discussions • Client discussions • Supplier - "Not acceptable" • Systems - "Not useful"	Subversion of authority • Rejection of the lead supplier • "We don't care" • Breakdown of control systems • Rejection of change processes • Breakdown of tracking metrics • Abandonment of hiring policies • Stand toe to toe • It was a "Con" Spectacle • Outcasts of the industry • "Fire with enthusiasm" • "Kick them out" • The project "star chamber" • "Emperor's new clothes" • "Stop the bleeding" • "Having the balls" Community • Unstoppable enthusiasm • "Like a rocket" • "Singing folk songs" • United through change	New narratives • JV Corp identity • Core operations • Value • Multi-platform • Cost centre • Stability New monologic systems • Management routine • Tracking systems (VPPH, Traffic lights, performance management) • Client governance • The "Dark Days"

Figure 21: Dialogic knowledge subversion in the Expert practitioner interviews

Dialogic knowledge subversion			
PRE-TURNAROUND ARCHITECTONICS	**POLYPHONY**	**CARNIVAL**	**POST-TURNAROUND ARCHITECTONICS**
Old narratives • Blame it on the GFC • Stratospheric discussions • Blame it on the contract • Blame it on the supplier • Management excuses Old monologic systems • Management ego • Position authority • "Industry" experts • Poor internal information	Open dialogue • Talk to the receptionist • Riding with the truck drivers • Decisions my mother could make • Put on a uniform • Sit on the orange crate • Ask a hundred people • 75% stakeholder management Liberation of opposing voices • The dumbest person knows • Get to the real issues • Bring up the engineer • Find out at a grass roots level • People know what to do Confrontation • Reaching rock bottom • A lot of irrational thinking • When is payroll due? • Warts and all • Liquidation is an option • 18 point font recommendations	Subversion of authority • I have figured out the problem and it is you • Just forget all that • I don't need their bullshit • Don't get your information from senior people Spectacle • 8 out of 10 management fired • Remove the experts • Steal the trucks • Reset the benchmarks • Make a break with the past Community • Huge surge of energy • Town halls • Turnarounds executed on a daily basis • People start coming to work earlier	New narratives • Align the stakeholders • Institutionalize the change • Book club • Socially acceptable New monologic systems • Management routine • Setting a rhythm • 7.43 call • Metrics • Council of elders • Pump up the tyres

7.3 Towards a knowledge subversion model for corporate turnaround

Having proposed a theory and framework for dialogic knowledge subversion, the next stage is to develop it into a knowledge subversion model for corporate turnaround. The proposed dialogic change model builds on the theoretical framework presented in Figure 19 above and breaks down the transformation change represented by corporate turnaround into five component parts: Pre-turnaround architectonics, Discovery activities, Transition activities, Establishment activities and Post-turnaround architectonics. In this formation Pre-turnaround architectonics and Post-turnaround architectonics refer to knowledge systems in the Pre- and Post- turnaround organisation. Discovery, Transition and Establishment activities refer to the activities required to stimulate knowledge subversion in the organisation to enable the transformational change to occur.

Each one of these parts will be discussed individually, before bringing them together into an overall model for dialogic knowledge subversion.

Pre-turnaround architectonics

Although a dialogic theory of change should not be regarded as episodic, there needs to be a clear distinction between knowledge in the pre- and post- turnaround organisations. The term "Pre-turnaround architectonics" embodies the dominant knowledge forms, or hegemonies, operating in the organisation prior to its turnaround. Following Bakhtin, these knowledge hegemonies are manifest and discoverable through language within the organisation (Bakhtin, 1991). Furthermore, and again following

Bakhtin's theories of language and knowledge, these knowledge hegemonies are situated within the specific context of the organisation (Bakhtin, 1991). In this respect, the various actors present serve to co-create and sustain the status quo. Pre-turnaround architectonics is a monologic, not a polyphonic, mode of language. The pre-turnaround architectonics component of the model is therefore focused on recognising that there are deeply held assumptions and beliefs within the pre-turnaround organisation. This leads to a focus on finding out what these knowledge hegemonies are, and then understanding what sustaining structures are currently supporting them.

Discovery activities

The "Discovery" component of the model is closely linked to "Pre-turnaround architectonics", in that it is focused on identifying the basis of knowledge within the organisation. In the pre-turnaround organisation, pre-turnaround architectonics or knowledge hegemonies are present but are largely implied or underneath the surface. Discovery activities allow then to become explicit by creating a heightened awareness of existing architectonics and the issues that they may present to changing the organisation (Boje, Oswick & Ford, 2006). In noting this, it is important to stress that the required level of insight is greater than simply understanding the mechanics of how the organisation functions. In order to gain true discovery, the underlying beliefs behind these assumptions and ways of working need to be opened up and laid bare. This makes the organisational architectonics explicit and open for discussion. Discovery activities are therefore bound up in close attention to the conversational routines,

dominant narratives and power structures that frame knowledge within the organisation (Bakhtin, 1984b).

Transition activities

Having gained insight into the organisational architectonics, Transition activities use polyphony and carnival to open up a period of questioning the status quo and exploring alternative perspectives. Within this opening up, there is the free play of a number of Bakhtinian concepts and impulses. Primarily we see a breakdown of the monologic mode of language characterising the pre-turnaround architectonics. This happens in a number of ways. Subversion involves the emancipation of dissenting and previously repressed voices, and polyphonic dialogic interactions open up (Jabri, 2010). In the course of transition the dominant narrative becomes debased and undermined, even ridiculed. This period of unbridled play embraces all of the primitive instincts of the carnival, where hierarchies are subverted, ideas that were previously held to be sacred are desecrated and their supporting intellectual fabric becomes destroyed (Bakhtin, 1984a; 1984b). This subversion is played out through the organisational discourse, triggering changes to the configuration of the organisation and the way in which it functions. Importantly, just as in ancient forms (Bakhtin, 1984b), carnival is a temporary state that is "allowed" by the new organisation authorities.

Establishment activities

Although representing progress towards corporate turnaround, polyphony and the subversion of authorities cannot lead to organisational transformation in themselves. In order to enable transformation, there must be some kind of reconstruction of knowledge within the organisation (Bakhtin, 1981; 1984b). Where Discovery activities and Transition activities are focused on breaking down knowledge in the organisation, Establishment activities are focused on the creation of "new" knowledge within organisation, through dialogue and social interactions (Jabri, 2010). These newly formed and forming beliefs eventually become ossified into new organisational "truths" and knowledge hierarchies. A new dominant narrative begins to become cemented into the organisational fabric. This marks a shift from a polyphonic mode of language back to a monologic mode. The earlier confrontation with the old regime and pre-turnaround architectonics is replaced with new ways of thinking and knowledge systems. A new regime for the organisation emerges out of the transition. This narrative is greatly shaped out of the new approaches arising during the transition and also the points of departure from the old, pre-turnaround, narrative.

Post-turnaround architectonics

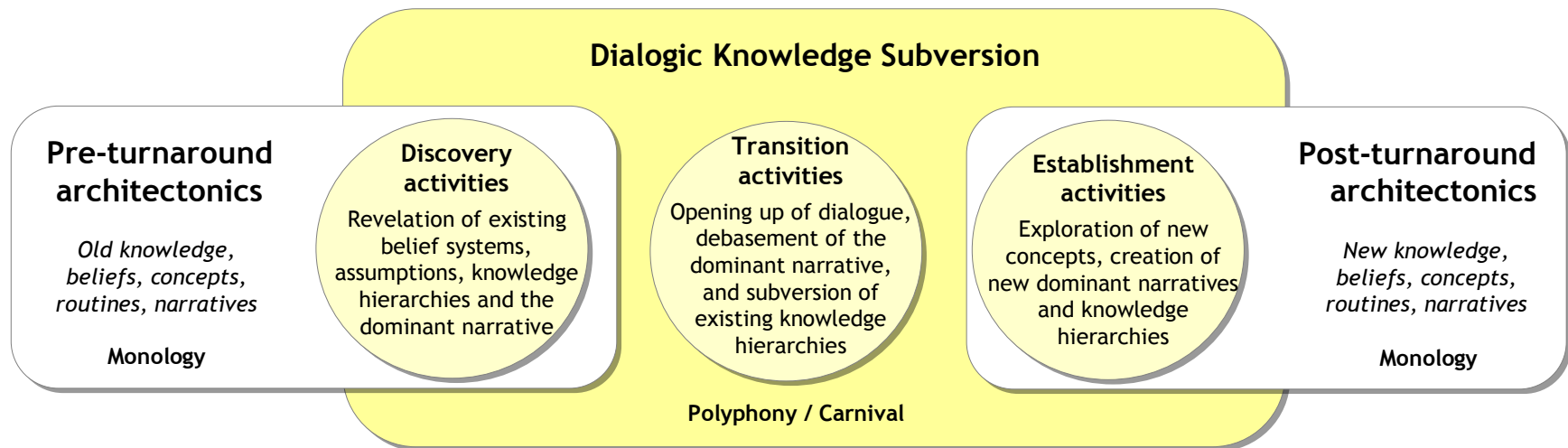After the chaos and violence of the activities within the execution of the turnaround, we see a return to monologic forms of discourse. At least some of the subversive ideas explored within the dialogic mode become in themselves authoritative and part of the dominant narrative. Just as in the earlier pre-turnaround organisation, there is an attempt to control and suppress dissenting voices (Bakhtin, 1984b). As noted

above there is a dialogic relationship between the pre- and post- turnaround architectonics of the organisation. In other words, the post-turnaround forms of knowledge and organisational discourse are rooted in a reaction to previous, pre-turnaround forms (Van de Ven & Poole, 1995). As Bakhtin (1991) would emphasise, one is within the other and vice versa.

The new management team strongly assert the dominant narrative, possibly even more actively than the previous regime. They deal robustly with challenges to the new methods and enforce new ways of working with minimal compromise. Whilst dialogue is still allowed, and can never be fully repressed (Bakhtin, 1984a), it is channelled into organisational institutions designed to act as an authorised forum to debate issues (such as internal councils or other organisational groupings). These knowledge hegemonies become so firmly established that the turnaround team no longer needs to be around to ensure that they are being followed. As the turnaround team starts to withdraw, management take over primary control of the dominant narrative.

The various components of the dialogic knowledge subversion model are brought together into Figure 22 below. In the model, dialogic knowledge subversion marks the intersection between the pre-turnaround and post-turnaround organisational architectonics: the shift from one knowledge hegemony to another. The model also traces the developmental arc from monologic to polyphonic and then back to monologic modes of discourse in the organisation.

Figure 22: Dialogic Knowledge Subversion model for corporate turnaround

Dialogic Knowledge Subversion

Pre-turnaround architectonics

Old knowledge, beliefs, concepts, routines, narratives

Monology

Discovery activities

Revelation of existing belief systems, assumptions, knowledge hierarchies and the dominant narrative

Transition activities

Opening up of dialogue, debasement of the dominant narrative, and subversion of existing knowledge hierarchies

Establishment activities

Exploration of new concepts, creation of new dominant narratives and knowledge hierarchies

Post-turnaround architectonics

New knowledge, beliefs, concepts, routines, narratives

Monology

Polyphony / Carnival

7.4 Practitioner implications

This knowledge-based perspective on corporate turnaround is intended to be a resource for change theorists and corporate turnaround practitioners alike. In the course of the research it has been seen that all of the elements of the model are present in the turnaround of failing organisations. Indeed, the interviews and data collected in both empirical studies provides considerable support for the view that knowledge and its sustaining systems needed to be taken on and subverted in the transforming organisation, and that this is critical to the success of the turnaround. It is therefore argued that in undertaking corporate turnaround, knowledge subversion is key aspect of the transformation that needs to be actively managed. Furthermore, it is postulated that the extent to which corporate turnaround practitioners can understand, subvert, transform and control knowledge in the transforming organisation is directly linked to their chance of success.

As noted earlier, this Bakhtinian view of organisational transformation draws comparisons to Lewin's classic three staged change model, and I would like to comment on this aspect before moving on to the concluding chapter of the thesis. Lewin developed a psychological theory of change which held that group behaviour is held in equilibrium by equal and opposite forces (Lewin, 1936; 1948). For Lewin, forces to change needed to be stronger than forces to restrain or maintain the status quo (Lewin, 1948). In common with Lewin, dialogic subversion proposes that considerable energy is required to break the organisation out of its core rigidities ("unfreeze") and similar attention is required to return the organisation to a "normal" condition ("freeze"). In this respect, the dialogic knowledge subversion model, with its focus on Discovery,

Transition, Establishment activities, could be described as Post-Lewinian. To describe this work as Post-Lewinian has both positive and negative connotations. Lewin's framework is widely regarded as one of the main building blocks for modern change theory (Burnes, 2004). However, as traced by Mintzberg et al (1998) the "unfreeze / move / freeze" model became co-opted into the planned change tradition and positivistic approaches to strategy and change (Steiner, 1969; Cyert & March, 1992). But, as planned change approaches became challenged and unfashionable (Pettigrew, 1985; Mintzberg et al, 1998), Lewin's work by association became less well regarded and associated with a particular modernist tradition.

Like Lewin, dialogic knowledge subversion is interested in group rather than individual change dynamics. In this sense there are some corresponding themes. However, a key difference between Lewin's force field model for change and the Bakhtinian dialogic knowledge subversion model is in its unit of analysis. In Lewin's force field model the fundamental unit of analysis is the psychological dynamics of a group, community or organisation. Bakhtin and dialogic knowledge subversion is also focused on organisation level change (as opposed to individual change) but is primarily interested in knowledge and knowledge-based structures and the linguistic and sociological process of changing them. This formation is developed into the Bakhtinian concepts of monology, polyphony and carnival underpinning dialogic knowledge subversion.

Over the years Lewin's ideas have persisted and have been revived by theorists keen to redefine the uses of his ideas away from overly simplistic planned change approaches (Dickens & Watkins, 1999; Rosch, 2002; Coghlan & Brannick 2003;

Burnes, 2004). Part of this revival has focused on Lewin as a "practical" theorist, whose ideas resonate with change practitioners and can be directly applied to change contexts (Coghlan & Brannick, 2003). This is also an aspiration for this work, which will be described further in the final chapter.

CHAPTER 8: CONCLUSIONS, CONTRIBUTIONS AND LIMITATIONS RECOGNISED

In the research programme Bakhtinian theory has been applied to a specific class of transformational change: the corporate turnaround. Using theory derived from dialogic, change, discourse and knowledge theory, an interpretative and descriptive framework for corporate turnaround has been developed, based on the concept of dialogic knowledge subversion. A research methodology was devised to empirically investigate corporate turnaround firstly in a case study and then from the perspective of turnaround expert practitioners. Data collected from the interviewees was organised and analysed using story network analysis techniques (Boje, 2004) and interpreted using the dialogic knowledge subversion framework. This led to the development of a dialogic knowledge subversion model for corporate turnaround. As noted in the first chapter of the thesis, the objective of a DBA is to provide contributions to both theory and practice. I will now review the implications and contributions of this work in both of these respects, and this will also lead to some conjecture on the broader possibilities opened up by the research. These points will be further developed in the final section of the thesis, which focuses on limitations recognised and potential future directions for the research.

8.1 Contributions to change theory

This research has indicated that knowledge subversion is an important part of turning around a failing organisation and is required to prevent the organisation from slipping back into old practices. However, although the need to subvert knowledge in the organisation is implied in places in the literature, it was found that there are no theoretical frameworks to analyse this key process and there are no models to show how it works. My contribution to knowledge is to offer a theoretical perspective on how knowledge subversion occurs, why it is important to transforming organisation and what to look for in building a sustainable corporate turnaround. This focus on the subversion of knowledge is different to existing change literature which tends to focus on the creative processes required to generate transformational change. As this research shows, corresponding processes are required to remove old or low value knowledge, which could be harmful to the sustainable development of the organisation. I will now outline how this research builds from existing theory, describe a model for knowledge subversion, and outline opportunities to extend this conceptual development beyond corporate turnaround into the broader category of transformational change.

Theory building from the literature

The research programme as a whole builds on existing theoretical sources in change theory, knowledge theory and discourse theory. In investigating and analysing the change literature, it was found that it is not controversial to suggest that confronting existing beliefs is needed to transform a failing organisation (Senge et al, 1999;

Gerstner 2002; Cruickshank, 2006). However, despite this theoretical convergence, there are few frameworks which explain how this happens in theory or in practice; and fewer still in a corporate turnaround context. Moreover, as the literature review also showed, the focus of knowledge management literature is heavily biased towards the creation of new knowledge in the process of change (Nonaka & Takeuchi, 1995; Leonard & Sensiper, 1998; Brockmann & Anthony, 2002). Whilst important, this focus on creative processes does not explain how existing knowledge becomes subverted and marginalised in the transforming organisation. The literature review did find that there has been some commentary on "organisational forgetfulness" or "unlearning" in the context of organisational change (Argote, 1999; Rao & Argote, 2006; de Holan et al, 2004). However, this represents limited theoretical development for a topic that is already recognised as important to transformational change. This research puts knowledge subversion at the heart of the transformational process as something that needs to be actively managed, alongside other more traditional turnaround activities (Slatter, 2006).

A theoretical model for knowledge subversion

A key contribution offered by this research is a theoretical model for the subversion of knowledge to achieve successful corporate turnaround. This model introduces dialogic concepts such as monology, polyphony and carnival to describe the changing conditions of knowledge during the transformation. These theoretical constructs were further elaborated using examples from the interviewees at JV Corp and the expert practitioner interviewees. The dialogic knowledge subversion model

describes the evolution of the organisation through its transformation. As emphasised in the earlier theoretical discussion, the fulcrum for the turnaround is the subversion of knowledge in the organisation. Bakhtinian theories of knowledge, language and social interactions are used as the theoretical basis to explore not just whether knowledge subversion happens, but also why it is so critical to the change. The testimony of the expert practitioners suggests that without resetting the basis of knowledge within the organisation, the change is likely to unravel and the organisation is prone to return to old practices. This leads to another conclusion arising from this research: without challenging, subverting and driving existing knowledge to the margins of the day to day functioning of the organisation, transformational change cannot be achieved in a sustainable way. This will occur because, even if changes are superficially adopted in the organisation, knowledge is still locked in old, problematic formations and there will have been no change to the underpinning "justified true beliefs" (Plato, 2004).

Bakhtinian formations of knowledge subversion are central to the transformation of the organisation and also underpin the theoretical basis for how to enact the subversion. The Bakhtinian concepts of monology, polyphony and carnival provide the framework for how the process of knowledge subversion unfolds. As the empirical studies in this research programme have shown, the major changes to the organisation are played out in dialogic exchanges between the principal actors and through confrontational events. This collision of ideas is anticipated in Bakhtin's overarching theory of sociological change and is intrinsically linked to death and renewal cycles, and their associated rituals (Bakhtin, 1984a; 1984b). As noted in the literature review, some of these formations of dialogism have precedents in the change literature, (Hazen,

1993; Alvesson & Karreman, 2000a; Jabri, 2004; Boje, 2004). However, these exploratory studies have not been developed into a theoretical framework for corporate change. This research draws together these disconnected threads into a fresh knowledge-based perspective on corporate turnaround and the dynamics of transformational organisational change.

<u>From corporate turnaround to transformation change</u>

In the first chapter of this thesis I described the impact of corporate turnaround using a wide sociological frame of reference. In a similar way, I would like to argue for broader theoretical uses of this research. I have already noted that Bakhtinian theory has been widely adopted in the humanities (Lodge, 1990; Brandist, 2002). Correspondingly, there are broader theoretical connections that could be established beyond corporate turnaround and beyond organisational change. I would argue that dialogic knowledge subversion can be used to inform many other sociological situations where group mindsets need to be changed. For example, dialogic knowledge subversion could be applied to political or cultural situations where attitudes need to change or reformed. There are vivid present day examples of carnivalesque forms being played out in the financial services sector as former top executives of the banking industry are ridiculed and paraded through investigatory committees in global public spectacles. Through examining where deeply held beliefs lie and where they have become systematised into knowledge (architectonics), we create the opportunity to subvert authorities through polyphony and carnival, exposing ourselves to alternative perspectives and new realities.

8.2 Contributions to change practice

In addition to offering contributions to existing theory, this research is intended to offer guidance to change practitioners faced with similar organisational change challenges. From a practice and practitioner based point of view, this research offers specific insight into the practice of corporate turnaround and also a change model which combines the planned approaches required to turn an organisation around with the disruptive processes of knowledge subversion. Furthermore, this research offers the opportunity to extend these ideas into other transformational change contexts where individual and collective beliefs need to be challenged and overturned.

The practice of corporate turnaround

In this thesis I have made several references to the global recession and the worldwide increase in corporate insolvency, and I have hypothesised that the need for corporate turnaround has perhaps never been greater. Despite these macro-economic factors, the literature review showed that although corporate turnaround has been featured in the business literature, few studies have been done into the actual process of corporate turnaround, the main framework being Slatter et al's (2006) generic strategies and turnaround phasing. This was a surprising finding from the literature review, given the prominence of corporate turnaround and the sociological impact of corporate failure. This unfortunately means that currently practitioners have limited

resources to draw on as they face into the spectre of corporate turnaround. As such, in addition to providing new theory on corporate turnaround, it is hoped that this research can help to influence the thinking and practice of change managers.

The models developed in the course of the research were derived from change literature, the case study of a successful corporate turnaround and insights gathered from expert practitioners. One source of optimism that can be drawn from the research conducted is that there seems to be a high degree of consistency in the practitioner approaches used. Furthermore, although they may use different language to describe the process of corporate turnaround, practitioners seem to implicitly use knowledge subversion in transforming failing organisations. Indeed, they actively create the conditions where it thrives. The various dimensions of the knowledge subversion model are intended to be applied by future practitioners of corporate turnarounds. And although there cannot be a template for the resolution of a complex issue such as corporate turnaround, this research advances an overarching framework for how practitioners can confront existing knowledge in the organisation. The interviews with expert practitioners showed that they seek to understand existing mindsets and deeply held beliefs in the organisation (Pre-turnaround architectonics). This also happened at JV Corp, where great efforts were made to connect with staff and other stakeholders. The evidence suggests that this is a necessary pre-requisite of a corporate turnaround leading to a deeper understanding of what is going wrong in the organisation, and provides necessary insights into where the solutions are likely to lie (Discovery activities). Having gone through this process, practitioners then need to set about identifying and removing the barriers that are holding the organisation in a certain

mindset. This is done using a variety of methods, some of which are dramatic (for example the removal of staff or "internal experts"), while some are more subtle (for example changes in customer or supplier dialogue). They need to create an intense period where these beliefs are disrupted and challenged within the organisation, and drive the organisation to break out of previous modes of thinking (Transition). Practitioners then need to establish new routines and processes within the organisation to institutionalise the change (Establishment). In cementing these changes, their next challenge is to rigorously enforce the new approach and solidify these concepts of the organisation (Post-turnaround architectonics). Discussions with interviewees found these concepts and phases running throughout the turnaround lifecycle alongside "technical" activities focused on remediating specific aspects of the organisation such as the financial infrastructure, legal structure, IT systems, workforce plan, service proposition, or whatever else is required to fix the problems in the business.

Planning the change whilst subverting knowledge

It is at this point where the essentially rationalistic, planned view of change described by Slatter et al (2006) intersects with a messier, less positivist dialogic view of change. As the empirical studies showed, it is not correct to characterise corporate turnaround at either extreme of rationalistic or anti-rationalistic change theory. The planning processes outlined in the Slatter et al (2006) framework are undeniably at work in the changing organisation, and turnaround practitioners do not abandon the organisation to open-ended postmodernist free play. However, conversely corporate turnaround is not as clean and straightforward as Slatter et al (2006) imply. In addition

to planning out their engagement, skilled practitioners actively stimulate the conditions where anti-rationalistic forces are given licence within the organisation and for a period within the turnaround there is a definite opening up of the organisation into polyphonic, deconstructive modes of discourse.

Developing this theme further, it is clear from the research that corporate turnaround is a multi-faceted phenomenon, requiring many different skills, competencies and techniques. It is not claimed that dialogic knowledge subversion is the only theory that is relevant to corporate turnaround or that it is the only way of explaining the turnaround process. The empirical case studies in this research showed the need for leadership, learning, culture, planning and many other well established dimensions of change management (Mintzberg et al, 1998). Instead, where dialogic knowledge subversion positions its contribution is in terms of defining the conditions that need to be fostered in order to create transformational change. By identifying knowledge hegemonies in the organisation and targeting efforts at subverting them, dialogic knowledge subversion helps to explain which activities will have an impact in the changing organisation, and which will not. Therefore, it is more that the traditional aspects of change management practice should be regarded as part of the ways in which practitioners create the favourable conditions for knowledge subversion, rather than as completely separate from it. For example, it requires significant leadership to actively encourage the articulation of contrarian viewpoints or to confront existing beliefs within the organisation. It takes considerable management skill and bravery to open up dialogue about the key issues within the organisation and to take these issues on.

These qualities were shown by the CEO and the management team at JV Corp and within the examples used by the corporate turnaround experts.

This presents the opportunity to further integrate the idea encapsulated in the turnaround planning framework developed by Slatter et al (2006) with the dialogic knowledge subversion model. The interviews with the expert practitioners showed that turnaround activities could be mapped into an overarching framework similar to the Slatter et al's four staged phasing. This phased framework was described in the Theoretical Origins section above and divides the turnaround into four overlapping phases: Analysis phase, Emergency phase, Strategic change phase and the Growth / renewal phase. It was clear from the interviews with the practitioners that these kind of phases help to set out actionable phases to guide the organisation through its change journey. It is proposed that dialogic knowledge subversion runs alongside these phases and gives further insight into the actions required to disrupt and subvert knowledge in the turnaround organisation. In bringing these models together, Discovery activities partner with the Analysis phase, Transition activities can be found in the Emergency and Strategic change phases, and Establishment activities are operating in the Growth / Renewal phase. This combination of the Slatter et al (2006) and dialogic knowledge subversion models is shown below in Figure 23. From a practitioner perspective this provides additional explanatory insight into the deeper level sub-processes required to generate a successful corporate turnaround.

Figure 23: Dialogic Knowledge Subversion model and Slatter et al's (2006) turnaround phases
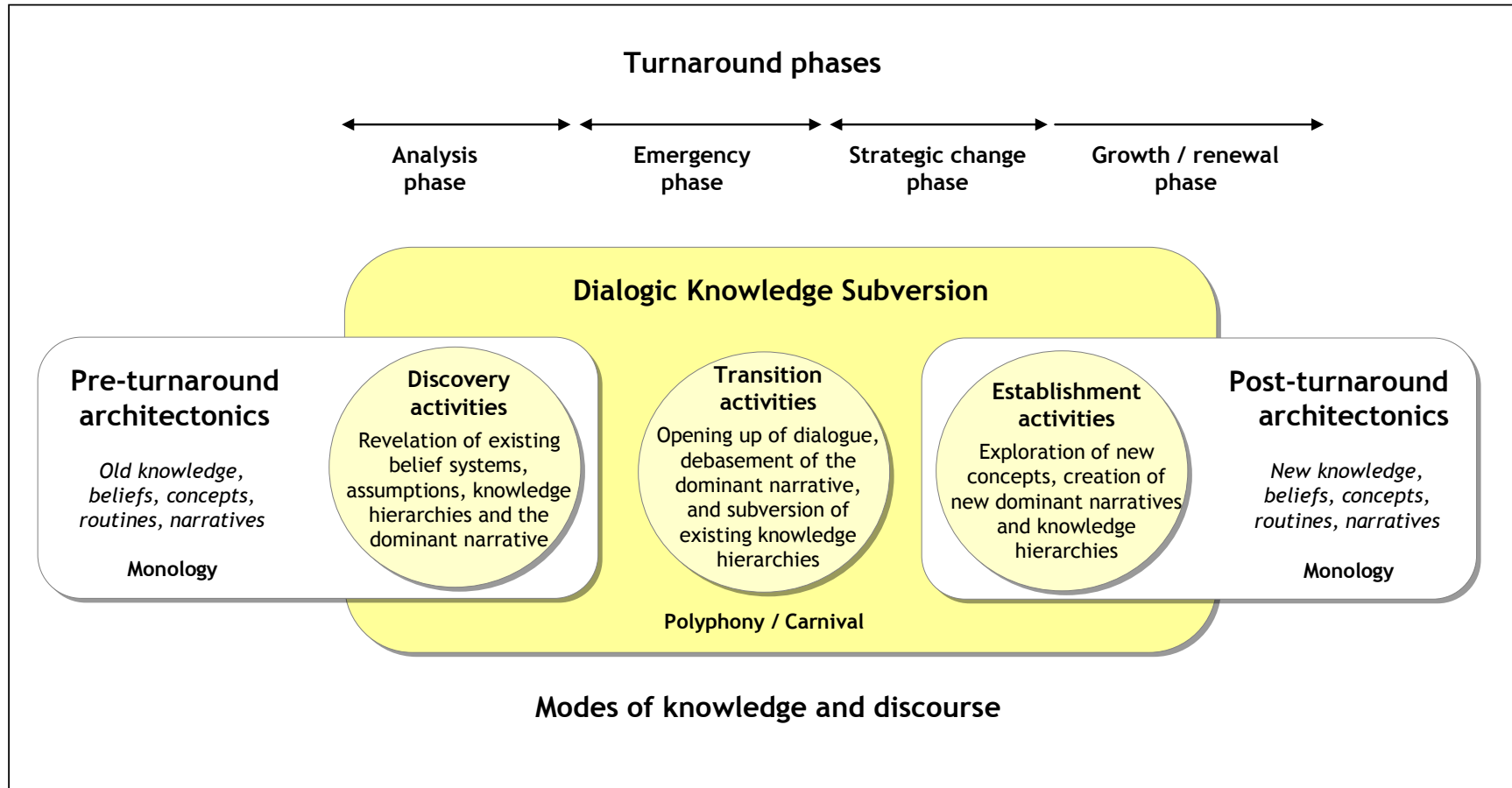
<u>Application into other transformational change contexts</u>

Another possibility arising from this research is the opportunity for practitioners to use the approaches developed in a turnaround context more broadly. It is proposed that change practitioners faced with the need to generate transformational change in other contexts will similarly need to create the conditions where knowledge subversion thrives. Whilst it is recognised that applying knowledge subversion may vary from one change situation to another, the fundamentals are likely to be somewhat consistent. For example, any organisation that is contemplating a new strategy will face the question of how to break out of rigidities in their current mindset. They will need to apply, perhaps to varying extents, the principles and practice of knowledge subversion in their organisation. And although it may not require the same force of action required to affect a turnaround, much of the same Discovery / Transition / Establishment activities will be needed to stimulate, action and embed the change.

Building on the theme of potential uses of dialogic knowledge subversion in non-corporate turnaround contexts, the same principles could be applied where practitioners need to face into radical challenges within their industry and need to think differently. For example, the challenges to the photographic industry by digital cameras or the music industry by electronic media have profoundly changed the industries that they operate in. As Christensen (2003) notes, these so called "disruptive technologies" are often difficult to recognise because they are so challenging to existing assumptions about how an industry is believed to work. This is where the dialogic knowledge subversion model comes to the fore. By exposing implicit assumptions it becomes possible to break out of existing constraints and to conceive of new realities. This

creates the conditions where transformational change can be achievable and sustainable.

8.3 Limitations recognised

This investigation presents a conceptual framework in a previously under developed research area. It is therefore necessarily exploratory and there are limitations, both theoretical and empirical, that I would like to recognise and comment on.

An empirical limitation is the scope of data gathered. Whilst the two empirical studies provided a rich and complementary dataset, this is a broad subject area and there is the need to gather more perspectives on corporate turnaround. Throughout this research programme I have argued for depth rather than breadth of data, but it is recognised that there is a need to gather more perspectives from other organisations and people, and to further examine the nuances emerging. The subsection below outlining potential future research directions provides some further ideas on where there is scope for widening the empirical breadth of this topic.

A theoretical limitation is the scope of the dialogic knowledge subversion model developed. The dialogic knowledge subversion model is largely reflective of, and built from, the perspective of senior corporate executives. Therefore, although this model can provide benefit to turnaround executives and advisors, it is less clear how it could be useful for the staff or other stakeholders that are on the receiving end of the change.

This observation holds true for the vast majority of corporate turnaround and change literature. However, this research has emphasised the need to engage with staff and it also emphasises that many of the solutions to the problems are common knowledge within the organisation. In this respect, there is an opportunity to develop the staff engagement approach and to identify the roles that they can play in the change and turnaround of the company.

Additionally, although it has been argued that dialogic knowledge subversion is required in the corporate turnaround, it is not possible to assert that dialogic knowledge subversion will necessarily result in positive change outcomes for the corporate turnaround. This research has been built from positive corporate turnaround cases and discussions with the industry's most skilled and successful practitioners. Dialogic knowledge subversion is not a formula to be applied mechanistically, and it cannot inform the specific content of the changes required to turn around a company. In fact, it is entirely conceivable that an organisation could go through the process of dialogic knowledge subversion and settle on the wrong conclusions or assumptions. Neither can dialogic knowledge subversion guarantee that it will result in the right changes being made or establish the right processes of organisational interactions. Rather, I would emphasise that dialogic knowledge subversion needs to be combined with clear thinking, strong judgement and pragmatic solution delivery. In other words, as noted above, dialogic knowledge subversion is not a substitute for the leadership and other traditional approaches required to turnaround a company. However, dialogic knowledge does provide leaders and stakeholders with an understanding of the conditions that

needed to be created to turn the organisation around in a successful and sustainable way.

8.4 Future research development

As commented on in the subsections above, there are many ways in which this research could be extended and developed. The following topics are offered for future research studies; all have the potential to further develop the concept of dialogic knowledge subversion and knowledge-based change.

Firstly, and as emphasised throughout this thesis, the topic of corporate turnaround is a critically important type of change that requires more research and better understanding. I would actively encourage more studies into corporate turnaround, using varied research methods. Given that most of research so far conducted is based on historical accounts and retrospective reflections, a particularly substantive contribution to the field would be in the form of longitudinal or action research based studies. Although there are likely to be practical difficulties in devising a research method of this kind due to the confidentiality issues involved in corporate turnaround, the insights gained by following a change through its lifecycle have significant potential. This would also provide the opportunities to examine dialogic knowledge subversion in action and refine the model.

As noted above, this research has primarily focused on situations where turnarounds have been successful, and where the execution of the turnaround has been

enacted by skilled practitioners. A great deal could also be learned from situations where turnarounds have been unsuccessful, to find out what when wrong and notably what did *not* happen. This could provide support that dialogic knowledge subversion did not occur in these turnarounds, or it could provide additional insight into the limitations of the model. In a similar vein, we have already seen that turnaround experts are quite prepared to walk away from a turnaround that they did not think would work. Clearly there are certain heuristics (formal or informal) that these experts are following in making these judgements. One of these heuristics could be that they do not believe that knowledge subversion could be effected in the organisation. Indeed some of the turnaround experts explained that many of the companies that they refused to take on were due to difficulties in overcoming dominant personalities and fixed mindsets. This is entirely consistent with the principles of dialogic knowledge subversion, and could be more deeply investigated and possibly developed into a diagnostic aid to support internal and external stakeholders in evaluating the likely success or failure of a turnaround intervention.

There are other potential future research directions that could be candidates for further exploitation, but a final area offered is in the management characteristics and styles required to turnaround a business. One of the observations arising from the research was the tremendous versatility required by the turnaround executive. On any given day a turnaround executive may need to be a hard-nosed financier, a management coach, an external stakeholder manager, a communicator to staff, or whatever is required to sustain the change. These skills also seemed to have different biases throughout the lifecycle of the turnaround. These leadership styles and

approaches could be mapped alongside the dialogic knowledge subversion model to offer insights into the range of techniques required and common approaches adopted.

8.5 Concluding remarks

Having outlined the main outcomes and contributions of the research programme, I will now conclude the thesis. Throughout the research programme I have tried to remain faithful to the concepts and the data and it seems apt to finish with a quote from one of the expert practitioner interviewees:

> "The best way to change a business is to talk to people. You don't want senior and middle management to interpret it for you. You need to talk to the person who is actually doing it because they won't spin."

(Interviewee 4)

This quote condenses many of the ideas developed in this thesis and throughout the research programme: change through dialogue, subversion of authority, and monology verses polyphony. Without doubt, there is much still to learn about the interplay of change theory and change practice.

These remarks conclude the thesis, but my investigation into a dialogic theory of change will go on. As Bakhtin might say, let the carnival continue!

APPENDICES

Appendix A: Journal ratings

The Cranfield and Association of Business schools rating systems were used to classify the quality of the journal. Cranfield ratings (2012) are shown in Table 7 below.

Table 7: Journal ratings – Cranfield rating system (2012)

Journals Cited		
Journal	Cranfield Journal rating	Number of articles
Academy of Management Journal	4★	5
Academy of Management Review	4★	14
Administrative Science Quarterly	4★	5
British Journal of Management	3	6
California Management Review	4★	6
Dialogism: An international Journal of Bakhtin Studies	-	3
European Management Review	-	1
Harvard Business Review	4★	4
Human Relations	4	7
Journal of Applied Behavioural Science	2	9
Journal of Business Strategy	-	1
Journal of Knowledge Management	-	2
Journal of Organizational Change Management	2	15
Journal of Management Inquiry	3	4
Journal of Management Studies	4	5
Journal of Public Administration Research and Theory	2	1
The International Journal of Sociology and Social Policy	-	1
Leadership and Organizational Development Journal	1	3
Management Communications Quarterly	-	1
Management International Review	3	2
Management Learning	3	6
Management Science	4★	2
Organization	3	4
Organization Development Review	-	1
Organization Science	4★	5
Organization Studies	3	6
Qualitative Research in Organizations and Management	-	1
Scandinavian Journal of Management	-	1
Sloan Management Review	4★	7
Strategic Management Journal	4★	6
Totals		134

Quality ratings from the Association of Business Schools rating system (2010) for these journals are also shown in Table 8 below. With some exceptions, ratings are similar to the Cranfield journal ratings.

Table 8: Journal ratings – Association of Business Schools rating system (2010)

Journals Cited		
Journal	ABS Journal rating	Number of articles
Academy of Management Journal	4★	5
Academy of Management Review	4★	14
Administrative Science Quarterly	4★	5
British Journal of Management	4	6
California Management Review	3	6
Dialogism: An international Journal of Bakhtin Studies	-	3
European Management Review	1	1
Harvard Business Review	4	4
Human Relations	4	7
Journal of Applied Behavioural Science	1	9
Journal of Business Strategy	-	1
Journal of Knowledge Management	2	2
Journal of Organizational Change Management	2	15
Journal of Management Inquiry	3	4
Journal of Management Studies	4	5
Journal of Public Administration Research and Theory	4	1
The International Journal of Sociology and Social Policy	1	1
Leadership and Organizational Development Journal	1	3
Management Communications Quarterly	2	1
Management International Review	3	2
Management Learning	3	6
Management Science	4★	2
Organization	3	4
Organization Development Review	-	1
Organization Science	4★	5
Organization Studies	4	6
Qualitative Research in Organizations and Management	1	1
Scandinavian Journal of Management	2	1
Sloan Management Review	3	7
Strategic Management Journal	4	6
	Totals	134

Appendix B: Constructionist change theory journal searches

Search strings used to investigate constructionist change theory borrowed heavily from Caldwell's definitions (Caldwell, 2005; 2006). Also, relevant articles were found using a combination of broad based search strings (e.g. "Change theory" followed by further probes) and also by focusing on specific topics (for example "Social constructionism", or "Postmodern" AND "Organi*ation theory"). These searches helped to focus the resulting database hits into a pool of relevant and useful articles. Table 9 below summarises the results from the main search strings used across the Proquest, EBSCO and Emerald databases.

Table 9: Journal searches - Constructionist change theory

Key search strings and results (de-duplicated) - Constructionist change theory					
Search strings	Database fields	ABI Inform (Proquest) hits	Business Source Premier (EBSCO) hits	Emerald Full text hits	"High Priority" articles
"Constructionis*" AND "Change" OR "Theory"	Citation & Abstract	26	25	8	2
"Social constructionism"	Citation & Abstract	51	78	5	2
"Change" AND "Derrida" OR "Foucault" OR "Bakhtin"	Citation & Abstract	54	78	72	1
"Change" AND "Plurality"	Citation & Abstract	49	52	64	2
"Change theory"	Citation & Abstract	130	127	278	3
"Change agency"	Citation & Abstract	23	23	69	2
"Postmodern*" AND "Change"	Citation & Abstract	133	146	21	3
"Postmodern*" AND "Management"	Citation & Abstract	168	206	24	3
"Poststructuralis*" OR "Post-structuralis*"	Citation & Abstract	98	155	144	2
"Postmodern*" AND "Organi*ation theory"	Citation & Abstract	81	18	89	3
	Totals	813	908	774	23

Appendix C: Architectonic knowledge theory journal searches

As noted in the Literature Review, although searches for the term "architectonics" itself yielded limited results, a broader focus on organisational knowledge structures and belief centred change (for example, "Belief" AND "organi*ational transformation") provided many useful avenues for investigation. Table 10 below summarises the results from the main search strings used across the Proquest, EBSCO and Emerald databases for architectonics and related topics.

Table 10: Journal searches - Architectonic Knowledge theory

Key search strings and results (de-duplicated) – Architectonic knowledge theory					
Search strings	Database fields	ABI Inform (Proquest) hits	Business Source Premier (EBSCO) hits	Emerald Full text hits	"High Priority" articles
"Architectonic*"	Citation & Abstract	16	19	21	1
"Knowledge" AND "Subversion" AND "Change"	Citation & Abstract	13	1	183	1
"Belief" AND "organi*ational" AND "Transformation"	Citation & Abstract	79	15	98	2
"Knowledge System*" AND "Change"	Citation & Abstract	32	11	-	3
"Knowledge" AND "Organi*ational Transformation"	Citation & Abstract	41	4	7	3
"Knowledge" AND "Unlearning"	Citation & Abstract	19	19	31	3
"Knowledge" AND "Deconstruction"	Citation & Abstract	39	23	37	2
"Tacit knowledge" AND "Change"	Citation & Abstract	66	42	2	3
"Knowledge management" AND "Change management"	Citation & Abstract	91	20	143	2
"Knowledge management" AND "Change" AND "Theory"	Citation & Abstract	134	31	116	2
	Totals	530	185	638	22

Appendix D: Discourse theory journal searches

More than one thousand journal papers on discourse theory were identified through Proquest database searches alone. From these papers, thirty three were accepted for detailed review and inclusion in the research. In percentage terms this was a low yield for such a high hit rate. This was mostly due to the narrow focus of the field of inquiry. Table 11 below summarises the results from the main search strings used across the Proquest, EBSCO and Emerald databases.

Table 11: Journal searches - Discourse theory

Key search strings and results (de-duplicated) – Discourse theory					
Search strings	Database fields	ABI Inform (Proquest) hits	Business Source Premier (EBSCO) hits	Emerald Full text hits	"High Priority" articles
"Discourse" AND "Change" AND "Theory"	Citation & Abstract	210	146	23	3
"Discourse analysis" AND "organi*ation theory"	Citation & Abstract	21	15	22	3
"Discourse analysis" AND "change"	Citation & Abstract	72	56	32	4
"Narrative" AND "Change theory"	Citation & Abstract	216	73	78	6
"Storytelling" AND "Change"	Citation & Abstract	95	52	48	5
"Change" AND "Linguistic" AND "Theory"	Citation & Abstract	56	42	9	2
"Linguistic" AND "Narrative" AND "Change"	Citation & Abstract	37	4	1	3
"Change" AND "Text" AND "Theory"	Citation & Abstract	118	103	8	2
"Conversation" AND "Analysis" AND "Change"	Citation & Abstract	47	38	6	3
"Organi*ation theory" AND "Narrative"	Citation & Abstract	167	6	43	2
	Totals	1039	535	270	33

Appendix E: Bakhtinian theory journal searches

Bakhtin is represented sporadically in management literature. As noted above, his work has supporters, and Bakhtin has received some limited theoretical and empirical investigation in management contexts. Table 12 below summarises the results from the main search strings used across the Proquest, EBSCO and Emerald databases.

Table 12: Journal searches - Bakhtinian theory

Key search strings and results (de-duplicated) – Bakhtinian theory					
Search strings	Database fields	ABI Inform (Proquest) hits	Business Source Premier (EBSCO) hits	Emerald Full text hits	"High Priority" articles
"Bakhtin" OR "Bakhtinian"	Citation & Abstract	48	67	77	2
"Dialogism"	Citation & Abstract	9	10	10	1
"Carnival" AND "Change"	Citation & Abstract	7	3	14	1
"Polyphonic"	Citation & Abstract	31	27	46	1
"Polyphony" AND "Change"	Citation & Abstract	5	7	31	2
"Polyphony" AND "Management" OR "Organi*ation"	Citation & Abstract	12	11	27	1
"Monologic"	Citation & Abstract	14	13	27	1
"Intertextuality"	Citation & Abstract	21	22	59	1
"Heteroglossia"	Citation & Abstract	3	5	12	1
"Change" AND "Voices" AND "Theory"	Citation & Abstract	76	16	6	1
	Totals	226	181	309	12

Appendix F: JV Corp Interview framework

The interview schedule below was used to guide the semi- structured interviews for the JV Corp case study.

Key research grouping	Questions	Probes	Discussion points
Personal chronology	• What was your first contact with the company? • What was your involvement in the changes that occurred?	• What were your first impressions of the company that you had joined? • How did your personal involvement with the company evolve?	• What has had a lasting impact on your view of the company?
Pre-turnaround architectonics	• What was important in the organisation before the turnaround? • Why do you think that it was failing?	• Why was XXXX important? • What was the reason for that objective? • Can you give any examples of why XXXX was important? • What were some of the key artefacts and symbols? • What metaphors and language were used to describe the organisation?	• How were the different parts of the organisation working in those days? • Why did people think those ways in those days? • How did things get done in the organisation?
Processes of change	• When did things start to improve? • What did you and others do to change the company? • What were some of the important milestones in the change? • What, if any, resistance to change was encountered?	• Were there previous attempts to change? If so why did they fail? • What were some of the internal dialogues going on in the organisation at that time? • Did the changes happen quickly or incrementally?	• What were some of the internal dialogues going on in the organisation at that time? • What was it like to work here during that period? What was your typical day like during the turnaround?
Post-turnaround architectonics	• What are some of the key features of the company now? • What are the organisational priorities?	• Why is XXXX important now? • What are some of the key artefacts and symbols now? • What metaphors and language are now used to describe the organisation? • In what ways is the company different to how it used to be?	• When did you know that things had changed? • Does this company think differently now? • What are the key ways of working now?
Personal reflections and theories	• Why do you think that the organisation changed? • On reflection, Is there anything that you think should have been done differently?	• Have you got any guidance or rules of thumb for other organisations in similar situations? • What lessons have been learnt?	• Do you think that this turnaround could be instructive for other organisations in need of turnaround?

Appendix G: Expert practitioners interview framework

The interview schedule below was used to guide the semi- structured interviews with the expert turnaround practitioners.

Interview structure	Questions	Generic Probes	Domain Specific Probes
Context setting	• How did you get involved in corporate turnaround? • What are some of the major corporate turnarounds that you have been involved in?	• What was it about these changes that made them particularly successful? • What do you find are the most important factors to focus on in corporate turnaround?	• How would you characterise the various phases of a corporate turnaround?
Establishment of the turnaround	• How do you go about setting up the turnaround?	• Do you tend to follow a formula or a prescribed method in corporate turnaround? • What are the early factors that you are looking for when you first arrive?	• [Example case] What behaviours and situations did you witness? • [Example case} What were the key problems in the organisation to resolve? • [Example case} Why did you choose to focus on these aspects and not something else?
Change processes	• What are some of the methods that you use to change the organisation?	• Who were the key people involved? • What were the reactions of management and staff? • How did you make sure that changes didn't slip back? • How do you know when a corporate turnaround is working?	• Why do you think that these things (actions) worked? • Where do the ideas come from to solve the problems? • [Example case] What were some of the key events and milestones?
Reflections and learning	• What are some of the common themes that you have seen in corporate turnaround?	• Why do you think that corporate turnaround works sometimes, but not others? • What tends to be the hardest issues to resolve in a corporate turnaround?	• Have you ever walked away from a turnaround?

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