

Managing the dynamics of second-order change: An Australian case study

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ABSTRACT

This paper investigates the management of second-order change dynamics; that is, the dynamics of paradigm or schema change. Three schema change dynamics are discussed; juxtaposition-relocation, disengagement-learning, and vision-attraction. The management of these schema change dynamics is considered in the context of efforts to transform an Australian public professional bureaucracy. We argue that if reform efforts are to be successful much more attention has to be given to managing these dynamics, which, in turn, requires significant investment in developing the change management capabilities of public managers and of the organisations they manage.

INTRODUCTION

Reforming and transforming public organisations involves decisions about what to change (e.g. formal and/or informal organisation) and decisions about how to change (coercion, collaboration and so on) (Stace & Dunphy, 2001). Much of the discussion of these decisions has focused on formal organisational arrangements (Ashburner, Ferlie, & Fitzgerald, 1996) and relatively simple change management recipes (Kotter, 1999). Much less attention has been given to the problem of how to change organisational schema or paradigm (Balogun & Johnson, 2004), a prerequisite of successful organisational transformation (Bartunek & Moch, 1987).

This paper investigates the management of the dynamics of organisational schema change in the context of efforts to transform an Australian public professional bureaucracy. In many respects, the interventions designed to transform this organisation were successful, indeed inspirational. Yet at the same time, key elements of the transformational change initiative were not realised. The success and lack of success are discussed in terms of these critical dynamics.

The central argument of this paper is that transformational change is achieved less often than desired because change leaders do not manage schema change dynamics;

too little attention is given to the interaction between the interventions to change formal organisational arrangements and the collective interpretive system that would allow organisational members to make sense of these interventions.

THEORETICAL CONTEXT

The theoretical context of this study will be discussed in two parts. The first part will address the issue of what second-order change entails. The second part will address theory and research on the dynamics of second-order change.

Second-order change theory

There is a long-standing distinction in the change literature between two types of change; first-order change or incremental change and second-order or transformational change. The distinction is usually explained in terms of whether or not paradigm or schema change is required to realise organisational performance outcomes (Bartunek, 1993). Thus, second-order change has been defined as a:

Multidimensional, multi-level, qualitative, discontinuous, radical organisational change involving a paradigm shift (Levy, 1986).

Several labels have been used to capture the concept of paradigm, including mindset (usually individual level), mental model. In this paper, we will use the term organisational or collective schema. Schema has been defined as the:

Interpretive framework used by individuals (or groups) to give meaning to observed objects, actions, and behaviours. Thus, a schema is used for processing information, and this includes scanning the environment, selecting stimuli (e.g. events, acts, and variables), measuring observed stimuli quantitatively (e.g. large or small) or qualitatively (e.g. good or bad), and either making decisions or storing information for later retrieval (Armenakis & Feild, 1993).

Successful first-order change does not require change in these interpretive frameworks; second-order change does. The schema change task is characterised by high complexity; schema do not change easily. Consequently, there is a tendency for

change leaders to define change needs in terms of factors that are relatively more easy to control, for example organisational restructure (Maddock, 2002) and assume that people will passively comply in the context of uncertainty and ambiguity and without understanding what is required of them and what the implications will be for them.

This is not to suggest that change in the formal organisation is unnecessary or inappropriate; indeed second-order change, as the definition provided earlier suggests, is whole-of-system change. Typically, it involves large scale changes in the formal organisational arrangements and in the dominant organisational schema. Nevertheless, the assumption is that ultimately change in formal organisational arrangements is one means of influence organisational members' pre-existing schema.

Mintzberg (1989) provides an accessible conceptualisation of the organisational level of second-order change. Mintzberg identified seven basic organisational configurations; entrepreneurial organisations, professional bureaucracies, machine bureaucracies, adhocracies and divisionalised forms. These configurations are the product of a network of interacting forces. The elements of the configuration (e.g., strategy, structure, environment and so on) operate systemically; they are self reinforcing, very stable and very difficult to change.

The first-order change of a configuration essentially means creating a better configuration. For example, change leaders intervene in a professional bureaucracy to make it a better professional bureaucracy. However, on occasion critical design elements, for example, dramatic changes in public policy which influence organisational environment, may require the professional bureaucracy to shift configuration. A professional bureaucracy may have to make the transition to adhocracy; a second-order change.

In summary then, second-order change involves at least two significant and inter-related tasks. First, change leaders must produce fundamental change of formal organisational arrangements; the structures, systems, and so on (see, for example, Ashburner, Ferlie & Fitzgerald, 1996). Second, change leaders must bring about the replacement or significant elaboration of organisational members' knowledge structures or schema (Bartunek, 1993).

The dynamics of second-order change

How do organisational schemata change? The literature on this issue is relatively sparse (Balogun & Johnson, 2004; Bartunek & Moch, 1987; Labianca, Gray, & Brass, 2000). Three main positions on this issue can be discerned in the literature; juxtaposition-relocation, disengagement-learning, and vision-attraction. Each of these positions will be briefly outlined and then each considered in the context of efforts to transform an Australian public organisation.

Four outcomes of the management of these dynamics have been identified: (1) the pre-existing schema is maintained or reinforced (that is, there has been no change); (2) organisational members relocate to the new schema (change has occurred); (3) a synthesis of pre-existing and new schema has emerged; and (4) an ongoing, though creative tension between old and new schema, old and new schema coexist (Palmer & Dunford, 2002).

Juxtaposition-relocation

In the juxtaposition-relocation position, a new schema, more consistent with meeting current interpretive demands, is framed, and juxtaposed with the pre-existing schema (Bartunek, 1993). Change leaders manage the interplay between pre-existing and new schema (Isabella, 1990) with a view to relocating organisational members from pre-existing to new schema.

Two dynamics have been suggested to explain relocation: conflict or dialectical processes (Bartunek, 1993; Van de Ven & Poole, 1995; Weick, 1995) and iterative comparison, which may not involve conflict (Labianca et al., 2000). As the distinction between these two dynamics is one of emphasis rather than substance, this discussion will focus on the inter-schema conflict dynamic.

In the inter-schema conflict view, organisational groups identify with either new schema or pre-existing schema, resulting in inter-schema conflict (reflected in inter-group and/or interpersonal conflict) (Bartunek, 1993). The critical task of change

leaders is, then, to hold both sides of the conflict as a means of facilitating the relocation from pre-existing to new schema. In the organisational conflict literature, a distinction is drawn between functional and dysfunctional conflict. The reality is that it may be difficult to predetermine whether conflict is one or the other, yet clearly success is more likely if there are organisational rules about conflict management.

The success of the juxtaposition-relocation approach depends on the existence of organisational norms that permit the open expression of conflicting points of view and change leaders who have the capabilities to manage this conflict productively. The evidence suggests that, in some circumstances, coercion can resolve inter-schema conflict, yet it seems likely that change leaders need to be able to access a range of conflict management strategies.

Research has reported both successful and unsuccessful attempts at managing inter-schema conflict and relocation. Poole, Gioia & Gray (1989) reported the case of successful schema relocation in a bank where the change leader relocated organisational schema through coercion. Dent (1992) reported the successful transformation of a railway organisation. In this case, the authors found that there was a need to create conflict; they engineered forums at which strategic issues facing the organisation could be subject to scrutiny and argument.

There is also a growing literature on cases where success is defined in terms of the maintenance of a state of simultaneous coexistence between pre-existing and new schema. For example, Palmer & Dunford reported the juxtaposition of two competing discourses in an Australian travel company and found that organisational members were able to successfully maintain and manage this tension, a capability which Palmer & Dunford argue is a source of organisational effectiveness. Similarly, Bailey & Neilsen (1992) reported a case study in which dysfunctional conflict between competing schema (each held by a different organisational group) in an education provider were ultimately resolved as a result of organisational members developing a more sophisticated organisational schema in which both innovative programs and standardised educational programs co-existed.

However, there is also research evidence in the literature of failed transformation because conflict has not been successfully resolved (Bartunek & Reid, 1992; Davis, Maranville, & Obloj, 1997; Westenholz, 1993).

In this view of juxtaposition-relocation, successful change relies on how inter-schema conflict is managed. The implication is that public sector organisations more comfortable with internal plurality, principled dissent, and functional conflict are likely to manage this dynamic, and therefore second-order change, better. Public organisations characterised by conflict aversion, dysfunctional politics, or passive aggression may do less well.

In summary, the juxtaposition-relocation approach involves change leaders framing alternative and more appropriate schema and managing the interplay between this new schema and the pre-existing schema to bring about relocation. The existence of conflict itself does not guarantee a successful outcome. Public managers would also have to consider both their own conflict management capabilities and the organisational norms that govern conflict behaviour.

Disengagement-learning

The disengagement-learning dynamic involves imposing significant discontinuity on the organisation (that is, a dramatic and decisive split with the past) and in consequence producing, in organisational members, a radical disengagement from pre-existing organisational schema; (it is rendered obsolete or irrelevant) (Balogun & Johnson, 2004). Balogun & Johnson argue that, following disengagement of pre-existing organisational schema, new organisational schemata are constructed as organisational members confront and process information about the inevitable problems of managing the ongoing change.

Unlike the juxtaposition-relocation dynamic, there is no juxtaposition of new and pre-existing schema and, therefore, no inter-schema conflict. Successful change relies, then, on the change leaders' ability to force disengagement and organisational members' ability to collectively learn from subsequent experience.

The disengagement-learning dynamic would seem to be somewhat more contentious than the juxtaposition-relocation dynamic. Disengagement is akin to deleting the old organisational schema from memory and building a new schema on the basis of experience. The latter seems more reasonable, the former proposition less so.

The disengagement-learning dynamic arose from a study of the restructure of a privatised public utility in the UK (Balogun & Johnson, 2004). The organisation was restructured from an integrated single purpose organisation into semiautonomous business units. The study focused on business unit managers; the authors argued that the imposed structural intervention rendered the managers' pre-existing organisational schema obsolete, forcing organisational members to replace it with one more supportive of the changed organisation. Balogun & Johnson concluded that:

(1) when change is imposed, forcing a break from the past, a replacement sequence of schema change may be more likely for change recipients than a relocation sequence, (2) a replacement sequence affects subsequent schema evolution; schemata evolve incrementally from comparison with experience, with no duality and comparison of old and new schemata (Balogun & Johnson, 2004).

In summary, the disengagement-learning dynamic disconnects organisational members from their pre-existing organisational schema; the schema becomes irrelevant or obsolete. New organisational schema develops as organisational members engage with information processing demands associated with realising organisational outcomes. The evidence for the efficacy of this dynamic is limited; only one study reported it.

Vision-attraction

The change leadership literature suggests a third dynamic that, if managed effectively, will create paradigm or collective schema change. The dynamic involves the framing of a highly attractive image of the future organisation (an ends-schema), story telling (Tichy & Cardwell, 2004) and inspiring organisational members to act in ways that increase the likelihood of realising the vision (Kotter, 1999; Levin, 2000; Miles, 1997; Nadler & Tushman, 1990). The vision is designed to attract organisational members

intellectually, emotionally, and behaviourally; the vision reflects a new schema that is more attractive than the pre-existing schema. There is little inter-schema conflict. In this sense the vision-attraction dynamic parallels the disengagement-learning dynamic but rather than forcing change, it elicits motivation for change.

Almost all models of change advocate the framing and communication of a new organisational vision as a prerequisite for successful change (Kotter, 1999). It is difficult to find a model of transformational change that does not, as a key part, include the development of a vision. Visioning is particularly evident in more recent future oriented change management approaches (Cooperrider & Srivastva, 1987; Miller, Fitzgerald, Murrell, Preston, & Ambekar, 2005; Weisbord, 1987)

While the concept of vision and visioning has much intuitive appeal, there is little empirical evidence for its efficacy. Yet it is possible to point to many examples of transformational leaders who have been able to influence the thinking of large numbers of people.

In summary, the vision-attraction model of change dynamics involves change leaders framing an alternative and highly positive alternative schema that attracts organisational members resulting in the replacement of pre-existing with new schema and commitment and effort to realise the vision.

So far this paper has discussed three schema change dynamics that change leaders can influence. The next section explores these dynamics in the context of efforts to transform an Australian public sector organisation.

METHOD

The case organisation

The case organisation is a public professional bureaucracy seeking to transform both formal organisational arrangements and management processes. Three main schema change contexts were studied; (1) a shift from proficiency-driven operational schema to a strategy-driven systems manager schema, (2) a shift from a proficiency-driven

operational schema to a profit-driven infrastructure provider schema, and (3) a shift from authority-obedience management schema to a strategic-systemic-relational management schema. Each change involves significant discontinuity.

A brief history of key changes is required to put the case in context. In 1996, the organisation was restructured on owner-provider lines. Each arm of the organisation sought to redesign itself in ways that facilitated the realisation of their new strategies outlined in points 1 and 2 in the preceding paragraph. The restructure was particularly problematic and created high levels of dysfunctional inter-arm and intra-arm conflict and was a source of significant levels of stress in the organisation.

In 1998, a new leader joined the organisation and initiated a transformational change program based on efforts to change the managing-leading schema in the organisation. The assumption was that providing organisational members with a new means of managing and leading, one that was more in keeping with the demands of strategy and policy changes, would facilitate organisational transformation. The key characteristics of the new managing-leading schema were be strategic, be systemic, and be relational.

Data collection

The organisation was studied across a three-year period. The main data collection strategies include focus groups and semi-structured interviews. Interview questions were framed to elicit organisational members' perspectives on the changing organisation, imposing as few constraints as possible on respondents' capacity to reveal these perspectives. Interactions among focus group participants were particularly useful for accessing these perspectives. Focus group interviews tended to last between one and one and a half hours, semi-structured interviews lasted two hours. A large data set was generated from these interviews; only data pertinent to the issue of schema change dynamics are addressed here.

Juxtaposition-relocation

As discussed earlier, from this perspective, change is a function of managing the relationship between a new schema and a pre-existing schema. If change is to be realised, change leaders must facilitate the resolution of inter-schema conflict; that is, the dynamic is dialectical (Van de Ven & Poole, 1995). Anything that interferes with the open expression of conflicting points of view will, then, adversely affect the resolution of inter-schema conflict and the success of relocation from pre-existing to new schema (or at least an acceptable synthesis of the two).

Juxtaposition

This analysis will focus on one illustration of this dynamic; the illustration was chosen because it is central to efforts to transform the case organisation. The new change leader introduced an alternative organisational management schema that he believed would transform the organisation and enable it to meet the demands being made of it. As indicated above, this schema was characterised by being strategic, systemic, and relational. The pre-existing paradigm was the opposite; it tended to be characterised by operational thinking, technical rationality, and the avoidance of relationships and particularly open expression of conflicting points of view; it was driven by authority-obedience. The inter-schema conflict was reflected in organisational member reports:

Yeah, I think it's about, um, different, um, I think when I came it was very much about the engineering focus. [CEO] came in; he wasn't an engineer. He had a strategic focus. I guess it was a bit of a clash of the engineering culture and the strategic culture: you've got the difference between planners and engineers; they never work well together, and the strategists and doers never...you know, there's always that merging thing.

Relocation

The CEO was aware that the development of new conflict management norms was a critical prerequisite for realising change or relocation and indicated that creating conflict in a “safe environment” was necessary:

Every manager would shaft the other ones. I made it clear this was a safe environment. When it happened again I invited them in and told them what

each had said about the other. This gave the impression that I was happy to hear about each problem as long as the other person was present.

In addition, new norms were introduced at senior managers' meetings. A process of "calling behaviour" was introduced. Meeting behaviour that was inconsistent with the norm of open communication could be directly confronted. Frequently, a process consultant observed the meetings and fed back observations related to communication, conflict, and decision making behaviour.

Observers of this process at lower levels in the organisation saw significant changes in top level managers relational processes:

The SMG [Senior Management Group] has turned the corner; they understand better the value of working relational and have become more sympathetic to the needs of workers in the lower levels of the organisation

The D-Gs Hotline was another strategy designed to open up communication between the bottom of the organisation and managers at the top, though the Hotline was not always well received and there was some suspicion of it. Nevertheless, it was an important tool for identifying and addressing issues of concern to managers and staff:

Some managers were very hostile to it. A lot of managers would say they agreed but would do something different. When a problem occurred they had learning stages ... they would have meetings and ask why things went wrong, how it would be fixed next time and what to do if it happens again? When it happened a third time, delegations were taken from them and double-loop learning implemented. They sat an exam. This was circulated around the department to lead to better financial plans which lead to culture change.

Relocation at the level of middle management was less successful yet middle managers have an important role to play in communicating, translating, and modelling downwards and communicating issues upwards. This role in the schema change process imposes significant demands on middle managers, which may explain the difficulty of realising change at this level.

When he heard that information about the change was not getting beyond middle management, the CEO prepared what organisational members referred to as a “road show”. In part, this involved agents presenting seminars on the change to staff. However, focus group reports suggested that these sessions tended to create more confusion than clarity; the presenters themselves did not understand the new schema framed by the CEO and they tended to communicate something less than full commitment to it. This situation was vastly different when the CEO communicated; these sessions tended to be very much more successful.

In summary, there was clear evidence of both inter-schema conflict and efforts to change the conflict management norms of the organisation to facilitate the working through of conflicting points of view and thereby achieving either relocation or an acceptable synthesis. However, while there were significant changes in conflict management norms at the top of the organisation (presumably under the direct influence of the CEO), there was much less change in the conflict management norms in the wider organisation. There were then fewer opportunities for sensemaking and relocation. Nevertheless:

He pushed the “relational envelope” and although it has caused some angst in parts of the organisation, there is a growing recognition that being relational is inevitable if the Department is to survive and be a viable competitive business in the future. It has been a subtle change but one that has had far-reaching ramifications for the department

In many respects the design of the schema change dynamic by the CEO was state of the change management art. The outcome shows both that it takes more than one person (or a small group to bring about change), particularly in a dispersed change management context, more akin to a loosely coupled system.

Disengagement-learning

The second strategy emerges from the work of Balogun & Johnson (Balogun & Johnson, 2004); I have labelled this dynamic disengagement-learning. The change dynamic involves intervening in such a way to render the pre-existing schema irrelevant or redundant; accentuating the discontinuity between present and past. The

disengagement from or replacement of the pre-existing organisational schema makes it necessary for organisational members to develop new and more appropriate schema by learning from experience.

Two critical illustrations of this dynamic will be considered, one more successful and one less successful.

Disengagement 1

The 1996 restructure of the organisation on owner-provider lines shows evidence of the disengagement-learning dynamic, though in this context it was less than successful. While there is no suggestion it was a deliberate strategy, the way in which the organisation was split on owner-provider lines suggests an attempt by change leaders to disengage organisational members from their conception of the organisation as a operational organisation to one that was both a strategic system manager and a commercialised provider of infrastructure delivery services. On the face of it the change leaders knew it was not going to be a popular change and forced it through.

Learning 1

The structural intervention was both dramatic and traumatic, it did force a break with the past, and it did produce behaviour change though it much less clear that collective schema change occurred; there were too many reports of attempts to regress to the traditional way of working. In part the issue was that, from the perspective of organisational members, the structural intervention was not accompanied by an alternative schema. At least from the perspective of many employees it was a sink or swim learning.

Disengagement 2

The disengagement-learning dynamic is illustrated more successfully in the commercial arm of the organisation. In that organisation, it seemed that managers had made a decision that there was no going back, despite a preference of some organisational members to return to a more traditional public sector work

environment. However, in this part of the organisation there was an effort to, in the words of respondents, to *burn bridges*. The more organisational members realised there was no going back the more they invested in making the developing organisation viable and successful.

Learning 2

Unlike the previous illustration, there was much greater investment in helping organisational members create a replacement schema and intervening to facilitate learning across the organisation. Indeed, there was an explicit attempt to get organisational member ownership of the organisation and the change process. They engaged organisational members in co-creation of the organisation and its development.

In summary, without precluding the possibility of this approach working, there is a need to ensure organisational members have at least the elements of a replacement schema. High levels of stress and high levels of ambiguity would make it more likely that the pre-existing organisational schema would be reinforced, not the development of a new schema.

Vision – attraction dynamic

As indicated earlier, the vision-attraction dynamic involves framing an alternative and more intellectually, emotionally appealing image of the future; this is an ends schema designed to help organisational members make sense of the organisation's direction. Success relies on the level of attraction that organisational members have for this new organisational schema. Two illustrations of this dynamic are offered here.

Vision 1

In the case study, the new CEO framed a stretch mission and vision for the organisation and this was widely promulgated by various media including audio-visual, printed posters, face-to-face communication by the change leader and by his agents. A top level manager reported that he was:

Very excited about the future of [the organisation] and totally supportive of [CEO's] vision ... it is a wonderful aim and something that can enthuse our staff.

Attraction 1

Focus group reports suggest that the attraction dynamic was not realised. Several factors militated against the vision-attraction dynamic. Organisational members found it difficult to see the connection with the bottom line, there seemed to be any number of more pressing organisational problems to be concerned about vision, and organisational members believed they had little control over whether or not their input would realise the vision. This latter point was particularly potent; the lack of outcome control was attributed to the role of the political level.

Vision 2

A second illustration the vision-attraction dynamic was observed in the provider arm of this organisation. Managers in this arm of the organisation made an explicit decision to obtain organisational members' ownership of the new organisation and the change processes. Managers organised a large-group intervention in which organisational members co-created the design of the organisation and the means of changing it; they constructed a new schema (as well as the structures and systems that this new schema would support).

Attraction 2

The influence of this vision was not universal, yet focus group reports suggest that a critical mass were highly and positively influenced by the new vision. The level of engagement of these people with the new vision is illustrated by statements to the effect that they would not want to return to a public sector work environment.

The distinction between these two contexts can be explained in terms of whether or not organisational members co-created the vision. Visions are more likely to attract organisational members' engagement if they have the opportunity to co-create and

therefore see the links between where the organisation is heading and current actions and decisions.

CASE DISCUSSION

The previous discussion provided illustrations of the dynamics thought to contribute to organisational schema change. All of the three dynamics were reflected in the discussion, and a fourth dynamic was suggested. The change leader did seek to change conflict management norms and to create a safe environment in which conflicting points of view might be reconciled though, for the most part, these efforts were less successful than desired, an outcome contributed to by organisational dispersion and the complexity of the new schema. Nevertheless, there was evidence of the development of new conflict management norms in at least one part of the organisation and these norms tended to facilitate change.

The management of the disengagement-learning dynamic was contentious. Is it feasible to disengage; can change leaders change behaviour and assume that behaviour change leads to schema change? There was little evidence that disengagement of pre-existing schema had occurred, despite the scale of change involved. There were too many reports of regression to the old ways of doing things, an outcome inconsistent with disengagement.

Change leader vision had little collective influence on organisational members' pre-existing organisational schema. Indeed, organisational members believed that the organisation had little control over its own future, negating the influence of the new vision. On the other hand, opportunities for co-creation of the vision in one arm of the organisation did have a positive influence on members of that organisation; there was much greater espoused commitment to the organisation and greater commitment to learning.

The case study reflects something of the complexity of managing the transformation of public organisations. Inevitably, there is a tendency to want to draw conclusions about the success or otherwise of this change effort. At the risk of fence sitting it is not unreasonable to conclude that the change effort was both highly successfully and

highly unsuccessful, at least from the perspective of the change leader. As an observer of this process we were frequently very impressed with the efforts of people in the organisation to realise both human and organisational outcomes. Some of these efforts were inspirational.

CONCLUSION

In the light of limited prior research, this paper investigated the management of schema change dynamics in the context of efforts to transform the organisational schema of an Australian public professional bureaucracy. What can be concluded about the management of the dynamics of second-order change?

First, a new schema-change dynamic was reflected in the data. This dynamic might be labelled co-creation-learning. Where this dynamic was reflected managers wanted organisational member ownership of the organisation and its change. Organisational members participated in the design and development of the new organisation, which as an important part contributed to the development of a new organisational schema. On-going learning was facilitated by high levels of on-going organisational member collaboration; all had a stake in the success of the organisation. More empirical work needs to be devoted to this dynamic.

Second, all of the schema change dynamics were reflected in the data yet second-order change was only partially successful. As might be expected, inter-schema conflict was a significant dynamic although conflict management norms were rarely supportive of change or relocation. Indeed, while there were some significant changes (schema and behavioural) in this area, norms that prohibited the open expression of alternative points of view persisted. The outcome was more frustration and cynicism than schema change; indeed the pre-existing organisational schema tended to be reinforced rather than changed.

Beyond the obvious question of how possible disengagement is, the results of the disengagement-learning dynamic were mixed. In the initial separation of the organisation into strategic owner and profit-driven provider, disengagement did not occur. There were too many reports of regression to the traditional way of operating;

even on the structural separation itself. It would seem highly unlikely that a strongly entrenched organisational schema would be deleted so readily. Moreover, the conditions (organisational norms and organisational capabilities) were not in place to facilitate organisational learning that would result in the development of a new schema; the pre-existing organisational schema and high stress levels interfered.

However, in one context, there was more success. The “burning bridges” strategy was intended to communicate there was no going back. Five of the nine groups taking part in this research had made the jump to the new organisational schema. Moreover, there was a huge investment in people and their capabilities and this strategy was paying off. Focus groups reported much better developed horizontal linkages across this part of the organisation which provided significant opportunities for learning and innovation. Consequently, disengagement must be closely linked to learning capabilities.

The vision-attraction dynamic is central to most models of organisational change. A vision is intended to be an ends-means schema; it says something about where the organisation is going and how it will get there. In this research, the results of this dynamic were very mixed. Visions will only attract if they are understood, linked to bottom-line concerns and achievable. These criteria were frequently not met. Respondents tended to focus on immediate and strategic problems facing the organisation. Moreover, there was a clear sense that organisational members could not influence outcomes; organisational direction was a political decision and all they had to do was obey.

The vision-attraction dynamic was more successful when organisational members were able to participate in the development of the vision and the means of achieving this vision. Hence the co-creation-learning dynamic indicated above. It is noteworthy, however, that this approach did result in conflict between profit-striving and public sector rules and policies, some of which made grist for the popular media mill.

Third, the discussion raises the issue of contingency. Under what circumstances would change leaders emphasise one dynamic over another, given that all dynamics

are likely to be necessary. For example, it is possible that when the pre-existing organisational schema is entrenched, a juxtaposition-relocation strategy might be appropriate. While some contingency issues were alluded to in the case discussion, there is a need for further research in this area.

Fourth, what sorts of change management capabilities are suggested by the discussion of schema change dynamics and how might they be instilled? First, managers need to be able to think contingently and therefore possess well developed diagnostic skills. For example, they need to be able to determine when to juxtapose-relocate, disengage-learn, vision-attract, and co-create-learn. Related to this point, public managers also need to be able to think paradoxically; there are occasions when maintaining creative tension between dynamics (and schemata) was necessary. Moreover, they need to develop capabilities related to relocating, learning, and attracting organisational members.

In addition, post-intervention, much of the work of juxtaposition-relocation, disengagement-learning, and vision-attraction involves social and facilitation skills. Select, key people in the organisation had these skills and there was a significant investment in workshops for others. However, the workshops did not necessarily prepare a critical mass of middle managers for the on-line management of the change task that confronted them. The potential for embarrassment and threat was high, increasing the likelihood that organisational defensive routines, rather than change, would be triggered (Argyris, 1990).

Instilling these capabilities in complex organisations poses significant challenges. Training is one approach yet training does not necessarily mean transfer from learning environment to workplace. Given the complexity of managing change dynamics, more on-line approaches need to be examined. Three strategies are briefly considered here. First, “peer-consultants,” managers who have demonstrated the necessary capabilities consult to their colleagues. This may occur one-on-one or group-on-organisational area. Second, internal consultants might be used. The case organisation did have internal consultants. However, these people reported a love-hate relationship with the organisation. Nevertheless, love suggests that some managers had very positive experiences. Third, external consultants might be

employed to help managers with specific organisational problems. Their consulting style would need to be monitored however. The consultants philosophy and capabilities must be consistent with those being instilled.

In conclusion, second-order change fails because organisational schema does not change. To change organisational schema there is a need to attend to and manage multiple and sometimes competing organisational schema change dynamics. There is no suggestion that there is one best way of changing organisation schema. Change decisions must be based on developing a deep appreciation of the pre-existing organisation schema. In practice, it is likely that all of the dynamics discussed in this paper will influence change outcomes. Ultimately it requires investment in the capabilities of both individuals and organisations to ensure the mindful management of these complex dynamics.

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