Chapter 16
Five Insights for Change Managers in Second-Order Change. Organizations as Complex Systems

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ABSTRACT

When managers are confronted with the necessity to bring about second-order change in their organization, their change efforts are often not very successful. This chapter attempts to redefine organizational change using complexity theory and the work of Karl Weick and Ralph Stacey as a basis. Organizational change can be defined as emergent change in complex adaptive systems and is based on self-organizational principles. One important attractor that guides the process of emergence is equivocality. This article expounds the concept of ambiguity as a main attractor for emergent change and how managers can make use of this attractor to make change successful.

INTRODUCTION

A change strategy can be defined as a targeted and purposeful determination to implement with optimal effect a change in an organization that is deemed to be desirable (Blomme, 2012; Blomme, 2014). Organizational changes have three dimensions: content, process and context (Self, Armenakis, & Schraeder, 2007). The first two dimensions refer to the choices relating to the formulation of change strategy: *what* will change and *how* it will happen. The *how* often refers to the strategies and tactics of change managers, such as communication, influencing techniques, active participation and various forms and symbols (Self, Armenakis, & Schraeder, 2007). The *what* refers to the point of leverage for change, such as organizational structure, HR policy, technology, quality management and physical circumstances (Folger

& Cropanzano, 1998). The change context concerns the existing external and internal conditions for successful change (Self, Armenakis, & Schraeder, 2007). The external conditions have an influence on how an organization functions and are often the source of the change (Kelly & Amburgey, 1991). The internal conditions have an influence on attitudes, intentions and behaviour of the organization (Devos, Buelens, & Bouckenooghe, 2007). At a micro level, we can even define the attitudes, intentions and behaviour of the employees (Kavanagh & Ashkanasy, 2006). We can also describe the change context as contingency factors that have a moderating influence on the relationship between change strategy and the success of the change. In order to make the right choice of a specific change strategy, various authors indicate that the extent to which the change context is taken into account is a factor in determining the success of change (Hope Hailey & Balogun 2002). Dealing with increasing external turbulence, internal tensions and problems of increasing complexity calls for continual organizational modifications (Hope Hailey & Balogun 2002). Hence, although organizations seem stable at first glance, change is always happening (Weick & Quinn, 1999). Researchers indicate that changes are becoming increasingly complex and far-reaching (Higgs & Rowland, 2001). As a result of this, these changes frequently do not proceed successfully for a large number of organizations (Devos, Buelens, & Bouckenooghe, 2007). A possible reason for unsuccessful organizational change is that change managers take insufficient account of the dynamics of the change context in choosing their change strategies (Kotter, & Schlesinger, 2008). In general, the complexity of these dynamics and the impact of change interventions on them are difficult to predict (Weick, Sutcliffe, & Obstfeld, 2005).

Although changes in the immediate environment of an organization happen all the time, organizational routines are capable of handling these changes if the context variables, such as organizational structure and strategy, offer sufficient degrees of freedom for fulfilling these routines (Blomme & Morsch, in press). We call the changes in organizational routines within the parameters of the context variables first-order change (Nadler & Tushman, 1999). However, when organizational routines are not able to deal with these changes in the immediate environment and the context variables prevent the further development of these routines, the organizational structure and strategy will need to be modified (Beer & Nohria, 2000). This modification, involving a review of procedures and regulations, also has an impact on positions, management, job content and staffing levels. Not only what people do and how people do things are at stake, but positions of power also become open for discussion. We call these periods of major ambiguity and unpredictability organizational crises since they mark a transition from one stable period to the next. Undergoing a crisis of this nature is referred to as second-order change (Self, Armenakis, & Schraeder, 2007). Managers are increasingly facing such second-order change in their organizations (Wren & Dulewicz, 2005). Second-order change is a complicated task that requires a great deal of energy both from the change manager and the organization subject to that change.

According to Stacey, it is impossible to gain an insight into the dynamics of an organization using linear models especially when one want to bring about second-order change (Stacey, 2007; Blomme, 2003). A linear model involves causal relationships which can be used to predict the outcomes. But the dynamics of organizational behaviour within organizations are comparable to a complex system (Dubinskas, 1994). Organizational behaviour may be typified as a set of non-linear processes (Maguire & McKelvey, 1999). In this chapter, we aim to present five insights on second-order change that may help managers to bring second-order change to successful completion. These five insights are based on making a linkage between insights in complexity theory and how ambiguity drives self-organization processes that we will discuss in this chapter. In the first section, we will explore how complexity theory can be used to understand the change context. Second, we will discuss how the concept of ambiguity

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