

CHAPTER 2:

Strategic Management and Change

2.1 Introduction

The focus of this study is on how communication should be applied and managed in times of change in organisations. However, before suggesting communication management strategies for change, it will be necessary to explore the concepts of *change* and *change management*. Since change management strategies are directly influenced by principles of *strategic management* (Burnes, 1996, p. 192), principles of strategic management will be explored extensively in this chapter so that concurrent views and developments in change management can be demonstrated. To be followed later on in Chapter 3 are outlines of the various change management strategies and approaches, specifically with reference to *communication management*.

2.2 Change, transformation and organisational development

2.2.1 Change and transformation

Change is phrased quite effectively by Kanter et al. (1992) as

the shift in behaviour of the whole organisation, to one degree or another (p. 11).

Senge et al. (1999, p. 14) refer to change as the way an organisation adapts internally to the changes in the environment. In these senses, change is not something that just happens, but must be planned in a proactive and purposeful way to keep an organisation current and viable (Robbins, 1990, p. 383). As Kanter et al. (1992, p. 11) point out, if a change does not occur in character, it will be cosmetic and short-lived, and therefore will not have the desired effects. Change with alteration in conduct is *transformation*. But, change without alteration in conduct is structural, superficial and temporary, which means that any financial resources spent on such changes are simply wasted. Only if transformation takes

place and the changes are internalised in the hearts of people will behavioural modification occur and the desired effects achieved. Similarly, Alkhafaji (2001) points out that many attempts are made to improve the performance of an organisation such as buyouts, mergers and acquisitions, but these will not affect the employees' work or the way the organisation is managed. These are changes, but they do not necessarily change behaviour. True transformation

refers to redirecting organisational efforts towards the satisfaction of the major stakeholders (Alkhafaji, 2001, p. 8),

and it is therefore a new way of thinking about the organisation and how people should relate to changes in the organisation.

Transformation, according to Head (1997, p. 5), is the

step-by-step process of restructuring an existing organisation – removing what does not work, keeping that which does, and implementing new systems, structures, or cultural values where appropriate (p. 5).

Transformation, therefore, occurs when an organisation taps into the complete potential of human resources, and align both the structural and the cultural processes involved with the overall goals of the organisation. With transformation, a whole new culture is formed based on trust, transparency and constant learning.

Gouillart & Kelly (1995, p. 7) adds that the transformation in organisations is

the orchestrated redesign of the genetic architecture of the corporation, achieved by working simultaneously—although at different speeds—along (p. 7)

four dimensions of mind (reframing), body (restructuring), linking body and environment (revitalizing), and the spirit (renewal).

Business transformation, according to Gouillart & Kelly (1995, p. 2), is equivalent to a living organism, which is created, then grows through stages of development successfully or poorly, matures, and even dies. Organisations are influenced by environmental turbulence, so for it to survive all these changes, an organisation must have the ability to transform all its different elements and

subsystems in a combined quest for shared objectives. Transformation implies the alignment of all the different systems within the organisation (Taffinder, 1998, p. 42). It is a holistic management of not only the physical attributes of an organisational system, but more importantly the spiritual essence of any system.

Gouillart & Kelly (1995, p. 5) describe transformation as not merely the free flow of information and the management of information, but the total trend of connectivity—relationships. This connectivity creates knowledge communities—business communities that care for society as a whole. These communities develop people, accept responsibility, contribute to the environment, and shape around the environment by building relationships and connections with all stakeholders involved. Interventions such as cultural change bring about transformations in the organisation and change completely the way it views itself and its environment (Cummings & Worley, 2001). Transformation usually involves qualitative modifications in the behaviour, perceptions and values of an organisation and requires creativity, innovation and learning (Cummings & Worley, 2001; Senge et al., 1999).

Gouillart & Kelly (1995, p. 42) further state the difference between change and transformation clearly when they say that,

...the transformation can't start until 'they' are transformed. One at a time, their hearts and minds must be filled with the motivation and commitment, until a critical mass has been reached. Then change can begin (p. 42).

Change is often understood as restructuring, but transformation is more than just something that can physically be seen. “Mechanical rearrangement” (Gouillart & Kelly, 1995, p. 94) is not the same as holistic transformation. Restructuring has definite short-term benefits, but it is an illusion that these physical changes can lead to true transformation in the long run.

Senge et al. (1999, p. 15) prefer the term ‘profound change’, when an organisation “builds capacity for ongoing change” by getting to the “heart of issues” and emphasising the thinking behind changes, rather than upon mere structural or strategic changes. This thinking on the change process addresses values, aspirations, fears, and behaviours.

The first phase of the model followed by Gouillart & Kelly (1995, p. 7) is the paradigm shift necessary for the organisation to go through transformation. This is where a new vision is created or established once rethought, and then communicated and strengthened in the minds of people. The second phase is the restructuring phase (often referred to as the change phase) where payoffs are fastest and cultural problems are accentuated. This is very often where the organisation is cut to size and reorganisation occurs. Layoffs occur and employees become demoralised and unsure (Chakravarthy, 1997; Ghoshal & Bartlett, 2000).

Revitalisation is the next process of transformation (Ghoshal & Bartlett, 2000; Gouillart & Kelly, 1995, p. 188), and what distinguishes ‘transformation’ from structural ‘change’. This is the phase where relationship building and connectivity become relevant. Gouillart & Kelly (1995) refer to the “listening and touching” of customers, which can be related to the symmetrical way of communication to this public. Values, culture, and ethical approaches to business are the keys and building alliances,

*connecting across boundaries into the lives of other organisations,
giving birth to new corporate communities (p. 215),*

thus rephrasing the meaning or relationships. Key characteristics of the revitalisation process are involvement, sense of fairness and equity, development of trust and credibility (Ghoshal & Bartlett, 2000, p. 211).

But it is especially the last of the four phases of transformation proposed by Gouillart & Kelly (1995) that differentiate ‘change’ from ‘transformation’. This is the phase associated with the change of “spirit” (p. 237), and “without spirituality, there can be no transformation” (p. 238). This phase concentrates on the individual’s development and learning, but builds a sense of community through human interaction.

2.2.2 Organisational development (OD)

Another concept, often used as a synonym for ‘change’ is organisation development. Organisational development (OD) is referred by Cummings and Worley (2001, p. 1) as

a systemwide application of behavioural science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organisation effectiveness. (p. 1)

However, as these authors explain, the similarities between OD and change management is that they both approach effective change as a planned process, and they both address

activities, processes, and leadership issues that produce organisation improvements (Cummings & Worley, 2001, p. 3).

In other words, according to these authors the difference between the two concepts is that OD is more concerned with transferring the knowledge and skills that extend the ability of the organisation to achieve its goals. Change management refers to broader processes involving technology, management and social innovations and they do not necessarily contribute to the improvement of the organisation. Change management therefore does not require the transfer of skills. Most importantly, according to Cummings & Worley (2001), the concept of OD and change management differ in their basic paradigmatic value in that OD supports human values, potential, development, and participation, whereas change management values economic competitive advantage.

Organisational change can refer to any kind of change, (Cummings & Worley, 2001) including human process interventions (e.g. team and group processes), technostructural interventions (e.g. interventions, TQM, reengineering and downsizing), human resources management interventions (e.g. performance management) and, more recently, strategic interventions such as relationship management and organisation transformation.

To conclude this section on the conceptualisation of the terminologies on change and transformation, Head (1997) effectively states that

Whether you label the change effort an organisational transformation, or reengineering, or right-sizing, or quality building effort, a common language should be established inside the company, and the focus should be on the principles or values behind the change effort—what you are changing and what are the bottom-line outcomes. (p. 8)

The change effort should therefore not only be structural—it should involve the mind, body and spirit of all the employees involved. Not just ‘change’, but true ‘transformation’. For the rest of this study, the concepts of *change* and *transformation* will be used interchangeably, although a complete and holistic approach is implicated.

2.3 Strategic management and change management

A basic knowledge of *strategic management* is necessary in order to understand how the developments and theories in this field have influenced change management theory and practices.

2.3.1 Developments in strategic management

Management has been defined by Smit & Cronje (1997) as

the process of planning, organising, leading and controlling the resources of an organisation to achieve stated organisational goals as efficiently as possible (p. 11).

This definition is much in line with the scientific definition of early 20th Century by the engineers Taylor & Fayol, where management is viewed as an objective science that consisted of a number of clearly identifiable and controllable activities (Stacey et al., 2000, p. 61). Max Weber reiterated this in describing the ideal organisation as one that is perfectly logical, efficient, impersonal, and had a clear hierarchy of authority (Robbins, 1990). Siemens, Marting & Greenwood (cited in Ehling & Dozier, 1992) also describe management as

a large complex of activities consisting of analysis, decision, communications, leadership, motivation, measurement, and control (p. 259).

Decision-making is regarded as the central idea of management, and management theories consist predominantly of methods to improve the quality of decision-making processes (Ehling & Dozier, 1992, p. 260).

Strategic management differs from *management* in that management sets guidelines for making decisions about the internal structure of an organisation in

order to control its internal processes (Grunig & Repper, 1992, p. 119). Strategic management, in contrast, focuses more on aligning environmental impacts with the mission statement of the organisation, so as to ensure that the right decisions are made for the future. The large organisations which were formed in the first part of the 20th Century were internally focused and designed to be effective and financially robust; however, it was the pressure of environmental changes that ultimately forced top managers to reconsider these management strategies (Harrison, 2003, p. 5). They needed to be aware of what was going on outside of the organisation, so business scholars and practitioners began talking about managing strategically with the environment in mind. Johnson & Scholes (1999) describe strategic management as being

concerned with complexity arising out of ambiguous and non-routine situations with organisation-wide rather than operation-specific implications (p. 5).

This definition seems to be more in line with newer developments of thoughts on strategic management than the traditional ideas of order and control, because it brought attention to the notions of ‘complexity’ and ‘ambiguity’. The transition of thought from ‘planned’ and ‘controlled’ strategies to ‘flexible’ and ‘unplanned’ processes will be discussed in more detail in the next chapter.

Strategic management and the strategy concepts are derived from the military reference to the role of the ‘strategos’, which was a position of the army General (Costin, 1998, p. x). The term ‘strategy’ goes back a few centuries B.C. and was referred to as the skill used for creating global governance by unifying forces to overcome opposition. Quinn (cited in Mintzberg & Quinn, 1996) translates this into

the pattern or plan that integrates an organisation's major goals, policies, and action sequences into a cohesive whole (p. 3).

In effect, a strategist would analyse the strengths and weaknesses of the resources of an organisation, and then allocate them in such a way that would counteract unplanned changes in the environment as well as unexpected moves of the opponent.

A strategy, in its most basic form, means the long-term direction and scope of an organisation whose ultimate goal is to achieve a competitive advantage for the organisation through management of its resources within a demanding environment of stakeholders and markets (Johnson & Scholes, 1999). The definition in Robbins (1990) reiterates this as,

the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals (p. 121).

The traditional approach to strategic management sees it as a process of analysis, where an organisation's strengths, weaknesses, opportunities, and sources of its threats are used to develop its mission, goals and objectives (Harrison, 2003, p. 6). Quinn (1980) relates management of tactics to plans and programs that are short-term, adaptive, or reactive to opposing forces; and management of strategies as continuous and are gearing towards the organisation's broader goals and the vision. These changes relate directly to the decision-making process at top management levels. Similarly, Robbins (1990, p. 122) echoes this view of strategy by adding further that environmental factors determine strategy, which in turn determine structure in an organisation. This view of the environment being the primary force that determines the best strategy is called *environmental determinism* (Harrison, 2003, p. 7). Good management is, therefore, the recognition of the strategy that best fits the environment, and the ability to plan for and carry out that strategy. However, as Robbins (1990) and Harrison (2003) observe, in practice decision makers and management actually choose their environments; and management may even attempt to change its environment through strategic decision-making. Strategy is thus a deliberate decision-making process where "managers plan to pursue an intended strategic course" (Harrison, 2003, p. 8).

Quinn's (1980) analysis of classic military and diplomatic strategies reveal some important insights into the traditional design of the formal strategy:

- ♦ the essential elements that have to be present are goals and objectives, policies steering actions, and action sequences to accomplish the set goals;

- ◆ resources have to be allocated in ways that provide energy and power to the main decision-making concepts of the strategy;
- ◆ there has to be enough flexibility in the strategy to make provision for unplanned changes in the environment;
- ◆ the position of the organisation should be strong and flexible at the same time, so that it can achieve its goals despite unpredictable forces that may affect it;
- ◆ there should be multiple levels of hierarchical support structures that are interdependent, which could be tested against set criteria and controlled in a systematic fashion.

Another view of strategic management is one that considers the organisation as a collection of competencies or resources, and organisations that claim a competitive advantage are those that possess superior skills and abilities (Harrison, 2003, p. 8; Graetz et al., 2002, p. 50). This view regards the competent manager as one who knows how to acquire, develop, maintain and discard resources. The argument against this view is that it is the stakeholders of an organisation who influence the resources, and are thus the link to resource management the ultimate success of the organisation. The resources argument is criticised by the argument that an organisation is a network of relationships with stakeholders. These arguments will be further discussed in the next two chapters.

An important point made by Robbins (1990) is that there are different types of strategic decision makers, and these types relate directly to the structure of their organisation as well as to the stability of the environment. Johnson & Scholes (1999, p. 431) also refer to the importance of structure and configuration of the organisation, as well as to circumstances within which the organisation functions. Robbins (1990) further argues that the goals of the organisation, in terms of its products or markets, would have an influence on the structure relating to complexity, centralisation and formalisation. These strategic dimensions thus create challenges that determine the predicted structural characteristics. However, Robbins (1990) also adds that an innovative leader that surveys a wide range of

environmental conditions and scans for new opportunities cannot maximise profitability, and is therefore seen as inefficient.

Mintzberg (1987a) notes that, in literature, strategy is described in many ways. As for example:

- ◆ a plan with a course of action;
- ◆ a ploy to outwit opponents;
- ◆ a pattern that is consistent in behaviour;
- ◆ a position of how the organisation views itself in relation to the environment;
- ◆ a perspective or paradigm or worldview of the organisation and its members.

Although these views seem different from one another, Mintzberg argues that they are interrelated, so no single definition of strategy takes any precedence over another. That is, each definition adds a dimension that illustrates how organisations are devices for collective perception and procedures (Mintzberg, 1987a; Robbins, 1990, p. 122; Graetz et al., 2002, p. 51).

Analysis, according to Ohmae (1998, p. 115), is the critical starting point of strategic thinking. The mind of a strategist has intellectual elasticity and is flexible enough to adjust to changing environments. Ohmae describes strategic thinking as using brain power in a non-linear way, and that the best way to understand a situation is to take it apart and then reassemble it in a new way. Grunig et al. (1992, p. 123) refer to the terms 'manage' and 'strategy' as "thinking ahead or planning rather than manipulation and control". For them strategic management is a two-way, symmetrical process where the organisation considers its strategic interest and then changes its behaviour in order to accommodate stakeholders in its environment. Strategy is "an approach, design, scheme, or system" (Grunig, 1992, p. 123). Grunig et al.'s (1992) view of strategic management coincides with the strategic management perspective of the organisation as a network of relationships with stakeholders (Harrison, 2003). This view has only emerged in the past two

decades together with postmodern approaches to change management (the topic of Chapter 3).

2.3.1.1 Levels of strategy

Strategy-making is performed on different levels in organisations, and although these levels are not easily distinguishable, an understanding of the conceptual levels will clarify how members of an organisation function within the system and relate to these levels of change strategy. Digman (1990), Johnson & Scholes (1999) and Oliver (2001, p. 3) identify at least 4 levels in organisations: (1) corporate, (2) business unit, (3) operational, and (4) enterprise strategy and functional strategy.

Corporate strategy is concerned with the financial orientation of the organisation in terms of its portfolio of businesses and how resources are allocated to business levels. This is of importance for organisations engaging in more than one line of business (Robbins, 1990, p. 123).

Business unit strategy is marketing oriented and functions at the level of products, services and the competition in the market place. The functional level of strategy is occupied by integrating the different functions of the organisation in order to create synergy and to gain competitive advantage. Organisations with diverse business strategies will have a variety of structures to fit the strategies of each business unit (Robbins, 1990, p. 124).

The operational strategy level concentrates on putting all the above decision-making processes into action. On this level, action processes include setting short-term objectives and finding cost-effective ways of obtaining them. Managers who function on a strategic level put more thinking into the enterprise strategy levels, and constantly try to balance the mission of the organisation with the demands of the external environment (Grunig, 1992, p. 119; Johnson & Scholes, 1999).

Enterprise strategy operates on a societal level and concerns the organisation's place in terms of its mission, vision and environmental purpose. On this level, decisions are made with regard to how the values of the organisation are married to those of the stakeholders, and the nature of the organisation's relationship with its environment and subsequent social responsibilities.

Before the importance of the environment for strategy and change is discussed, it is worth mentioning the difference that is made between strategic planning and strategic thinking.

2.3.1.2 Strategic planning versus strategic thinking

Formal strategic planning is seen as being at the centre of the organisation's process system, and it describes the roles and functions for divisions and departments (Johnson & Scholes, 1999, p. 425). Some authors refer to strategic logic in this context and describe it as the

organisation's operative rationale for achieving its goals through coordinated deployments of resources (Sanchez & Aime, 2004, p. 5).

Hill & Jones (2004, p. 8) point out that many business thinkers see strategy as a result of a formal planning process, so strategy implementation is a process of

designing appropriate organisational structures and control systems to put the organisation's chosen strategy into action (p. 8).

The result of strategic planning is a *plan* (Harrison, 2003, p. 24; Graetz et al., 2002, p. 53), and the steps normally followed are (Hill & Jones, 2004, p. 8):

- ◆ selection of the corporate mission and major goals of the organisation;
- ◆ analysing the external environment of the organisation;
- ◆ analysing the internal operating environment;
- ◆ making strategic choices based on this analysis; and
- ◆ implementing this strategy.

Strategic implementation occurs when strategy is put into action through components such as organisational structure and design, the planning of resources, and the actions taken by managers to change processes (Johnson & Scholes, 1999, p. 22). Hill & Jones (2004, p. 17) add that it further involves corporate performance, governance and ethics, as well as the local and global implementation of strategy. Strategic planning involves setting of objectives, analysing the

environment against the resources available, and then producing a plan for implementation. Strategy, according to this process, is therefore the outcome of careful and controlled analysis and planning with a clearly defined sequence of activities.

Critics of formal planning systems argue that strategic planning is rigid and reduces intuition and creativity (Harrison, 2003), and does not allow for adjustments and flexibility in the ambiguous, uncertain and complex world we live in (Hill & Jones, 2004, p. 18). Rapid and unanticipated changes can leave any well thought-out plan useless, which is why recent approaches to strategic management have placed more value on the ability to respond quickly to environmental changes. The following table describes the differences clearly:

Table 2-1: Strategic planning versus strategic thinking

	Strategic planning	Strategic thinking
Future:	Considered to be unambiguous and predictable	Only its form can be envisaged; vision; scenario planning
Formulation and implementation of plan:	Deterministic, top-management decision-making, rational, discrete,	Interactive process, negotiation, networking, involvement of all levels
Clear boundaries and divisions:	Job descriptions are tightly controlled and protected; clear report lines	No boundaries; holistic approach in management; interdependence of subsystems
Goal:	Setting of strategic direction through analytical, systematic process	Strategy and change inextricably linked; recognition of effective implementation
Control:	Control through measurement system	Self regulation; sense of strategic intent and purpose
Planning:	Creation of plan the ultimate object	Planning process seen as an important value add; provides direction and focus
Thinking:	Analytical; rational	Creative; intuitive

(Adapted from Graetz et al., 2002, p. 56)

Emergent strategies and strategic thinking encapsulate the vision of where an organisation is or should be going, that is, together with a long-term focus upon the environment (Harrison, 2003; Graetz et al., 2002). Strategic thinking managers take advantage of unplanned opportunities and do not ignore the past or present, but keep the future in mind. In other words, they follow a sequential thinking

process where creative ideas are used for learning and risk-taking. This unplanned, flexible, risk-taking approach is the antithesis of the planned approach, and these two paradigms form the basis for the variables used in this thesis. The emergent approaches to strategy and change are discussed in Chapter 3.

2.3.1.3 The importance of environment

The concept of environment is very important in all strategic management literature (Pearce & Robinson, 1982; Mintzberg & Quinn, 1996; Smit & Cronje, 1997; Robbins, 1990; Harrison, 2003; Hill & Jones, 2004; Johnson & Scholes, 1999; Sanchez & Aime, 2004, to name a few). Environment refers to all the forces that influence and affect an organisation's structure, strategic options or culture. More importantly, they are forces which the organisation has little or no control over. In Robbins's view (1990, p. 206), environments include all the factors outside of the organisation's borders, that is, from the general to social, political, economic, legal, ecological, cultural, or specific conditions relevant to the products or services and related stakeholders. These specific individuals or organisations that interact directly with the organisation, and influence its goal achievement, is referred to as the task environment (Cummings, 1997, p. 453). Robbins (1990, p. 206) also distinguishes between the actual environment with all its complexities from the environment as perceived by management. This enacted environment influences the strategic choices made, while the real and task environment determine whether these choices are successful or not (Cummings, 1997, p. 454).

At this stage, it is important to note different approaches to the role of the environment. Traditional management theories used to concentrate on the internal environment of the organisation. The internal environment refers to groups who work within an organisation, or are in some way involved in the work the organisation is doing (Goldstein, 1994, p. 116). The employees, internal management processes, and the strengths of management teams could be controlled. What could not be controlled was the external stakeholders, and as Robbins (1990) notes, they could not be "managed" because there was no control over this part of the environment. The environment was traditionally explained as physical and social external forces that have an influence on an organisation and within which the organisation functions (Cummings, 1997). However, as Harrison

(2003, p. 12) points out, organisational boundaries are becoming permeable as firms subcontract and form coalitions with other organisations. Organisational systems cannot function as monolithic or closed-off entities (Sherman & Schultz, 1998, p. 170) because they interact with other monetary and value systems. Just as they are influenced by these entities, so can these entities be influenced by them. Organisations will be able to manage their external stakeholders to some extent, and in effect, manage a part of the environment. Through this interaction they have thus an influence and a relationship with their environment.

Grunig et al. (1992, p. 67) point out that most managers would prefer though to remain independent from the environment, which means to run their business without interference. Trying to manage strategically is therefore a perpetual struggle for independence from outside constraints and demands. Organisations exist with different degrees of uncertainty within their environments, and managers try to use the structures of their organisation to minimise the impact of the environment (Grunig et al., 1992; Robbins, 1990, p. 206).

Alternatively, an organisation may attempt to influence the environment so that it would contribute to the organisation's success. This is called "enactment" (Harrison, 2003, p. 7). During the process of enactment the organisation can make strategic choices regarding relationships with stakeholders, investments, change activities, and the like. Grunig et al. (2002) mention that managers often rely on their perceptions about the environment and act on those perceptions rather than on what is going on in the actual environment. To this extent, "they enact their environment and act accordingly" (Grunig et al., 2002, p. 445). This becomes especially true the more uncertain and complex the environment is, as managers have to have the ability to enact much faster than before.

Because an organisation is an open system and interacts with its environment, it has to adapt to its environment in order to survive and stay effective (Robbins, 1990, p. 205; Grunig et al., 1992). Kanter (1989, p. 142) talks about the deliberate collaboration between organisations that manage strategically and their environment. The most successful organisations are those that administer and control their resources and relations with all groups that can influence the existence of the organisation effectively and efficiently. Organisations try to control

the influences from their environment by getting involved in acts such as mergers and acquisitions, joint ventures, diversification, environmental scanning, and in mechanisms such as call centres, industrial affairs departments and affirmative action departments.

Different environments determine different structures in organisations. As Robbins (1990) observes, that more mechanistic structures will be better suited to stable, unchanging (or slow-changing), simple and predictable environments. Organic structures that are flexible, diverse, and non-authoritarian will function well in dynamic, complex environments that are turbulent and ever changing. Furthermore, Robbins (1990) argues that turbulent environments seem to be the rule rather than the exception and that

organisations today face far more dynamic and turbulent environments than in previous times (p. 214).

Interestingly, Robbins (1990, p. 225) also points out that it seems that most organisations still use the mechanistic form of structure even though the current environment is seen as very turbulent and dynamic. To go as far as questioning whether these times are as turbulent as mostly suggested, Robbins observes that organisations operate in presumably similar environments, but have different structures and show little significant differences in effectiveness. Robbins concludes, however, that

a dynamic environment has more influence on structure than a static environment does (p. 231).

Furthermore,

complexity and environmental uncertainty are directly related, formalization and environmental uncertainty are inversely related, the more complex the environment, the greater the decentralization, and extreme hostility in the environment leads to temporary centralization (p. 233).

These conclusions by Robbins have important implications for strategic choices in change management.

The major concepts for this study, as derived from the above traditional approaches of strategic management, are the views that strategy involves fixed patterns, plans and positions. As Graetz et al. (2002) point out,

For most people, strategy is generally perceived as a plan—a consciously intended course of action that is premeditated and deliberate, with strategies realised as intended (p. 51).

Strategy and management is constantly referred to as the way of providing a framework for planning and decision-making that control and manage influences from the environment. Although flexibility is mentioned, it is still embedded within the paradigm of a strong foundation and firm position.

Another major concept that will be examined, in terms of emergent approaches to strategic management and change, is the role of the environment; specifically, how, and to what extent, organisations can go about managing their internal and external environment through the relationships they have with the stakeholders in this environment. Traditional perceptions of determined boundaries, uncontrollable environments and adaptation to environmental determinism, have made way for more flexible and open boundaries and environments that can be controlled to some extent through relationships and enactment. These emergent approaches are the topics of discussion in Chapter 3.

2.3.1.4 'Strategy' and 'change'

It is important to note here is that strategy is sometimes considered to be something different from change. Tsoukas & Knudsen (2002, p. 424) argue, for example, that the configuration school is not a theory of strategy but one of corporate change, making a distinction between the two concepts. However, Mintzberg (1987a) explains:

That is why even though the concept of strategy is rooted in stability, so much of the study of strategy making focuses on change... The very encouragement of strategy to get on with it—its very role in protecting the organisation against distraction—impedes the organisation's capacity to respond to change in the environment (p. 50).

Here lies the paradox of strategic management. In order to follow a direction and reach intended goals, an organisation has to adjust to the changing environment, that is, manage changes. But if it is constantly questioning its strategies it will slow down its ability to 'get on with things'. Moreover, if it is a stable basis for action it could become a groove within which the organisations functions, and loses the ability to see, or recognise changes in the environment that may affect it, or lose the ability to adjust quick enough to any change. It loses the ability to manage change.

Strategic management can also implicitly mean change management or the management of change within an organisation and its environment (Quinn, 1998, p. 138). If change management is the holistic and total adjustment of the organisation in order to align it to its environment (Gouillart & Kelly, 1995, p. 2; Taffinder, 1998, p. 42), and strategic management is described as the alignment of the mission statement of an organisation with the environmental impacts of that organisation in order to guide decision-making (Grunig & Repper, 1992, p. 119), then strategic management and change management can be seen as being part of each other or describing the same process. Both refer to a controlled and planned process to change behaviour, structure, or process in the organisation in order for it to reach certain goals and objectives. Graetz et al. (2002, p. 49) encapsulate this argument this way,

In today's business environment, strategy-making (strategy formulation and implementation) is concerned largely with the management of organisational change; it is the 'cognitive component' of the change process (p. 49).

2.3.2 Developments in change management

Views of change management developed concurrently with approaches to management in organisations, although the views on change have been ingrained in the belief systems of civilisations since the beginning of human time. Through the centuries accounts of change in the environment were influenced by the worldviews of many civilizations and cultures. The world of science has developed alongside these paradigms and has moved from mythology, religion, modernist science governed by mathematics, and emerging postmodern worldviews.

Sanders (1998) explains the history of thought around change starting with the earliest myths and legends—stories that were told to make sense of the world, how it works and why it changes. Sander believes that there is no clearly identifiable mark in history, except that it must have developed through the atomists of the late 5th Century B.C., who believed that life in all forms were made up of tiny moving particles that worked like a well-oiled machine. The philosophers, such as Pythagoras, for example, thought that all life can ultimately be explained by numbers; that is, until questions about the realities of change arose and replaced this mechanistic view. That change and stability could exist simultaneously was the paradox that brought about the concepts of being or becoming.

Socrates and Plato were responsible for advancing the discussion on the question of reality from a political and ethical point of view (Sanders, 1998; Briggs & Peat, 1989). Their views represented the struggle to create a conceptual framework within which to understand the existence of both order and change. Plato believed in the existence of two realms: a realm that is perfect and represents stable forms, reason, and ideas; and another realm that is the ever-changing—the material world, which we experience through our senses. Change and stability are thus from two very different realms. Change, according to Plato, is imperfect and merely a representation of the real world of reason and knowledge.

Following Plato, his student, Aristotle, set in motion a worldview that dominated the scientific scene for almost two thousand years. Since Aristotle preferred abstract observation and conceptualisation to actual experimentation, that is, having to prove the true nature of the universe and the material world, his worldview was more qualitative than quantitative. Where form and matter were seen as being inseparable, Aristotle speculated that order was all-encompassing and existing in increasingly more complex environments; furthermore, all life forms build up in ascending hierarchies (Briggs & Peat, 1989, p. 21). The earth was the centre of the universe; so the move away from Aristotelian cosmology was to be the point of separation between medieval science and the start of the industrial revolution that led to the modern scientific paradigms.

Religion has also had a big part to play in the formation of the views of science, industry and, essentially, of change (Sanders, 1998). The birth of Catholicism and

the Church in Rome saw the beginning of a very strong hold over intellectual development of civilizations throughout Europe. During the Dark Age (A.D. 500-1000) monasteries provided a safe haven for intellectualism, and the Church went on to be the most stable and influential system throughout the medieval period of scientific and intellectual pursuit. The 450-year revival of intellectual pursuit covered the period A.D. 1000-1450 when the Aristotelian view of the earth as being the centre of the universe was adopted by the Church. This view strengthened the Church's doctrine of being the foundation of society, and strengthened the suppression of chaos and ideas such as entropy, decay and nonlinearity (Briggs & Peat, 1989, p. 21). While the Church fought for power by forming the Inquisition (which kept it in power through to the 19th Century), it was being criticised and attacked by the Protestant Reformation, the French Revolution and scientists such as Galileo, the father of modern science. This struggle between religion and science still exists today, as demonstrated repeatedly through, for example, the evolution-creationism debates.

The Scientific Revolution of the 17th Century further advanced the movements of the mathematisation of nature and the development of the mechanical philosophy (Sanders, 1998; Sherman & Schultz, 1998; Wheatley, 1994). Plato's view of the world and nature, based on geometric and mathematical principles and approaches, converged with the mechanical view of nature (as one huge machine) and formed the mechanistic-mechanical worldview, which became known as the 'clockwork' paradigm. Galileo's mathematisation of the study of motion also contributed significantly to the basic physical principles upon which modern science is based. Descartes took this even further in proposing the view that all living things operate like machines, have no inherent intelligence, except the ability to react to changes in the environment. Descartes viewed all organic life in mechanistic terms, and Newton continued this tradition through his laws of celestial mechanics by describing the world in mathematical and mechanistic terms (Briggs & Peat, 1989). The ease of explaining complex phenomena in mechanistic terms meant that this approach had huge followings. Scientific discoveries of the 'Truth' were used to strengthen the power of the state and the Church, and to promote social change and order in society (Sanders, 1998).

Business management and strategic thought are still very much based on this mechanical worldview (Wheatley, 1994; Robbins, 1990; Sherman & Schultz, 1998, p. 3), as for example, Total Quality Management with its fishbone diagrams, reengineering practices, and the grids used with the Balance Scorecard. The basis of thought developed during the Scientific Revolution is a combination of logical, deductive reasoning with the view of the world as mechanisms being run in mathematical terms. Paradigms of the Scientific Revolution had a big influence on the Industrial Revolution, which realised the potential of co-ordinated mechanisms, where organisations were controlled structures managed for optimum production and minimal complexity (Robbins, 1990; Whittington et al., 2002, p. 476).

The classical school of theorists led by Frederick Taylor, Henri Fayol and Max Weber introduced ideas of the scientific approach in management theory (Robbins, 1990). They believed in tight control of production and productivity, and the importance of authority and bureaucracy as the most efficient means of obtaining organisational goals. Thus arose the development of the concepts of rational-planning and the idea that structure was a result of strategic planning and organisational objectives.

Out of the scientific approach to management, the process of Statistical Process Control developed after the reconstruction of Japan in the 1950's, and the ideas of Total Quality were created (Carr & Johansson, 1995, p. 5; Graetz et al., 2002). In the late 1970s and 1980s, this idea was reintroduced, into the Western organisational arena as Total Quality Management (TQM) and Quality Circles. It involved processes, natural work groups and a customer-focused, market-driven approach. During the economic slowdown of the early 1990s, companies saw that a narrowly focused TQM had little impact on the bottom line, and so they began looking for business results by tightening processes and eliminating redundant steps in business procedures. This led to Business Process Reengineering (BPR), which included competitiveness, cost cutting, core business process focus, radical change and dramatic improvement (Cummings & Worley, 2001, p. 302; Graetz et al., 2002). Reengineering addressed the problems of traditional management systems where work was broken down into specialised units, but was slow to

respond to unpredictable and complex environments. BPR integrated specialised working units into cross-functional work processes.

Together with these technical and work process system developments, the humanistic approach evolved with a more democratic and personal touch and flexible adhocracies being the ideal organisational form (Robbins, 1990, p. 41). The motivation of employees and participative decision-making were emphasised, as well as the facilitation of communication as an important role of the manager. The contingency movement gained momentum in the 1960s, and the influence of the environment on the structure of the organisation was highlighted. This view propagated that there was not 'one best way', and that variables such as the size of the organisation had profound influences on the management approach and structure followed. The most recent approach, as discussed in Robbins (1990, p. 43), focuses on the political aspects that influence structure such as power coalitions, conflict and negotiation and control.

The planned approach to strategic management and change management is a current overarching paradigm in change management literature (Genus, 1998). (Examples can be seen in Cummings & Worley, 2001; Head, 1997; Burnes, 1996; Gouillart & Kelly, 1995; Ghoshal & Bartlett, 2000; Senior, 1997; Mintzberg & Quinn, 1996). Within this approach is the importance of strong leadership and change management teams. Current public relations theory, relating to management and corporate communication strategy, is much in line with these general strategic management views of structured planning and decision-making. An account of how changes in communication management approaches coincide with the developments and applications to change management approaches will be discussed in Chapter 5.

The next chapter outlines of the various change management strategies and approaches, specifically with reference to *communication management*.