HOW DOES CHANGE HAPPEN IN A LARGE CONSTRUCTION COMPANY: COMPARING OBJECTIFIED AND LIVED VERSIONS OF CHANGE

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That change is a part of organizational life has been well documented in the literature, but how change emerges over time and is interpreted warrants further research. Much of the existing literature portrays organizational change as detached episodes—based on a single perspective, accounting either for the content, the context, or the process. This paper traces the development in a large construction company from 1990 to the present and compares an objectified (documented) version with a lived version of change in order to elucidate the multifaceted nature of organizational change. The data is part of an ongoing longitudinal case study which to date comprises, 27 in-depth interviews with lower- to high-level actors, and documentation covering the period. The analysis is structured around the two versions of change and enhances their main differences. Change seems to be continuous and trend-related in the objectified version and discontinuous and reactive in the lived version. Conclusions from this study are: researchers need to apply an interpretative approach when studying organizational change; and, if the actors in a construction company interpret change to be reactive and discontinuous then those interpretations might reflect and enact a passive company culture.

Keywords: change, diachronic perspective, interpretative approach, multiple perspectives, organizational change.

INTRODUCTION

Organizational change is something that has engaged researchers for a long time and challenged practitioners since the beginning. This is not strange: change is a given, change is the only steady state—and for organizations, the ability to change, is a decisive factor for survival. The terms are explicit: change or die!, but the unravelling isn’t out there on any blueprint, but in the complexity, the uncertainty, and the contradictions. Researchers have tried to understand and explain organizational change in many different ways; and this multifaceted phenomenon has generated a landscape of different theories and perspectives.

In their review of the organizational change literature from the 1990’s, Armenakis et al. (1999) found three common themes: 1) content, 2) context, 3) process. Content (1) concerns the targets and factors related to changes, e.g. strategy, organizational structure, incentive systems. Context (2) regards the overall conditions that exist externally or internally in the organization, and Process (3) relates to the actions taken (external or internal) to implement change, and the responses to these actions. Armenakis et al. (1999) found that the analysis of organizational change tends to be

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limited in scope; since it focused on only one of the three themes at the time. They argue that in order to gain further insight one needs to combine the three themes, as organizational change is an interaction between them. Van de Ven and Poole (1995) present two analytical dimensions of organizational change: the unit of change (what is it that changes) and the mode of change (how does it change). The unit of change is related to what an organization consists of: which are the organizational entities that actually changes? Theories of organizational design have been concerned with this and it can also be related to the content theme in the Armenakis et al. (1999) review. The other dimension outlined by Van der Ven and Poole (1995), the mode of change, has been much mentioned especially within the innovation and technology literature. Christensen (1997) explains how change is both a problem and an opportunity for companies and how continuity and discontinuity interact. This theory draws on Schumpeter (e.g. 1950) who popularized the Marxist’s economy theorem in his “creative destruction” describing how innovations and technology prospers from different combinations of discontinuous and continuous change. Tushman and Anderson (1990) portray the mode of change as reoccurring cycles and as an important organizational challenge, managing both discontinuous and continuous modes of change (Tushman and O’Reilly, 1996).

Pettigrew (2001) emphasizes how time needs to be of central concern when investigating change, and that change needs to be interpreted as a throughout continuous process and not as detached episodes. Continuity in relation to change in organizations is underrepresented; the usage of single-snapshot methods is not a coincidence, but something that is deeply rooted in the structure of modernist social sciences. But portraying an organization that is timeless is theorizing that is inadequate, as it fails to account for the dynamics of organizational change (Armenakis et al., 1999; Pettigrew et al., 2001; Farjoum, 2002). Pettigrew et al. (2001, page 700) clarifies this by saying “time is not just ´out there´ as neutral chronology, but also ´in here´ as a social construction of events in the context of the organizational time cycles that modulate the implicit rhythms of social systems.” Furthermore he argues that history matters; history isn’t just a photo album of events, but something that is carried forward in human consciousness; it is alive in the present and it shapes the future. This means that organizational change is path-dependent and that this dependency needs to be accounted for when studying change. The dynamics of path-dependency are already well acknowledged and central in other theoretical fields, e.g. epistemology theories (Radnitzky and Bartley, 1987), discourse theory (Wetherell, 2001), industrial wisdom (Melander et al., 2008). Another take on organizational change is offered by Weick and Quinn (1999) who argue that organizational change foremost lies in the perspectives of the observers. Weick and Quinn (1999) use the two most common modes of changes – continuous change and discontinuous change – to make a basic argument for this: if the observer views change from a macro perspective he/she will tend to see it as discontinuous episodes, while if the observer takes on a micro perspective, he/she tends to see an ongoing process. Pettigrew (1987) makes the same argument, that change looks different from different perspectives; however, he considers, contrary to Weick and Quinn (1999), that understanding change from a macro perspective would rather tend to construct continuities. In the light of this argument, one should not be surprised that there exist so many different theoretical views of organizational change (maybe as many as there exist observers). However, the common denominator seems to be that all these theoretical frameworks of organizational change suggest that organizational change is
complex and inherently pluralistic and something that should be studied with a time-line lens.

The purpose of this article is two folded. Firstly, to explore how change happens in a large construction company; secondly, to further examine the arguments made by Weick and Quinn (1999) and Pettigrew (1987), on how change seems to lie in the eyes of the beholder (or the enactor), by presenting two different versions of an organizational change: an objectified version and a lived version.

METHOD

The empirical data is part of an ongoing longitudinal case study at one the largest construction companies in Sweden, with the pseudonym “Alpha”, on strategizing over business cycles from 1990 to date. In-depth interviews with 27 upper-level managers were carried out during 2010 and 2011. This part of the study has applied an explorative and interpretative approach. Such an approach seemed appropriate, accounting for the complexity and the pluralistic nature of organizational change. This study had no preconceptions or theoretical framework on organizational change, but is based instead on the perspective that emerged from the stories in the interviews. This method seemed to be more sensitive to the complexity and overlapping dimensions predicted by the literature. In the stories, overlapping representations of content, context, and process were found. The time perspective is also accounted for, in the sense that the interviewees were asked to do so; not as a notion regarding path dependency over time, but, however, as an interview theme regarding change at Alpha throughout the past 20 years. During the interviews, lasting between 1-2 hours, the respondents were asked to give their retrospective accounts of major changes over time, from 1990 to the present, by means of undirected story-telling. Interviews were conducted until no (or little) new information was provided from further interviews. All the interviews were transcribed. In a first phase these transcriptions were synthesized, without any pre-determined propositions and with no particular codification technique. At this stage we wanted the data to “speak to us”. From these readings a pattern gradually emerged. A content analysis was carried out, resulting in a list of key words sorted into categories. Complementary to interviews, business plans, official pamphlets, and annual statements covering the period have been analyzed, partly to give us some general insights as interviewers, but mainly to construct a comparative version of change over time – in order to elucidate how two versions of one change can differ, depending on the perspective taken. In the following part two versions of change in Alpha, between 1990 and today, are presented. The events that are included are those seven episodes of change that the interviewees themselves highlighted most frequently in their stories. The first version is “the objectified version”, quoting business plans, official pamphlets, and annual statements. The second version is “the lived version”, aggregated from the narratives as an account of Alpha´s change as perceived by the interviewees.²

² The reason why the objectified version is presented before the lived version, even though the episodes were selected on the basis of the interviews, is that the objectified version also presents a brief description of the event (in addition to the rationale behind the event), while descriptions of the events were “givens” for the interviewed managers – that instead only focused on the rationale.
ONE CHANGE - TWO PERSPECTIVES

The objectified version - based on documentation

Written documentation is merely something that some or many persons have written at some time, thus calling this an “objective” version is a bit misleading in one sense. This version is, however, an important representation of events, since it is the one generally given to outsiders as well as to new recruits. It thus yields influence on possible future interpretations. Documentation like this is supposed to represent what “the company thinks” and is in this sense also the objectified version of the change.

1991 - 4XX (process)
“By operation 4XX, Alpha has, as the first construction company started a thorough change process. It will increase the operational efficiency as well as adding increased values to our customers” [Annual statement of 1991]

1995 - OWOW, “Our Ways of Work” (process)
“Regards both the final goal and the way we reach it […] We have seen how things should be done and how they should not be done. Our ideas have been tested in practice. By “Our Ways of Work” we all use the ideas that were successful. We can increase our performance for our customers and become more efficient. All the time.” [Official pamphlet of “OWOW”]

2000 - ISO 14001 certification (process)
“Alpha is the first international construction company that has implemented the certificated standardized environmental process, ISO14001, in the whole corporation, from corporate office down to every affiliation. This standardized process is an essential fundament for a structured and efficient environmental work. One of the challenges for this system in the future is to appropriate in order so that the project’s environmental performance is reached, but preferably also to exceed the customers’ expectations”. [Annual Statement of 2000. This certification was announced already in the 1997’s annual statement “all operation will be ISO 14001 certificated before 31 December, 2000”]

2001 - The first common business plan is formulated (strategy)
The first common business plan for whole Alpha Sweden is formulated. The strategic bullet points are formulated as the “long-term success factors for Alpha Sweden”. One of them is “to increase the degree of cooperation within Alpha Sweden”. [Business Plan, 2001-2004]

2003 - A new business plan is formulated (strategy)
This business plan is divided into two main statements: “The strategy, in order to reach [a formulated goal for 2006], is to increase the performance within our current operations, and to, develop a more efficient building process.” [Business Plan, 2004-2006]

2003 - Security (process)
Accidents at the constructions sites are introduced as a main focus area. “We strive to achieve our goal of zero accidents at the construction sites”. [Annual Report 2005, later also included as a main area in the business plan 2008-2010]

2009 - "Alpha United" (organizational structure)
Alpha withdraws support functions from the regions and gathers them instead into a centralized unit. “Alpha Sweden’s common support functions provide specialist competence to the organization. Through specialization and common ways of work
these contribute so that the existing knowledge within Alpha Sweden is handled and used in the best ways possible. Alpha Sweden’s support functions are mainly divided into three areas: Economy, HR, and Operations Support” [Business Plan, Alpha Sweden, 2008-2010 (revised 2009)]

The lived version - based on the interviews

This version is based on the interviewed managers’ stories. Not every manager emphasized every one of these events, but they were the most frequently mentioned overall. There existed a high degree of conformity regarding how they described the circumstances related to the events. The few contradictions that were found are presented.

1991 - 4XX (process)
This change was consistently interpreted as a direct reaction to the economic crisis in the beginning of the 1990’s.

"4XX was something that was initiated due to the economic crisis…we had to do something […] This crisis [early 90’s] was a hundred…no a thousand times worse than this recent crisis [late 2000’s]” (Upper-Level Manager)

1995 - OWOW (process)
The most general and reoccurring interpretations of what drove OWOW was that it was the devotion of a few individuals, mainly from a certain geographical division. Nestling further in the reasons behind this initiative resulted in two different interpretations.

One was that ISO 9001 had become bigger in other industries and that Alpha’s customers started to pressure Alpha to implement this system. But ISO 9001 was perceived to be “too much paper work” and a bit “too boring” and instead a group of individuals (mainly the Higher-Level Managers in Geography A) thought that Alpha "instead should develop their own ISO 9001” (their own standardized process). And that was OWOW. Two Upper-Level Managers interpreted however instead that is was the work with 4XX, some years before, that had developed an insight of the advantage of using common ways of work in the organization.

2000 - ISO 14001 certification (process)
This certification was perceived as a direct reaction to the “Enviv Disaster” crisis (at 1997). One of the managers expanded the argument and said that Alpha probably would have certified themselves anyway, but definitely not that early. Alpha needed to neutralize the effects of this crisis and take action (this event was reported intensely in the media and was also discussed at the highest governmental level. Alpha’s stock value decreased with 30 percent during this period. An Upper-Level Manager expressed it as “Alpha was that times BP” [British Petroleum]). Alpha reacted to the crisis and the crisis was interpreted as the driver for the change.

“It was pretty easy to talk about environmental issues at Alpha after that crisis, but it was pretty hard before.” (Upper-Level Manager)

2001 - The first common business plan is formulated (strategy)
This can be found in the internal documentation as “Business Plan Alpha Sweden” and it was formulated for the years 2001-2004. However, none of the interviewed

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3 The Envir. Disaster was a major construction project that went wrong – resulting in major environmental damages – and for which Alpha held the main responsibility.
4 In 2010 BP was responsible for the biggest ocean oil spill in US history
managers mentioned this business plan; instead, all of them perceived that Alpha Sweden’s very first business plan was formulated two years later (in 2003).

"2004 was the first time that Alpha Sweden started to work with strategy" (Upper-Level Manager)

We asked one of the managers specifically about the business plan of 2001 and why no one had mentioned it and he gives us a rather informative answer:

"Yeah…but that is probably the least grounded business plan in the worlds history…Mr.X [CEO at the time] went into a room for two hours and then he came out with a business plan …I mean it wasn’t grounded at all." (Upper-Level Manager)

2003 - A new business plan is formulated (strategy)

According to the managers this wasn’t a new business plan – it was the first business plan for Alpha Sweden and the first time they worked with strategy. There are a few different versions regarding the logic and reason behind this business plan, but the majority perceived it to be something that “the new acceding CEO did”. They don’t really talk about the rationale or the logic behind this new strategy… it was rather described as something that was related to one person. The strategy was “personified”. Reviewing their stories we found a lot of descriptions like “he thought..”, “he decided..” he did….” A very typical quote would be:

"This work with [the 2003 business plan] was Mr.W´s [the CEO for Alpha Sweden at that time] baby." (Upper-Level Manager)

One expectation to this overall version came from one manager that had a top-position in Alpha at the time. He described the business plan of 2003 to be a reaction to the fact that Alpha Sweden had suffered big financial losses during a period of time. The corporate board decided that something had to be done in order to regain the trust in Alpha’s business in Sweden and therefore a brand new business plan was formulated.

2003 - Security (process)

Same type of personification as the examples above. “He thought…”’He did”.. but in this case it was related to a different person, namely the new CEO for Alpha International that was also newly appointed in 2003.

"Yeah, security…that was his thing [that CEO]…no one can take that away from him" (Upper-Level Manager)

2009 - "Alpha United" (organizational structure)

Controversial change, it seems like, and also the change associated with the biggest differences in perceptions between the managers. Some of the managers perceived this to be an action taken in relation to the change initiated with the business plan in 2003. But the majority of them perceived instead this to be a reaction to the downswing in the world economy (in the late 2000’s) and that this was a reaction in order to cut costs. It is worth mentioning that this change yet hasn’t been fully implemented; the way that it was planned. The directing manager team encountered some resistance from the districts and regions – that consequently was excused. But there was also examples of line managers (that formally hasn’t been excused) that describes how this change isn’t incorporated in the daily work.

"Yeah, actually people keep doing it the same way as before…even though they have been told to use the central functions" (Lower-Level Manager)
ANALYSIS

Table 1 below summarizes the differences in the versions of the episodical changes and also outlines which subgroup that emphasized which episode.

Table 1: Outline of the seven episodes - comparing the Objectified and Lived version

<table>
<thead>
<tr>
<th>Episode of Change</th>
<th>Objectified Version</th>
<th>Lived Version</th>
<th>Emphasized by Subgroup</th>
</tr>
</thead>
<tbody>
<tr>
<td>4XX (1991)</td>
<td>“To increase operational efficiency”</td>
<td>A reaction to the fierce economic crisis in the beginning of the 1990’s</td>
<td>Both Higher and Lower level Managers</td>
</tr>
<tr>
<td>OWOW (1995)</td>
<td>“To increase performance for the customers and to become more efficient”</td>
<td>The devotion of a few individuals / An alternative to ISO 9000, expected by customers / 4XX had raised an awareness of the benefits from common ways of work</td>
<td>Higher Level Managers (Emphasized by every High-Level Manager from Geography A, 4 out of 4)</td>
</tr>
<tr>
<td>ISO14001 (2000)</td>
<td>“For structured and efficient environmental processes”</td>
<td>A direct reaction to the environmental disaster that Alpha was responsible for three years earlier</td>
<td>Both Higher and Lower Level Managers</td>
</tr>
<tr>
<td>1st Business Plan (2001) New Business Plan (2003) Security (2003) Alpha United (2009)</td>
<td>“Long term success factors” “To increase performance and to develop a more efficient building process” “To achieve the goal of zero accidental events” “To provide specialist competence to the organization and to make sure the knowledge is used in the best way possible”</td>
<td>No explanation provided. Had no perceived effect. Related to the CEO that introduced it. “He did”…”He thought” Related to the CEO that introduced it. “He did”…”He thought” A direct reaction to the crisis in the late 2000’s / To support the strategy formulated already in 2003</td>
<td>None (Researchers initiative) Exclusively Higher Level Managers Mainly Lower Level Managers Both Higher and Lower Level Managers</td>
</tr>
</tbody>
</table>

The Overall Change

The seven episodes represent changes that have happened throughout a time period, but their aggregation does also represent an overall change over time. When comparing the rationales of the episodes in the two versions, one can see a clear difference in the notion of organizational change over time.

The Objectified Version

In the objectified version change appears to be continuous over time, consistent to a common trend. All the episodical events are related to increased standardization and centralization. There are the standardized ways of work and processes: 4XX, VSAA, ISO14001, Security, and the two business plans that advocates increased standardization. Furthermore, the explanations clearly relate to a rationale: increased efficiency through standardization and centralization.

The Lived Version

In the lived version change appears to be discontinuous over time, the different episodes do not relate to any common trend. They are rather perceived as reactive happenings; mainly unrelated to each other. The common rationale for change over...
time in the lived version is mainly that every episodial change was either a reaction to
an immediate circumstance or a personified decision. This was also confirmed when
the managers reflected on the overall change in their organization. The majority of
them emphasized reactive abilities and the importance of individuals as the main
factors for organizational change. A High-Level manager described change in Alpha
as: “We are playing back spin balls”

**DISCUSSION AND CONCLUSIONS**

As Weick and Quinn (1999) and Pettigrew (1987) might have predicted, we found that
an organizational change can be interpreted in many different ways. Informed by a
vast reference base Lynn (1990) argues that interpretative studies draw on some
critical assumptions: organizational members create and enact the reality that they
inhabit and they predict future actions from it; individual frames of reference are
shared and used to create a dominant reality of the group; the perceptions of the
managers are especially salient because they have an interpretative priority and they
spread their own interpretations on those organizational members below them. The
arguments in this discussion are based around these interpretative assumptions on
organizational change and the fundamental standpoint is that the interpretations of
them “within” a change in some way represent the change itself. Furthermore,
retrospective interpretations aren’t just alive in the present, but they also shape the
future. The two different versions presented in this paper clarify how organizational
change can be interpreted in different ways.

The formal documentations included two different business plans, one for 2001-2003
and another for 2003-2005. Using strategy as a unit of change (Van der Ven and
Poole, 1995) one could interpret this as two different strategic changes. But the
interviewed managers described that the business plan for 2001-2003 didn’t have any
effect at all and didn’t mean anything for the company – for them, it was like this
change never happened. The business plan for 2003-2005, on the other hand, was
described as a “major event” and something that came to set the course for the
upcoming 7-8 years. A review of these two documents couldn’t find any explicit traits
that could explain the huge differences in the managers’ perceptions of the two plans.
Another example concerns the major structural change in 2009, “Alpha United”. This
change is documented in strategic statements and incorporated into Alpha’s Intranet.
Due to this change some people have been forced to move (geographically), some
have been promoted, others have been demoted. This is one of the few changes that
consistently have been emphasized by all levels of managers during the interviews. It
seems to be a controversial change and the opinions regarding whether it was a good
or a bad change differs widely, so does the perceptions on what were the drivers
behind this change. Furthermore, the management team yielded in to resistance in
some areas and withdraw the change to some extent. Some of the managers out in the
line furthermore described that they haven’t embraced the change: “Alpha United”
was meant to make them change some of their day-to-day routines; however they have
kept working in the same way as they did before the change – they work as if this
change never happened.

The lived version of the organizational change is a compilation of the interviewed
managers’ stories. Overall, very few contradictions were found in their stories about
change, however as shown in the table1, different episodes of change were emphasized

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6 A sports metaphor in Swedish, taken from table tennis, referring to a game play when you merely
defend yourself from the opponent’s attacks, rather than attacking yourself
by different subgroups of managers and reviewing these relations shows that the subgroups emphasized those episodes likely to affect themselves the most. Taking an interpretative approach to change, one can argue that a change has happened when the person portraying the change perceives that it has happened; and how that person perceived it to have happened. This reasoning is borderline to regard the most overall ontological considerations, but on the other hand also pretty explicit, in relation to the case presented here. The changes summed up in this article have many different explanations – and perceptions. Different persons, from different positions, and different geographies, have perceived the change episodes differently. The interpretative approach in this study has elucidated the pluralistic nature of change already predicted by the more rational theoretical frameworks. One could argue that a change only can be understood from the perspective of every observer or enactor and that this call for a very narrow and disciplined argumentation in regards to organizational change. However, even though the different subgroups emphasized different episodes of change, one could also expect the emergence of a collective reality across the subgroup and that all the organizational members within an organization will develop and enact a reality that also represents the reality of the whole organization in some sense (Lynn, 1990). This would then be a way to study and to understand how an organization (as a whole entity) changes over time.

A great deal of attention has been paid to the advantages for a company of having a vision (e.g. Oswald et al. 1994). Alpha has formulated a written vision that states what they want to strive for. A written vision is however not as important as what the vision actually represents. The written vision in Alpha’s case is formulated as a future goal, but a vision can’t exist without being recognized by the followers, i.e. the organizational members. In relation to organizational change, a vision can be considered to be a driver for change – presuming that it actually influences the direction taken. For the sake of the discussion we interpret a vision to be a goal (accordingly to Alpha’s written statement) and therefore also a fundament for a consistent direction. However, this study suggests that a consistent direction didn’t have much to do with how the managers themselves perceived the drivers for change, i.e. how change has happened. The majority of the managers did instead describe organizational change as rather detached episodes – unrelated to each other, and unrelated to a consistent direction –initiated and driven by immediate crisis or personified strategy (Löwstedt et al., 2011). One of the upper managers described an experience he had during a strategic meeting where the company’s vision was discussed by the top-level management team:

"At 2003 when the corporate board worked with strategy, they wanted to create a picture of how Alpha should look in the future…but they could not see that…they could only agree on the directions…not on any future state"

It can be hard to withhold an important continuity if the organizational members don’t work according to a consistent direction. And, what are the implications if organizational members perceive that change merely happens via aleatory immediate crisis, or the subjectivity of a few persons? Could this create a company culture that has a passive approach to its future, to organizational change, and to important proactive development? If top-managers perceive that they have very little control and influence over future states, if it doesn’t matter what they do because how change happens seems to be out of their control anyway, could that then create resignation regarding to work with change (and development)? The construction industry has been criticized for lacking in visions and innovations and change (e.g. Lutz et al.
2002; SOU2, 2009). We suggest that further research should be done, in order to investigate if these types of perceptions regarding change enact into a development reluctant culture within construction.

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