



# The managerialistic ideology of organisational change management

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## Abstract

**Purpose** – The purpose of this paper is to shed some light on the reasons and circumstances why strategic change initiatives based on new public management and managerialism go wrong. In particular, how such change initiatives are being justified, communicated, perceived, and implemented within organisational discourses and politics. It reveals personal and group interests behind ideologies, and what change management of this type is really about.

**Design/methodology/approach** – A strategic change initiative at a large Western-European university (“International University” – IU) had been investigated between 2004 and 2005 based on qualitative empirical research. Data were gained primarily through semi-structured in-depths interviews with IU’s senior managers. The findings were triangulated by referring to internal documents and academic literature.

**Findings** – The case study reveals a whole set of typical characteristics of managerialistic change management approach and how it is communicated. The paper provides insights into the narratives, organisational politics and ideology of change management processes. It draws the attention to the downsides of top-down change management approaches, to ideologies and interests behind such initiatives as well as intended and unintended consequences.

**Research limitations/implications** – Academics and practitioners might be motivated to concentrate (more) on the values, ideologies, and interests which are behind “rational” management recipes, to see management and organisational behaviour more differentiated and from a critical perspective.

**Originality/value** – Organisational change management is usually described on the basis of traditional strategy approaches and concentrates on “technical issues”. By drawing the attention to senior managers’ perceptions and interests, and how they pursue change management objectives on the basis of ideologies, it becomes clearer that allegedly “rational” and “objective” strategic solutions are contested terrain and objects of organisational politics.

**Keywords** Change management, Managerialism, Organizational change, Critical management

**Paper type** Case study

## Introduction

Our era is a period of change. This is not unusual in the history of mankind. What perhaps is different this time is that change shall be managed. This is true for societies and individuals but in particular for organisations. Organisational change management does not only happen in business organisations but increasingly also in public sector organisations. And there is a particular understanding based on neo-liberalism about the nature and objectives of organisational change which dominates discourses and policies – new public management or managerialism (Dent and Barry, 2004, p. 7; Pollitt, 1990). It is a (inconsistent) set of assumptions and conclusions about how public sector-organisations should be organised, run and



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function in a quasi-business manner. It might be defined as a strategic initiative, if not ideology, to make public sector organisations – and the people working in them – “market-oriented” and “business-like”, i.e. performance-, cost-, efficiency- and audit-oriented (Deem and Brehony, 2005; Deem, 2004; Shattock, 2003; Newton, 2003; Kezar and Eckel, 2002; Spencer-Matthews, 2001; Deem, 2001, pp. 10-3; Vickers and Kouzmin, 2001; pp. 109, 110; McAuley *et al.*, 2000, p. 89; Cohen *et al.*, 1999, pp. 477, 478).

There is convincing empirical evidence that managerialism is on the agenda not only in industrialised Western nations such as USA and Canada, UK and continental Europe, Australia and New Zealand (Torres, 2004; Pina and Torres, 2003; Pollitt, 1990; Aronowitz and Giroux, 1985, 1991), but also in many industrialised and even developing countries in Asia and Africa (Haque, 1999, pp. 468, 469). It is a “global phenomenon” (Kirkpatrick *et al.*, 2005, p. 13).

This paper shall provide a closer look at a strategic change initiative at a large Western-European university, International University (IU). Like many other organisations in Higher Education IU is confronted with the introduction of new public management, with the “odd combination of marketisation on the one hand and centralization of control on the other . . .” (Apple, 2005, p. 11). Against the background of an allegedly more competitive and challenging business environment IU shall go through deep-cutting organisational changes. But what exactly is the change all about? It is about changing structures, processes, routines and outcomes. At the same time, it is even more about changing how people do the business, how they think and act, it is about changing (parts of) schemata and worldviews of people. Spencer-Matthews (2001, p. 52) described organisational change as “the negotiation or the renegotiation of shared meaning about what is to be valued, believed in and aimed for”. It is cultural change[1], the institutionalisation of the idea of change, shaping of the organisational culture and changing people’s attitudes (Newton, 2003; Ylijoki, 2003; Spencer-Matthews, 2001; Martin *et al.*, 2001; Austin *et al.*, 1997).

It will be shown that IU is another of many examples of neo-liberal attempts to (successfully) impose neo-conservative ideology on higher education (Aronowitz and Giroux, 1985, pp. 163-83) and that the strategy formulation and implementation at IU is more about to silence polyphonic (many voices), perhaps even polylogic (many logics) discourses, and to go back to a monophonic and monologic organization (Boje, 2005a) – at least at a strategic, organisation-wide level. Of course, the story told by the proponents of change is a very different one and portrays the initiative as a success. However, despite such storylines, if not to say “strategies of story control”[2], there is immense empirical evidence that such change processes as well as their outcomes are often disappointing (Clegg and Walsh, 2004, p. 218). This paper will shed some light on the reasons and circumstances when change goes wrong – as in the case of IU. The research questions to be investigated are:

- RQ1. How are the introduction and implementation of new strategic objectives and managerialistic change management justified, communicated, perceived, and interpreted at a strategic level?
- RQ2. What are the intended and unintended consequences of the strategic change initiative?

In this sense, the case study is not about “technical” issues of a change process. It is primarily about perceptions and understandings of senior managers, how proponents

of the change initiative try to justify and communicate it, how they try to get it through and on which ideological basis claims for supremacy are being made. But also how opponents respond to it, how proponents cope with “resistance” and, perhaps most important, what strategic change management is really about.

### **Methodology**

For investigating such strategic change initiatives it might be helpful to regard corporations as political organisations and see strategy and change as part of (contested) internal politics of organisations (Ferdinand, 2004; Coopey and Burgoyne, 2000; Burns, 1961). Furthermore, it is primarily about perceptions, schemata, cosmologies, and discourses (Grant *et al.*, 2005; Cohen *et al.*, 1999; Waller *et al.*, 1995; Harris, 1994; Stubbart, 1989; Schwenk, 1988; Hambrick and Mason, 1984) of senior managers[3]. It is also about different “regimes of truth” or stories being told. In this sense it is not only about to repeat the official version/prevaling managerialist story but to also to “include marginal counter-stories of less powerful stakeholders” (Boje, 2005b):

The focus is on pluralism of narrative-form, multiple ways of interpreting stories, and uncovering suppressed, marginalized, or hidden stories as a counter-narrative to the conventional storyline of a particular organization and its spokespersons (Boje, 2005b)[4].

Because of the nature of the issues to be investigated for gathering data a qualitative approach was chosen. For this, 20 semi-structured interviews had been carried out with most of IU’s academic and administrative senior managers (vice-chancellor, pro vice-chancellors, deans of faculties, senior managers of administration and service units) and one external consultant between March and September 2004. The data stemming from the interviews were triangulated by referring to internal documents (strategy and vision papers, university and unit plans, minutes of academic bodies stemming from 1996 to date, internal reports and surveys, reports from external consultants, others) and academic literature, in particular case studies on managers’ perceptions and change initiatives at higher education institutions[5]. The main findings and their interpretation are as follow.

### **Reasons for change – scaring people helps**

Under a new vice-chancellor IU has started in 2002 another strategic change initiative which cuts deeply into all levels of the organisation. Kezar and Eckel (2002, p. 299) pointed out that change “often invites risk and an uncertain future or destination, so having a compelling reason for change and a proposed direction is crucial”. Before we come to the change initiative’s itself and its intended as well as unintended consequences it is worth to see how it is justified by its proponents and how the story unfolds.

All senior managers seem to be much aware of the changes in IU’s business environment and share the opinion that the higher education sector as a whole has become much more difficult, i.e. that IU operates and has to survive:

... in an environment that is much, much, much more competitive than it has ever been before.

In the face of an allegedly increased pressure and competition, a much more challenging business environment (Newton, 2003, p. 428; Ellis, 1998, p. 231),

proponents of the change initiative argue that the decision for the new strategy is not a choice (or their choice!) but an unavoidable necessity:

Now, what you are going to do is make people to realize that actually there is no real choice here, I mean we just have to change at the times, there are driving forces, there is a need for change.

IU has to change significantly. Much more, the new public management strategy package at IU is based on the “TINA-principle” – “There is no alternative!” Famously introduced by Margaret Thatcher, as a very general principle it is flexible enough to be used by ambitious leaders of all political colours and in many different settings. According to this principle, even if the proponents wanted they could not decide otherwise than to respond to the challenges in that particular way. They, and all others, have to accept what they portray as “the reality of change” (Karp, 2005, p. 88). According to Suddaby and Greenwood (2005, p. 55) an:

... emphatic theme embedded in cosmological rhetoric is that the changes originate from a source more powerful than the affected community of actors and audiences and that resistance to such change is futile, if not outright dangerous. In contrast, to teleological rhetoric, the model of change articulated here is not internally driven by the agency of immediate actors but is imposed from the outside as part of the natural unfolding of the universe.

Furthermore, for belief systems like managerialism it always helps to portray the environment as hostile, dangerous and frightening, to have an “enemy outside” – ideally that threatening that the survival of the whole is at stake:

The first lesson is that major organizational change is really only likely in the face of a truly difficult situation. The people in the organization must be genuinely afraid for its survival if they are to support radical change (Van Loon, 2001, p. 297).

Whether or not the dramatic and (allegedly) irresistible changes in the environment are real is not really important. It is almost irrelevant whether “the enemy” really exists, is as powerful and dangerous as described or nothing else but the “bad witch” for children. It is more about how the threat is described, communicated, and perceived (Bartunek, 1984, p. 364). If done successfully, this constructed social reality can serve as evidence – and justification at the same time – for the change proponents’ ideas to challenge the existing values and interpretative schemes of people, to create ambiguity and uncertainty, and the necessity to find new schemata that can cope with this new information (Balogun and Johnson, 2004, p. 525). In this sense, managerialistic ideology is – unlike many other ideologies – primarily not about a better and promising future, but about a bad and dangerous present. It aims at putting people in a permanent state of fear, alertness, and worries to lose what they have got. The “enemy outside” becomes an “enemy in peoples heads”. Since, the proponents of managerialism and new public management obviously put a lot of effort into “scaring people into it” it seems that even they are not very convinced of the attractiveness of their ideology. That the very top of IU repeatedly portrayed the environment in a very threatening way helped their cause immensely (Van Loon, 2001, p. 296; Whittington, 1992, p. 701; Bartunek, 1984, pp. 356, 357) – as we will see in the next sections.

### **The justification of the paternalistic type of leadership**

For the proponents of managerialistic approaches there is not only an “enemy outside” but also an “enemy inside” – the people. Austin and Currie (2003, p. 236) are quite a typical example for such thinking:

One of the by-products of change is confusion, and without clear communication of what is and is not over, people are likely to do one of three things:

- not dare give up anything and burn out trying to do everything;
- make their own decisions on what to keep and give up; and
- toss out everything that was done in the past.

In other words: if people dare to make their own decisions and/or trying to do what they think is best this can cause (serious) damage – to the “grand plan” of the change initiative. For the proponents two aspects, therefore, are very crucial.

(a) They have to provide “clear guidance”. Although the development towards a more managerialistic institution had been happening at IU already for some years, the latest change initiative has been introduced and shaped particularly by the current vice-chancellor.

The tone has been set from the vice-chancellor downwards and that’s the way of thinking of things.

This approach reflects a common trend in higher education; “the albeit sporadic emergence of the entrepreneurial, market-centred university vice-chancellor in the more traditional collegial university (Boyett, 1996)” (McAuley *et al.*, 2000, p. 97). For this type of managers the TINA-principle together with a top-down approach necessitates, and justifies, clear guidance and leadership – understood in a very specific sense. According to this understanding of leadership, there are the few who know and the many who do not know. Therefore, the former have to guide the latter. In this sense, Austin and Currie (2003, p. 236) conclude: “Therefore, it is important that leaders take the time to define for and communicate to their teams which things will change and which will stay the same.” Strategic change is seen as the prerogative of the (powerful) “upper echelons” (Kezar and Eckel, 2002, p. 298; Schwenk, 1988, p. 179):

If change is a process of taking an organisation (or a nation) on a journey from its current state to a desired future state and dealing with all the problems that arise along the journey, then change is about leadership as well as management (Gill, 2003, p. 309; Stewart and Kringas, 2003, p. 676; Ellis, 1998, p. 231).

IU’s change initiatives basically are top-down, “invasionary” approaches to change (Brooks and Bate, 1994, p. 185), “push systems in which senior managers and various types of expert push change initiatives into parts of their organizations” (Clegg and Walsh, 2004, p. 223). It is a very hierarchical understanding of how change has to be managed.

(b) In order to prevent “damage” for the grand plan the proponents have to be tough, they have to get their agenda through. The vice-chancellor made it very clear:

I mean, people have different approaches to strategy but we are absolutely fierce.

... we did actually force them through because we had to, we had no choice. And you get to a certain degree, but then you actually do have to force things through in my experience.

According to this view not one of the new strategic priorities could be left out in the realisation of the change process and for achieving the objectives:

And it would be very difficult to imagine that any one or two could be taken out and separated from the rest as important, because a lot of them have to be achieved in parallel. Otherwise it doesn't really matter whether they are achieved. . . And many of them are really non-negotiable. That's not a question of, say, we'll do this and then we'll do that and then we'll do that. They have to be done in parallel.

Of course, if there can be only one right way all the committees, meetings, communication and discussions, all the scenario planning, drafts on strategy and vision do not really make a difference. The "grand plan" is already decided. This is a second aspect of the TINA-principle: it is not only the environment that imposes the need for change on the organisation but the organisation can change in only one way – the way the proponents of change suggest.

Together, the hierarchical understanding of management and change ("being clear") and the fierceness with which it is justified, communicated, and implemented by its proponents ("being tough") are core parts of a paternalistic ideology of leadership, of leaders who are knowledgeable, insight- and skilful – and their relations to those who are not.

### **The reactions and viewpoints of the opponents of change**

As fiercely as possible these leaders want to appear, at the same time most of them are not willing to take much personal risk. The very top of IU's management bases its change initiative on seemingly secure textbook approaches and uses the usual mainstream business terminology "to reconceptualize existing practices and actors" (Suddaby and Greenwood, 2005, p. 40).

The whole language has changed. We use the word "business" we use the word "customer" we use the word "corporate" we use the word "marketing" quite openly, simply because times have gone when students just queued up and came and stayed.

I mean, I used basic business principles to evolve the priorities that we've got now and there is nothing very original about that. It's just an application of how you are doing your business. . . So, improving the management information, improving the people's understanding of how things work, improving people's discipline with respect to the market.

As the interviewee indicated – there is nothing really original about the new strategy, on the contrary. It is a 1:1 copy of neo-liberal/neo-conservative managerialism that are being introduced in public sector organisations all over the globe . . . (Deem, 2001, pp. 10-3; Vickers and Kouzmin, 2001, p. 109-10; McAuley *et al.*, 2000, p. 89; Cohen *et al.*, 1999, pp. 477, 478). Initially, stories told about an increasingly competitive environment and financial pressure, as well as basing the change initiative on mainstream strategy approaches and business principles were regarded as sufficient to convince people that change is necessary. However, at IU there were not many standing ovations for the change initiative. It turned out that opposition emerged at several levels.

At a very basic level some opponents criticised procedural aspects of how change had been managed and communicated:

So, the need for change was there, definitely. I'm not suggesting it wasn't there, but I think the management of the process of change was poor . . . not enough people understanding what



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change meant, there wasn't a proper explanation of the benefits of change, and I thought that was poorly done and I hope the university learns from that, ...

In addition, there is some criticism of the TINA-principle. But although particularly some Deans made a case for more empowerment, the principle of subsidiarity and more autonomy and resources for faculties; the very idea of managerialistic change initiative itself is not questioned. There were only a few sentiments about a somewhat "academic tradition". One Dean drew the attention to the idea:

... that the university ought to be a kind of academic community, a self-regulating academic community in which academic freedom is paramount in relation to which management so to speak is seen as an intrusion and a bother, and that's its academic values and so on ...

According to Suddaby and Greenwood (2005, p. 60) "[t]hose resisting change adopt the mythology of moral tradition and choose words that evoke a value orientation and scenarios of change that reify the existing order of things". However, at IU such references are not a consistent set of values (anymore) but more personal beliefs and sentimental reviews idealizing a past which probably has never been that way. At present, there is no elaborated model or vision that could challenge and compete with new public management – which seems to be the case in many public sector organizations all over the world. By now, there is still no explicit, elaborated and convincing alternative to the prevailing idea of new public management and managerialism. As in the case of IU, in a situation/longer period of strategic and structural change imposed top-down by forceful leaders, the momentum is on the side of the proponents. The opportunities for opponents to respond to it are limited. People, hence, do not openly resist or oppose change (anymore), but have learned to cope with it on a tactical/operational level. They listen more or less carefully to all the change rhetoric, make up their minds – and find ways to bypass it in their daily routines. They agree to change without making a real contribution to it. This form of passive, hidden resistance I call the NIMBY-principle ("Not in my backyard!"). According to one Dean:

... it's relatively easy to get agreement that we need to change. It's actually pretty easy to get agreement in the fact that those people over there need to change, but it's damn near impossible to get agreement with the fact that my bit needs to change too.

NIMBY-tactics can be seen as one of the rational responses of less powerful people to the TINA-principle of forceful leaders. It often comes together with another phenomenon Brooks and Bate (1994, p. 184) have observed: "However, as opposing change also created personal risk and anxiety, employees ended up neither supporting nor resisting change, but turning their backs on it." In this sense, people have learned to live with managerialistic change initiatives in a pragmatic manner. Under the surface of widely welcomed new vision and mission statements, strategic objectives and unit plans there is widespread "indifference to change" (Brooks and Bate, 1994, p. 181). Whether NIMBY-tactics or indifference; as long as people behave in such ways they are no problem or threat for managerialism – on the contrary. They do exactly what the proponents have anticipated. Problems could only emerge if people do not try to cope "tactically" with the imposed new thinking and systems – as we will see in the next sections.

### **“Unable” or “unwilling” change opponents – the need for guidance**

Despite all effort and resources put into the change initiative it took much longer – and perhaps delivered less – than had been promised and hoped for. Since, the proponents of managerialism developed the new strategy and other ideas “by the books” there can be – at least in their views – no major problems with the objectives themselves or their implementation. The reasons, therefore, must be on the human side of the change process. According to Ellis (1998, p. 227) “Resistance to change and individual fear of the unknown are well documented and understood to be a major barrier to the introduction of cultural renewal and challenge.” As one senior manager explained:

Things have got to change and the pace of change is getting quicker, and people find that very difficult here. There isn't a change culture here. There is no culture of change here; they don't like change. Most people find it difficult, but there is a fundamental – it's not fear of change here – it's almost a feeling of indifference, nothing is really going to change, it's not really going to change, I'm never going to lose my job, little things will change, management will make some bad mistakes and then we'll go back to square one. It's unhealthy as an organisation in that respect.

... we are in a very settled community. If you live in [name of the town] and you work in [name of the town] and come to your office every day it's not immediately clear to you that you should change.

The story told, and organisational politics carried out by the proponents continue. According to their taste people stay too long in the same job at IU, feel too comfortable, and are still not frightened enough. It is the people who are not being able to adapt to the new order and it is therefore the responsibility of the leaders to improve people's change capabilities (Karp, 2005, p. 88). “Resisting change thereby is cast as negative, backward looking, self-serving, and based on emotional, and thereby inappropriate, reactions (Clegg and Walsh, 2004, p. 227).”

It might sound paradoxically, but “unable” and/or “unwilling” people fit well into the managerialistic ideology of change management; they are another reason and justification for the change initiative – and for more “initiative” and “management”. Because of the allegedly sluggish response of the many, “clear” leadership and “determined” leaders are required. They are needed:

... to minimize the effects of this resistance. Techniques such as effective communication of the justification behind the changes or involvement strategies are typical of the positive measures that have been used. More negative approaches might include threats, punishment or disciplinary action for the resisting organization members (Ellis, 1998, p. 228).

Either way: it is the leaders, and only the leaders, who see the wider picture, know therefore what is best for both the organization and the people, can develop a “well thought-out acceptance management” (Bruch *et al.*, 2005, p. 102), and are able to shape “the sense-making activities of others” (Samra-Fredericks, 2000, p. 249). As Willmott (1997, p. 1353) explained:

Rubbishing the workforce as short-sighted and self-interested enables managers to secure and sustain their position and prerogative as the sole trustees and defenders of ‘business objectives’ who, according to their self-serving rhetoric, are not ‘self-interested’.

Resistance of the people is interpreted by the proponents of managerialistic change management as evidence that change is right and necessary, that clear leadership and



fierce leaders are required, and that the opponents only need more “guidance”. In this sense, blaming the people for their “resistance” serves at the same time as a justification for the ideology of change (“We have to change their attitudes because they are obviously not able to cope with nowadays challenges!”), for the paternalistic version of leadership (“They need our guidance!”), and for the position and roles of the leaders (“Since, we are the only ones who really know and have understood the grand plan it is us, and only us, who can guide the people!”).

*Two alternatives to cope with cultural change: adopt or go!*

The basic idea of providing “guidance” is about overcoming resistance, to cope with unable or unwilling people. At the same time it is about educating and changing them: to make them able and willing to behave as expected, to “enthusiastically” and “pro-actively” support the new agenda. In this sense, IU’s new strategic change initiative cuts not only deeply into its organisational structures and processes. It possibly is even more about changing (parts of) people’s schemata and mindsets, beliefs and attitudes. It is about changing how people think and act. As one senior manager explained:

... this is a gradual change process over two or three years about attitude, behaviour, ways of thinking, ways decisions are made. It’s a culture change.

It is ‘about hearts and minds and beliefs. . . Really leading institutions, the real winners, tap into their staff’s emotions and not just their rational thinking, . . .

Whether people are “unable” or “unwilling” to do so – under the leadership and guidance of the change proponents they have to change. And they have to change in a particular way.

... how do you live the brand? And if a brand’s about being modern, about being responsive, about being flexible, about being seen externally as being that, then the kind of behaviour you’d expect people to model would be behaviour in which people were more outward-focussed, people were more willing to part with other institutions, on the phone people were more responsive, people were more willing to perhaps go the extra mile . . .

It requests additional effort from people, to do more, to do better. People have to develop an (almost) entrepreneurial understanding and attitudes – of course, under the guidance and surveillance, command and control of the change leaders.

People have no other chance than buying into the ideas of the change initiative, to behave and act accordingly, to adopt to the new legislative. If they are not willing to change – or at least are not able to pretend doing so! – they have to face the consequences. During the process of change a few of “the usual suspects” and descendents were identified (those who either could not cope with the change or were openly against it) and left or were forced to leave the organisation. Ellis (1998, p. 232) made it absolutely clear: “The old adage, ‘if you can’t change the people you have to change the people’ is one that may hold the answer in this case.” Only a change process that produces victims is a healthy one. In this sense, people have no alternative: either “Yes” or “No” to change, either (pretend to) adopt or go. In the sense of traditional logic there is no third alternative (“tritos non datur!”).

... and some people felt out, they couldn’t cope with the new structure, which you can expect in a change process because those that can’t deal with it go elsewhere or drop out, and it’s

quite a normal model. So, it was encouraging to see one or two drop out, I'm not saying it personally was, but it meant that we were making sufficient change for it to be impactful from the way it needed to be.

Taking into account that the “new vision” stresses even more the “people-are-our-greatest-value character” of the organisation the “adopt-or-go policy” is a very cynical one. It goes without saying that not all have to change: those who are in favour of managerialism, or those who successfully pretend to be for it, do not need to change their worldviews or attitudes. There were a few at senior management level who had either to adopt or to go when they openly questioned the new strategic initiative. Beside these usual “boardroom battles” according to Clegg and Walsh (2004, p. 226) the verdict “resistance to change” “is usually projected ‘down’ the organizational hierarchy, and rarely ‘upwards’. Very rarely is the accusation of ‘resistance’ laid at the door of senior managers”. Not only history but also the right thinking is set by the winners and leaders of change initiatives. It is the losers – a few at senior level, more in the lower ranks – who have either to change or to go elsewhere.

### **What are organisational change and its management really about?**

Generally, it is assumed that managers are in favour for or against a (new) strategy “neither as a habit nor as a mindless repertoire . . .” (Stubbart, 1989, p. 330) but for rational reasons and on the basis of objective facts. And one can hear a lot about the official reasons for managerialistic change; to increase efficiency and reduce costs, to increase profits and growth, to become more business-like and to secure the survival of the organisation – you name it. All these claims might be true, many managers may really believe in what they say and work very hard to achieve the changes and results proclaimed. However, behind such claims there can be also reasons and drivers which are being mentioned less often, if at all. Despite all assurances by the proponents of new public management that the new agenda is solely about rational strategic responses and “technical” aspects, organisational politics imply otherwise. Strategic change initiatives, their formulation and implementation are much about influence, power and control (Diefenbach, 2006a). For example, according to one senior manager at IU the financial pressure:

... was inflated, without doubt. And it was all about what is a suitable weapon to gain control. And, unfortunately, it is being used in a manner which I find very questionable to what in taking the organisation forward. It has changed the culture of the place to where I would say is uncomfortable.

Walsh (1995, p. 290) (similar Humphrey (2005, p. 229)) draws the attention to the fact “that the struggle for power in an organization is often a struggle to impose and legitimate a self-serving construction of meaning for others”. Managers want to get “their” version through, their interpretation of how the world “is” and what the organisation should be doing – because they know very well that getting ones “meaning” through will generate further chances and possibilities. Organisational change is a socially constructed reality with negotiated meaning as outcomes of power relationships and struggles for supremacy (Grant *et al.*, 2005, p. 8). “Between the lines” a particular strategy is primarily about power and control, dominance and supremacy, who’s access to resources will be enlarged or reduced, who can stay and who has to go.

On the one hand, this struggle for supremacy, power and control is about personal interests. For example, senior managers are well aware of the fact that initiating a new strategic change initiative can, irrespective of the factual outcomes for the organisation, increase their credibility (Staw and Epstein, 2000, p. 551) and their market value outside the organisation as well as their position and influence inside the organisation:

Observers may perceive that managers are well qualified and of high ability when they are using the latest techniques, such as TQM, empowerment, or teams. Because these techniques are popular, leaders using them are assumed to be competent, regardless of their actual degree of effectiveness (Staw and Epstein, 2000, p. 528).

Managers might have to deliver “results” and therefore are not absolutely free in their choices. But they make decisions on quite a rational basis – seen from their perspective. Hence, many managers – like many other people – make decisions first with regard to their personal interests (in the West, at least), to their own position and career aspirations, to their families and social affairs and the like (Willmott, 1997, p. 1335).

These personal interests usually fit to group interests, i.e. to strengthen the roles, position and influence of managers (in comparison and against other professions, lower ranks or external stakeholders). Strategic change initiatives, discourses about strategy, change, and other management issues provide excellent opportunities for senior and middle managers to set the agenda, to get their ideology through as the organisation’s primary strategic objectives, to strengthen their role and position, to keep, gain or increase internal influence. Managerialistic strategies and change management are “the modernist project which has as its heart the transcendence of professional management as a means of achieving control in organizations” (McAuley *et al.*, 2000, p. 87):

For those who believe in the principles that underlie it, managerialism as philosophy legitimates ‘the interests of management in how organisations are managed, stressing the role and accountability of individual managers and their positions as managers’ (Lawler and Hearn, 1996, p. 8; McAuley *et al.*, 2000, p. 95).

By pursuing their personal interests they also pursue group interests. New public management change initiative is an odd combination of managerialistic ideology, personal and group interests[6].

### **What people really resist**

By and large, IU’s change initiative has failed to create consensus. As one senior manager mentioned

... it was a recipe for conflict, and that’s exactly what happened. The people got very upset, ...

The question is why people are so upset, what do they really resist? One thing people resist could be the idea of change itself. People may indeed do not like change, any change. A “strong preference for stability and continuity” (Brooks and Bate, 1994, p. 181) might be in the human nature – for better or worse – the notion of feeling comfortable, having “settled down” being familiar with the known and fearing the unknown. Human beings do not change easily. People only want to change when both the pull- and push-forces are that strong that people themselves see no other solution anymore than to change. An allegedly “much more challenging business environment”

and a “vision” of a “more business-like” organisation are definitely not enough to convince employees to change their daily routines at their desks.

Another issue people are quite sensitive about are the “technical” aspects of change initiatives, i.e. how change is introduced, communicated and discussed, if and how their viewpoints are not only being heard but seriously taking into account. In the case of IU, because of its governance structures, its boards and committees both within and across units, perhaps even more because of its tradition and core values of a democratic and participatory organisation it seems that there have been sufficient communication and information – at least, *pro forma*.

A third area of concern might be the very ideas of new public management and managerialism, the language of market and efficiency, of accountability and performance measurement – and the intended and unintended consequences which come with these new systems and methods. It is perhaps even more the ideology of managerialism that many people in public sector do not like – which should not be too much of a surprise. Many people are (still) of the opinion that an organisation is – or should be – much more than a profit-generating, efficiency-improving machinery. Such values and convictions can be quite deeply embedded in an organisation’s culture and people’s attitudes (Kirkpatrick and Ackroyd, 2000, pp. 516, 521). Any change initiative has to take this into account:

There is a significant body of literature that draws attention to the difficulty of changing organisational culture on the grounds of that culture is deeply ingrained in the underlying norms and values of an organisation and cannot be imposed from above (Parker and Bradley, 2000, p. 137).

In this sense, many people seem to be against top-down and paternalistic approaches, against the paternalistic ideology of leadership and centralisation of power and control (Diefenbach, 2006a).

But what many people perhaps resist the most is the cynical use and misuse of “grand” ideas for personal and group interests. People are fed-up with ambitious senior managers who join organisations they do not know, go everyone on their nerves with their buzzwords ideas, who are only interested in furthering their own career and market-value, mess around for a couple of years with several change management initiatives, and then leave the organisation in a state worse than before for good and with a golden handshake. People are fed-up with incompetent managers who have only little understanding of the business, who do not care for the ideas and needs of their employees, and the organisational necessities and opportunities, with managers who pretend to be busy and important, even crucial for the sake and survival of the unit but at the end of the day are only interested in their career and the increase in their market value, in strengthening their position and securing their pension scheme. People are not against change *per se*, but they are against managerialistic change management initiatives and paternalistic ideology of leadership which primarily serve the personal and group interests of a few.

Whatever the issues during a change initiative people really resist. Quite often it is not that there is first resistance and then managerialism which has to overcome it. Managerialism produces resistance (Kirkpatrick and Ackroyd, 2000, p. 524) – and other negative outcomes. It is often the cause of the problem and not the cure.

### Summary

The way how the latest change initiative at IU was initiated and carried out is quite a typical example for the introduction of new public management in higher education institutions, even for the introduction of managerialistic change management in larger organisations in general. The main characteristics of the managerialistic ideology of change management might be summarised as follows:

- Because of an allegedly more challenging environment, proponents of the change initiative argue that the new strategy is not a choice but an unavoidable necessity (first part of the TINA-principle). Even if the proponents wanted they could not decide otherwise. They, and all others, have to accept “the reality”.
- The environment is portrayed as hostile, dangerous and frightening (“the enemy outside”) – ideally that threatening that (allegedly) the survival and future existence of the whole group, organisation or nation is at stake.
- Managerialism is not about a better and promising future, but about a bad and dangerous present. It aims at putting people in a permanent state of fear, alertness, and worries to lose what they have got.
- For the proponents of managerialism there is not only an “enemy outside” but also an “enemy inside” – the people.
- The organisation can change in only one way – the way the proponents of change suggest (second part of the TINA-principle).
- The notions of “business-like” leadership and change management are a very hierarchical and paternalistic understanding of leaders who are knowledgeable, insight- and skilful – and their relations to those who are not.
- It is the people who are not being able (or willing) to adapt to the new order.
- Resistance of the people therefore is interpreted as evidence that change is not only right and necessary, but that clear leadership and fierce leaders are required – and that the opponents simply need more “guidance”.
- The notion of providing “guidance” is about overcoming resistance. It is about changing people; to make them able and willing to behave as expected, to enthusiastically and pro-actively support the new agenda. It is about changing how people think and act.
- People have either to adopt or go. Only a change process that produces victims is a healthy one. It is evidence that the change initiative progresses.

### Conclusions

IU’s latest change initiative is another empirical example for waging “an ideological offensive” (Aronowitz and Giroux, 1991, p. 9) within public sector. It is not only about changing strategic objectives, systems and procedures, but also discourses and modes of reasoning. For the organisation as a whole this means a set-back to a monophonic and monologic organization (Boje, 2005a). Discourses are reduced to stories about, and the language of business, increased efficiency and performance measurement.

However, IU’s managerialistic change management has initiated much more than just “making the organisation more business-like and efficient”. The initiative has led the organisation into a process of organisational politics where different cosmologies and belief systems clash with each other. Most of the proponents of new public

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management seem to deeply believe in the necessity for change and in the convincing logic of their position. The same is true for the opponents who either see a need for protecting “the present state” or have a very different business-model in mind. The advocates of change say that the necessity for change is the reality. The critiques see it as socially created and imposed on the organisation for other reasons. Both camps make their claims for moral authority whereby the controversy leads into a spiral of increasingly stronger hold positions. Whereas the discussion starts with more or less rational arguments it soon comes down to that actually people – “the others” – are the real problem. At this stage, the “blaming game” starts and gains momentum. The proponents of the initiative are being blamed to use it as a tool to gain more personal power and influence. The opponents are being portrayed as apathetic, as sticking to an old model of academia that is not valid anymore, as being unable or unwilling to understand the sign of times and to act accordingly. The conclusion of the proponents is to break the (passive) resistance via putting more and more pressure on the other side, the conclusion of the opponents is to bypass the change initiatives by playing the game without real contribution. On both sides, the last resort is seen in getting rid of (some of) the others. The pattern of the downwards spiral is clear; from a so-called “new vision” packed with the latest buzzwords to the TINA-principle and the NIMBY-respond, trying to change people’s minds and thinking, mutual misunderstanding and blaming, finally sacking of a few. Overall, the effects of managerialistic change management on corporate culture (and, as a consequence, on an organisation’s market position and performance as a whole) seem to be far more negative than positive. At present, it is not clear whether these negative impacts are of temporary or permanent nature.

What is also not clear is whether or not the proponents of the change initiative are fully aware of what they are really doing and initiating. On the one hand, they seem to be quite naïve:

They think they are executing this change by the book, using all the correct project management and business planning models. Still the organisation does not move with the efficiencies and speed bespoke by these models, ... (Austin and Currie, 2003, p. 230).

Many proponents of managerialistic change, then, seem to be surprised and puzzled by the fact that there is resistance, that people are not overly enthusiastic about the new agenda and the changes coming with it. On the other hand it is widely known that company-wide, top-down initiated and introduced change programs do not work (Beer *et al.* (1990) described some of the reasons for the “fallacy of programmatic change”) – at least, when measured against the official claims and promises made by the proponents of change. So, why do certain types of senior-managers do it time and again? As demonstrated above, to a certain extent because such change initiatives work very well for other reasons. It is about gaining or increasing power and control, dominance and supremacy, about (further) implementing and strengthening the ideology of managerialism in organisations as well as the position and influence of those who present it, about whose access to resources will be enlarged or reduced, who can stay and who has to go. Behind a change initiative like new public management there might be a real and genuine belief that it is for the sake of the organisation and that “business-like” methods – whatever this really means – are “better”. At the same time, there are strong personal and group interests at stake. “Change” is primarily not a technical but a political issue (Goia and Thomas, 1996, p. 378). In this sense, while initiating a change



initiative some, if not most of the proponents are fully aware of the downsides that will come along with it. But these are seen as either less important side-effects of the game or even as a welcomed distraction of people's attention. They keep people busy with "technical details". As Willmott (1996, p. 325) explained:

If 'subordinates' can be persuaded that managers simply perform a role, task or function within the division of labour that is necessary to maximize efficiency and effectiveness, resistance to managerial authority appears to be irrational and anti-social – it threatens to undermine the capacity of management to do what, allegedly, is in the universal interests of everyone concerned.

As long as the whole game is about management in that particular understanding, the proponents will stay on top of the game – whatever the real outcomes are. To put it in a nutshell: It is not the case that most of the proponents of managerialistic change initiatives are simply unaware of the unintended and hidden consequences and are just too naive. They do know, but they do not care... It is a cynical worldview but it works – at least, in that sense and for them.

#### Notes

1. Sometimes this is called "transitional change" (Austin and Currie, 2003, p. 232), "second-order change" (Bartunek, 1984, p. 356 referring to Watzlawick, Weakland and Fisch), or corresponds to Argyris and Schön's "double-loop learning".
2. This citation stems from one anonymous reviewer.
3. For the conceptual background of sensemaking, cognition, as well as references to several strands see Balogun and Johnson (2004, pp. 524, 525), for a very systematic literature review on managerial and organisational cognition see Walsh (1995), for a more psychological approach towards sense-making (of managers) see Coopey *et al.* (1997).
4. For approaches and examples to look "at organizations as phenomena in and of language" (Boje *et al.*, 2004, p. 571) see, for example, the special issue of *Academy of Management Review*, Vol. 29, No. 4, 2004 on language and discourse which samples different epistemological and ontological positions in the organization debate. Also, Collins and Rainwater (2005) provide a number of alternative narratives of the transformation of a large US-company, Sears.
5. For strengths and weaknesses, possibilities and limits of such qualitative empirical research see Diefenbach (2006b).
6. However, although the ideas of individualism and self-interest are deeply embedded in Western cultures, senior managers are well aware of the fact that they could not state their personal interests and ambitions as the basis for their strategic decisions. It would be social suicide. The same is true for their group interests. Although particularly senior managers, executives and the like have a very high status in our society, they still have to refer – at least officially – to the dominant values and socially accepted answers. In the case of larger business and not-for-profit organisations in most countries these are at present more or less exactly what new public management is about, for example: increasing efficiency, customer-orientation, "better management" sustainable development, environment and health concerns, and so on.

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**Further reading**

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