

Understanding Organizational Change through Social networks from a Realist and Societal Context Perspective

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Extended Abstract

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The study uses the grounded theory methodology to explore forms of networks in successful implantation of planned change in societal context while adopting a realist paradigm. The sections covered under the extended abstract are: realism, societal context, organizational change, organizational change and networks, implications for the change agents, integrating realist paradigm, societal context perspective, organizational change and networks, research gaps, research question, research methodology and implications.

Realism

Realism at its most basic is the philosophical doctrine that some things exist independently of the mind. At a sociological level, realism involves the assertion of the existence of a social reality over and above the existence of the individuals. The contemporary realists argue that research should be focusing on the subjective motivations that lead to the social actions of the individuals as well as the social structures that determine or influence the actions of the individuals. For a realist social research, observations of social events needs to be supplemented by other intellectual tools that enable researchers to understand the deeper reality of social structures. In response to this requirement, critical realists have adopted the position of transcendentalism that it asks the transcendental question that what must be the case in order for events to occur in the way that they are observed to occur. Thus, in relations to society, it asks what factors must exist in order for human understanding and actions to be patterned in the ways they are observed to be patterned. Thus empirical research is needed both to establish the manner in which events are patterned, in order to provide the substantive basis upon which to apply the transcendental question and also to test

whether the answers that the researcher makes to the transcendental question have explanatory purchase. Critical realists adopt a relational model of society which sees social structures as structures of relations. Realist Social research focuses on the interpolations of structure and actions, attempting to plot the conditions that structured relations place upon social action along with the effects that social action upon those structures. Thus critical realism combines the empirical research with transcendental theorizing, This does not entail any prescription about the methods of empirical research that should be used. Critical ethnographers argue that the adoption of such a theoretical basis for qualitative research enables the researcher to move beyond ideographic descriptions of particular social interactions and to provide information that will be, to greater or lesser degree generalizable, moreover it allows for that generalizability to be tested by subsequent research. It also enables the research to move from descriptions to the explanations of social interactions (Porter, 1993; McKelvey, 1999; Johnson & Duberley, 2000; Mingers, 2000; Porter, 2003).The realist is interested in discovering the generative/ causal mechanisms underlying phenomena (Azevedo, 2002).

Societal Context

The search for universal knowledge in organizational science incorporates characteristics of the societal context as analytical variables in the explanation or prediction of the phenomenon under study. More specifically, a research finding has universal applicability if it can explain or predict variation in the dependent phenomenon using societal-level variables as predictors, such as those pertaining to a nation's economic, cultural, legal, and political structures. These predictors can take on the role of an independent variable having a main effect on the dependent variable, or the role of a moderator variable with a conditioning effect on the relationship(s) between the dependent variable and one or more independent variables. Thus research findings with universal applicability that organizational scientists can discover information about relationships that incorporate characteristics of the societal context as predictors' of organizational attributes (context-embedded relationships)(Cheng, 1994). Organizations can be viewed as social networks. That is, a social system composed of social objects (people and groups) which are joined by a variety of relationships. The social network perspective is concerned with the patterning of these relationships. A focus on social process seems relevant to help explain the network phenomenon (Tichy, 1983;Coviello,2005).

Research suggest that culture impact human action and actors stand outside the social world, drawing upon the norms which are out there as a basis for their action. This implies that human action cannot be explained adequately with out reference to these social facts, which are treated as antecedent, external, and coercive vis a vis the individual actor (Sahay, 1997). The external environment of the organization also includes the dominant values of a society at a given period as well as the people's attitudes, aspirations and behaviors. Contextualist perspective helps to appreciate in what way the articulations between the different contextual elements continually unfold and build up again through complex interplay between actors (Pichault.& Sehoenares2003). Further, many of the ideas central to network theory, including status, prestige, influence,

cohesion, hierarchy, legitimacy, power, trust, and social capital, are deeply rooted in a country's host culture(Parkhe ,Wasserman & Ralston, 2006).

A social network organizational model aims to:

- Integrate political, technical and cultural orientations.
- Point to pragmatic diagnostic questions
- Help in the formulation of specific change strategies and, especially, to help in the selection of change techniques in the political, technical and cultural areas.

The organizations are conceived of as clusters of people joined by a variety of links. These clusters transmit(1) goods and services – raw materials, marketing research support, and financial and accounting services among groups within a company;(2) Information- exchange of ideas and knowledge among people in an organization;(3)influence- giving orders and direction both formally and informally; and (4)affect- exchanges of friendship among individuals. These clusters of people are both formally structured (prescribed), such as departments or work groups, and informally structured (emergent), such as coalitions and cliques. Prescribed networks are typically represented in organizational charts. The analysis of influence networks-seeing that influences whom about what- provides the concepts and tools for political analysis. The analysis of information networks-who exchanges information with whom- provides the concept and tools for technical analysis. The culture of an organization can be best analyzed by uncovering the friendship relationships.Organizations are in some respects prisoners of their history. As a result, history can uncover material which not only helps explain why things are the way they are today but can also help us predict the future. The historical behavior patterns represent the way in which the organizations resolve its technical, political and cultural problems. Historical analysis starts with an examination of the economic, political and cultural forces which have acted on the organizations in the past. It has been shown that organizations are systems in dynamic interplay with the environment and their own internal parts. The dynamic interrelationships among the parts of the organization and the degree to which the organization fits or is aligned with its environment must be simultaneously analyzed from the three perspectives: technical, political and cultural. It is important to analyze the political, economic and cultural context within which the organization has operated(Tichy, 1983).

Organization Change

Change means the new state of things different from the old state of things. Demands for change come from forces both external and internal to the organization. External forces include regulators, competitors, market forces, customers, technology, and the larger society. Internal forces include obsolescence of products and services, new market opportunities, new strategic directions, an increasingly rapid workforce. Change has different facets; it can be deliberate (planned) or accidental (unplanned).It can be of small or large magnitude affecting a few or many elements. It can be fast (abrupt, revolutionary) or slow (evolutionary). The new state of things can have an entirely different nature from the old state of things (fundamental, quantum, or “second- order”

change) or the new state of things can have the same nature with some modifications (incremental, “first- order” change) (French & Bell, 2006).

All the managers today recognize the inevitability of change. Organizations plan change to solve problems, to learn from experiences, to reframe shared perceptions, to adapt to external environment changes, to improve performance and to influence future changes. (Luthans, 2002). The implementation of large-scale planned organizational change has become increasingly important in recent years as organizations continually attempt to reconfigure themselves to meet the challenges of an ever-shifting competitive landscape(Tenkasi & Chesmore, 2003). Considerable theory and research has examined rational, technical, cultural, and political approaches to change, as well as top-down, bottom-up, and whole-system participative strategies in affecting change implementation success (French & Bell, 2006). Likewise, Research in organizational theory has focused on organizational adaptation to change. Despite this long history of research, significant gaps in understanding of this phenomenon persist. One particularly prominent void is in the area of networks within organizations and the role that interunit ties may play in effective large-scale change implementation and use(Tenkasi & Chesmore, 2003). In the organization development field, limited attention has been paid to the role of social networks in the process of planned change. Many normative planned change models do, however, prescribe social networks, such as for cascading change communication or to define and lead the implementation of change (Cummings & Worley, 2004). A growing number of organizational theorists taking a network perspective have recently emphasized how ongoing strong and weak social ties between organizations can significantly influence organizational actions and outcomes. With a few exceptions (Tsai, 2001; Tsai & Ghoshal, 1998), most of network research has focused on interorganizational network ties. Limited attention has been devoted to the study of social networks in relation to change adaptation within organizations, particularly the role of intraorganizational networks and their influence on change implementation effectiveness and use (Tenkasi & Chesmore, 2003). Bartunek in (Tenkasi & Chesmore, 2003) suggests that cross theorizing and researching change from a network perspective can significantly augment existing models of planned change implementation and organizational adaptation. The fact, that the only constant is change in itself. In the present environment, organizations need to coevolve with others in the environment, a process that involves cooperation as well as conflict. It takes generating shared visions, forming alliances, negotiating deals and managing complex relationships. Change is welcomed because it is an opportunity to strengthen the organization, to take on challenges and risks.

Models of Planned Change

Lewin in Cummins and Worley (2004) viewed change process as consisting of the following steps: unfreezing which involves reducing those forces maintaining the organizations’ behavior at its present level; moving shifts the behavior of the organization, department or the individual to a new level; refreezing which stabilizes the organization at a new state of equilibrium.

The action research model of change focuses on planned change as a cyclical process in which initial research about the organization provides information to guide subsequent

action. The steps of action research are problem identification, consultation with a behavioral science expert, data gathering and preliminary diagnosis, feedback, joint diagnosis of the problem, joint action planning, action and data gathering after action. General model of planned change consists of four basic activities in sequence, starting with entering and contracting then diagnosing which is followed by planning and implementing change and then finally evaluating and institutionalizing change (Cumings & Worley, 2004).

Change and Networks

One significant reason for failure of planned change attempts may be the neglect of the informal structure of existing relationships among organizational members. Networks often are the locus of change acceptance or resistance (Tenkasi & Chesmore, 2003). These relatively stable relations, based on work or social relationships such as friendship or advice giving, form patterns or networks among organizational actors. The ties in these networks can provide valuable resources such as information, power, or trust between individuals and groups, and actors can have strong incentives not to sever these ties. Planned change attempts, can result in the disruption of these ties and lead to resistance to change. Alternatively, ties between individuals and groups can provide conduits of information, power, or trust that can facilitate change (Stevenson, 2003). The network research implies two basic views of how network ties may affect organizational outcomes, views that also have implications for organizational change. The first of these is the "strong ties" perspective (Krackhardt, 1992), whereas the second concerns the "weak ties" perspective (Granovetter, 1973). Strong network ties, on one hand, show some key characteristics between the parties to the relationship, such as frequent interaction, an extended history, intimacy and sharing, and reciprocity in exchanges that allow for mutually confiding, trust-based interactions (Krackhardt, 1992). Weak ties, on the other hand, are characterized by distant and infrequent relationships that may be casual, less intimate and sharing, and nonreciprocal in nature (Granovetter, 1973). Both strong and weak ties are critical for organizational functioning because they provide access to different kinds of resources. Strong ties facilitate the flow of richer, detailed, and redundant information and knowledge resources between individuals and groups. Weak ties, by contrast, are of greater importance in encouraging the exchange of a wider variety and potentially new information between groups by drawing in more peripheral communicators and extending access to a wider set of contacts and knowledge resources (Granovetter, 1973; Krackhardt, 1992; Tenkasi & Chesmore, 2003).
Implications for Change Agents from the Network Perspective.

The change agent needs to be aware of the existing networks in the organization and the meaning of these networks to the participants. If the existing networks are conveying anger at structural and power relationships, then the change agent should be aware of this configuration and consider strategies for dealing with it. Second, efforts at planned change and the resulting change in organizational networks need to be integrated. Organizational members may need time to disengage from their existing networks if structural changes are going to disrupt their networks. Change agents also should make sure that they are connected into networks across the organization to convey

the importance and necessity for change and to deal with ongoing problems during the change process. At the same time, organizational participants need to be able to create their own networks to convey and reinforce the meaning of change.

Change and Context

Organizational change literature remains underdeveloped regarding the following issues: the examination of multiple contexts and levels of analysis in studying organizational change and the inclusion of time, history, process, and action. The contextualist approach views that theoretically sound and practically useful research on change should explore the contexts, content, and process of a change together with their interconnections over time. Context was dichotomized into the outer and inner contexts of organizations. Outer context included the economic, social, political, and sector environment in which a firm was located. Inner included features of the structural, cultural, and political environments through which ideas and actions for change would proceed. There are combination of levels of context brought into an analysis (and these have ranged from the intraorganizational level, through the sector, broad economic and political context, and nation state levels, to the global competition level), and which also leads to the complexity. From the inner context deals about the role of history, structure, cultures, power, and politics in enabling and constraining change. From the sector and economy emanate questions about the links between firm-level behavior, the changing boundaries and composition of sectors, and the punishing effects of altering macro economic conditions within and between nation states. And in international comparative work ,the links between the rate and pattern of organizational innovations and the varying institutional, regulatory, and cultural contexts of nation states are explored(Pettigrew, Woodman & Cameron, 2001).

Integrating Realism, Societal Context and Networks and Research gaps

Network theorists and researchers have primarily emphasized the structural properties of networks, such as network position (e.g., centrality) or network strength (e.g., density) with respect to change. Many network analyses suffer from structural determinism. Structural properties of networks, such as network position or strength of ties, reveal only the potential for action. There is little description of types of network structures and the forms they take or to link network structures to action in specific contexts. (Mohrman, Tenkasi & Mohrman, 2003). Stevenson and Greenberg (2000) indicate that the context in which actors create networks will have effects on action taken by individuals and organizations. They suggests that researchers in the social network and interorganizational relations literature have tended to neglect context.They also say that much of the literature on social networks, although recognizing the emergent aspects of networks, takes a cross-sectional picture of the network and treats its measured characteristics as enduring and explanatory. But, network connections can be dynamic and ephemeral and can be easily formed and reformed(Mohrman, Tenkasi & Mohrman, 2003).Previous research has explored the issues like ties could inhibit or facilitate change that strong ties are effective, and sometimes weak ties and a variety of networks may enhance change. Different types of networks may facilitate different types of change.

Those who want to resist change can use networks defensively. These ties may be social defense mechanisms to protect against uncomfortable aspects of jobs and to convince one group that it has a superior view of organizational goals as compared to other groups, leading to power struggles over the goals of the organization. The creation of a variety of networks may allow participants to understand and accept changes.

There are various questions that are needed to be answered. From a network perspective, the question of how the organization changes and associated networks change over time needs to be examined? How much success can a change agent have in rearranging networks? Given that the network of ties represents social relationships in the organization, how effective can a change agent be in altering relationships? What is the topology of networks that is effective in conveying the goals of the change effort? From a planned change perspective, the questions are, what is the procedure or sequence of events in integrating networks into a change process? What are the effects of network connections on the shared mental model or models that currently exist in the organization?(Stevenson, 2003)

Research Question

What is the topology of networks that is effective in conveying the goals of the change effort? Networks are natural focus for change agents. But one issue is often overlooked is the nature of the network as a whole and how that affects change efforts. That is, what is the shape of the network as a whole and how that affects the speed or even probability of a successful change? Theory suggests various models. One model is that successful change is enhanced by a thick network of strong bridging ties. Another one suggests that rapid change is enhanced through the use of secondary contacts rather than a group of randomly chosen primary contacts. One suggests that success in getting an organization to change is enhanced by a reduced number of cross group ties and that change is more likely to be successful if it is introduced slowly and from the periphery. each of these theories are assumptions that allows us to make some predictions about change but each remains largely untested in the real world(McGrath & Krackhardt, 2003).

Research Methodology

It is argued that ideally, any research method applied to network analysis should be time sensitive in order to be able to assess the evolutionary processes and dynamic character of a network.

The grounded theory is an approach that can be applied within a realist or contextualist framework. The purpose of qualitative research is to delineate some of essential qualities of complex social phenomena. The qualitative research is based on the principle that social life is inherently complex, which means that organizational issues are inextricably bound up in ongoing social action among people in the situation. The complexities of social life suggests that that many organizational issues have an emergent quality and people do not plan actions and then follow through with out reflection, but

rather are guided by partial plans that are locally contingent. The grounded theory is more a process approach. It asks how, when and why of a phenomena. The four principles of grounded theory support the realist and contextual approach to the organization. These principles are that the grounded theory should capture the inherent complexity of social life, This principle frames the research questions and how they are approached, since the subject of this method is always the actual, ongoing organizational phenomena themselves, there is a need to interact deeply with the data, there is an intertwining of research tasks and it should stand on its own (Madill, Jordan & Shirley, 2000; Dougherty, 2002).

The methodology is bifocal in nature using grounded theory and the network maps using the software like UCINET. The bifocal approach to network analysis, allows the researcher to:

- trace the deeper aspects of the network in its social context;
- address the organization system or network as a whole;
- capture important dynamic dimensions of the network; and
- encompass both interactional (soft) and structural (hard) network dimensions (Coviello, 2005).

The study context is a company that designs, develops, manufactures, erects and commissions equipments for the following industries: steel, aluminium, power and energy, oil and natural gas, pollution control devices, material handling, nuclear sector, space research and defence sector. The company is based in eastern India. The unit of analysis is each department in the organization. The network data is collected across the departments. The organization has undergone fundamental planned change. The study will identify the series of changes that has occurred during the time period which was specified as the time of change. The outline of the bifocal approach and delineates three specific steps in the research process:

- (1) data collection;
- (2) data preparation; and
- (3) data analysis (Coviello, 2005).

The data for organizational change can be obtained by observing a sequence of change events as they occur in real time, or by relying on archival data to obtain a retrospective account of the change process. Retrospective studies provide the advantage of knowing the big picture how things developed and the out comes that ensued. This post hoc knowledge is helpful for interpreting events that unfolded, and for constructing a narrative of the process (Van de Van & Poole, 2002). The study will also use in house memos, company reports and stories in journals and news paper about the organization. Locke (2001) suggests triangulation that is collection of data from multiple sources that all are relevant to the structured phenomenon. Different data sources provide different vantage points that will help understand a potential conceptual category. Another data collection method is use of extensive semistructured, in-person interviews. Data will be

subjected to continuous, cyclical, evolving interpretation and reinterpretation that allows patterns to emerge. A survey regarding the implementation of change across the organization will be conducted to further validate the success or failure of change. Network data will be collected using the roster method for each department along with the whole organization (Mehra, Kilduff & Brass (2001); Podolny & Baron (1997). Theoretical sampling will be used for the interviews as well as for the network data as the rationale of theoretical sampling is to direct all data gathering efforts towards gathering information that will best support the development of the theoretical framework(Locke, 2001)

Limitations

The concerns of the grounded theory will be applicable over here too, like issues about how to ask questions or how to connect issues, the depth of data and breadth of analysis needs to be presented or demonstrated(Dougherty, 2002). There is a possibility of the researcher to fall into the trap of static analysis and oversimplification by relying solely on the statistics generated by UCINET 6. Thus, the optimal use of this tool, in the context of understanding network dynamics, is best achieved when the structural patterns generated by UCINET 6 are used to provide a framework for discussion. In doing so, the structural patterns become just one piece of the story of network, and are balanced by qualitative interpretation of the interactional dimensions of that network on a longitudinal and comparative basis. Indeed, without the richness of understanding created by the interpretive process of preparing the qualitative data for UCINET analysis, the statistical analysis provides only a limited amount of information (Coviello, 2005).The data is collected from one organization and from a particular industry.

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