



FACILITATING RADICAL CHANGE BY INFLUENCING DECISION MAKERS CONTEXT

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Abstract: *Decision making is complex cognitive process. If decision in question would change fundamental underpinnings of the organization or one of its parts it is radical decision and it consequently brings radical organizational change. This paper argues that in taking radical decisions social context within which decision taker operates has important role. Furthermore, paper identifies ways in which the context can be influenced. By influencing context of decision making, organizations can become more prepared to make radical decisions which are way to achieve strategic leadership.*

Key words: *decision making, facilitating change, radical change, trust*

1. INTRODUCTION

This paper identifies ways in which decision makers can influence decision making context in order to diminish resistance to decisions that bring fundamental change to the organization.

Primarily obligation of top managers in any type of organizations is to make decisions and implemented them. Sometimes these decisions bring significant changes in fundamental issues of organizational system. Such decisions are usually followed by resistance in their implementation.

Research of organizational change heavily depends on concepts of managerial and organizational cognition (Gioia, 1986., Gioia, Chittipeddi, 1991). Decision maker has his own perspective on the decision situation and within it place of all members of the organization. This kind of interpretation we call mental model of the decision making situation (Johnson-Laird, 1983). If decision maker is to construct mental model which sense is different than one already enacted within organization it would be radical decision.

2. RADICAL ORGANIZATIONAL CHANGE

New concepts come from what was before and can be looked upon as changes on the old. But these changes are always matter of level. In some cases new concept is recognized as minor variation of old such as is new model within same line of cars. These changes we call adaptive changes. On the other hand conception of the new can be significantly different from old. Level of change can be viewed from the perspective of intensity with which new concept can be connected with old concept.

Decision makers work within frames which form thinking and activities of all members of the organization. In effort to accent cognitive and active side of the phenomena we use term enactment. This term is used to apostrophe the fact that in organizational life people usually create part of reality with which they have to deal with (Weick 1995, Weick 2001). Enacted organizational environment is medium in which all

organizational decision are taken and implemented. In the case of radical decision making enacted environment is fundamentally changed. Organization formal models that can readily be taken as truth can freeze perception of the world for organizations members. This kind of cognitive stability can result in organizational impotence to implement organizational changes (Barr et al, 1992). Companies or industries that are under influence of cognitive stability represent chance for radical decision takers which bring new models and metaphors to the process of "creative destruction" (Schumpeter, 1934).

3. RESISTANCE TO CHANGE IN ORGANIZATIONS

Term change itself has several contradictory meanings. Sometimes change is concerned with outside changes, especially technological but also in competitive dynamics, consumer demands, political setting etc. (Senge, 2003). Also, term change can address elements within organizational system (Kotter, 1990a, 1990b). Regardless to the vector that drives changes their fundamental purpose is to harmonize inner and outer dynamics. Comprehensive research on efficiency of organizational changes showed how two thirds out of several hundred corporate programs stopped being implemented because they were not able to yield expected results (Senge, 2003). Understanding of inherent resistance to change is of fundamental importance for achieving strategic leadership. Not only because resistance to change is the reason why many changes do not succeed but also because it has great influence on genesis of radical decision.

For implementation of radical change it is not enough to change strategies, structures and systems, change is also needed in the way of thinking that produced these organizational elements. Most change initiatives are faced with problems which are rooted in existing management system. For instance managers look for changes only if they do not influence their work which leads them to neglect deeper, more systematic causes of organizational problems (Senge, 2003). Major source of organizational resistance to change derives from the normative embeddedness of an organization within its institutional context. According to Follet instead of term "resistance to change" it would be better to use term "confrontation with the environment" (Folett, 1924). We do not have to in advance guess judgment of the environment. There can be resistance, but word "confrontation" also leaves possibility of integration as a means of reconciliation of differences in question (Weick, 1995). In an organization or in the society numerous interpretations of reality can harmoniously coexist (Gardner, 1996).

Within organization there is continuous drive of individuals to form areas of security which will serve them as footing for activities that follow. In comprehension of organizational interpretations it is crucial to find answers to several questions.

Firstly, how organizations structure processes of sense making and how are they structured throughout these processes? Secondly, how differences in organizational goals, which are immanent for every organization, influence process of sense making? Thirdly, with which means individuals in organization can influence affirmation of their interpretations? And fourthly, how process of sense making can be transferred to all members of organization?

4. INFLUENCING CONTEXT OF ORGANIZATIONAL CHANGE – EMPIRICAL EVIDENCE

In order to investigate influence of context on implementing radical organizational changes we have conducted qualitative research on decision makers in several of the biggest Croatian companies. Interpretative approach that we use in the research comes from the perspective that human understanding and activities are based on interpretation of information and events out of which human experience is formed. Understanding of organizational action, therefore, depends on the sense that we contribute to agglomerate of events (Daft, Weick, 1984). Sense making, however, is socially constructed phenomena (Weick, 1979). According to that, sense making is not only subjective, but also determined by context that defines goals which organizational members are trying to achieve (Gioia, Chittipeddi, 1991).

Research consists of three fundamental phases. First one is background research phase which included theoretical underpinnings of sense making, enacted environment and change. Second phase was pilot research, in which fundamental questions were discussed with academic experts in organizational decision making. Finally, third part of the research consisted on main research with decision makers. Theoretical sample was made of out managers that can make radical decision. In the research we conducted in-depth interviews with 24 decision makers. Interviews were conducted in the period from April to November of 2009.

In the case of radical decisions there is change in existing mental models. In that process members of organization show wish to keep existing, obviously more comfortable, mental models. If the new governing metaphor is viewed as way to balderdash, that is events that cannot be controlled, resistance is axiomatic. From another point of view, if the metaphor means higher level of control for organizational members, in other words if it makes sense for them, radical decision is perceived as challenge and resistant to them is diminished. As one of the managers in the survey stated: "In the case of crisis people are softer, it's easier [to make radical decision] because they are afraid for their existence. With only that fact even decisions that are quite unfavorable to them. Otherwise it [implementation of radical decision] demands more wisdom". Also, while elaborating on such favorable context for radical decision making one of the examinees states: "I can say that expected resistance was quite smaller... People saw that, after we introduced norms [radical decision in question] though they will not meet the new requirements so they were not alarmed when we lowered their work conditions". Importance of unstable context for radical decision making is also described by this statement: "You could not go to the acquisition [radical decision] in the case that the target was company that is doing good or in which there was situation which opened options and acceptable result but only companies that were already in problems in some way, liquidity issues, functioning etc." All together, the research showed how resistance to change in the case of radical decision making is lowered in the case of unstable context, and that it is higher in the case of high

level of ignorance by organizational members as well as in the case of bad human relations.

5. CONCLUSION

This paper identifies and elaborates one of key elements that influence implementation of radical decisions – resistance to change with emphasis on importance of organizational and wider context. We identify three major influences of context on radical decision making. Firstly, instability of the organizational context makes radical changes easier to implement. Secondly, if organizational members know more about changes that are about to take place their resistance to change is lower. And finally, in the case of very diverse interpretations of decision making situation within the organization, decision making is more prone to failure than in the case of understanding and good working atmosphere. By influencing organizational context in these ways decision makers can make their decisions more efficient and therefore their organizations more successful.

Major limitations of the research can be found in the fact that it is focused on just one aspect of complex phenomena. Further research in the area of consequences and determinant of context on radical decision making should be focused on other fundamental issues of implementation of radical change: vectors of organizational power, connection between role of decision maker and roll of leader and rhetorical approaches to organizational members.

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