Applied Organizational Research: Arguments for a Holistic Ontological Approach

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The Philosophical Foundations of Applied Research

Research begins with a question, the foundations and context of which are rooted in several assumptions regarding the nature of reality (ontology), the nature of knowledge (epistemology), and the relationship between the nature of reality and the manner in which new knowledge is created (operative paradigm; Arbnor & Bjerke, 1997). Reality can be considered to be either completely separate from the observers of that reality, and thus objectively measurable; or it can be considered to be a construct of the interpretations of the observations of its participants. This dichotomy determines whether the knowledge that can be gained from observations of reality is generalizable and the measurements taken repeated by following the exact procedures of the preceding research; or whether the knowledge can be used to develop new understandings of the situations from which the observations were taken. This distinction determines the underlying operative paradigm of the research.

In quantitative research, reality is considered to be objective (i.e., separate from the observer), and knowledge can be gained by taking objective measurements of that reality, from which relationships among the observations can be determined. Relationships among variables are hypothesized, and then methodologies undertaken to test those hypotheses within numerical parameters. If the operative paradigm seeks to test the dependence of one variable upon another, a methodology of multiple regression analysis could be devised; if the operative paradigm seeks to determine causality among variables, then a methodology of double-blind experimentation could be undertaken. The crux of the design rests upon the positivist ontology, from which the epistemology of correlation or causality is hypothesized, and the operative paradigm to test those hypotheses guides the methodology.

At the most fundamental level, the situation is no different with qualitative analysis.
The ontology drives the epistemology, which drives the operative paradigm, from which the appropriate methodology is determined. However, those studies for which qualitative analysis are appropriate begin not with an ontological view of objectively observable reality, but rather on ontological view of a reality that is relative to the observer. Hence, the nature of knowledge sought under qualitative analysis seeks not to gain objective, independently provable knowledge, but rather subjective understanding of the topic of the study. This type of subjective understanding cannot be adequately represented via numerical reduction and analysis. It requires an analysis of the common medium of exchange among participants and researchers: language. This fundamentally different purpose of the research is summarized by Miles and Huberman (1994): “What are the characteristics of language itself? Can we discover regularities in the human experience? Can we comprehend the meaning of a text or action?” (p. 5) Therefore, the operative paradigm, based upon this subjective view of reality, demands a deeper involvement from the researcher in gathering data in order to obtain that relativistic understanding.

That deeper involvement by the qualitative researcher, as contrasted with the detached objectivity of the quantitative researcher, introduces additional complexities that must be identified and dealt with in the research. These complexities are represented by the necessity of bias (axiology), the narrative nature of the descriptive analysis (rhetoric), and different methodological necessities driven by the operative paradigm (Creswell, 2007). Although the complete elimination of bias is one of the ultimate goals of quantitative analysis, it is an accepted and necessary element of qualitative analysis. Whereas quantitative analysis seeks to reduce relationships to mathematical equations, qualitative analysis seeks to understand human relationships as expressed in the native medium of exchange of language. Whereas
quantitative analysis may seek correlation or causality among variables, qualitative analysis may seek to understand perceptions regarding a particular event or experience (phenomenology), within a human culture (ethnography), or to develop a fundamental understanding from which new theory can be developed (grounded theory research). The philosophical view of researchers employing these methodologies is that the manner in which we perceive and understand the nature of the reality in which we exist is dependent upon our interpretations, which we share amongst one another via the common medium of language. Using language, we construct a common social understanding of our shared experiences (Pearce & Cronen, 1980).

**Phenomenology**

When a group of people experience a particular event, phenomenon, or concept, researchers may be interested in determining the commonalities among those people regarding what they experienced and how they experienced it. This describes the essence of phenomenology. The common phenomenon may be a single event, such as the September 11, 2001, attacks on the World Trade Center, or it may be similar, separate events or phenomena, such as childhood sexual abuse. When many people experience a single event, such as the 9/11 attacks, although each individual experience is different for each participant, researchers endeavor to determine commonalities among their shared experiences. It is the shared nature of the experience that is at the crux of the research (Creswell, 2007).

The epistemological reasons for conducting phenomenological research include a search for understanding specifically what the participants experienced, and how they felt during the phenomenon. Obtaining this knowledge could be of value in cultural learning regarding how we, as a society, deal with and respond to nefarious disasters like the 9/11
attacks, or it could be of value in identifying the warning signs of ongoing phenomena like child sexual abuse. Shared experiences of disasters can help us to understand our own humanity and morality; shared experiences of child sexual abuse can help us to more quickly identify and put a stop to cases of such abuse. Similarly, an exposition of the shared experiences of creating a quality staging of Gabriel Faure’s *Requiem Mass* may help in understanding how groups of people come together as an organization to create such quality.

Dealing with victims of such morally charged phenomena as terrorist attacks or child sexual abuse is rife with axiological challenges. It would be callous to suppose that researchers could approach such topics devoid of preconceived notions or bias; indeed, detached objectivity on the part of researchers when confronted with such phenomena involving horrific pain and death would be perceived to be inhuman. Going beyond mere description of the shared experiences, the researcher brings an interpretation to the process by searching for discerning themes in the textual data so as to determine what the overarching commonalities are in that shared experience (van Manen, 1990). This is the critical element of the proposed research, in that rather than merely describing the shared experiences of creating a quality staging of a symphonic choral composition, themes may arise central to the communication processes that lead to that creation.

In response to this axiological challenge, and in returning to the philosophical roots of phenomenological research, Moustakas (1994), and Stewart and Mickunas (1990) emphasize a bracketing of researcher experiences, which are then eliminated from the data analysis, so as to obtain a more purely participant collection of experiences. Their philosophical approach to phenomenological research rests on four pillars: “[a] A rejection of scientific empiricism, [b] a philosophy without presupposition, [c] the

The assumption central to phenomenological research arises from the operative paradigm that describing, coding, interpreting, and categorizing the shared experiences of the participants yield a deeper understanding of that phenomenon. Armed with this deeper understanding, it is presumed, those who work with participants (or victims) of a particular phenomenon will be better prepared to render assistance, aid, recovery, or merely understanding of future participants (or victims). Alternatively, those who expect to experience a particular phenomenon may gain a deeper understanding of what they will face when confronted with or participating in that phenomenon. Phenomenological research is becoming more accepted in the fields of organization and management, as is evidenced in such recent dissertations as those of Coufal (2010), Madireddy (2010), and Susini (2010), and Dayton (2011).

Research Design

The procedures for conducting phenomenological research involve selecting a group of individuals with a shared affective experience, and then conducting extensive interviews with those individuals, gleaning from them their interpretations of the event and how their participation in that event made them feel. Once these textual data are collected, the researcher will review the data for recurring themes, coding the data into common descriptions of the experience. Moustakas (1994) referred to this process as \textit{horizontalization}, from which \textit{clusters of meaning} are developed. Next, the researcher develops a textual description of the shared experiences from these clusters of meaning that describes the \textit{what} of the experience, and a structural description of the \textit{how} the participants experienced the phenomenon. From these descriptions, the researcher develops an essential, invariant structure of the experiences.
that represents the essence of the phenomenon. This essence provides the basis for future participants and/or those who work with participants (or victims) to understand and deal with such phenomena.

**Applicability of Phenomenology to Organizational Study**

It is the very essence of quality that is the subject of much organizational research. A review of the literature reveals that it has been the production of quality that has been the focus of most studies of organizational quality, rather than what it is that organizational members and leaders experience in the creation of quality. In order to produce a quality product or process, it seems intuitive that the persons creating that product or process should have an understanding of just what quality is, and an understanding of how to recognize the difference between a quality product and a non-quality product. That tacit understanding has not been explored in sufficient depth; rather, it appears to have been assumed to exist.

Perhaps this goes a long way to explaining why continuous quality improvement methodologies such as TQM and Six-Sigma have such a poor track record of success in implementation. If we do not explicitly understand what it is we mean when we use the term quality, then how is it that we expect to communicate methodologies for its creation to succeed? Indeed, if quality, like obscenity, cannot be explicitly defined beyond I know it when I see it, then how can methodologies of positivist origins hope to garner any measure of success at all? A phenomenological view of quality does not seek to create an explicit definition, but rather seeks to develop an understanding of its essence.

**Classic Organization Theory and Change Methodologies**

By what means can organization managers hope to manage change in the endeavor to seek continuous quality improvement? In the traditional view of management and organization
theory, change is the antithesis of organization. The etymological roots of the term organization, that is, the Greek organon (meaning tool) and the Latin ergon (meaning work) reveal this antithesis, in that organization is the creation of a tool for the accomplishment or work. Indeed, the structure of organizations facilitates the creation of methods, policies, procedures, rules, and regulations that serve as tools to govern processes so that they can be accomplished repeatedly with predictable outcomes. It was long held in management education that those organizations that can create, promulgate, and execute such tools with maximum effectiveness and efficiency are those for whom success, usually measured in profit margins, was a virtual guarantee. In the rational systems view of organizations, Fayol (1949) summarized this mandate, in which “the soundness and good working order of the body corporate depends on a certain number of conditions termed indiscriminately principles, laws, rules” (p. 24). In Barnard’s (1938) natural system view of organizations, the internal political structures were of equal importance to the external forces of power on an organization’s survival.

If organizations are truly either rational or natural closed systems, once the methods, policies, procedures, rules, and regulations that define the organization and the political structures are in place that acknowledge both formal and informal authority lines, then what would be the impetus of organizational change? For early theorists like Taylor (1911), Shewhart (1931), and Juran (1951), the impetus for change was continued competitiveness in productivity, in the face of ever advancing technological improvement. The quest for improvements in production design, manufacturing techniques, and product quality was driven by an internal focus on the results of production times, production runs, reject rates, and measurable production tolerances. Production facilities were treated as rational systems in
which full managerial control can be exercised over inputs and outputs and the production processes in between.

Deming (1986), influenced by his work in Japanese industries during their restructuring in the aftermath of World War II, recognized that there is more to production quality than can be determined by the statistical measure of inputs, outputs, and production processes. The Japanese philosophy of *kaizen* (Imai, 1986), or continuous improvement, is heavily inculcated with the importance of communicating the importance of quality to members throughout the organization. In Deming’s view, which can be characterized as a natural systems view of organization management, informal organization authority structures are equally important as formal authority structures. The impetus for change comes not only from a desire to be competitive but also from a desire to strive for total quality in every phase of the production process, which includes imbuing that desire in the hearts and minds of all members of the organization.

Arising from the response to increasing technological and sociological advancements, many business organizations seized upon the concepts espoused by Taylor (1911), Shewhart (1931), Juran (1951), and especially Deming (1986). Increasing competition from global sources, more rapid technological innovation, the spread of instantaneous global communications capabilities, and an increasingly friendly regulatory environment all led to the recognition of the need for change. Paraphrased, Deming wrote that there is no need to entertain the necessity for change; businesses are quite free to cease to exist. Still the process of envisioning, formulating, implementing, and measuring change remained antithetical to the very nature of organization, leaving organizational leaders with little to guide them in instituting changes needed for survival. In response, organizational theorists began to craft
organizational change processes that could be institutionalized.

**Practical Problems and Management Dilemmas**

Deming (1986) admonished against viewing continuous quality improvement, embodied by TQM, as a quick fix to merely cutting costs and improving profits, elucidating these admonishments in his “seven deadly diseases” (Deming, 1986, pp. 97-98). The importance of empowering workers at all levels to question, examine, test, and improve all processes and interactions is central to continuous quality improvement theory. However, shaking millennia of history in which the human aspects of organizational processes are viewed as no more important than the efforts of animals or the worth of machinery is no small feat. Even today, business cultural terminology is rife with connotations of human beings as no more than one of the factors of production (human resources) or fixed assets (human capital). Assets can be defined as the things that organizations purchase, own, and use up to produce their production output. Once those assets are fully used up, they are either scrapped or sold as salvage. Even the rhetoric of organizations who aspire to a more humanistic view of its members connotes such a view. *Our employees are our most important asset* is a phrase that is commonly included in organizational vision and mission statements, and yet that phrase itself connotes humans as no more than assets—*stuff* to be purchased, owned, used up, and thrown away (Marx, 1896).

Although this was never Deming’s (1986) intent, it continues to be a bane to the quest for true continuous quality improvement in organizations today. Organizational leaders all too often eschew the intent of Deming’s philosophy in their quest for ever higher profits. Those who embrace Deming’s philosophy appear to misunderstand the difference between education and training, and so they implement Six-Sigma and TQM training programs in
efforts to create a learning organization (Conè, 2000; Meister, 2000). Even institutions of higher learning succumb to this misunderstanding, implementing TQM training programs for which the results are measured in reduced costs and streamlined procedures (Lozier & Teeter, 1996). When Peter Senge asked Dr. Deming to write a paragraph for the dustcover for his original edition of *The Fifth Discipline*, Dr. Deming wrote the following paragraph:

> Our prevailing system of management has destroyed our people. People are born with intrinsic motivation, self-respect, dignity, curiosity to learn, joy in learning. The forces of destruction begin with toddlers—the prize for the best Halloween costume, grades in school, gold stars—and go up through the university. On the job, people, teams, divisions are ranked, reward for the top, punishment for the bottom. Management by Objectives, quotas, incentive pay, business plans, put together separately, division by division, cause further loss, unknown and unknowable. (Senge, 2006, p. xii)

This quotation illustrates Deming’s (1986) extreme disappointment in the seemingly global misunderstanding of the intent of his philosophies, which was to improve human organizations and the human condition. The focus on goals and outcomes in such systems (in application) as Management by Objectives, Total Quality Management, and Six-Sigma is illustrative of what Argyris (2003) referred to as *single-loop learning*, or to what Senge (2006) referred to as *symptomatic solutions*, in which the self-reinforcing nature of such solutions actually exacerbates the underlying, fundamental organizational problems. The result is organizational decline and destruction of people to which Deming referred.

Business managers have been attracted by the promises of TQM and Six-Sigma to increase quality and decrease costs, and have launched myriad implementation efforts of these organizational change initiatives as a result. Reviews of these implementation efforts (Davis, Savage, & Stewart, 2003; Nicholas & Katz, 1985) reveal that more than 70% of them fail in the long term. The subject organizations in the Davis et al. (2003) review employed TQM or Six-Sigma strategies to streamline costs and improve productivity, with the result of employee reductions that led to immediate costs savings lower than anticipated, and long-term damage
to the organizations’ competitive health.

The majority of studies in organizational improvement methodology have been either analytically based or systems-based studies. Unfortunately, the majority of these studies have yielded results that are not transferable to general knowledge (Nicholas & Katz, 1985). A review of organizational change literature since then (Davis et al., 2003) reveals that translation of organizational change theories into actual organizational change initiatives are often a result of watered-down renditions of these theories in trade publications and executive management programs that promise streamlined operations resulting in leaner organizations with increased profit margins.

Need for a Shift of Ontological Perspective

Research based upon social-constructionist ontology into organizational improvement based are, it appears, relatively rare. Most studies of organizational improvement are either analytically based or systems-based, deeply rooted in positivist ontology. Nicholas and Katz (1985) reviewed 65 research studies on organizational development and summarize their results as follows:

A review of 65 organizational development studies employing “hard-criteria” measures reveals a clear trend toward more rigorous methods and designs, especially in the use of quasi-experimental designs and sophisticated statistics. Still, the selection of comparison groups and the duration of measurement were often inadequate, and many descriptions of techniques and dependent variables were so vague that results were uninterpretable. (p. 737)

The goal of using hard-criteria measures in analytical research is to create results that are able to be duplicated under the same conditions. Unfortunately, in the field of organizational improvement, identical conditions are rarely, if ever, found from one organization to the next. Of the studies using a systems-based methodology—that is, team building, survey feedback, and socio-technical systems design—the results, according to
Nicholas and Katz (1985), were no better.

Many organizational studies have been conducted in the wake of the organizational change initiatives of the 1990s and 2000s since Nicholas and Katz (1985) completed their review. Davis et al. (2003) presented a comprehensive review of such studies from 1985 to 2002. In general, what these studies recount are the negative symptoms of the aftermath of organizational change from the perspective of the internal actors. Many of these studies offer theoretical bases for understanding the failures of organizational change, however, their focus is largely on explaining what went wrong and why from a micro-perspective—that is, the negative impacts on employee morale and individual productivity. What appears to be lacking is a macro-perspective that attempts to explain what may be fundamentally flawed in the overarching organizational change theories.

This rational systems view of organizations, however, did not take into account the necessity of communication and cooperation among organization members in accepting and adhering to these “principle, laws, and rules” (Fayol, 1949, p. 24). Hence, Barnard (1938) developed a theory of organizations as natural systems, in which an organization is “that kind of cooperation among men that is conscious, purposeful, and deliberate” (p. 12). In addition to creating the structures that define organizational roles and responsibilities, Barnard theorized that internal political roles among organizational members are of equal importance in achieving organizational success. The mere existence of organizational methods, policies, procedures, rules, and regulations does not ensure that organizational members equally understand their intent, and thus organizational leaders are required to enlist the political structures of that organization to promulgate that intent.

Neither the rational systems view nor the natural systems view of organizations takes
deeply into account the effects of environmental factors upon the operations and ultimate success (or failure) of an organization. They are closed system views of organizations. Thompson (1967/2004) recognized that forces outside the organization, and hence outside the control of the leaders of that organization, have significant impact upon the operations of that organization. In his open systems view, organizations must create not only internal structures for operational and political management but also filters and buffers that either incorporate beneficial external influences or deflect deleterious external influences upon the organization.

In both the rational and natural systems views, evolution of the organization is dependent upon and driven by internal forces for change. It is incumbent upon organizational leaders to identify, communicate, and promulgate to organizational members those operational and political infrastructures that chart the course for the organization. In the open systems view, organizational evolution is considerably more complex, in that in addition to internal forces for change, it is recognized that external forces act upon the organization, and not always in beneficial ways. Hence, organizational leaders must also identify external forces for change, and craft, communicate, and promulgate reactions to those forces in order to not only ensure organizational survival but also enhance organizational growth. In this more holistic approach, change management becomes a significantly more complex endeavor. First, however, a review of recent theories and processes of organizational change is appropriate.

Recent Organizational Change Theories and Processes

Among the most noted scholars advocating a change process are Lewin (1958; unfreeze/change/refreeze), Devanna and Tichy (1990; awakening/remobilizing/reinforcing), Nadler and Tushman (1989; energizing/envisioning/enabling), Egan (1988; diagnosis/future vision/strategy), Kotter (1996), and Jick and Peiperl (2002). Kotter (adapted from Neal, 2006)
laid out eight steps that organizational leaders should undertake as follows:

[1.] Establish a sense of urgency.
[2.] Form a powerful guiding coalition to drive the change program.
[3.] Create a vision.
[4.] Communicate the vision.
[5.] Empower others to act on the vision.
[7.] Consolidate improvements and produce still more change.
[8.] Institutionalize the new approaches. (p. 76)

Jick and Peiperl (2002) created what they described as the *Ten Commandments of Organizational Change* as follows:

[1.] Analyze the organization and its need for change.
[2.] Create a shared vision and common direction.
[3.] Separate from the past.
[4.] Create a sense of urgency.
[5.] Support a strong leader role.
[6.] Line up political sponsorship.
[7.] Craft and implementation plan.
[8.] Develop enabling structures.
[9.] Communicate, involve people, and be honest.
[10.] Reinforce and institutionalize change. (p. 177)

Conceptually, there are striking similarities among these prescribed change processes. First, each presumes that an organization exists in some state of equilibrium that is then upset, thereby instituting a necessity for change. Second, each presumes that organizational leaders are able to identify the source of the change impetus, and to develop strategies for addressing that impetus. Third, each presumes that organizational leaders are responsible for and able to implement a change methodology. Fourth, each presumes that communication infrastructures are in place to develop the senses of urgency among stakeholders necessary to buy into the change process. Fifth, each presumes that the change processes can, in fact, be implemented. Sixth, each presumes that once the change processes have been implemented, the organization returns to a state of new equilibrium. Let us examine each of these presumptions, in turn.
**Equilibrium and upset.** Do all organizations exist in states of equilibrium? The normal progression of organizational birth, growth, and maturity is through states of (a) entrepreneurship, (b) growth and institutionalization, and (c) maturity and stability (Robbins, 1990). It is not until an organization has reached this last stage of progression that a true state of equilibrium can be said to exist. In the entrepreneurship stage, there are few, if any institutionalized structures, rules, regulations, policies, procedures, and methodologies that govern the organization. Many organizations in this stage exist in what could be termed a constant state of chaos, in which change is an almost continuous process. Surviving this stage is inordinately difficult, and in fact, of the small businesses that are formed this year, it can be anticipated that within 10 years, 71% of them will have failed (Shane, 2008). This failure is often due to the inability of the organizational leaders to create the organizational structures necessary to achieve a state of equilibrium. For these small businesses, the change methodologies heretofore discussed have no bearing.

The 29% of small businesses that do survive the chaotic, formative years will have migrated to the growth and institutionalization stage, in which the organizational structures that were developed during its early years have proven to be successful, and will have provided sufficient organizational stability to allow the business to survive. The challenge that these businesses face is not recognizing when to change; rather, the challenge is in recognizing when to stop changing. The organizational leaders must be able to identify which of the organizational processes that have been put in place will suffice to take the organization through its projected growth, and which of the organizational processes are candidates for continued refinement, for major revision, or for outright rejection.

Those organizations that have reached the stage of maturity are those to which the
prescribed change processes are directed; they are the organizations that have, in fact, reached some state of equilibrium. These are also the organizations most in danger of slipping into a state of complacency, wherein the organizational processes are so ensconced into the fabric of the organization that the processes themselves become the primary focus of day-to-day operations. It is also at this stage that organizations are most in danger of failing to recognize when the equilibrium has been upset, or, when the upset is recognized, who staunchly cling to organization processes that have served them into the maturity stage. Quinn (1996) used the analogy of a frog that is placed in tepid water, the temperature of which is then slowly but continuously elevated. The frog, having reached a state of happy equilibrium in the tepid water, will continue to rely upon its internal thermodynamic processes to adjust its body temperature as the temperature of the water is raised, never taking action to simply jump out of the water. Eventually, the frog will slowly boil to death as it continues to cling to its existing processes to adjust to the raising temperature. Such is the risk that well-established, mature organizations take when faced with upsets to their equilibrium.

**Identification of change impetus.** When an organization faces upset of its established equilibrium, its members must first acknowledge that an upset exists at all. How is this usually accomplished in well-established, mature organizations? Often the organizational leaders track the organization’s financial and operational performance, survey the market for evidence of loss (or growth) of market share, and scan the environment for evidence of competitive threats. Organizational strategists will engage in SWOT analysis, in which they evaluate organizational strengths, weaknesses, opportunities, and threats. SWOT analysis requires a genuine and honest evaluation of the organization’s processes so that weaknesses can be improved, strengths exploited, opportunities seized, and competitive threats defused or
countered. It is not an easy process. What is easier to conduct regularly is evaluation of short-term financial performance, and to rely upon that financial evaluation to engage in strategic planning and change implementation. Although easier, it is also precipitous and can result in long-term organizational decay.

There are notable instances of short-term financial focus in lieu of long-term identification of change impetus in recent history, perhaps the most notable of which is the demise of Worldcom (Gasparino, 2005). Throughout its short and storied history, Worldcom focused primarily on its single greatest strength: leveraged buyout of other organizations. The focus was always on the bottom-line profit, and on the price of Worldcom stock on the NASDAQ exchange, primarily because the only source of the company’s success was not its investment in organizational structures and procedures to support its dramatic growth, but rather on its tactical processes for continuing to craft leveraged buyouts. As late as 1999, Worldcom and Bernie Ebbers were being touted in the business press after their successful takeover of MCI, then the largest business takeover in world history. As a result of this takeover, Worldcom jumped from being ranked 526th on the Fortune 1000 companies to 33rd, with revenues of the combined companies exceeding $32 billion (Kahn, 2000).

However, Ebbers and the leaders of Worldcom failed to identify an impetus for change, that is, the need to change their business strategy from one of continued leveraged buyouts to one of corporate infrastructure integration. Consequently, when Worldcom’s proposed leveraged buyout of Sprint Communications was blocked by the U.S. Federal Trade Commission and the European Economic Union in 2000, the company’s long-held strategic focus was forced into change (Byfield, 2002).

Although the change impetus was easily identified—it was thrust upon the company by
the combined governments of the United States and the European Economic Union—the response by Ebbers and the corporate leaders revealed the amateurish nature of their ability to lead and serve as change agents. Among the strategies enacted by Ebbers to control costs was to announce the end of company-provided coffee for employees and visitors (Cramer, 2002). In a memo sent to all full-time Worldcom employees, of which I was one at the time, Ebbers charged that employees must be stealing company coffee to take home for personal use, and that by replacing company-provided coffee with coin-operated coffee vending machines, Worldcom would save over $30 million per year it was losing in pilfered coffee packets (B. Ebbers, personal communication, December 23, 2001). A second strategy that Ebbers crafted was to re-create the company’s image by launching the Generation D advertising campaign, in which the company’s expertise in digital communications was shown as vested in a phalanx of young, purple-spike-haired, nose-ringed techno-geeks who eat digital fiber optic cable for breakfast. The enormously expensive ad campaign was a dismal failure, and did more to emphasize the lack of knowledge about day-to-day telecommunications operations among the corporate executives than it did to bolster the company’s image of expertise in the business-to-business market (Wasserman, 2001). Unfortunately for Ebbers and the company’s 165,000 combined employees, it was too late. By then, the only way that Ebbers could continue to support the company’s leverage was enabled through the efforts of the CFO, Scott Sullivan, to fraudulently transfer what should have been current expense line charges to long-term amortized network charges, which, when discovered, led to an $11 billion restatement of net income. Within months, this largest known accounting scandal in the history of the world led to the collapse of the company (Gasparino, 2005).

This example serves to illustrate not only the importance of identification of the
impetus for change but also when that impetus is identified, what should be the organizational response. It highlights the importance of ensuring that roles and responsibilities are strategically identified and assigned to those best suited to craft a proposed change response.

**Role responsibility.** The steps outlined by Kotter (1996) and Jick and Peiperl (2002) both include the importance of obtaining, nurturing, and sustaining support for change throughout all levels of organizations. No matter the extent and depth of planning, strategizing, and directing change efforts by organizational leaders, change implementation efforts are likely to fail without the understanding, support, and active participation by organizational members. Consequently, followers in an organization play equally as important a role in change implementation as do organizational leaders. In this regard, organizational leaders must recognize that much more is required of them to obtain follower understanding, support, and participation than to simply act as change cheerleaders.

In many regards, this is indicative of the role required for leaders in both the leader-member exchange theory and the transformational leadership theory. The vertical dyad linkage theory of Dansereau, Graen, and Haga (1975) gave rise to the leader-member exchange theory of Graen and Cashman (1975) and Graen (1976), and was the first of theories of leadership to recognize the importance not only of the role of leaders but also of the roles of followers in organizational success. Similarly, Bass and Steidlmeier (1999) recognized that there are inherent ethical duties between leader and follower that transcend the transaction at hand. They viewed leadership duty as transformational, and as such, requiring a much higher degree of ethical responsibility on the part of leaders:

The ethics of leadership rests upon three pillars: [a] the moral character of the leader; [b] the ethical legitimacy of the values embedded in the leaders vision, articulation, and program which followers either embrace or reject; and [c] the morality of the processes of social ethical choice and action that leaders and followers engage in and
collectively pursue. (p. 181)

Successful transformational change requires the active acceptance and participation by followers.

The permanent change engendered by transformational leadership can be a double-edged sword. The intrinsic changes in followers elevate them to higher intellectual and moral levels, at which followers are more likely to question the status quo. Leaders of organizations who desire to retain their own status quo in terms of rewards (elevated salary, bonuses, and perks) put themselves at risk by elevating followers to these intellectual and moral levels. To leaders who authentically internalize the heightened moral concepts of transformational leadership, these risks are acceptable because the long-term goal is organizational change, not the accomplishment of a single, short-term milestone. The conduit via which this message is communicated rests upon the organization’s communication infrastructure.

**Communication infrastructures.** In order for leaders to effectively communicate the need, intent, risks, rewards, roles, and responsibilities in change implementation, leaders must first understand the importance of the roles of followers in the communication process. Communication cannot be a one-way process; it must be dyadic among leader and followers. This requires that leaders listen equally as well as they dictate. They must view communication of the change process as an act in and of itself, in which followers play an active role. Further, leaders must appeal to more than followers’ rational acceptance of change implementation based upon guiding principles rooted in a positivistic-rationalistic ontology. Indeed, the nature of knowledge itself must be considered to be relative. When guiding principles are based on a relative epistemology, and thus are subject to interpretation based upon social-constructionist ontology, actions based upon such principles are less likely to inflame rather than to settle such conflicts. Why? Consider the following from Harmon (2005):
Principles, especially abstract principles whose justification depends on purely logical argument rather than people’s shared affective experience, more often divide people than unify them because they are perceived as weapons deployed in an intellectual power play by those who are adroit enough to marshal them with skill. The result is seldom agreement, but instead either a failure of the other to be convinced or his or her feeling of being coerced into agreement. (p. 266)

Engendering acceptance rather than feelings of coercion requires that leaders recognize not only their own communication capabilities and competencies but also those of their followers.

Pearce and Cronen (1980) defined three levels of competence in human dialogue: minimal competence, satisfactory competence, and optimal competence. Minimal competence is characterized by the participant’s inability to frame the content and context of the dialogue, and thus the inability to devise predictable responses within the rule system of that dialogic exchange. Satisfactory competence is characterized by the ability of the participant to understand the rules of dialogic exchange, and to frame predictable and reliable responses within that rule system. Optimal competence is characterized by the ability of the participant to transcend the rule system of the dialogic exchange at will, so that by choice, the participant can follow the rules of exchange or can challenge those rules for the purpose of challenging the system. In a leader-follower context, there is, or should be, first recognition of the competence levels of not only the followers but also the leaders, and not merely within the narrow scope of the immediate change implementation effort. This shift of philosophy and its concomitant restating of the nature of communication is of such significance that it is reviewed in much more depth in the next section.

**Change implementation.** If leaders, as change agents, have done what they need to do in identifying the needs for change, gained and effectively communicated and understanding of the impetus of change, appropriately recognized and empowered the roles and responsibilities of both leaders and followers throughout the organization, and ensured that the
dyadic communication processes are in place to facilitate communication as an act of meaning, then the implementation of change is much more likely to succeed. Leaders who have not ensured that all of these imminently critical support systems are in place are much more likely to fail in their change implementation efforts. Kotter’s (1996) list and Jick and Peiperl’s (2002) Ten Commandments are not simple recipes from which change implementation can be blended, mixed, and cooked; they are very high level guidelines that provide a quick summary of the successful implementation process and are grounded deeply in theories and philosophies of leadership, management, organization, and communication.

Far too many organizational managers who would be change leaders seek out the types of blueprints to which Bass and Steidlmeier (1999) referred. They do not possess the level of commitment required to continually strive for excellence; rather, they want quick fixes of the type found in the popular writings of such authors as Tom Peters (Leadership: Inspire, Liberate, Achieve), Kenneth Blanchard (The One-Minute Manager), and Judith Glaser (Creating WE: Change I-Thinking Into We-Thinking and Build a Healthy, Thriving Organization). Although these authors may be well intentioned, the soundness of what they advocate should be called into question. The resounding popularity of the books by these authors is not a testament to their validity; rather it is a testament to their seduction.

This is a critical distinction, especially in the current organizational environment. Unlike the less turbulent times during which the change implementation methodologies such as unfreeze/change/refreeze were originally developed, competitive, environmental, technological, and political challenges that exist today drive a change management process that is nearly continuous. Gone are the days when a change effort could be planned, executed, and implemented, after which organizational leaders could rest on their laurels. There never
truly is a return to equilibrium.

**Return to equilibrium.** The change theorists previously cited all conclude their lists/commandments/guidelines with a return to a new state of equilibrium in which the processes that have been adopted and/or transformed in the change implementation process are institutionalized. In an ideal world, in which an organization could undertake one change effort at a time, with sufficient time to conduct all of the preceding steps in sequence, they could reach points at which change implementations are complete and a new, higher-functioning equilibrium is established. Unfortunately, we do not live in such an ideal world. Change has become nearly a continuous process.

This does not mean that change has become so insidious as to have devolved organizations into states of chaos. Rather, it means that the process of change must be deeply embodied in the philosophies, constructs, and operations of today’s organizations. This is the philosophy of *kaizen* to which Deming (1986) ascribed and which is at the heart of his theory of continuous quality improvement.

**Summary of Organizational Theories and Change**

In light of the entirety of human history, the concept of organizations as a separate sociological construct is relatively recent, and the concept that organizations may need to evolve with changing environmental and sociological pressures is even more recent. These concepts arose during a historical era commonly known as the industrial era, a time during which, in comparison to the current era of dynamic and turbulent change, was relatively tranquil. Organization theories and practice for change were developed during these times when social and economic changes were relatively static by the standards of the present day. The rationalistic-positivistic ontological paradigms of engineering, characterized by the
industrial era, seemed to provide sufficient basis for the development of organization theories and change methodologies well suited to that relatively static environment.

We no longer live in a purely industrial era. The current sociological and economic climate has been characterized as the information age or the knowledge era. Inherent to the concepts of information and knowledge is the social exchange among human beings who constitute the very core of the organizations to which theories of organization and change are applied. Hence, a sociological and economic environment in which these social processes—organization, information exchange, and knowledge—are paramount requires theories and practices that account for the dynamism and turbulence of those social processes. In other words, there exists a need to extend organization theory and change processes beyond a static, rationalistic-positivistic view to include a social-constructionist view of the nature of human reality. This study is designed to begin that process by examining the socially constructed process of communication among people in an organization as they strive for organizational evolution in a quest for quality.

**Quality Improvement Methodology**

It is purposeful, at this point, to revisit the development of quality improvement methodologies, so as to understand why these methodologies, arising from manufacturing processes, may not be appropriate for knowledge-based organizations outside of the manufacturing realm. Determining the quality of the outputs of manufacturing processes, such as lathing or machining is a straightforward, albeit time-consuming and difficult, process (Zheng, McMahon, Li, Ding, & Jamshidi, 2008). Manufacturing processes are determined to be acceptable within certain tolerances, and any production outputs that are measured to be outside of those tolerance limits are rejected. The goal of the improving quality is measured
directly by reducing the number of rejects per production run. Indeed, this is the basis of the Six-Sigma quality methodology created by Motorola (Huesing, 2008). Is this a valid basis for determining organizational quality, and does that basis translate well to organizations that are nonmanufacturing? The dissatisfaction with Six-Sigma and other quality methodology programs (McManus, 2008; G. Watson, 2008) would seem to indicate that this paradigm is no longer apropos even for manufacturing organizations. Indeed, consider the following from McManus (2008), in which he outlined seven forces that will shape the future of quality:

A new collection of competencies will be needed if quality is to have relevance in a world changing at an accelerating rate. Organizations will look for leadership in creating marketplace innovations, stimulating new ideas, managing change at ever-faster rates, and generating value for increasingly sophisticated sets of consumers. Enterprises will seek leaders who value cultures that learn, and they'll want all this in a world of shrinking product life cycles with practical mass customization and small, nanotechnology-sized packages. Near-perfect levels of product quality will become an assumed requirement because this capability no longer provides a sustainable marketplace differentiation in the future; thus, innovation without quality becomes a nonstarter. Furthermore, quality must work within the system of the organization, not just focused on its products and services. (p. 5)

Note that McManus (2008) referred to the system of the organization. What is an organization? Is an organization a closed rational system in which mechanical efficiency is paramount (Fayol, 1949; Taylor, 1911, 1947/1967; Weber, 1947)? Is it a closed social system in which the internal human relations are paramount (Barnard, 1938; Mayo, 1933)? Is it an open system in which contingency design is paramount (D. Katz & Kahn, 1966; Simon, 1947)? Or is it an open social system in which power and politics are paramount (March & Simon, 1958; Pfeffer, 1979, 1981). Each of these theorists presents a view of organizations as separate, distinct entities. What all of these theorists have in common is that their views of organizations focus on the outcomes of the interactions among the constituents and actors, whether as cogs in a machine or as players in power struggles. What they do not focus upon is the manner in which these interactions come into being. They do not consider the way in
which knowledge is created and shared.

Defining the nature of organizations by observing the outcomes of interactions is a methodology that is rooted in the scientific tradition of positivism, in which reality is considered to be a fixed construct. Observations are independently made of the results of interactions, and theorists then craft organizational theories based upon these objective observations. Pearce and Cronen (1980) likened this process to attempting to understand a sport such as U.S. football by observing, for example, the movements and interactions with other players of the left tackle, developing “the theory of the movements of the left tackle” (p. 189) and then generalizing that theory to create an overall understanding of the sport. Unfortunately, as is evident in this example, such generalizations are likely to fall far short of an overall understanding. Extending positivistic theories of organizations to create knowledge about how to improve those organizations necessarily suffers from that same shortcoming.

Weick (1995) provided guidelines for determining how knowledge is shared among organizational members and how people make sense of what is happening in organizational settings. Those steps are as follows:

[1.] How does action become coordinated in the world of multiple realities?
[2.] Intersubjective understandings that can be picked up and enlarged by people who did not participate in the original construction.
[3.] Loss of understanding when the intersubjective is translated into the generic. The function of organizational forms is to manage this loss by keeping it small and allowing it to be negotiated.
[4.] Manage the tension that often results when people try to reconcile the innovation inherent in intersubjectivity with the control inherent in generic subjectivity.
[5.] Reconciliation is accomplished by such things as interlocking routines and habituated action patterns, both of which have their origin in dyadic interaction.
[6.] And finally, the social forms of organization consist basically of patterned activity developed and maintained through continuous communication activity. . . . These six attributes are an important start because they introduce a way of thinking about organizations that does something more than simply dismiss it as a mere typified “image of reality” that means different things to different people (Burrell & Morgan, 1979). Burrell and Morgan are right when they insist that assumptions about
sensemaking must be carried to their structural limits to see if participants and observers are playing by a common set of rules. Frequently, we discover that they are not. But this need not mean that such play is impossible. It merely means that we need to be attentive to social forms, right from the start. (pp. 75-76)

If organizational leaders fail in the translation of the planning for organizational quality and its actual implementation, is it because they focus on the wrong process? Do they focus extensively on the planning process, constructing detailed guidelines for implementation based upon tried-and-true methodologies such as Six-Sigma and TQM without monitoring the success with which their planning is communicated (Starbuck, 1993)? Planning is well and good, but managing the implementation processes strictly by those plans and then failing to monitor the communication processes could mitigate possible success. Weick (1995) referred to the process of monitoring communication as extracting cues that lead to choices of action based upon interpretation of those cues:

Because extracted cues are crucial for their capacity to evoke action, processes of sensemaking tend to be forgiving. . . . Once people begin to act (enactment), they generate tangible outcomes (cues) in some context (social), and this helps them discover (retrospect) what is occurring (ongoing), what needs to be explained (plausibility), and what should be done next (identity enhancement). Managers keep forgetting that it is what they do, not what they plan, that explains their success. They keep giving credit to the wrong thing—namely, the plan—and having made this error, they spend more time planning and less time acting. They are astonished when planning improves nothing. (p. 55)

Researchers have documented the successes and failures of techniques arising from analytical- and systems-based methods for creating knowledge—specifically, TQM and Six-Sigma (Davis et al., 2003; Nicholas & Katz, 1985). A common thread among the analytical- and systems-based techniques in business is a unified intentionality among the actors—usually a profit motive (Chilgren, 2008). Business managers are deeply indoctrinated in the economic philosophy, derived from the works of Adam Smith and John Maynard Keynes, that their primary responsibility in managing a business is maximizing shareholder wealth. To
illustrate, consider the following statements from Henry Clay Ford, Jr., executive chairman and chairman of the board of Ford Motor Company, taken from the Ford Motor Company 2008 annual report to shareholders:

We all share the same goal—creating exciting, desirable and responsible vehicles so we can grow our business profitably. . . . Our efforts centered on improving our cost structure, introducing exciting new products, improving our balance sheet, and operating as a single global team. (Ford, 2008)

Ford (2008) explicitly stated that all businesses share the same goal—but the question is, how does he know that? Is it true? If so, then why did executives from Ford Motor Company join with executives from Chrysler and General Motors to meet with Congressional leaders on November 6, 2008, in seeking a $25 billion bailout of the U.S. automotive industry, each arriving in private jets? If Henry Clay Ford shares the goal with his workers of improving cost structure, why did he not buy a discount ticket on a commercial airliner?

Or consider the following statements from Richard S. Fuld, Jr., and Joseph M. Gregory, chairman of the board and CEO respectively of Lehman Brothers in their 2006 annual report: “Because client needs are central to everything that we do, and because meeting those needs is a proven way for us to maximize shareholder value, we are constantly working to improve our global businesses” (p. 3). On September 14, 2008, Lehman Brothers filed for dissolution and bankruptcy. What client needs were served by the actions that led to that bankruptcy? Whose needs were served by investment in securities backed by mortgage loans to people who could not repay those loans?

Similarly, business customers are traditionally viewed as rational decision-makers whose primary impetus for purchasing goods and services is seeking the lowest prices. Both of these philosophies ignore what may be called irrational decision-making, whereupon business
managers have intentionalities other than maximizing shareholder wealth and customers have intentionalities other than seeking the lowest price (Pearce, 2007).

When organizations attempt to implement TQM and Six-Sigma programs, there exists, in very generally stated terms, a dual focus: first, on increasing production efficiency, which usually translates into cost reductions while maintaining quality; and second, improving customer satisfaction (Davis et al., 2003; Nicholas & Katz, 1985). This first focus is all well and good, if, in fact, all actors within the business environs are unified in their purposes for participating in the business enterprise—that is, maximizing shareholder wealth. However, this focus ignores the aesthetic and self-actualization qualities of participating in a business enterprise for those actors, which do not derive from increasing profit margins. Similarly, measuring customer satisfaction is usually translated into increases in market share, and measures of intrinsic customer satisfaction, both difficult to define and difficult to measure. What appears to be lacking is the development of models that explain these competing intentionalities among customers, executive management, middle management, workers, and support staff in businesses. It has been suggested (Pearce & Cronen, 1980; Weick, 1995) that organizational models exist outside of the traditional production/manufacturing/profit-seeking businesses that have served as models for TQM, Six-Sigma, and the like that may represent more holistic human organization models for understanding how to manage human endeavors.

There is a poignant scene in the 1997 movie Contact (Starkey, Zemeckis, & Zemeckis, 1997) in which Dr. David Drumlin, portrayed by Tom Skerritt, and Dr. Eleanor Ann Arroway, portrayed by Jodie Foster, engage in a conversation of dénouement subsequent to Dr. Drumlin having been selected as the representative from the United States to occupy the machine seat.
The primary factor that had disqualified Dr. Arroway from consideration was her refusal to profess a belief in God and Dr. Drumlin’s obsequious ingratiation to the selection committee about his profound belief. Pressed by the committee members, Dr. Arroway had stated that she did not see how a belief in God was relevant. The committee member retorted, “Since more than 95% of the world’s population believes in a Supreme Being in one form or another, I believe that makes it more than relevant.” The committee disqualified Dr. Arroway and selected Dr. Drumlin. The conversation between Dr. Drumlin and Dr. Arroway was the following:

Dr. Drumlin: Ellie, I know that you think all this is terribly unfair. I agree. But that’s just the way the world is.
Dr. Arroway: Funny, I always thought that the world is what we make of it. (Starkey et al., 1997)

If organizations, and the world within which they exist, are what we make of them, then of equal importance to the outcomes of processes is how organizational members communicate their meanings amongst themselves (Pearce, 2007; Pearce & Cronen, 1980), and how they make sense of that communication (Weick, 1995). The importance is in influencing the processes to manage the outcomes, not in managing the outcomes to influence the processes. The traditional communication paradigm by which most business communication takes place is the transmission model of communication (Pearce, 2007), in which it is presumed that the sender of the message perfectly crafts a message that contains the essence of the intended meaning, which is perfectly interpreted by the receiver of that message. Consequently, most of the literature on organizational quality focuses on how organizational leaders must create the necessary communiqués (such as memos, letters, and speeches) to organizational members, and then engage organizational members in training programs to inculcate the mechanics of the processes necessary to effect quality. Even those studies that
have focused on communication of the quality process have concentrated on the results of communication, and have assumed a transmission model of communication, in which organizational leaders identify standards for improvement. Although many of these studies and implementation efforts have included line workers, staff, and members of the organizations other than the organizational leaders, the understanding of the communications processes has been rooted in the transmission model of communication (Davis et al., 2003; Nicholas & Katz, 1985).

Summary

The intent of this paper is to present an argument in support of a broader philosophical perspective to be adopted in both the applied research and the scholarly research of organizational issues. Although in making this argument, I present the shortcomings of taking a solely quantitative approach to organizational research for applied and scholarly purposes, it is not my intention to advocate a move away from quantitative research. Rather, my intention is to advocate the inclusion of qualitative methods, such as phenomenology (the primary qualitative method reviewed in this paper) as part of a holistic approach to applied and scholarly organizational research. When we closely examine the steps by which organizational knowledge is created, both for academic purposes and for practical application, we must consider all aspects of human experience.

References


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