

The Role of Social Psychology in the Study of Organisations and Organisational Change

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The study of organisations is a cross-disciplinary field and many of the liberal sciences in particular, such as psychology, sociology and anthropology, have much to offer the subject. Of course, it would be difficult to suggest that one field offered a more complete or better substantive perspective than the rest in regards to organisations. In fact, if one were to adopt a postmodern approach, it would be reasonable to suggest that each field best serves the study of organisations when complimenting, or complimented by, the perspectives of other relevant fields. Even within the psychology of organisations, a postmodern approach has proven beneficial, given that no one psychological theory fits every organisation or organizational situation. As such, the study of organisations seems to be a very messy field requiring much attention to context, specifics and details. There are many reasons for this, of course. Evans (2007) observes, for one, that there is no universal standard for 'good performance' of an organisation. Each organisation and each individual within an organisation define the organisation's success in unique and varied terms. However, as we will see, psychology bears many useful epistemological stances, theories and methodological tools for better understanding organisations, the relationship they share with their members and how they experience change.

Psychology seems to offer a particularly advantageous perspective when considering organisational change. Cummings and Worley (1993) observes that historic organisational development theories have predominantly focused on developing formulas for *coping* with environmental change in an attempt to achieve a desired end-state. All efforts are then made to put individuals in the organisation in line with the new state being offered or demanded by the organisation's management. As such, organisational development assumes that organisational and cultural change comes from the top-down. However, Millward (2005) points out that this framework for organisational change assumes a mechanical response to organically shifting environmental states. The organisation is thus construed as an entity outside of its social environment that can only respond rigidly to change as it occurs. In response to the limits of this type of management-centric framework, more holistic conceptions of organisational change have been put forward. In them, the organisation is usually portrayed as being in a more chaotic state, ideally in flux with environmental conditions from one point to the next. Change for these frameworks is an emergent force naturally occurring continuously within and outside the organisation (Millward, 2005). Thus, the challenge of management and agents of change may be to direct this force to productive ends, instead of simply reacting to it, and thus effectively chart the best course for the organisation and its members.

While the more recently developed frameworks draw heavily on chaos and complexity theories, postmodern psychology plays a fundamental role in grounding the more philosophical ruminations in the position of an organisation and its members. It does us little good to have an exceptional model for optimising an organisation or its change processes, after all, if we do not have an effective method for examining the issues, entities and dynamics in question. Psychology helps operationalise these elements and ultimately provides us with a particular scientific insight into the 'hows' and 'whys' that relate to complex, adaptive human systems. Finally, such insight can assist management, change agents and consultants in optimising the position of the organisation and its members by providing them with empirically developed tools.

But perhaps one cannot fully appreciate the contributions of psychology to organisational theory without considering the context within which the field is presently developing. Given recent, global economic troubles, a critical, public eye has been turned to the leading corporations and financial institutions in consideration of the powerful (and often neglectful) influence they have on large economies, the environment, and individual lives. Frequently this attention fixates on the salaries and bonuses of CEOs whose companies have required government money to stay afloat, but an increasing amount of public thought is being given to *how* these companies are being run and *why* these companies are failing or causing scandals to begin with.

In the rather recent case of Enron, for example, explanation for the company's bankruptcy moved well beyond financial and economic discussion as the corporate culture was shown to be a major cause or contributing factor (Rapoport & Dharan, 2004). This came as a surprise to many

given that Enron was seen to be an exemplar of corporate citizenship and ethics prior to its collapse (Sims & Brinkmann, 2003). In reality the company was encouraging a culture for back-biting management obsessed with exhibiting short-term profits and inflating the company's stock value beyond reason. Sims and Brinkmann point out that this dissonance between the culture displayed to the public and investors and the values being enacted within the organisation is a classic example of the variance that can be found between levels of culture within an organisation as put forward by Schein (1985). In effect, the Enron case brings to light the fact that the manifest values, behaviours and artefacts of an organisation are not always congruent to the core values and, thus, the reality of an organisation. Naturally, this sort of pertinent information cannot be arrived at through organisational development or managerial theories alone. Social psychology, alongside other behavioural sciences can, however, offer us useful tools for looking past the manifestations and structures of an organisation to address underlying factors, including culture, trust and identity, as well as dynamics such as acculturation and cognitive dissonance.

As evidenced by the Enron case, culture proves itself to be a critical factor in understanding the nature and behaviour of both organisations and their members. Debate still rages over an ultimate definition for 'culture' but, in the meantime, psychology has made progress on the issue, including efforts by Widdowson (2003) to taxonomise prominent organisational culture types. Additionally, distinction has been made between 'culture' and 'climate'. Generally, 'climate' has taken on its own array of definitions, but many have defined it as the "feel" (Borucki & Kaufman, 2002) of an organisation, whereas the 'culture' involves the meaning that individuals assign to the organisation, its elements, actions, and dynamics. Essentially, though, climate is what can be measured quantitatively from an organisation, whereas culture remains an intangible factor only accessible through qualitative inquiry (Rentsch, 1990). Weick et al. (2005) go to great lengths to illustrate the importance of culture in an organisation by showing that there are various, significant contributions that the analysis of sense-making can make to organisational studies. Peterson and Smith (2000) argue that the reason the classic conception of organisational change as a mechanical, top-down process is maladaptive is because sense-making is a bottom-up dynamic. They propose that management can facilitate the process by explicitly communicating the desired interpretations, but in the end other, more proximal social connections such as colleagues, friends and family members, may exercise more influence on the individual. Thus, there is ultimately no guarantee that the encouraged interpretation will not be rejected or misperceived. Just as organisations and organisational change can be seen epistemologically from various perspectives, the issue of culture and sense-making within an organisation is a similarly complex issue. Each organisation, and even groups or individuals within an organisation, may have their own unique conceptions that inexorably underpin their sense-making of organisational events (Millward, 2005). As such, taking a subjective approach to culture and climate is functional not merely from a philosophical stance, but also in practical terms, as it calls for understanding the concepts on an ad hoc basis, respective of their specific organisational contexts.

Postmodern psychology offers up a growing number of models and metaphors for interpreting how members experience and make sense of an organisation. To give an example, the narrative model (Boje, 2001) proposes that one means by which individuals make sense of things is to place themselves within a story. This may be the story of a specific event or of the organisation as a whole (Millward, 2005). Although the narrative model is one of many for conceptualising an individual's place in an organisation, it has proven quite useful given the accessibility of language to qualitative study. Through qualitative methods, such as interpretive phenomenological analysis (Smith et al., 1999) or discourse analysis, psychologists can examine culture and identity at a micro-level in how individuals relate their own story and interpretation of an organisation. This ties in nicely with the notion of identity as a "position" held by individuals within a social discourse (Davies & Harré, 1990). By conceptualising individuals as occupying positions in the context of an organisational discourse we afford them the same dynamic (if chaotic) nature that seemed so sensible to ascribe the organisation as a whole to begin with. This 'positioning theory' suggests, of course, that individuals do not take on fixed identities, but instead position themselves and others

within a discourse with social acts of language. Thus, individuals are represented as being more adaptive to their social circumstances and potentially capable of change. There may be a clear crossover, too, between the positions of individuals within an organisation and the state-spaces within an organisation as conceptualised in complexity theory.

Of course, positioning theory bears, itself, one of many proposed conceptions of identity. While, again, there are many definitions and conceptions of identity to take account of in the psychological literature, the issue of identity as a whole is critical to the study of organisations and their change, and goes well beyond philosophical navel-gazing. Research has indicated that individuals naturally seek to form productive social identities and group associations (Tajfel, 1974; Tajfel & Turner, 1979). Millward and Postmes (in press) were able to show that when individuals are fulfilled in terms of identifying with an organisation there was a quantifiable effect on sales in an organisational case study. Understandably, this makes clear why management should want to focus on enhancing the identification of employees with their organisation. In an organisational change scenario, this means taking on a focus of enhancing commitment instead of compliance to the desired organisational state as research has suggested that values must be internalised before they will be sustained (Vygotskii, 1978). As such the individual must 'own' the new paradigm if they are to feel any responsibility for its success. It may also be the case, considering Festinger and Carlsmith's (1959) foundational work on cognitive dissonance, that the typical rewards for compliance to a model for change (promotions, bonuses, pay raises) do not have the intended cognitive effect on inspiring commitment in individuals. They showed that when rewarded greatly for completing a boring task individuals spoke less favourably about the task than those who had been rewarded minimally. They concluded that this was because the individuals who were rewarded minimally were forced to justify to themselves their participation in the boring task by claiming enjoyment instead of financial reward. The same applies to organisational change: when compelled to participate in an organisational change because of intense prodding or bribery, individuals will think less positively of the change itself, and thus be less committed to internalising it, than if they had willingly participated in it because of commitment (Burnes & James, 1994).

To effectively comprehend the role of identity in organisational change, one would need to explore the relationship that individual members share with the organisation in question. Fundamental to this is the notion of a 'psychological contract' (Nicholson and Johns, 1985). This implicit contract amounts to a mutually beneficial agreement of cooperation between the individual and the organisation. The individual might be offered things like job security, opportunities for advancement, social engagement, etc. and in turn they would offer the organisation loyalty, productivity, etc. Problems often arise on an individual level when the offerings of the organisation are not fulfilled or when expectations of the individual are changed. Rousseau (1995) points out that what distinguishes a psychological contract from other implicit contracts (such as social or normative ones) is that a psychological contract exists on an individual level. In other words, it concerns the *beliefs* held by individuals in regards to what an organisation desires of them and offers in return, regardless of the reality of such conditions. Naturally, should an individual's beliefs prove faulty in this regard, it will lead to potentially harmful disillusionment with the organisation. Furthermore, organisations may lend themselves to forming specific types of psychological contracts with their members, some of which might be harmful to the members and the organisation itself. Going back to the Enron example, the psychological contract inspired by offering large bonuses for short-term financial achievements clearly bred a competitive, short-sighted, unethical culture. Sims and Brinkmann (2003) describe how hiring practices became obsessed with finding aggressive, greedy, unethical employees who could deliver on the organisation's demand for short-term profits. As such, Enron essentially created the perfect environmental conditions for the culture that caused its demise to emerge.

In an advisory role, social psychology not only provides us the ability to diagnose cultural problems such as these but also to uncover relevant information on how individuals experience an organization and their role within it. More and more these 'human' elements are being seen as

critical factors to the behaviour and long-term success of organisations. Only within psychology can these issues be meaningfully addressed in the context of organizational change studies.

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