Processual approach to organizational change: the case of FSUE “Russian Post”

Thesis Summary for the purpose of obtaining PhD in Sociology HSE

Academic supervisor:
PhD in Sociology
Ivan V. Pavlyutkin

Moscow, 2018
The problem statement

Organizational change is a subject of interest among both researches in various fields (sociology, management, administration studies and related disciplines) and business practitioners. “Changes” are connected with all organizational facets, as they influence formal structure, aims and processes, interrelations and connections with the environment, organizational culture, power relations, knowledge creation, decision-making, etc.

There are two main theoretical approaches toward the study of organizational change, which differ in philosophical origins and empirical implications. The first one sees organization as a static entity, which changes by a transition between its different states. Change in this case is considered as any observed difference in size, shape, characteristics and state of the organization. The second approach to organizational change is based on the idea that change is not an exceptional event, but a completely natural process that even precedes organization and enables its existence.

However, since the very first interest in organizations as special objects of social reality most part of theory and practice of organizational change have been developing within the framework of the first approach. Transition between different states of organization - entities focused attention of researchers on the issues of rationality and effectiveness (as in theory of a formal organization and functionalism), survival (in organizational ecology) and legitimacy (in institutionalism). An “entified organization” problematized the goals-means ratio and simplified evaluation of change performance.

In the 1970s-1990s in accordance with more global shifts in social sciences and philosophy (the so-called “turns”), emerged an understanding that organizational life cannot be fixed in time, and change is not always intentional for organization. From the 1990s researchers pay growing attention toward agency, performativity, enactment and sensemaking, rituals and routine practices in organizations.
Nevertheless, research optics for organizational change analysis is determined not only by scientific fashion or personal preferences, but by specific features of an object, a particular organization. In her analysis of Swedish public sector transformation B. Czarniawska compares organizational change with serials. Serials lack a clear structure and connect episodes with each other by themes or main ideas, they are potentially endless (or they last until nobody is interested) (Czarniawska 1997: 79). Directors and scriptwriters can change, but the action unfolds inexorably, adapting to new conditions and demands of the external environment.

National postal operators have a number of specific organizational features: a historically rooted form of monopoly; a costly universal service obligation; a contradiction between financial success and social outcomes. Russian Post has several additional distinctions – it’s the scale of organization, loose coupling and locality of its parts.

The intensity and course of change process differs significantly because of geographical and hierarchical boundaries (O’Leary, Mortensen 2010, Easterby-Smith, Lyles 2011, Gibbs et all. 2015). In geographically dispersed organizations, one can even speak of different paces of change and peculiarities in their perception.

Since its very establishment in 2002 and until 2016, Russian Post has been changing managerial teams and following disparate goals. This complicates the evaluation and definition of organizational change (both by direct participants and external observers), and also demonstrates the limits of the “entified” approach at the empirical level. In this case events can only formally be divided into steps or stages (e.g. by managerial teams periods). If this logic is applied to the analysis of changes the the Federal State Unitary Enterprise (FSUE) “Russian Post”, then organizational activities may seem irrational and dysfunctional. Approaching a processual lens to an ongoing organizing of Russian national postal operator allows one to escape the normative discourse of evaluation and goals-means ratio. In this instance changes become a natural process for the organization.

The processual approach toward organizational change raises a number of questions central to this work. How change is perceived, what are the meanings of
change at different levels of the organization? How managerial decisions are carried and translated, how these decisions are reflected in the actions of lower-level employees? What the arrangement of organizational change microlevel “backstage” can tell about organizational activities in general? This study attempts to answer these questions on the example of the Russian Post reorganization in 2013-2016.

**Problem development**

The idea of change as a shift in any observed characteristic of an entified organization lies at the very core of M. Weber’s project of formal organization. According to it, rationalization and bureaucratization or an organization are inevitable due to development of competitive markets and search for effective management models. These assumptions were further developed both in modern bureaucracies research (by R. Merton, A. Gouldner, F. Selznik, P. Blau, D. Beetham, M. Crozier – only to name a few) and in practice-oriented approaches of C.I. Barnard, A.P. Sloan, R.C. Townsend, T.J. Peters and R. Waterman.

The same approach toward change is partially adopted in Durkheim's project of collective organization. His notion of collective consciousness largely determined the “cultural turn of 1970s and the interest in organizational culture as a product of social processes. Durkheim's ideas about customary problem-solving strategies were further developed by J. March and G. Simon (bounded rationality); K. Weick investigated the relation of individual cognitive sensemaking with collective schemes; J. Meyer and B. Rowan considered the symbolic part of organizational structure components (as organizational myths), and P. DiMaggio and W. Powell proposed the typology of isomorphism; N. Fligstein's conceptions of control connect dominant ideas about organizational reality with organizational effectiveness. There were attempts to categorize change in the framework of an entity-based approach by “orders” (J.M. Bartunek, M.K. Moch), “ideal types” (A.H. Van de Ven, M.S. Poole), “degrees” (G. March, G.P. Huber, Glick W.H. K. Sutcliffe, J. Porras, R. Silvers,
etc.), “stages” (K. Levin and numerous apprentices of his model “Change At Three Steps” (CATS)) etc.

The theoretical foundations of procedural approach rely on works of such philosophers as A. Bergson (becoming instead of being), William James (radical empiricism), A.N. Whitehead (a subject emerges from a process), as well as J. Dewey. Sociological heritage is represented by the legacy of G. Tarde (social contamination and imitation as a basis of collectivity). Tarde's works, previously forgotten in the shadow of his more influential cotemporary Durkheim, went through a renaissance in the 1990s discovered by science and technology (STS) researchers, actor-network theory, and those researchers interested in innovations. Tarde’s “imitation” as a method of change is not just a residual form of imitative isomorphism according to P. DiMaggio and W. Powell, but a fundamental principle of the organization's existence. When there’s a lack of knowledge about what and how to imitate, communication plays an important role (N. Luhmann).


Since the understanding of change depends directly on the specifics of organization, it is also important to take into account its origin, ownership and industry area. The majority of national postal operators has been established and further developed as state monopolies for economic reasons (as economies of scope and scale) and non-economic reasons (such as national sovereignty, strategic importance and state security, equality and democratic access for all citizens). Recent privatization of national operators evokes a comparison of two ownership
forms, as well as a comparison of international experience of the transition period and privatization outcomes (G. Sidak, M.A. Crew, P.R. Kleindorfer, J. Campbell, S. Perelman, and others). Moreover, there are two international organizations engaged in changes and development of postal industry – the International Post Corporation (IPC)\(^1\) and the Universal Postal Union (UPU)\(^2\). The clash of market logic with social significance of national postal operation was highlighted in the studies of N. Biggart, T.E. Leavey, P.L. Maclachlan, T. Goydke.

Transformations of such a large organization as a national postal operator implies time duration, hierarchical and geographical distance costs. Studies of difficulties in the work of geographically distributed teams were conducted by M.B. O'Leary, M. Mortensen, P.M Hinds, J. Eisenberg, J.L. Gibbs. These types of distance and disconnection in organization may be exacerbated by a “gap” between worlds of administrative decision-making and local service provision (local contexts). The inconsistency of formal prescriptions and practical implementation is well described in the anthropological works of J.C. Scott, A. Sharma, A. Gupta, J. Ferguson, T. Asad, and many others contributors to the field of political anthropology and anthropology of state.

Among the Russian researchers who developed the problems of change in organizations of various types, it is possible to single out the works of I. Pavlyutkin, I. Chirikov, N. Bogatyrb (Conroy), V. Radaev, M. Sokolov, E. Guba.

Processual approach allows one to literally observe organizing (K.E. Weick) at the micro-level. According to Weick and his followers, communication and narratives of participants play a significant part in organizing. A “narrative turn” in organization studies was greatly developed by B. Czarniawska, Y. Gabriel, D. Boje, G. Patriotta, A.D. Brown, M.E. Boyce, I. Collville, S. Sonenshein, E. Vaara and many others.

This work attempts to take a processual approach to organizational change in the case of Russian Post reorganization. This will allow one to analyze the actual

---

\(^1\) Official IPC website [https://www.ipc.be](https://www.ipc.be)

mechanics of changes and interactions of involved participants at the micro-level; to pay attention to the locality and temporality of [organizational] change; To track the interrelations between institutional, practical, material and linguistic aspects of the employees’ world-making. Particular attention is paid to employees’ stories, as pieces of interpretations of ongoing events, and some following processes and actions based on these interpretations.

**Aim and objectives of the work**

The **aim** of this work is to substantiate the heuristic and empirical value of the processual approach toward organizational change analysis on the example of the Russian Post.

Primary specific **objectives** of this work are:

1. To compare and summarize existing approaches to change in an “entified” organization and organization understood as a process
2. To demonstrate methodological advantages of organizational ethnography, stories and narratives as tools for processual approach to organizational change
3. To identify and justify the specifics of national postal operators and FSUE the “Russian Post” in particular as organizations
4. To analyze the process of Russian Post reorganization in 2013-2016, difficulties and disagreements among its actors
5. To identify how different employees and groups of employees interpreted ongoing changes and actions of the organization

The **subject** of the work: organizational change in Russian Post structure and internal processes during the reorganization in 2013-2016.

The **object** of the work: communication, narratives and stories of employees, which reflect their subjective perception of the change process in the Russian Post.
Personal contribution in problem development and data collection

The research reveals that processual approach to organizational change is a meaningful framework for investigating internal structure of change at the level of employees’ interaction, and linking the micro- with macro, various contexts of organizing of the Russian Post in 2013-2016.

The heuristic value of organizational narratives and stories is demonstrated through combining various sources and methods of data collection integrated by the lens of classical organizational ethnography. The applied methodology indicates multivocality of organizational voices and various interpretations of current events, and offers a fruitful and new for Russian sociology organizations framework of analysis.

The topics of communication, knowledge, power, time and identity in the organization turned out to be the strongest stress points in Russian Post reorganization and the way it was experienced and reinterpreted by the staff members. These topics were revealed by the author in five stories told by different employees. The results of the research can be useful for improving communication in geographically and hierarchically distributed organizations, as well as for developing practical recommendations for managing organizational changes.

The results of the research were presented at two All-Russian and five international scientific conferences. Theoretical assumptions and empirical materials of the research were used in the course “Main sociological approaches in organization studies” for 3rd year students of the HSE Department of Sociology in 2016 - 2018.

Theoretical background

A conventional model or organizational change was not accepted due to theoretical and disciplinary diversity, neither at the turn of the 20th and 21st
centuries, nor in recent years. However, most studies distinguish planned and emergent organizational change. The former are subject to managerial intentions related to possible shifts in strategy or structure and productivity. Emergent change is a form of reaction to various demographic, social, economic and political challenges of the environment.

Critics of this approach argue that planned changes are too reactive, intentional and unique, while changes are not always an answer to external (or internal) problems. Change occurs constantly in the actions of various participants and at different organizational levels, it’s hard to distinguish the beginning and the end of it. Organization is more of a pattern that is shaped and emerging from change. (Tsoukas, Chia, 2002: p. 568) Organizational constitution through change in an attempt of ordering, and planned change is needed only if this attempt fails.

Change does not always contain a precise intention; it can be a side effect of individuals’ reflection of ongoing events and gained experience. There is nothing exceptional about change as well, it is a natural process. If changes are a unique intermediate period on the path to stability, they are broken down into several stages. This set of frozen immobilities paradoxically replaces and flushes the essence of change itself.

---


5 Many other examples may be found in Journal of Organizational Change Management or Research in Organizational Change and Development precisely established for research in organizational change.


The processual approach, which gained popularity around 1980's, represented organizational change as ongoing, unpredictable and political. According to this position, the “inner” perspective, as the focus shifts to temporality, integrity, openness, strength and potentiality of change. We should not be limited by established forms and a nouns, but switch for process and verbs. Therefore, it’s not an organization, but organizing through the actions of participants (Bantz 1989).

K. Weick introduced the term sensemaking to define the way actors organize their flow of experience, endow what is going on with a certain meaning, and act upon it. “Sensemaking involves the ongoing retrospective development of plausible images that rationalize what people are doing.” It is the core of organizing, because it reduces uncertainty and allows actors to work out a common definition of a situation and use it in the following actions. Organizing is responsible for interpreting ambiguous and uncertain signals from the environment, and allows the organization to communicate its inner and outer signals.

The approach may seem oversimplified, but Weick’s initial interest is the relationship between the subjective cognitive and intersubjective social levels of event perception. The way meanings and definitions of the situation arise in the head of each particular actor in the organization can easily affect the entire organization. The outcomes may depend on relations of power and authority, frame, language and other aspects.

---


However, due to B. Czarniawska’s “serial” metaphor (Czarniawska, 1997), change does not necessarily imply a logical and eventual outcome and resolution, as a number of problems organization deals with are just inextricable. Organizational becoming takes place not only in the decisions of authorities, but also in the daily interactions of completely different participants. “Change programs (...) need to be made to work on any given occasion, they do not work themselves out” 16. And most importantly this implies communication of participants, organizations are talked into existence 17. However, narratives are multiple and deeply rooted into the context; the personality of the narrator and the narrative process are almost as important as the content of the story. Taking this into account it is appropriate to consider the advantages of stories and narratives for organizational change analysis.

Change in any large company is usually presented from the official “bureaucratic” point of view, which is too unfounded and limited; change requires many voices and perspectives 18. Participants’ narratives are necessary for reconstructing the real polyphony, because changes do not have a clear definition, they are open to various interpretations. Stories set the frame of meanings and allow narrators to express their thoughts and feelings. In some cases a story is an ordered sequence of events 19, in other cases it requires an interpretation of the previous experience by two or more people (the story may be just a nod or a phrase “Well, you know the story!” 20). The third definition requires a reflection of participants’

---

emotions and meanings and the emotional reaction of listeners. This work develops these ideas through the concepts of “organizational drama” (B. Czarniawska), “unmanaged organization” (Y. Gabriel) and “storytelling organization” (D. Boje).

The theoretical framework of the research determines the methodology, which is based on an organizational ethnography of Russian Post reorganization. Ethnography can be a mixture of different methods (this particular work is based on participant observation, document analysis and interviews). Still it is more of a research strategy, than a procedure or a genre. From the ethnographic point of view, the social world is different from nature and it deserves some special tools for investigation. Researcher's work consists of “headwork” and “textwork” at the desk, and “fieldwork” for collecting materials. Organizational culture should find its reflection and representation in the text, otherwise it will remain elusive.

The representative character of ethnographic narration turns into “tales”, which combine researcher’s work on “translation” and the inherent literary character of ethnography. This assumption also justifies the use of stories and narratives in the organizational change analysis.

According to the chosen research strategy, the empirical data served as a material for further theory building. The aspects of communication and knowledge transfer, the locality of knowledge, power relations, the construction of employee identity, and temporality of organizational change became themes in the serial of Russian Post reorganization.

---


Data collection and analysis

The applied research methodology rests upon a necessity to address both the macro-level of the organizational context of functioning and the micro-level of employees’ interactions. The chosen theoretical approach with a focus on processual nature of organizational change and narratives and the specific features of the research object also require a combination of variety of sources and methods. The main empirical tools of the research are: open sources and documents analysis, interview and participant observation.

An open sources and documents analysis provided a clearer and more detailed picture of the organization, fit it into a broader context, linked internal processes with the environment, and helped to estimate the change process from the outside. The materials were obtained and selected: by “Integrum” database, in public interviews of Russian Post administrators, in statistical data from the Universal Postal Union and FSUE “Russian Post” public domain26, in legislation texts and normative documents of the national postal operator of Russia.

The empirical materials of organizational ethnography include data from participant observation and interviews with current and former employees of the organization. The participant observation was carried out at a leading specialist position in Marketing Departments from June 2013 to September 2014. Data was collected through a diary and field notes, photographs and audio recordings, and available internal documents27. These materials determined and specified observation focuses.

Interviews were collected into two parts. First group of interviews with current and former employees of the Moscow Administration Office (AUP) was conducted during the observation in 2013-2014. Second group of the interviews was conducted in 2014-2017 with post offices employees during the field expeditions to Russian

26 Official website https://www.pochta.ru/about-documents
27 Financial and commercial aspects of the organization activities are not part of the author’s interest, any potential information disclosure is excluded
small cities (Arkhangelsk, Vladimir, Vologda and Pskov regions) under the project “Summer Sociological Practice” of the Laboratory for Studies in Economic Sociology and the Sociological Club “Gorod” of National Research University Higher School of Economics. Because of some significant geographical and temporal diversity, as well as differences in positions held by informants, the interviews combined elements of narrative and biographical interviewing, as well as storytelling. In total, more than 30 interviews were done (28 transcribed, the rest were recorded in notes).

In accordance with the approach proposed by Czarniawska (1997b), the overall collection materials was analysed for “stories”, “themes” and “serials”. This logic highlights the continuity of change, reconciles innovation with inevitable repetition, and represents a balance between order and novelty, scheme and innovation (Czarniawska 1997b: 119-120). Therefore organizational change in Russian Post was understood as a serial, and themes included communication, knowledge, power, time and identity. Five stories which illustrate these themes were selected because of their clear structure and emotional response.

The stories were analysed within the framework of the most relevant concepts in narrative approach to organization studies. These are the concepts of organizational drama (B. Czarniawska), unmanaged organization (Y. Gabriel) and storytelling organization (D. Boje). All these concepts imply the notion that stories may crystallize and reflect the knowledge of a network of cultural meanings (Geertz 1997). Decoding of these meanings and gaining a higher level of abstraction are based on wide context investigation, preliminary and parallel open documents analysis, conducted interviews and the author's personal ethnographic experience.

28 Beginning – middle – end BME)
Main results of the research

1. Most of the friction, tension and disagreement took place in themes of communication, knowledge, power, time and identity during the Russian Post reorganization of 2013-2016. These themes amalgamate various events of organizational life (like dismissals, inspections and communication with management) and demonstrate how communication is built up and participants’ interactions are organized. These are the leitmotifs of organizing, which in various combinations appear in examined stories.

2. It is possible to trace personal perception and interpretation in the stories of employees. One can find their reactions to: layoffs and personnel policy, communication with state administrations and with clients, resources and power, knowledge and professionalism. Postal service is not unified and identical for all employees, there are several contradictions in its perception. Organization is simultaneously viewed as state-owned and commercial, unprofitable and profitable, specific and typical, centre – controlling and periphery – missing. These contradictions are both the cause and the consequence of the Russian Post organizing. They can be identified in conflicts between organizational units or within the hierarchy (the butter story), in irrational expenditures (the history of public access places (PAP)), and in technological control (“deadly daisy” as an echo of panopticon).

3. The knowledge of local staff (post offices) is directly mediated by their experience, their perception of postal service role in the local community and the idea of local community life. The analysis showed that an employee’s notion of corporate standards may contradict the his/her subjective understanding of post office objectives and his/her place in gaining them (the napkins story). Innovations break the regular and common interaction and can indirectly affect the relations between employees and citizens (the “deadly daisy” story). Post office staff is often much better informed about client preferences and practices,
which in some cases could save the organization from rash expenses (the PAP story).

4. In contrast to previous, managerial knowledge is more abstract and theorized. On the one hand, it allows managers to make decisions, but on the other – it makes these decisions inflexible and oversimplified for lifeworld of specific post offices. As an example, this is the case of installing unnecessary expensive equipment for internet connection at public access places. Still, even if there was an attempt to prospect the details of post office existence, the actions of clients may remain misunderstood with a fleur of disregard (as in the butter story).

5. As a result, change and innovation tickle down from confident managers, who rely on immutability and universality of market laws. At the same time, ordinary employees do not always obey requirements. At best, they can criticize (as with parcel tracking in “deadly daisy” story). Employees can practically simulate and loosen polices with practices (Bromley, Powell, 2012), as did the grandmother – post office administrator on the Circum-Baikal railway. And another employee strategy would be fulfilling the requirements without reflection and linking them to organizational goals. This is what Bromley and Powell (2012) call “means-ends loose coupling”. A great example of such situation is ubiquitous installation of PAPs.

6. Since the knowledge of local staff is based on experience and is more likely to be implicit, innovations and shift of existing practices puts at risk the self-perception of their professional identity. This has a negative impact on how employees perceive resolutions and regulations from the “top”. Therefore the “poisoned chalice” story reveals a latent tragedy of the gradual identity loss, “demonizing” the material object (a cup) as the cause of organizational change instead.

7. Five stories told by employees also reflect conflicts and problems that are not articulated directly and lay deeper. These are: competing interests and contradict actions of participants (the napkins story); dissatisfaction with rotation in staff and organizational structure (the “poisoned chalice” story); lack of
complementarity among the updated units, the level of interaction with the external environment (the butter story); new ways of communication and growing control/surveillance (the “deadly daisy” story); intentions failure due to an oversimplified understanding of customers’ lives and needs and of human relationships (the PAP story).

8. Employees experience organizational changes in stories which vary by narrative forms, structures, plots and emotions. These stories can be an empirically rich analytical material per se. The stories of “dramatic” (B. Czarniawska), “unmanaged” (Y. Gabriel) and “storytelling” (D. Boje) organization demonstrate the “backstage” of organizational change at the micro-level, and reflect organizational activities in general.

**General findings**

The processual approach to organizational change analysis allows productive linking of the macro-context of organizational performance to the micro-practices of its various actors. This allows one to analyse how managerial decisions are carried and translated, how these decisions are reflected in the actions of lower-level employees. Research focus on organizing instead of organization allows one to identify how events are assigned, understood and acted upon at different levels and in various divisions of the organization.

The peculiarities of Russian Post reorganization are largely determined by the specifics of the organization itself. Throughout the world national postal operators have faced serious challenges and competition - internal, from private companies and courier services, and external, from the means of internet communication. In most countries, the same questions arise for national posts: how to increase profitability (or decrease losses); whether the amount and quality of universal postal service should be reconsidered; how to deal with monopolistic ownership and what to do about privatization; what are the indicators of an efficient postal service, is
there a way to combine financial success with social obligations. These are only a few issues determined by industry characteristics. In addition to that, Russian Post has a number of its distinctive features related to economic, political, cultural, historical and social factors. These are the scale of organization, loose coupling and locality of its parts.

The current notion of organizational change as a planned sequential action of improvement can hardly describe the real organizational performance, especially when change is natural for an organization. Russian Post demonstrates that organization is not always a certain entity and being, but more of a process and constant becoming.

Geographically distributed organizations exist in different localities. For various reasons Russian Post exists literally in different temporalities, with distinct paces of life, speed of change and even understanding of these changes. At the lowest levels of organization change can be perceived in a form of separate and not always thought-out actions, as they are divorced from the context, local knowledge and employee experience. At the managerial level change most likely exists in a frame of planned and managed events, and one only need to bring them further (or deep-down).

Geographical remoteness and power distance simultaneously simplify and impede the introduction of innovations. On the one hand, loosely coupled structure provides an opportunity to adjust centralized solutions at the local level. On the other hand, there is a decrease in responsiveness – post offices staff can prefer their own current needs or demands of the nearest authorities to instructions from far-far-away Moscow. Despite inevitable difficulties, loose coupling of organizational parts allows their compatible. However, this also complicates communication, experience and knowledge exchange, increases the power distance between the worlds of “production” and “management”.

The specific features of Russian Post human resources enhance the meaning of communication within and between organizational levels. The lack of universal professional knowledge of increases the role of tacit, implicit knowledge, which is
hardly explicated and transmitted. The high staff turnover among postmen and operators even more devalues this experience. Experts professionalize gaining managerial power, and workers of the core professions (postmen, operators, sorters) seek for independent regulation of their own activities. Innovations tickle down from confident managers, who rely on immutability and universality of market laws. At the same time, ordinary employees can either obey the requirements, or rethink them, or even refuse to perform (because there is a lower control and lower speed of real change in such a huge organization).

The identity of post office employees is largely based on tacit knowledge, therefore they perceive and shifts and innovations either neutrally (at best) or negatively. Reactions come from irony and scepticism to sheer disapproval. The experience and emotional perception of the reorganization are reflected in stories. These stories may provide a rich material and an independent source for analysis of Russian Post performance.

The stories of employees' perception of change analysis allows one to access the micro-level, to link the macro level of tasks - indicators - strategies with organizing process. The case of the Russian Post demonstrates methodological and empirical advantages of processual approach. It weakens the normative power of organizational success / failure and provides a completely different perspective on what the daily life of a constantly changing organization is.

**List of publications, which reflect the main scientific results of the thesis:**


Gudova E.A. (2017) Dramatichnaya, neupravlyayemaya i povestvuyushchaya: organizatsiya skvoz’ prizmu narrativnogo analiza [Dramatic,
