Abstract
Purpose – Previous work on paradox and contradiction has argued for management approaches that transcend dilemmas through a kind of creative synthesis. The purpose of this paper is to investigate empirically how change leaders’ efforts to transcend contradictions emerge, evolve and contribute to organizational change.

Design/methodology/approach – The paper analyses three case studies in different sectors drawing on interviews, documents and observations.

Findings – It is found that discourses of transcendence emerge as leaders bring new elements to the debate and supply a rationale that creatively bridges opposite poles of a dilemma. The credibility of the discourse is enhanced when it is embedded in extant institutional ideas, when stakeholders’ interests and values appear to be accommodated and when leaders are viewed as legitimate. However, inherent contradictions tend to resurface over time, suggesting that while transcendence offers a powerful stimulus for change, its range and lifetime may be transitory. Three mechanisms associated with the acceptance of transcendent ideas (quasi-resolution of conflict, strategic ambiguity and groupthink) may sow the seeds of their eventual re-evaluation and dissolution.

Originality/value – By examining the antecedents and consequences of transcendent discourses over time, the paper provides a nuanced view of their potential and limitations.

Keywords Organizational change, Contradiction, Transcendence, Case studies

Paper type Research paper

The literature on organizational change is replete with references to contradiction and paradox (Lüscher and Lewis, 2008; Lüscher et al., 2006; Ford and Ford, 1994; Beech et al., 2004; Denis et al., 2001; Fiol, 2002; Prenkert, 2006). Indeed, pressures for change and stability exist in dynamic tension with one another (Lewis, 2000). Stability allows an organization to sharpen its existing competencies while change or innovation is required to allow an organization to renew itself. In addition, contradictions of various kinds

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Having your cake and eating it too
Discourses of transcendence and their role in organizational change dynamics
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can be both stimuli for change when dominant patterns of functioning come to be mismatched with institutional and market pressures (Seo and Creed, 2002), and inhibitors of change as transformation projects designed to allow adaptation upset established values and power relationships (Greenwood and Hinings, 1996).

How then should and do would-be change agents deal with contradiction or paradox? Much of the scientific and popular literature has tended to argue for management approaches that transcend dilemmas through some kind of creative synthesis (Lewis, 2000; Handy, 1994; Hampden-Turner, 1981; Trompenaars and Woolliams, 2001). For example, drawing on a variety of sources, Lewis (2000, p. 762) suggested that organizations have a natural tendency to manage paradoxes defensively via activities such as “splitting,” “repression,” “regression,” or “ambivalence.” She argues that such activities may temporarily mask the presence of the tensions, but these will eventually reappear with renewed intensity unless the paradoxes are more actively managed via processes she identifies as “acceptance,” “confrontation” and “transcendence.” Poole and Van de Ven (1989) identified related modes of handling paradox that they label “opposition” (e.g. conflict) “spatial separation” (different poles of the paradox are handled at different organizational levels) “temporal separation” (different poles are handled at different times) and “synthesis” (finding new modes of thinking or action that dissolve tensions). In their analysis of institutional pluralism and contradiction, Kraatz and Block (2008) note similar patterns of reconciliation including denial, compartmentalization and a form of transcendence in which the organization is valued for its own sake beyond its constituent elements.

Given the frequency of recommendations for “transcendence” or “synthesis” in the literature, one would expect that managers who are able to reconcile opposites through creative both/and or win/win solutions might have potential for being particularly successful in achieving change. Beginning from this starting point, this paper will examine how discourses of transcendence emerge during processes of change, and look at their antecedents and consequences. How do leaders formulate their arguments for transcendent solutions? How and why do they maintain them in the face of scepticism? And to what extent do these solutions succeed in delivering on their promise? Based on three empirical case studies, we suggest that while discourses of transcendence can provide powerful stimuli for change, their range and lifetime are often transitory. Moreover, the very mechanisms by which they come to be influential may contribute to their eventual dissolution.

We begin by explaining what we mean by paradox, contradiction and discourses of transcendence before presenting the methodology, the inductively derived conceptual model, empirical findings and conclusions.

Paradox, contradiction and discourses of transcendence
Paradoxes are described in the literature as apparently conflicting elements that are simultaneously present so that action aimed at resolving issues creates new dilemmas that seem to undermine this resolution (Lewis, 2000; Clegg et al., 2002). For example, Lüscher and Lewis (2008) describe paradoxes encountered by middle managers at the LEGO Corporation as the firm attempted to implement self-managed teams. Managers struggled between pressures to “delegate to empower subordinates” and the need to “provide oversight to ensure efficiency” (Lüscher and Lewis, 2008, p. 229). Similarly, Fiol (2002) discussed how strong employee identification has paradoxical implications
for change: it may bind people together, and yet it may also block perceptions of the need for change. Underlying empirical paradoxes in specific situations are more fundamental tensions such as change vs stability, control vs flexibility, differentiation vs integration, exploration vs exploitation (Lewis, 2000; Clegg et al., 2002).

Beyond the notion of paradox per se, organizations often have to deal with value-based contradictions whose roots lie partly in resource limitations and partly in the presence of multiple and equally legitimate value systems grounded in different institutional spheres (Kraatz and Block, 2008; Denis et al., 2007; Seo and Creed, 2002). For example, organizations in the field of arts and culture need to accommodate the objectives of aesthetic quality and commercial success (Glynn, 2000; Thornton et al., 2005), while organizations in the health care field are traversed by competing pressures for quality, accessibility and efficiency (Scott et al., 2000; Denis et al., 2001; Reay and Hinings, 2005). Indeed, to the extent that their legitimacy depends on multiple stakeholders, organizations in many fields experience such contradictions.

Contradiction also lies at the centre of a dialectical view of the world in which social processes are viewed as inevitably imbued with tension and conflict (Benson, 1977). In this view, dialectic tensions emerge and evolve, dissolve or reproduce themselves in the context of ongoing social interaction within and among social systems. The notion of “transcendence” or “synthesis” described above is related to the classic third “moment” of the Hegelian dialectic in which a thesis and its antithesis constitute the two poles of a contradiction, and the synthesis is seen as a new form that emerges from their interaction but that transcends or rises above them, itself potentially becoming a new thesis that may later be subject to contestation from a new antithesis in a never-ending cycle (Lourenço and Glidewell, 1975; Van de Ven and Poole, 1995).

With this backdrop, we operationally define “discourses of transcendence” as explicit proposals for future direction that reframe an organizational situation in novel ways so that contradictions or paradoxes that were previously seen as intractable appear to be dissolved or overcome. We note, along with Lüscher et al. (2006) and Ford and Ford (1994), that contradictions and paradoxes are partly socially constructed. They exist in the minds of their beholders, and it is this that enables them to be successfully reframed.

We now describe briefly the methodology used to examine these situations.

**Methodology**

This paper is based on a secondary analysis of three case studies of organizational change conducted separately by one or more of the authors. The cases are drawn from studies in the health care sector, from a cultural organization and from a public utility. They all involve intensive qualitative interviewing, observational data and documentary analysis. Data sources are summarized in Table I along with a description of the cases. We selected these cases for analysis because each one appeared to offer an intriguing example of the use of “discourses of transcendence” in promoting organizational development and change. The comparison of these cases constitutes a replicated multiple case study design (Yin, 2008).

The data from each case are sufficiently rich to enable us to examine the nature of underlying contradictions, the logic of the discourse of transcendence and its antecedents and consequences over time. We identified elements within each case that spoke to each of these themes and constructed case narratives drawing them together in an approach similar to Staudenmayer et al.’s (2002) cross-case analysis of three
Table I. Antecedents, nature and consequences of transcendence in three case studies

<table>
<thead>
<tr>
<th>Case</th>
<th>Antecedents</th>
<th>Apparent contradictions</th>
<th>Transcendence discourse</th>
<th>Consequences</th>
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<tbody>
<tr>
<td>Health care 1: close hospitals while improving health care “It gave us a vision that went beyond economics.”</td>
<td>Successive waves of health care cuts become very difficult to absorb in the region’s hospitals. A new CEO develops credibility around new ideas surrounding the efficient organization of health care.</td>
<td>Higher quality health care with reduced costs Closing hospitals and saving $195 million/annum while improving health care in the community</td>
<td>New technologies reduce need for acute care, enabling transfer to community care Research shows health care expense is not strongly related to population health Employees can be protected by attrition Production is the “raison d’etre” of the organization. Need to regroup around the social and artistic values of production Strong commercial targets for distribution allow the “oiling” of the machine: this will provide the necessary funds to develop</td>
<td>Hospitals are closed, but transfers of resources do not emerge to the extent planned. Early retirement schemes create personnel shortages and continued emergency room overflows Regrouping discourse initially mobilizes employees. However, distribution fails to provide necessary funds to increase production. Trust is corroded as the contradictory nature of the logics shaping the discourse become evident New activities are launched and are welcomed by employees but do not create as many jobs as planned and are not all profitable. A new CEO arrives with different objectives and a merger renders the plan obsolete</td>
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<tr>
<td>Cultural organization: reconciling social, artistic and commercial values “We really connected with the strategic plan, with every element at all levels”</td>
<td>Major budget cuts create a crisis situation with lack of trust in management, disenfranchised personnel and internal malaise. A new CEO from a successful cultural agency and history with the organization proposes a new plan.</td>
<td>Tensions between social, artistic and commercial values in production and distribution Investing in socially relevant and artistically valuable production while promoting commercial success</td>
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<td>Public utility: ensure job security while reducing labor costs “The good that he did to the company was to cut the vicious circle, to turn things around”</td>
<td>The firm needed to reduce labor costs to ensure competitive performance. Previous retrenchment had led to strikes. A CEO with strong humanist values proposes a new plan to maintain employment and remain competitive.</td>
<td>Ensuring job security while reducing costs to remain competitive Reducing labor for regulated activities by 20 percent to enhance competitiveness while maintaining employee security and avoiding unrest</td>
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independent studies dealing with temporal shifts during organizational change. The cross-case analysis led us to develop the integrative process model shown in Figure 1. Since the model was developed inductively on a small number of cases, it remains exploratory and open to validation in subsequent research.

Dynamic model of the emergence and evolution of discourses of transcendence

Table I summarizes key descriptive dimensions of each case that will be drawn on in the following discussion: the antecedents of the situation described, the nature of the contradictions or tensions underlying the situation, the content of the discourse that enabled the transcendence and their overall consequences over time. Figure 1 shows the overall conceptual model emerging from our inductive case analysis. The model describes and explains the process of emergence, acceptance, amplification and re-evaluation of discourses of transcendence over time. Not all the elements in the model were present to the same degree in all the cases. However, the overall pattern is replicated across cases. We first describe the model in general terms and then illustrate how it plays out in each of the three cases.

As shown in Figure 1, it appears that discourses of transcendence tend to emerge in response to perceived problems or crises (item 1 in Figure 1) in which there is a need to overcome what have previously been seen as contradictory demands. The emergence of these discourses is enabled by the presence of leaders who can articulate a vision that transcends contradictions. In all the cases in this study, knowledge of the backgrounds and experiences of the leaders involved proved helpful in understanding how they came to frame their proposals (item 2). In some cases, trends in the institutional...
Discourses of transcendence do not, however, automatically generate action. To do so, they need to achieve wider acceptance. We identified three elements that contribute to this acceptance (Figure 1), but that also may lead to what we call amplification or stretching of the discourse. First, the plausibility of the rationale behind the discourse (item 4) is important for enabling others to buy into it. This will depend on the inherent quality of the argument itself (see the fourth column in Table I), but also on the presence of institutional templates that support it — e.g., the presence of similar arguments in popular management texts or among experts in the field (item 3). Second, the legitimacy of proponents of the discourse (item 5) will also contribute to enhancing its acceptance. Finally, in most organizations, some kind of consensus-building process (item 6) will be required to persuade key stakeholders of the appropriateness of the proposed orientations. This process may embed a form of implicit or explicit negotiation aimed at mobilizing the interests and values of stakeholders in favor of the proposals.

Finally, once it is accepted, the discourse becomes the basis for specific actions carried out in its name (item 7). It is here that the real power of discourses of transcendence in achieving substantive organizational change is made manifest. However, it is also here that the discourse of transcendence meets the test of reality. Actions lead to consequences that are evaluated by observers, and unexpected events may contribute to derailing optimistic projections (item 8). In this paper, we argue that the tensions inherent in discourses of transcendence, as well as the mechanisms underlying their emergence and acceptance contribute to some of the difficulties encountered in sustaining them over the longer term despite their short-term successes. Specifically, through our case analysis, we suggest that three different mechanisms associated with the acceptance of these discourses (described later) may sow the seeds of the problems that they later encounter.

We now provide data showing how the three phases play out in practice in three specific cases. Throughout, we refer back to items in the model to facilitate understanding. We conclude the analysis of each case with a discussion of the specific mechanisms underlying the emergence, acceptance and evolution of discourses of transcendence for that case.

Emergence and evolution of discourses of transcendence in three cases

Case 1: closing hospitals while improving health care

Emergence. This case concerns a Regional Health Board in a publicly funded health care system. The government was demanding significant budget cuts of just under $200 million/annum. The new CEO and management team of the region decided to develop a plan aimed at radical restructuring including the closure of several hospitals. However, historically, proposals for closing hospitals had been seen as unwarranted attacks on the quality of health care and had been politically divisive: “Look at how the media massacred the project to move [hospital name]. Just imagine what would happen if one day, we decided to close a hospital” (Minister of Health and Social Services quoted in Le Devoir, 11 December 1993). How could the Regional Health Board meet demands for resource reductions while maintaining or even enhancing the quality of health care for the population? We see here the basic contradiction, crisis or problem that the leaders were facing (item 1 in Figure 1).
The Regional Board’s leaders constructed their plan to meet the required budget cuts building on the argument that investments in health care services had become “unbalanced.” In this discourse, closing hospitals would not only generate significant savings, but would also allow the transfer of resources to home care and to nursing homes where needs were felt to be greater. This was possible as new medical technologies were reducing hospital stays and enabling care in the home (Table I, column 4). The new CEO of the Regional Board was strongly predisposed to this approach having written about it in the past: “This is a reflection we had had in the 1980s […] We knew for a long time that this was the kind of movement that we had to make.” Thus, the leaders in this case generated a solution that appeared to creatively reconcile apparent contradictions among economic, quality and access issues (item 2, Figure 1).

In addition, the discourse was institutionally embedded (item 3). Decisions like those being contemplated were also being made elsewhere. Experts and academics were suggesting that substantial savings could be made in health care costs without hurting public health or limiting access (Angus et al., 1995) and their arguments found their way into the Regional Board’s thinking. For example, in a speech in 1994 to community care organizations, the Chairman of the Board declared:

Data consistently show that improvements in population health and well-being depend little on the health care system […] Thus, we can expect that even if public finances improved significantly, it is unlikely that as a society we would choose to invest further in health care delivery.

Acceptance and amplification. While the reframing of hospital closures as compatible with health care improvement was grounded in wider institutional beliefs, a variety of interest groups including the employees of the hospitals slated for closure might not see this solution as optimal. The leaders of the Regional Board chose a bold strategy for orchestrating consensus around their proposals: to hold two sets of public hearings televised on a community channel. In the first hearings, stakeholders were invited to comment on a choice between across-the-board cuts and a plan to close six unnamed hospitals and transfer resources to primary care. Once a consensus was obtained that the second solution was preferable, the hospitals targeted for closure were named and a second set of hearings were held. The hearings process contributed at a number of levels to enhancing acceptance of the discourse. First, through the first set of hearings, the discourse itself was repeatedly exercised in public and drawn on by academics, media commentators, larger hospitals anxious to avoid further indiscriminate cutting and smaller home care and long-term care institutions who might benefit from it. The logic behind it thus became increasingly plausible (item 4 in Figure 1). In addition, the legitimacy of the Regional Board and its leaders was at least initially enhanced by the transparency and rationality of the process used to make the decision (item 5). In an interview, a Regional Board member described the philosophy driving their approach:

My conviction is that in general lobbies and interest groups thrive on secrecy […] The best way, in my view to settle those things is to make them public […] So that gets people to think about projects differently, to look at them in a broader framework, to consider the needs of the population.

This apolitical stance was recognized by the press including the author of our opening quotation who noted in the same article that the Regional Board was putting forward its proposals with “a surprising degree of energy, transparency and determination.”
Finally, throughout the hearings, the Regional Board showed itself to be attentive to stakeholders’ objections, incorporating many of their suggestions for improvement in its final plan to improve acceptability (item 6). For example, the timeframe for the plan was extended, measures for protecting employees affected by the changes were enhanced and side investments were proposed in areas underlined as particularly important or vulnerable. These adjustments can be seen not only as mechanisms enhancing acceptance, but also as a kind of amplification of the discourse of transcendence where most of the added measures did not in themselves create additional revenues, but rendered the project more complex, potentially stretching the diverse interests that needed to be reconciled.

Re-evaluation. The discourse had a highly significant influence on action (item 7 in Figure 1). Nine smaller hospitals were closed or transformed, resources were transferred to community services and attempts were made to improve continuity of care with varying degrees of success. Yet, debates continue even now around whether the decision was the right one. In hindsight, it is difficult to assess to what degree the discourse of transcendence was in part illusory, to what degree it became so through the process of negotiating its acceptability, and to what degree unforeseen contextual factors (item 8 in Figure 1) made the ambitious objectives difficult to achieve. Factors that certainly affected outcomes included continuing cuts, and the fact that more employees than expected accepted early retirement packages, creating ongoing human resource shortages. Overall, the credibility of the discourse has suffered with several commentators referring back to the hospital closures as a regrettable episode where services were cut. Few have drawn attention to improvements in health care that were in theory enabled by these cuts. In other words, the contradiction has been implicitly reinstated.

Mechanisms underlying evolution of the discourse of transcendence. An important mechanism for achieving acceptance of the discourse of transcendence in case 1 could be referred to as the “quasi-resolution of conflict,” an expression used by Cyert and March (1963) to describe how organizations preserve relative harmony despite the existence of divergent goals. They note that devices such as side payments, sequential attention to goals and organizational slack enable the maintenance of coalitions despite underlying conflict. However, as we saw in the analysis above, the quasi-resolution of conflict, and in particular the use of side payments, as well as the increasing complexity that this implies can have unexpected consequences. Although not all of the problems that emerged following the implementation of the hospital closures can be attributed to this source, there is evidence that the proliferating complexity of the project associated with the process of developing consensus for action contributed in part to this outcome. We now consider two other cases, both producing a similar overall “rise and fall” pattern but where somewhat different underlying mechanisms appear dominant.

Case 2: reconciling artistic, social and commercial values
Emergence. The second case deals with a publicly funded cultural agency emerging from a state of stagnation following drastic budget cuts (over 30 percent). After several difficult years during which the organization was described by one observer as “passing through the desert,” a new CEO was hired. In diagnosing the situation, the CEO noted, “[The organization] fell into disgrace. Why? Because it’s a place that has not evolved with the rhythm of the industry.” His assessment of a crisis situation (item 1 in Figure 1) led him to propose a new strategy that attempted to bridge the apparent contradictions
between the organization’s traditional artistic and socially engaged identity and what he felt was its need to adjust to the modern world, notably by enhancing its financial viability and global visibility without losing its founding values.

His proposals were put forward in a “strategic plan” that was widely circulated inside and outside the organization. On the one hand, the plan reaffirmed production as the “raison-d’être” of the organization. It noted a need to regroup around foundational social and artistic values by emphasizing innovation (“placing innovation at the forefront”), a commitment to social issues (“promote social cohesion through examination, debate and dialogue”) and the development of a new generation of artists. At the same time, the plan also emphasized less traditional themes related to international visibility and commercial success. A new international co-production unit was proposed to develop revenue-generating collaborations and the distribution function was to be transformed into a separate commercially oriented unit that “will not have the onus of cultural and visibility objectives that have historically obscured the goals of revenue generation.” These initiatives were seen as the keystone that held the plan together. The aggressive commercial targets for distribution would contribute to the “oiling” of the machine, providing the funds needed to fulfil cultural and social goals. The strategic plan ends with a sentence that expresses the discourse of transcendence in microcosm: “By implementing this plan, we will create art with a social conscience in an era of globalization.”

In understanding how this discourse emerged, it is important to note that the CEO had formerly worked in an artistic role within the organization and had also been involved in promoting international collaborations. His vision was embedded in and inspired by his prior experiences (item 2):

I tell you honestly, I think it needed someone of my generation. I was chosen, but it could have been anyone who believes firmly in this place, who has this deep love for the organization, who knows it from the inside.

His ideas about international co-productions and commercial potential also drew from his experience as CEO of another cultural agency and reflected to some extent institutionally embedded new public management thinking (item 3).

Acceptance and amplification. The plausibility of the discourse of transcendence among employees was largely based on the affirmation of the organization’s identity and values that some felt had become lost over time, e.g. “We are inside the strategic plan. We are there, it talks about us”; “The strategic plan gave us some air […] to bring back the values that existed before 1995.” (item 4 in Figure 1). The leader’s legitimacy as a former artist and organization member, as well as a successful manager of another cultural organization was also a positive point in its favor (item 5). On the other hand, it is not clear that all organization members had fully taken in all the implications of the discourse. The way in which it was written, as well as the process put in place by the new CEO to promote the discourse to build consensus and gain acceptance (item 6 in Figure 1) may have contributed to this.

This process involved fairly wide consultations including internet forums and meetings with employees. The plan was also broadly written to appeal to a variety of different audiences. As one observer noted, “It emphasizes a certain number of things and there are many ways of interpreting it.” However, this also led to a form of implicit stretching or transformation of the discourse because elements of the plan allowed managers leeway to develop their own strategies that might not always be perfectly compatible.
Re-evaluation. Once again, the discourse of transcendence was extremely influential. New international and distribution units began operations on a commercial basis. The production arms of the organization energetically developed their activities. Strategies of visibility seemed to be working with external stakeholders (item 7 in Figure 1): “There is consensus among the arts crowd that the [the organization] has found its groove under [the new leader]” (Globe and Mail, 2004). To mark the mid-point stage in implementation of the strategic plan, top managers organized a meeting called “Target 2004.” The unofficial aim was to reaffirm the consensus that had emerged in 2002. Employees were therefore invited to participate and provide colleagues with feedback on the past two years.

For the leadership, the results of this meeting were disappointing, however. There appeared to be increasing concerns that the organization had taken on too much: “We were tired, exhausted, we didn’t know how we could achieve more with fewer resources.” Announcements of further government budget cuts demoralized organization members making the original plan less plausible (item 8). These cuts did not in the end materialize. However, it became clear that the projections around revenues from commercial activities had been unrealistic. While the production arms had been intensifying activities under the assumption of increased resources, the new distribution division had not met its targets. The ambiguity of the plan had partly contributed to this as each manager pursued their own interpretations independently of others (item 7): “The fuzziness in the strategic plan that is sustained at the level of the Director creates a problem – directly creates a financial problem.” Thus, the discourse of transcendence came to be increasingly questioned. Contradictions once more came to the fore: “The first paradox – it’s the obvious schizophrenia of the organization – to produce cultural objects and to ask them to make money.” If commercial distribution was not a source of revenue then investments in it were again seen to be competing with investments in production.

Mechanisms underlying evolution of the discourse of transcendence. In the current case, as in the previous one, there could also be some elements of quasi-resolution of conflict underlying the dynamic of acceptance and subsequent re-evaluation of the discourse. The strategic plan was perhaps formulated more ambitiously than was realistic to enable stakeholders to buy into it. However, another mechanism appears to be even more salient in this case: a phenomenon that we label “strategic ambiguity” following Eisenberg (1984). As shown above, a commonly observed characteristic of the CEO’s strategic plan was its ambiguity. As Eisenberg (1984) has argued, ambiguity in communication may sometimes be preferable to clarity precisely because it enacts unity within diversity, accommodating multiple interpretations and enabling change while preserving deniability. Yet, as this case suggests, strategic ambiguity can have a downside when the diversity underlying it reemerges. Multiple interpretations enable multiple forms of action that can develop in contradiction with one another as occurred in this case. We therefore see here a second complementary mechanism by which discourses of transcendence may simultaneously acquire influence and also presage later re-evaluation.

Case 3: ensuring job security while reducing labor costs to remain competitive

Emergence. The third case concerns a public utility in the mid-1980s, a period in which the organization was aggressively extending its service network and had been taking
on many new employees. The recently hired CEO wanted to improve labor relations
that had previously been problematic. One of his first moves was to establish a set of
organizational values that included commitments to various stakeholders and in
particular to employees. In line with these values, the firm had developed a policy of full
employment. At the same time, benchmarking with competing utilities suggested that
the organization was overstaffed by between 10 and 20 percent and that this surplus
would increase as network expansion slowed down. A policy implying job security with
the company seemed to be in contradiction with a need to reduce costs. This was the
problem that stimulated the emergence of a new strategic orientation intended to bridge
the apparent contradiction (item 1 in Figure 1).

Thus, the CEO proposed a plan in which excess labor would be redeployed to new
revenue generating and unregulated activities, enabling the firm to remain competitive
in its basic markets, and adding valuable goods and services to the firm’s offering. This
required identifying and creating new activities that would add value, transferring
excess personnel to them and working to make them profitable. One manager articulated
the “discourse of transcendence” as follows:

Although there’s a process of resource rationalization – we had an objective to reduce service
costs – we keep people in employment, we generate new revenues, our customers are more
satisfied […] and everyone is happy.

As in the other cases, it was the CEO’s personal vision that lay behind this discourse
(item 2, Figure 1). He was described by others as a humanist, and had personally invested
considerable effort in improving relationships with employees: “He communicated with
the union head from the start – to the point where when he left, the union representatives
called him by his first name.” He was also influenced by institutional templates (item 3 in
Figure 1) in the form of popular management discourses of the time (Peters and Waterman,
1982), summarized by one respondent as follows:

Successful companies in the world – and [the CEO] has certainly read things on that – are
companies that maintain job security for their employees – IBM, large Japanese companies –
which means that employees are motivated, they work for the good of the company because
they know that the company will care for them until their pension.

Acceptance and amplification. The presence of popular management literature that tended
to support the CEO’s ideas helped reinforce their plausibility (item 4) as did the resonance
of the ideas with employees’ interests. However, other factors were also important in
gaining acceptance. First, unlike the two previous settings where top managers had to
negotiate with a wide variety of stakeholders with significant countervailing interests and
influence, this organization had a more traditional hierarchical structure where the CEO
expected to command authority. In addition, this particular leader had accumulated
legitimacy through early successes in improving profitability and a much appreciated
management style (item 5 in Figure 1). One collaborator described his influence with the
senior management team:

People would wait to see what he would say because in any case, he would have considered
all sides of the question. He was someone who was able to think in three dimensions,
sometimes four […].

Another described his influence with employees:
He had developed unfailing credibility [...] He explained [the project] to everyone in small groups, in large groups, people said, "If he’s telling us this, it’s true." [...] There was total trust.

Thus, there was no overt questioning of the overall objectives. The consensus-building process in this case was truncated as compared with cases 1 and 2, and time was invested rather in the elaboration of proposals for implementation. Through this process, four activities were initially approved, and managers were assigned responsibility for achieving results. Involvement in this process tended to enhance commitment to it (item 6 in Figure 1) while elaborating and amplifying the discourse (e.g. by including substitution of subcontractors as one alternative in the plans).

Re-evaluation. Once again, the discourse of transcendence was highly influential. A variety of new initiatives were implemented over two years. Some were successful. However, others turned out to be unprofitable and retrenchment plans were called for to bring them into line. The consequences were not as positive as hoped (item 7 in Figure 1). As the CEO announced his departure for a new position, people began to question the realism of the whole idea:

These goods and services – in order for us to be competitive with other firms, they must be profitable and the people who work there must be subject to the same criteria – of salary for example – as competing firms. But in [this company] [...] our people aren’t paid in the same way.

Certain moderating contextual factors also undermined the discourse (item 8). A merger with another utility made the activities appear increasingly secondary, and the new CEO framed them rather differently: “We invent activities to occupy people that we don’t need. We don’t have the board and shareholders with us. Not everyone understands this.” At the end of the study, the discourse of transcendence was losing credibility as contradictions between commitments to different stakeholders were increasingly brought to the fore.

Mechanisms underlying evolution of the discourse of transcendence. Although the “rise and fall” trajectory in the discourse of transcendence described in this case is similar in shape to that of the previous two cases, the dominant mechanism by which the discourse was accepted and ultimately lost its credibility appears somewhat different. While the apparent compatibility of the proposal with diverse interests was certainly a factor, we suggest that a “groupthink” mechanism (Janis, 1972) was also operating. Janis (1972) defined “groupthink” as a form of defective cognitive processing in which individuals suppress their doubts about a proposal to maintain the solidarity of the group. He noted that groupthink tends to occur in cohesive and homogeneous teams who are insulated from external input, operating under some stress and led by authoritarian or charismatic leaders, as occurred here. As our data indicate, with no promising alternate solutions to suggest and faced with an admired leader who appeared to know what he was doing, the discourse was easy to accept despite its underlying defects. These defects were made explicit only after the projects spawned by the discourse had been implemented and only when a new CEO promoting different values appeared on the scene. Thus, this case confirms the conceptual model introduced earlier while suggesting a third possible mechanism underlying the emergence and evolution of discourses of transcendence.
Discussion and conclusions

The findings presented above offer empirical support and replication of the model shown in Figure 1. Specifically, our analysis suggests that discourses of transcendence tend to appear in settings where competing poles of a dilemma have previously been seen as problematic. They emerge as organizational leaders bring new elements into the debate, promoting their ideas vigorously and supplying a rationale that logically bridges opposites in an apparently plausible but creative manner. We suggest that the transcendent discourse takes root in part because its ideas provide organization members with a positive “attractor” (Ford and Ford, 1994) that contrasts markedly with a more pessimistic mood that prevails where contradictions are believed to be insurmountable. In the health care case, one respondent described the mood before the presentation of their plan, “No-one could make changes. It was terrible, terrible.” The cultural organization was clearly in search of new direction. And the utility would have been faced with a serious labor relations problem if it had been obliged to lay off workers, undermining the values promoted by the CEO.

As we showed, the credibility of the discourse also appears to be enhanced when it is embedded in extant institutional ideas, when organization members’ interests and values are satisfactorily accommodated, and when the proponents of the discourse are viewed as legitimate, competent and authentic as in the three cases examined here. To develop further these ideas, future research might examine contrasting cases where transcendent discourses fail to take root or are seen as implausible.

The case studies also suggest, however, that the seductive logic of the transcendence discourse is hard to sustain. In an attempt to mobilize change, leaders may be led to push the initially plausible bridging logic beyond its bounds of credibility. Inherent contradictions tend to resurface as the elements that bridge the poles of the dilemma are found to be limited, or create unanticipated consequences that displace contradictions to another plane. While unexpected events may also play a role, we argue here that the very processes by which acceptance and amplification of the discourse are achieved contribute to its eventual fragility.

Specifically, each of the three cases suggests a different dominant theoretical mechanism by which this may occur. In the health care example (case 1), the intense process of consensus building resulted in additions to the project that increased its complexity and stretched the resources that were supposed to make it possible. The “quasi-resolution of conflict” (Cyert and March, 1963) enabled the maintenance of commitment. However, the burgeoning complexity of the project made it more difficult to realize the benefits projected in the discourse of transcendence resulting in its eventual questioning. In the cultural agency (case 2), the key mechanism in play was “strategic ambiguity” (Eisenberg, 1984). Specifically, the inherent ambiguity of the discourse of transcendence enabled acceptance by a wide variety of audiences but at the same time planted the seeds of future contradiction as different people were able to interpret the proposals in different ways that were not necessarily compatible when enacted in the real world. Finally, in the public utility (case 3), a “groupthink” mechanism (Janis, 1972) appeared to be operating: the CEO’s ascendance and personal commitment may have led people to suppress underlying doubts that could have moderated the discourse. Because no one was contesting his arguments, and because the CEO had considerable credibility, it was possible to move forward on proposals that were perhaps illusory from the beginning.
Although we associated each of the three mechanisms principally with one of the three cases, they may of course, occur in tandem or in a complementary fashion, over-determining the evolutionary pattern we observed. For example, all three leaders were credible and admired individuals, although the leaders in cases 1 and 2 had to negotiate with a set of more fractious stakeholders. In all cases, engagement in participatory activities contributed to redefining the discourse, sometimes by amplifying its scope, and sometimes by rendering it more ambiguous. Quasi-resolution of conflict, strategic ambiguity and groupthink are equifinal mechanisms in the processes we describe, but they may also occur in combination.

Overall, the ultimate paradox suggested by this paper, however, is that the real power of discourses of transcendence lies precisely in their capacity to stretch the imagination, to drive change and mobilize action, and not in their purity, clarity or realism, qualities that would quite possibly make them impotent. Mechanisms of quasi-resolution of conflict, strategic ambiguity and groupthink allow these discourses to achieve influence, while at the same time contributing to their eventual dissolution. If these mechanisms had not been operative, then the ideas would never have been appropriated. Yet, it is this that enabled them to generate significant substantive change. Changes such as these should perhaps be considered not so much in terms of the miracles they failed to deliver, but in terms of how things might have been without them. This puts them in a more positive light, though recognizing their limitations.

Overall, our analysis suggests a view of paradox and contradiction that recognizes both the power and the limitations of discourses of transcendence. Perhaps sometimes and in some places, discourses of transcendence may enable the undiluted realization of the ideals they promote. However, our analysis suggests that there are many reasons for skepticism. Our analysis corresponds to a dialectical view of change where long-term stabilization by synthesis is an unlikely outcome (Benson, 1977). As Benson (1977) and Seo and Creed (2002) argue, contradictions are constitutive of organizational life. Organizations are emerging entities driven by evolving social interactions where conflicts and destabilization are natural consequences of interacting patterns of interests and ongoing social praxis. The temporary emergence of discourses of transcendence may participate in social praxis, contributing from time to time to breaking down the barriers of anomie and inertia, but they too will encounter their limits.

References


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