

Change In The Shadows: Microprocesses Negotiate Unplanned Structural Transformation In A Japanese Business Group

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Abstract:

How do actors negotiate unplanned structural changes in mature and complex environments? These organizations are known to resist change and, are likely locked in a state of hyperstability by their embedded structures & processes. This paper draws on an exploratory study conducted in the shipping industry of Japan. The findings substantiate that change is an inherent organizational reality achieved by the integration of stability & volatility within and across aspects of the organizational design. Microprocesses serve as conduits for this integration: stability is reconciled with volatility by embedding microprocesses. This enables members negotiate changes without disrupting the organization. A framework is developed on the knowledge production of change and the integration of stability & volatility in the organizational design. Implications on strategic HRM are discussed, its role in system-wide integration and maintenance of an emergent balance.

Keywords: organizational change, organizational design, microprocesses, ambiguity, strategic HRM

1. Introduction

The purpose of this study is to discover how unplanned structural change occurs in complex and mature organizations. The author draws her inspiration from the Japanese business group (JBG) as an extreme case to facilitate discovery. JBG's institutional consistency and sustained economic prowess in a global environment characterized by continuous disruptions speak of remarkable flexibility. Yet, this is in contrast with widely held views of their hyperstability: reluctance to adopt new ways of organizing and failure to capture opportunities (Járzás, 2019a; Kushida, 2011). The author builds on the premise, that this paradox exists because the order behind it has not yet been discovered.

To aid discovery, answers to these questions are sought for:

- How does unplanned change occur in mature and complex organizations?
- How do the embedded structures & processes support or inhibit actors' negotiation for change?
- How does the organizational design support the maintenance of the status quo while at the same time allowing continuous change?

To begin, the notion is adopted that organizing is a social construct and, is negotiated in individual interactions to achieve stability by generalizing and institutionalizing. Inertia is, however, a natural cohort effect of efficiency and complementarity, therefore organizing is inherently resistant to change. To achieve organizational continuity in an emergent environment, stability is counterbalanced by adaptive change via members' emergent enactment of organizational institutions (Járfás, 2023b). The study focuses on the latter, emergent aspect of organizing and investigates change on the level of microprocesses, understood to be the spontaneous interactions that take place among actors.

The findings substantiate that JBG allows change by its organizational design: the systemic integration of stability & volatility in the following manner. As an extreme vertical organization, JBG is built for hyper-stability: most action takes place to reenact institutionalized patterns. At the same time, JBG incorporates in its design a loophole that legitimizes adaptive change by enabling grass-roots initiative. Adaptive change can be either incremental or structural and, achieves its effect without disrupting the organization. This is made possible by JBG's linking the emergent tacit microprocesses with the explicit coded processes: meaning that spontaneous and autonomous action is assumed legitimate based on the assurances of members' extensive socialization and as such, is allocated organizational resources in terms of communication opportunities (Járfás, 2023a). The paper argues that it is legitimacy, the integration of the tacit with the explicit, that enables actors' drive for change from discovery, negotiation through implementation.

The study makes three key contributions to extant research. First, a missing piece is added to research on organizational change by accounting for the process and the organizational context of unplanned structural change in mature organizations. The strategic change literature has focused on structural change as a centrally planned event due partly to the limitations posed by the scarcity of data on and lack of access to emergent change processes (Jarzabkowski et al., 2019). As for studies on unplanned change, the captured processes are peripheral in nature and, arise either from the variations afforded by the enactment of routines (Reay et al., 2006) or, by members' sensemaking (Jansson et al., 2020). These two pools of scholarship converge on the notion that the explicit organization is distinct from the ambiguity of emergent action: pits grassroots initiative for change against coded frameworks (Gulbrandsen, 2019; Toegel et al., 2022). As such, emergent change processes are viewed having the mobilizing power to carry negotiations but are seen lacking the momentum to move beyond the negotiation phase into implementation (Davenport & Leitch, 2005).

This paper argues against the distinctness of explicit organization and members' emergent action; whereby for one category to thrive, the other need be curbed. Instead, it is argued that the productive energies of both can be adapted to fit each other: emergent change processes have the potential for implementation when

legitimized by the organizational design. Meaning, the organization has the means to harness the volatile energy of its human resources without losing control over the status quo.

The paper's second contribution stems from the above, by conceptualizing change as an emergent relational construct rather than as an event. This provides for organizational continuity and produces knowledge by allowing, facilitating and, implementing incremental as well as strategic adaptation.

Third, understanding is forwarded on social organizing in business groups in general, JBG in particular. Empirical research on business groups is lacking due to their strictly drawn boundaries between organization members and outsiders that allow little visibility into their management and operating mechanisms. In addition, while some empirical research have been allowed in the organizational peripheries of business groups, studies that contribute to understanding on decision-making core and periphery dynamics are missing (Colli & Colpan, 2016).

Practical implications call for strategic HRM to integrate volatility in the formal organization by defining the scope, circumstances and, available resources for emergent action. For implicit knowledge to sink in among members as taken-for-granted, a medium-term investment is required in socialization and retention. While JBG design has become a successful quasi emergent case due to its centuries-long institutionalization, it can be referenced and adapted to locally existing organizational and contextual frameworks and social organizing practices. As transformation initiatives have a low success rate, an organizational design that allows emergent action to enable and facilitate organic incremental and/or structural change frees up considerable resources and increases chances of survival.

The paper is built on JBG as an extreme case to better highlight the problem. The logic extends to all business groups though, as social organizing is an inherently legitimate practice in these (Járfás, 2023a). In addition, the study has relevance for complex and mature organizations that operate in highly matrixed people structures.

The study's discovery orientation and scarce previous research on the problem called for emergent phenomenological methodologies, therefore grounded research was adopted (Bryant & Charmaz, 2019; Corbin & Strauss, 1990; Glaser & Strauss, 1967).

Below, the case is placed in context against extant research and institutional background. JBG management is then overviewed, followed by methodology and the discourse / conclusions. Implications on theory and practice close the paper; here the limitations will be acknowledged and avenues for further research outlined.

Overview

Organizational change scholarship agrees that organizations' goal being survival, these are built for stability and therefore are primarily inertial. Inertia is a natural product of consistency/efficiency and resilience, as the aim of these markers is to reduce volatility. Inertia, however, may also turn pathological and lead to lock-ins inhibiting efficiency (Hannan & Freeman, 1977; Sydow et al., 2009). Change initiatives struggle to succeed and, there are no definitive answers as to why some initiatives succeed why the others do not (Sydow et al., 2009).

A growing number of empirical studies focus on the social practices of planned change: how people's actions during a planned structural change impact strategy and structure (Jarzabkowski et al., 2019); how individual actors introduce new ways of working (Reay et al., 2006). Research on unplanned change has its obvious hurdles, therefore the dearth of empirical studies on the topic. Random contingencies during research do provide for opportunities to study unplanned change events though. In Jansson et al.'s study, sensemaking events served as trigger for organizational change (Jansson et al., 2020). As for this study, the interviews mobilized a loophole in the organizational design that enabled and facilitated structural change. The finding overlaps with studies on the conditions under which organizational change takes place and, supports the argument that embeddedness increases the acceptance of change initiatives, therefore provides for more successful implementation (Járfás, 2019b; Ravasi & Schultz, 2006; Reay et al., 2006). These results are contested by a larger research pool which emphasizes that a radical departure from the existing knowledge; actors' or organizational activities' lack of embeddedness is likely to lead to successful transformation: a change in leadership (Aaltonen et al., 2017), the introduction of new technology (Bohnsack et al., 2021; Wenzel, 2015), new marketing trends in the form of a sudden demand surge (Fortwengel & Keller, 2020).

The next section reviews the business group (BG) form of organizing to place JBG in its institutional context.

2. The Enterprise: Business Group

As opposed to the Anglo-North American model of free-standing corporations, business groups (BG) are interdependent conglomerate organizations with extended, economically and, socially construed business networks (Dau et al., 2021; Yiu et al., 2007). The "ties among actors are multiplex, ties are only partly observed, and group definitions are socially constructed" (Khanna & Rivkin, 2006). This organizational form is present globally and constitutes the primary form of business in vast regions. Consistent with the relational epistemological stance of the research, the author adopted Khanna and Rivkin's view on BG as a socially construed business network that is "best explained by its temporal and institutional embeddedness" (Járfás, 2019a; Khanna & Rivkin, 2006). As for BG definition, Yiu's is espoused: "a collection of legally independent firms that are linked by multiple ties, including ownership, economic means, and/or social relations (family, kinship, friendship) through which they coordinate to achieve mutual objectives" (Yiu et al., 2007). To set boundaries, BG shall be distinguished from the Corporation in its "reliance on social relations, in addition to economic connections" (Yiu et al., 2007).

BG is a good case to examine organizational change for two main reasons. First, as a success model of institutionalization, the BG modus operandi is rooted in standardizing-routinizing and in exploiting complex complementarities (Fisman & Khanna, 1998; Khanna & Rivkin, 2006). This is further cemented by the mostly implicit cognitive, emotional and behavioral controls which become taken for granted over time and, are reproduced by members without questioning (Járfás, 2019a; Romanelli et al., 1992). The consensus on knowledge motivates members to maintain the status quo and may freeze BG in hyper-stability and prevent it from responding to environmental changes (Járfás, 2019a; Morck & Nakamura, 2005; Ouchi, 1980). Yet, BG

continues to intrigue scholars and practitioners alike as the above is in contrast with the BG business form's worldwide presence and/or dominance and sustained growth.

As a second reason, as an economic & social model, social organizing is assumed to be inherent in BG (Járfás, 2023a). This co-existence of formal and informal controls invites the research agenda on how social organizing aka microprocesses contribute to or, inhibit change.

Among BG, East Asian - Chinese, Korean and Japanese groups, are notable for their shared characteristics informed by Confucian philosophy: prominent vertical power bias, interpersonal harmony and, traditional conservatism (Chen & Chung, 1994; Zhang et al., 2005). The power bias maximizes differences in status, role, age, and sex. Social collectives are divided between ingroups and outgroups and intermediaries perform the role to connect them. By interpersonal harmony, one strives to maintain the status quo and to avoid unsettling fluctuations caused by ambiguity. Traditional conservatism is a construct of harmony: this prioritizes precedence aka status quo over change. Evidently, the vertical organization's logic is to cement the status quo by removing ambiguity which it conceives as an existential threat. This augments organizing's inherently inertial qualities and creates an imbalance toward inertia; which is, likewise, an existential threat. To balance asymmetries in knowledge, ambiguity is then incorporated back as an integrator: within the relational aspect of the interpersonal harmony construct of *guanxi*, *inmak*, *kankei* (Hitt et al., 2002; Járfás, 2023a; Kwon & Adler, 2014). The Japanese business group (JBG) makes here a small yet significant deviation from its Chinese and Korean counterparts. *Kankei*, the JBG relationship institution allows closed groups to form unmediated new relationships should these appear beneficial in a fortuitous moment: meaning it may act as a third space at the discretion of a gatekeeper (Aoki & Dore, 1994; Hitt et al., 2002; Járfás, 2023b). This deviation accounts for JBG flexibility and will be explained in depth later in the discourse. To summarize, the East Asian BG default operating model is that of a complex, closed vertical network in a state of sustained equilibrium. The integration of ambiguity into the vertical organization contributes to maintaining this delicate equilibrium by balancing stability and change, status quo and, action (Járfás, 2023b).

Moving on to JBG management practices, Japanese companies' success in the 80's excited interest worldwide in Japanese management: a novel and unprecedentedly effective model built by embedding implicit mechanisms (Abegglen, 1958; Lincoln, James et al., 1992). In JBG, social immersion starts in the hiring aka member-selection phase. Here, lack of experience is important to maximize members' attachment: identification with the organization. New members are trained to embrace corporate identity and, to learn the ropes. The regularity of relationships in a tight-knit group will provide a more effective control over members, than explicit rules and regulations would (Etzioni, 1965; Fruin, 1980; Wilkins & Ouchi, 1983). Compensation is mostly standardized and is awarded for both performative and non-performative (belonging) related criteria (Aoki & Dore, 1994; Ashton & Dore, 1974).

To recap, the BG institution is a social and economic construct, therefore ambiguity is inherent in its dominant logic. Within this, JBG as a member of the East Asian BG, is informed by Confucian philosophy. It is an extreme

case of vertical organization matched with high levels of socialization; well suited to study emergent social processes' contribution to change. The methodology is introduced in the section below.

3. Method

To aid in the discovery of socially constructed meanings, the author searched for an understanding oriented, emergent scientific approach. She applied grounded theory as answers to these questions were sought for: How to account for change? What are the meanings that may hold true in certain conditions but take on a new/modified property as conditions change? How to account for processes that the actors perceive but for which they are unable to visualize alternative venues?

Data were collected in 13 semi-structured interviews from management pipeline, middle and top managers of Company A. Organizational members were invited by HR to volunteer for the interview based on two criteria: 1) their involvement in both domestic and international operations and/or strategy making and 2) length of tenure to make sure that their narratives are drawn from a rich experience base. The size of the invited participants' pool is not known. Japanese companies operate with a lifetime employment principle; as such, tenure is understood to correspond with experience and status in the hierarchy. Members are rotated among roles regularly, on average 3 years apart, to build specialists who know the organization inside out from the perspectives of multiple units. At the time of data collection, the participants belonged to 7 sub-units, representing 2 decision-making core units, 3 operating core units, and 2 peripheries. The participants had been transferred internally 3 to 8 times during their tenure, this means their narratives contribute a total of 63 lived experiences of several layers of the core as well as various rungs of the periphery for each person. For this reason, the sample size and quality provide an accurate picture of internal dynamics and conditions. All participants were directly involved in domestic and international operations and/or strategy making. Management pipeline members and middle managers were in their 30s to 40s and, had an approximately 10+ year track record, while top managers were from their mid-50s. All respondents are male and except for two, are Japanese. The interviews took approximately 1 to 1.5 hour each and were conducted across June and July, 2019 in the Tokyo HQ and in the London subsidiary office. The initial interviews were followed up with clarifications on March 29th and June 29th, 2020. It is not ideal to open a lengthy gap between the interviews and the clarifications, no earlier dates could be obtained, however, due to the executive partner's tight scheduling. The participants were asked to express their thoughts freely about the business, typical internal operational and external/internal relational interactions. The interviews were conducted in English and Japanese by the author who, as a long-term resident of Japan and, the Japanese diaspora of the United States, is proficient in both languages. While story-telling in one's mother tongue is richer in expression and more suffused with emotion, the participants were free to choose the language of their preference. The interviews were voice-recorded, transcribed verbatim, translated to English as applied. The author decided not to edit the scripts for grammar or vocabulary to stay close to the source and, to convey the emotions expressed in the informants' form and content. A thematical, structural and dialogic/performative narrative analysis then followed in the spirit and framework provided by grounded theory (Charmaz, 1996; Glaser & Strauss, 1967). Within the school of

grounded theory, Merriam's procedural stance was adopted (Merriam, 1998). In addition to academic peer review, the analysis is audited by applied psychology and industrial counselling experts whose native tongue is Japanese, which adds credibility to the interpretation of the data. To comply with confidentiality terms, the identity of the company and of the respondents is masked.

4. Discourse

Company A is a medium size competitor of the marine shipping industry with total assets between 200 and 300 million USD. At the time of research, the already tight bulk marine shipping market suddenly contracted due to the consolidation of the commodity markets: the industry's core clients. This context did not factor in the decision to allow a researcher in though.

The discourse follows the employee experience cycle from integration into JBG through socialization and achievement to better highlight relationship between people and internal as well as external context.

The JBG lifetime employment principle means that member/membership selection is the starting point of a long-term relational investment process: members commit themselves to belong via socialization and acculturation, while the enterprise offers the context comprised by tangible and intangible resources. The emphasis on lack of experience maximizes members' cultural infusion for long-term attachment/inclusion. This collectively held knowledge is mirrored in members' selecting a place of belonging rather than envisioning specific contributions to place and self.

Mr. D: *In a business sense.... Ummmm For myself, the shipping ... is... First of all... I didn't have any interest in shipping as a business. Firstly. Well now, of course, in the company every day... so every day I feel excited to do my job in the company.*

Social immersion trains members for the ways of the house, the "workstyle".

Mr. B: *You just do what you're required to do... Depends on where you are or with whom you work with. So that's why rotation is part of the... part of the job.... It's part of your workstyle...*

One is merged in the "workstyle" via implied meanings and tacit expectations.

Mr. K: *Every... every ... hmmm everything happens. I just consult my senior superintendent. So I have to consult, consult. And we have the leader also. (...) But before I go to the team leader I have to consult my colleague superintendents. To get some advice. That's what when I started. But this time I – used to it already. So...*

Each job rotation is an immersion in a new aspect of the organization, a new initiation process be it novices or seasoned members. As a result, members perform their duties as second nature in any point of the organization / the clockwork goes on uninterrupted regardless of any changes in its composition. Shared standards and routines further facilitate workstyle immersion; these allow for role delegation which reduces the need for

command-chain control. Having said that, standards and routines also enable and/or force members to withdraw into inertia rather than go against the status quo.

Mr. D: *All action is routine work.(...) Also, you know, it's a little bit difficult to encourage ourselves that is very important to meet something that nobody knows. It's quite difficult. If it's an important one, there must be much garbage (to sift through).... It's easy to stick to a routine work.*

While the organization has explicit control & coordination protocols; these have their intrinsically ambiguous aspects. Implicit knowledge-flows are embedded in the formal processes and, circulate between core and periphery. The data below refer to monitoring, evaluation and, feedback on achievement but the mechanism is indicative of control & coordination processes in general.

Mr. M: *Every year we let them write what they want do. It's part of the evaluation process. (...) In this way we're trying to motivate people. And based on what they want to do, they're doing their jobs.*

Mr. K: *Well,... actually, when the person they ... they already have assessment when they're working. (...) They collected the information already. Then at that time they can decide if this one is good or not. They can recommend. They already monitored the assessment of that person.*

As for external context, a wave of consolidation hit the market at the time of the research. Organizational members interfacing the market found themselves between expectations to belong in “workstyle” and to perform measured by numbers. The long business cycles allowed a business model based on relationship quality and moderate cost operations. The market disruption, however, tilted the balance in favour of the buyers. The business cycles shrunk down to short through medium-term and, the new success factors became speed and bare minimum cost. The organizational design not equipped for this change, resignation and the anticipation of crisis was a recurring theme in every narrative.

Mr. B: *So, I believe there're some times that I cannot fix some business because they just just walked away. 'Cause they couldn't wait for us. They couldn't wait for us and we were waiting for Tokyo. So right...*

The process leading from this low-point to implementation of changes can be pieced together with hindsight deduction, as these processes are assumed to be entirely implicit up till the point of decision makers' consensus to implement is reached.

Mr. M: *By the way, I understand that you did interviews in the overseas offices. I am getting a kind of very positive or constructive feedback from overseas. I don't know what you have discussed about anything, but ... That's how we introduced like on-line board meeting. With overseas offices. We noticed that communication could have been one-sided. So, we corrected that part.*

The NDA in place, any feedback to the control & coordination centre originated from the participants only, by either 1) voluntary or elicited feedback to HR and/or chain of command or 2) thoughts circulated individually within relationship networks. In addition, the interviews conducted in the London office included all members: this provided an opportunity to share feedback within the satellite office collectively, to the core individually and, in private conversations within individual networks. This informal discourse allowed reality contradictions

to materialize and alternatives to become plausible. The executive sponsorship then moved the discourse to a formal channel to be presented for decision-making. The structural change constituted a shift in power resources by allowing communication opportunities to the peripheries, implementation effective a few months after the interviews.

To summarize, the alteration in the communication design is of profound symbolic significance: the JBG foundation - Confucian vertical organization, underwent a meaning change. The taken for granted instruct/obey/report communication design was accentuated with the instruct/mutually share/obey model. The swift and precisely targeted nature of implementation testifies of

1. mature structure and processes that are primarily inertial but possess an inherent capacity for flexibility under pre-conditioned circumstances
2. members' high level of acculturation in terms of understanding structure & processes and, applying these in practice
3. a systemic integration of formal and informal structures and processes.

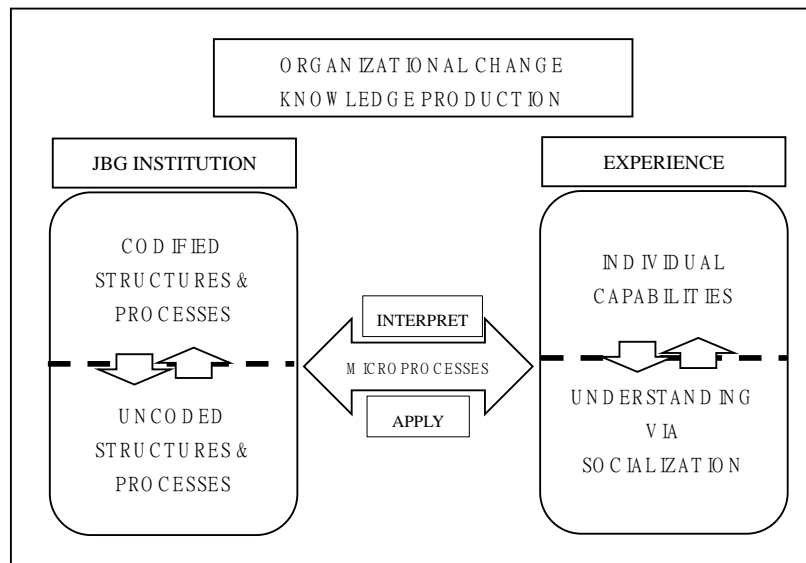
Change success factors from the actors' side are a thorough knowledge of the organization and a willingness/capability to engage in microprocesses. As for the organization, success is the fruit of a time-tested balancing act of distributing resources via a body of knowledge that answers both stability and volatility (Járfás, 2023b). Stability is maintained by structures/processes that are easy-to-understand and access and, are ready-to-use. Volatility is managed by integrating explicit and implicit structures/processes to be able to delegate action to the field with minimum vertical control in a reliable manner (Járfás, 2023a). The change knowledge mechanisms are explicated in the section below.

5. Change knowledge

To theorize, organizational change knowledge is examined as an emergent relational construct, the product of interaction between the actors and their institutional context (Foucault, 1980). It shall be understood as a process, the application of members' understanding related to perceptions, interpretations, concepts and procedures they gained through experience and study (Alavi & Leidner, 2001). The Institution shall stand for the idealized expectations of cognition and behaviour rooted in sanctioned meanings that are enacted by actors in a taken for granted manner (Berger & Luckmann, 1991).

Below, a framework explicates organizational change in terms of knowledge as process and, a separate framework explicates the organizational design that provides for a consistent context for change.

Figure 1) Organizational change, knowledge production



The JBG institution is built for hyper-stability & long-term continuity; with this, lifelong membership against lifetime employment is consistent and, is achieved by a long-term investment in members via socialization and respective acculturation. The iterations of this long learning cycle reinforce shared understandings as to - What to understand? How to behave? What to do? The high level of internalization enables members to enact/reinforce the institution based on scarce environmental cues and, this removes the need for the otherwise painful explicit vertical control & coordination. Knowledge production – including the processes of change, is thus delegated to members’ individual interpretations and their autonomous and/or quasi-autonomous actions. From the organization’s perspective, autonomous action means that members’ socialization & acculturation is relied on to delegate reality interpretation and the subsequent application of the institutions in practice. To support social assurances and, to participate in the modern economy, JBG interlinks the taken for granted organizational structures and processes with the explicit structures and processes. This means that the microprocesses are granted:

- legitimacy to be pursued
- the resources for escalation in the formal organization without coded proofs.

How is then knowledge produced in the microprocesses?

„Invisible/imperceptible” vertical microprocesses maintain the status quo: nothing goes un-noted and un-reported in a tight-knit group (Etzioni, 1965; Járfaś, 2023a). *Well...actually, when the person they ... (want to assess), they already have assessment when they’re working.*

Non-vertical microprocesses are allowed to achieve economic gains and to access the change loophole: actors coordinate among themselves to get things done according to the ways of the house. This autonomy does not challenge the status quo, therefore is allowed within the space of “unheard/unknown” (Járfaś, 2023a) up to the point where the result of these microprocesses is ready to be fed into the explicit structures and processes.

I don't know what you have discussed about anything, but.... That's how we introduced like on-line board meeting.

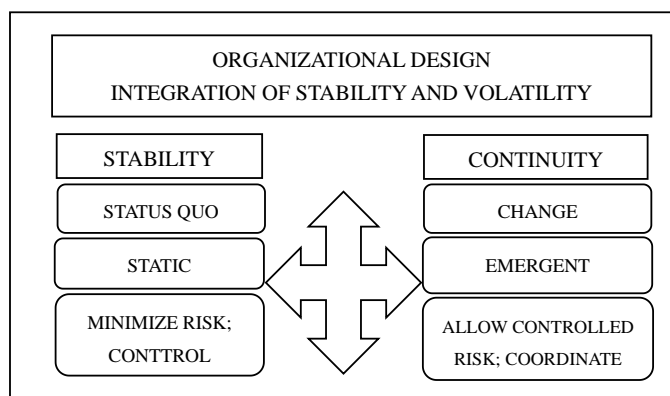
Delegating action to the space of microprocesses carries risk though; „unified discord” allows volatilities in individual interpretations and with this, unplanned and unintended contingencies. This risk is offset by inertia in two ways. First, social control’s invisible eye makes sure that most action is aimed at reinforcing the dominant logic. Second, the learning effects’ stickiness predisposes actors to follow standards and routines.

How does then change break through these embedded inertial controls? Hyperstability is an extreme case that does not survive in nature: opportunities to stay relevant to context are lost and, the inflexibility accumulates resistance from those who produce the knowledge (Foucault, 1975, 1982). The change component embedded in the JBG institution is its relationship construct of “kankei”, which allows a gatekeeper to form his own interpretation about an unprecedented relationship and, to decide to connect in order to access new knowledge. By this it is understood that any relationship that a member enters is assumed to be made on behalf of the organization. The meaning of which has multiple layers: 1) grants legitimacy to the connection and the ensuing microprocesses that aim to integrate new knowledge 2) makes implicit resources available to negotiate the initiative 3) makes explicit resources available should the negotiations reach executive consensus. The incremental nature of the process protects the organization from disruption, and allows for both evolutionary and revolutionary changes.

To summarize, microprocesses 1) save resources on sustaining the status quo 2) increase members’ sense of belonging by making them feel empowered 3) enable environmental adaptation by providing members with cognitive and action templates for sensemaking 4) enable and facilitate the adoption and implementation of changes 5) integrate changes in the status quo.

What kind of organizational design factors contribute to the success of unplanned structural change? The framework in Figure 2) Integration of stability and volatility in the organizational design below, forwards the argument based on JBG organizing as a successful quasi emergent case.

Figure 2) Integration of stability and volatility in the organizational design



The co-existence of instruct – obey vertical controls and autonomous undocumented action in the organization may seem inconsistent: as a sign of management failure. Changing the lens, however, allows one to read a consistency of purpose and organizational design. As evident in the quest for survival, organizations strive for stability and continuity at the same time. Having said that, the purpose and the pool of resources of these constructs are distinct. Stability aims for reliability and consistency to minimize volatility by creating order out of disorder (David, 1994; Weick, 1995). Stability is manifest in the status quo and, is supported by the control mechanisms that safeguard the relational order and the dominant logic. For this reason, stability is inherently inertial. Continuity's purpose, on the other hand, is to stay relevant in a continuously evolving environment. Continuity is manifest in the operations governed by the status quo: the day-to-day interactions of organizational members among themselves and with their external environment. As such, continuity, while inherently emergent, conforms to a high degree of structuring. As the status quo's drive for permanence e.g. removing volatility dominates over embracing volatility by allowing change, the concepts of stability and volatility become mutually exclusive, a paradox. As a result, organizations face a problem (though) in their quest for longevity as transformations rarely succeed (Flink, 2017; Romanelli & Tushman, 1994).

The East Asian organizational design, including JBG, however, consolidates the stability – volatility / control – autonomy paradox by acknowledging these concepts as a duality of complementary constructs. JBG top-down vertical controls remove volatility risk and, as a result create a rigidity that may spin the organization out of balance as it stifles members' inherently emergent action and, inhibits efficiency and effectiveness: a risk to survival. To counterbalance rigidity, JBG integrates emergent action as a social glue (Zhang et al., 2005): a volatility that is inherently present in the human factor, the organizational members.

How does then the stability / volatility duality manifest itself?

Social organizing is the key to integrate stability and volatility. This is made possible by human organizing's individual-emergent / collective-controlled duality: to survive, actors of infinite individual capabilities form collectives by organizing themselves centrally in a self-reinforcing manner (Polanyi, 1944; Ravasz & Barabási, 2003).

As a collective, JBG molds individuals to become members by socially immersing them in the ways of the house: sharing the understandings with them as to the perception, interpretation and, enactment of the status quo/stability and of continuity/change. As individuals, members' high level of socialization allows them to follow prescribed cognitive and behavioural patterns based on their individual capabilities with minimum direct top-down controls: these microprocesses - autonomous and, mostly spontaneous interactions create the internal consistency between stability and (controlled) volatility. To give an example for internal consistency, members' actions are relied on to follow expectations as to cognition and behaviour, therefore, these are viewed legitimate. The tacit understanding of legitimacy is explicitly expressed in the allocation of resources that integrate microprocesses' autonomous action in the formal organization.

To sum up, internal consistency in the system-wide integration of hyperstability and controlled volatility answers for the resilience of JBG. The integration provides for the long-term sustenance of the status quo while allowing

variations as well as unplanned structural changes to take place without disrupting the organization. This is made possible by social organizing: delegating action governed by shared understandings to members. By legitimizing social organizing and synchronizing its microprocesses with the formal organization, members will be capable of and, predisposed to maintain the status quo and, to perceive, interpret and negotiate change at the same time.

Implications on theory and practice, limitations and call for further research

The paper adds a new aspect to understanding organizational resilience by conceptualizing change as an inherently emergent property of organizing that complements rather than excludes stability. Built-in change is found to assure the adaptive survival of complex and complementary systems by counterbalancing their inherent inertia. It is argued, that the organizational design can be built to provide for both stability and change by supplying the status quo with the internal incentives and mechanisms to extend its lifecycle by on-going adaptation to environmental changes. This adaptation, while on-going and incremental in nature, has the potential to effect strategic changes. Consistent with the on-going nature of change, change knowledge is found applied in the microprocesses: organizational members' spontaneous and autonomous interactions as they are allowed to interpret environmental cues and act upon those according to readily available and easy to understand cognitive and behavioural templates. Synchronizing these implicit resources with the explicit organization is found to have the mobilizing power to carry strategic changes through implementation. It is argued, that disruption is pre-empted by the 1) embeddedness of the change process in the organizational design: the systemic integration of stability with volatility 2) integration of implicit (microprocess) resources with the formal organization 3) ease of access to and, application of the resource: the organic fit of the microprocess with members' daily routines 4) members' ability and disposition to apply the change process in practice.

This contradicts the extant body of knowledge which emphasizes stability's key role in survival by minimizing volatility – an impediment to change. In line with this thought, organizing is viewed inherently inertial in its aim to extend the lifecycle of the status quo and as such, the status quo has no internal incentive to overwrite this inertial force and to adapt itself to contextual changes (Schreyögg and Sydow 2010). As a result, the longer time spent in the equilibrium of a successful dominant logic, the higher the likelihood of a disruptive change to the status quo or, of its discontinuance (Clegg, Courpasson, and Phillips 2006). From this perspective, volatility ergo change and stability are assumed mutually exclusive.

The implications on practice call for a re-evaluation of the Enterprise as an inherently social construct. This involves reconstructing strategic HRM to allow it to integrate and to manage the ambiguity of social organizing for, as the case demonstrates, value creation takes place in members' microprocesses: these build and define the organization at the most fundamental level. Microprocesses' integration in the explicit organization has benefits beyond authenticity. As highlighted by the case, the bulk of operating routines – including the inception, negotiation and, implementation of changes; takes place in ambiguous microprocesses. Social organizing's spontaneous and autonomous nature means that it is governed by taken for granted meanings and emotions and as such, is beyond the control of logic: of explicit management control (Barabasz 2014). While this is certainly a risk factor, it does not mean that management has no mitigating resources other than driving for maximum

clarity in explicit structures and processes or, silently ignoring it. Leaders and practitioners are encouraged to investigate the organization in a holistic manner and, to take advantage of the unfathomably fluid human factor: to integrate social organizing in their design.

The study draws on JBG organizing, a successful quasi emergent case that has evolved in near isolation for centuries. The case can be adapted, however, to local institutional contexts and social organizing practices.

Provided by JBG, this is an extreme case – which constitutes the study’s strength and limitation. Further research is called for to study social organizing of change in a variety of institutional contexts.

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