

The Role of Middle Managers in Supporting Change for Sustainability: An Organizational Learning Approach

Sahadat Hossain (Corresponding Author)

PhD Candidate

Faculty of Business and Law

University of Wollongong, NSW 2522, Australia

E: shossain@uow.edu.au T +61 4 1467 8227

Muhammad Hasibul Hasan

Senior Lecturer

School of Business

University of Liberal Arts Bangladesh (ULAB), Dhaka 1207

E: hasibul.hasan@ulab.edu.bd T +88 1819286926

Sharmin Sultana

Assistant Professor

Department of Management

Faculty of Business

Bangladesh University of Business and Technology (BUBT), Dhaka 1216

E: shs@bubt.edu.bd T +88 1717593633

The Role of Middle Managers in Supporting Change for Sustainability: An Organizational Learning Approach

Abstract

This paper will investigate the role of middle managers in building sustainable organizations as an outcome of strategic changes and learning using multiple qualitative case study methods. Two readymade garments manufacturing firms operating in Bangladesh will be used to collect data. Specifically, this research will examine the active participation of middle managers in sequential steps of the change process and how such participation strengthens organizational learning and, hence, impact organizational sustainability as a change outcome. This research will impact the change management literature by exploring the contribution of middle managers to the organizational changes necessary for sustainability. While investigating middle managers' active participation in the change process, the dynamic capability literature will also be enriched by extending its application to middle managers' role in change processes, which have previously been predominantly viewed as top-level managerial maneuvers.

Keywords: Middle managers, strategic change, sustainability

Track 23: Organizational Transformation Change and Development
Word Counts: 1675

Introduction

Strategic change, which has long been considered a significant part of strategic management, helps organizations to set directions and acquire necessary resources and capabilities (Yi et al., 2017). In today's complex and rapidly changing business landscape, organizational change is essential to gaining and retaining competitive advantage (Chen et al., 2010). Global leaders unanimously set Sustainable Development Goals (SDG) 12, Target 12.6, which focuses on adopting sustainable practices by transnational companies. To develop a sustainable organization, Kiesnere and Baumgartner (2019) argued that they need to integrate sustainability issues into the organisation's operations' processes, routines, and activities. Sustainability refers to the environmental and social responsibilities of any organization (Sroufe, 2017), that can be fulfilled through organizational change (Millar et al., 2012). Throughout the organizational change literature, the conceptualization of change leadership is based on the top-to-bottom approach, in which the top management has a pivotal role in designing the change initiatives. To some extent, the role of mid-level managers has been recognized as a 'linker' or 'connector' between senior leaders and first-line managers. In contrast, the first-line managers have always been seen as the implementers of the process designed at the top (Balogun and Johnson, 2004). Some previous research findings have also demonstrated a broader role of middle managers to achieve organizational outcomes because of gradual shifts in the horizontal hierarchical trends of the organization (Burnes et al., 2018). Such findings have substantially ignored the input perspective that ensures the possible participation of mid-level managers within the whole change process.

Literature Review

This research focuses on the middle managers' role in supporting change interventions for organizational sustainability. Sustainability refers to the capacity of an organization to be socially and environmentally responsive through adopting policies and strategies (De Matos & Clegg, 2013). While there is extensive research on the technical aspects of sustainability, significantly less attention has been given to incorporating sustainability into organizational, business models and policies. Greater clarity is required regarding the transformations organizations must undergo to address sustainability challenges and how these changes can be implemented (Millar et al., 2012). It is essential to explore how academics and practitioners in the field of sustainability can drive the business agenda forward. Additionally, there is a need for deeper insight into how management perspectives and actions can be aligned, as well as how corporate branding can reflect and uphold sustainable development (Hind et al., 2009). To build sustainability capacities, an organization must undertake a planned change process that creates organizational learning (Alas, 2007). Previous literature on organizational change and learning has focused extensively on top-level managerial employees' tasks. Generally, managers employed at the upper layers of the organization's hierarchy make decisions requiring greater commitment and long-term consequences. As organizational change requires great resources and has high stakes, top-level managers are traditionally responsible for such changes. The middle managers, who translate the policies and strategies into operational plans, act as a bridge between top-level and line managers who implement the plans in action (Rydland, 2020). The learning process of middle managers throughout the change interventions and the contributions of such learning to long-term organizational success have remained unexplored. However, due to technological advancement, a trend of flattening organizational structures, and better access to social networks, middle managers have broader knowledge and wider skills, creating avenues to extend the scope of their participation in planning and decision-making (Rydland, 2020).

Middle managers' behavior in an upward direction has been the main focus in extant literature (Beer, Eisenstat, & Spector, 1990), whereas, for top-level managers, a downward direction is a key (Nutt, 1999). Over the decades, strategic management researchers have assessed middle managers as those who functionally carry the responsibility of ensuring that tasks are well taken care of (Pfeffer, 1994). Middle managers can contribute positively to organizational change by facilitating communication between front-line employees and top-level management (Sharyan and Nerina, 2006). Sharyan and Nerina (2006) also argue that middle managers can play a vital role in the transition of employees during the change process. Participation of actors from various hierarchical layers enhances the chance of strategic change success (Korbi, 2015). Although earlier organization development trends posed the threat of reduction in the number of middle managers (Cascio, 1993), subsequent research argues that “flatter” and more vigorous organizations have expanded the role of middle managers in bridging macro and micro levels in organizations (Balogun and Johnson 2004).

Sackmann et al. (2009) considered organizational learning based on modifying structures, processes and personnel as instrumental to sustainable change. Although Cook and Yanow (1993) view organizational change as not always accompanied by organizational learning, Basten and Haamann (2018) are more eager to consider learning based on the situation. Boyce (2003) finds linkages of first and second-order changes with single and double-loop learning. The second-order change, which necessitates double-loop learning, is essential to bring transformative and sustainable institutional change (Boyce, 2003). The structural processes of learning, commitment to learning, rate of application and quality of learning have immense strategic implications for the firm (Teece, 2018). Dynamic Capability (DC) refers to the modification capacity to the existing resource base through exploration, whereas; ordinary capability helps to exploit the prevailing resources (Qaiyum & Wang, 2018). DC has been emerging as an influential topic in research for the purpose of sustaining competitive advantage (Zahra et al., 2006). Schilke et al. (2018) depicted organizational performance as a function of DC, which can also be seen as the source of disruptive changes (Eisenhardt and Martin, 2000). Pettus et al. (2009) stress the role of DC as crucial for the growth and survival of firms, particularly those operating in a transition from a relatively close to an open economy. I propose a strategic model based on a planned change approach (Cumming & Worley, 2014), where the dynamic capabilities of middle managers can be deployed to ensure sustained change outcomes (shown in Figure 1).

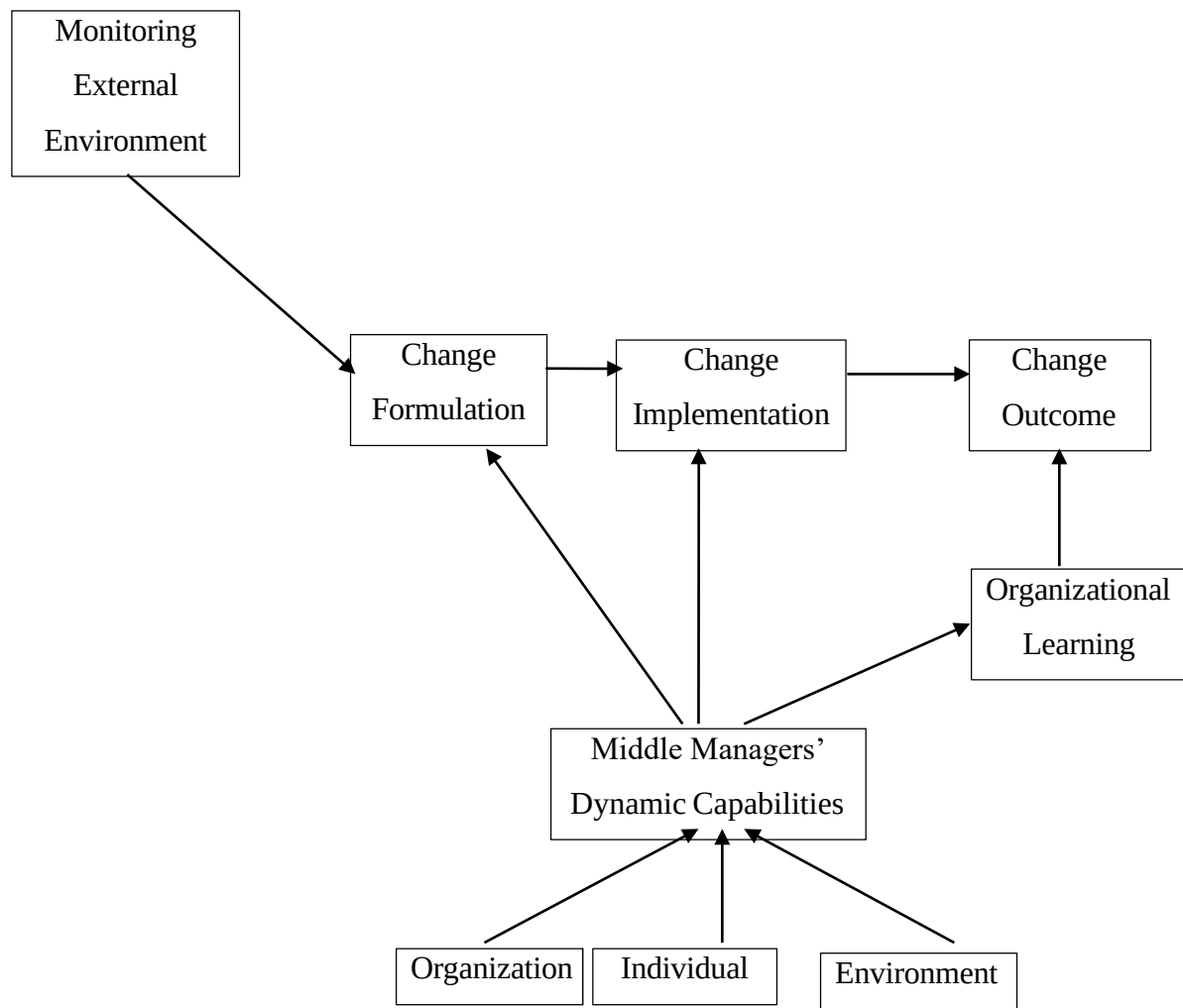


Figure 1

Research Problem and Questions

Bangladesh's export-oriented Ready-Made Garments (RMG) industry has been the main source of foreign currency earnings over the last two decades. After the incidents of Tazreen Fashion and Rana Plaza, international buyers have raised the issue of sustainability. Because buyers focus on eco-friendly production, environmental sustainability is considered a burning issue by RMG manufacturers (Hossain, 2018). Accordingly, organizations must bring strategic changes to prepare for the emerging competitive landscape. Within such a strategic change framework, the way middle managers are engaged and contribute to sustainability will be explored by investigating the following research questions.

1. Do middle managers contribute more toward organizational sustainability because of participation in the organizational change process?
2. How do middle managers learn at the different phases of organizational changes?

Research Method

A multiple case study research approach will be adopted to address the research questions. The case studies will be qualitative and holistic in nature. Because the nature of the boundary between the context and phenomenon is not evident when studying changes in context, a case study approach will be used to allow complexity in examining variables of interest (Yin, 1994). An analytic generalization technique will aim for theoretical replication by contrasting findings from two selected cases. Based on the collected data, theoretical propositions will be examined through pattern matching. At the beginning of the formal research process, the Bangladesh Garments Manufacturers and Exporters Association (BFMEA) will be approached officially by the research team. The researchers have informally explored the likely access to two selected firms composed of 10000+ workforce.

Interviews, observations and review of documents will be used for data collection. Both semi-structured and open-ended interview techniques will be used to capture the attitudes, perceptions and behaviors regarding participation and learning experiences by deploying the dynamic capabilities of the target respondents. Participatory observations would be mostly through informal discussions with employees at different levels associated with this research interest. Non-participatory observations will also be conducted to verify the necessary data and reveal the information that may have unfolded significantly for the research purpose. The publicly available and internal documents will be analyzed to explore the change. A triangulation technique based on qualitative data sourced from documentation, structured and semi-structured interviews and observations will be used to analyze and generate findings against the research questions. To enhance the trustworthiness, the interpretations of analyzed data will be shared with the key participants as necessary (Baxter and Jack, 2008).

Impact/Contribution

This research aims to answer research questions to understand the prospective role of mid-level managers in strategic changes. This research will create avenues for subsequent research to extend the horizon of the middle managers' active role, which is traditionally considered a passive role until now. Although the literature shows an inextricable linkage between organizational change and organizational learning (Boyce, 2003), this research will specifically contribute to the literature on organizational learning by exploring the impact of middle managers within the organizational hierarchy. As DC is integral to organizational learning, this research will also impact DC literature by examining the uniqueness of deploying DC by middle managers and the role organizations can play in creating such DCs. Most importantly, this research will impact organizational change literature about sustainability, which is, in fact, a promise global leadership has made through SDG 12.

References

- Alas, R. (2007) 'Organizational change from learning perspective', *Problems and Perspectives in Management*, 5(2), pp. 43-50.
- Balogun, J. and Johnson, G. (2004) 'Organizational Restructuring and Middle Managers' Sense Making', *Academy of Management Journal*, 47, 4, pp. 523-549.
- Basten, D., & Haamann, T. (2018) 'Approaches for organizational learning: A literature review', *SAGE Open*, 8(3), pp. 2158244018794224.
- Baxter, P., & Jack, S. (2008) 'Qualitative Case Study Methodology: Study Design and Implementation for Novice Researchers', *The Qualitative Report*, 13(4), pp.544-559.
- Beer, M., Eisenstat, R. A., & Spector, R. (1990). *The Critical Path to Corporate Renewal*.
- Boyce, M. E. (2003) 'Organizational learning is essential to achieving and sustaining change in higher education', *Innovative Higher Education*, 28(2), pp.119-136.
- Burnes, B., Hughes, M., & By, R. T. (2018) 'Reimagining Organizational Change Leadership' *Leadership*, 14(2), pp.141-158.
- Cascio, W. F. (1993) 'Downsizing: What do we know? What have we learned?', *Academy of Management Perspectives*, 7(1), pp.95-104.
- Chen, J. M., Suen, M. W., Lin, M. J., & Shieh, F. A. (2010) 'Organizational Change and Development', *Organization Science*, 12, pp.1-13.
- Cook, S. D., & Yanow, D. (1993) 'Culture and organizational learning', *Journal of management inquiry*, 2(4), pp.373-390.
- Cummings, T. G., & Worley, C. G. (2014). *Organization Development and Change*. Cengage learning.
- De Matos, J. A., & Clegg, S. R. (2013) 'Sustainability and organizational change', *Journal of Change Management*, 13(4), pp.382-386.
- Eisenhardt, K. M., & Martin, J. A. (2000) 'Dynamic Capabilities: What Are They?', *Strategic Management Journal*, 21(10-11), pp.1105-1121.
- Hind, P., Wilson, A. and Lenssen, G. (2009) 'Developing leaders for sustainable business', *Corporate Governance*, 9 (1), pp.7-20
- Hossain, M. M. (2018). *Environmental sustainability in Bangladesh RMG industry*. Textile Today. Accessed at <https://www.textiletoday.com.bd/environmental-sustainability-bangladesh-rmg-industry>.
- Kane, G.C. (2016). *The Dark Side of the Digital Revolution*, available at: <http://sloanreview.mit.edu/article/the-dark-side-of-the-digital-revolution/>.
- Kiesner, A. L., & Baumgartner, R. J. (2019) 'Sustainability management in practice: Organizational change for sustainability in smaller large-sized companies in Austria', *Sustainability*, 11(3), pp.572.
- Korbi, K. (2015) 'Leadership and Strategic Change', *The Journal of Organizational Management Studies*, 10, pp. 1-32.
- Langley, A. N. N., Smallman, C., Tsoukas, H., & Van de Ven, A. H. (2013) 'Process Studies of Change in Organization and Management: Unveiling Temporality, Activity, and Flow', *Academy of management journal*, 56(1), pp.1-13.
- Millar, C., Hind, P., & Magala, S. (2012) 'Sustainability and the need for change: organizational change and transformational vision', *Journal of Organizational Change Management*, 31(8), pp.764-782 [http:// dx.doi.org/10.1108/02621711211253231](http://dx.doi.org/10.1108/02621711211253231)
- Nutt, P. C. (1999) 'Surprising but true: Half the Decisions in Organizations Fail', *Academy of Management Perspectives*, 13(4), pp.75-90.
- Pagani, M. (2013) 'Digital Business Strategy and Value Creation: Framing the Dynamic Cycle of Control Points', *MIS Quarterly*, 37(2), pp. 617-632.

- Pettus, M. L., Kor, Y. Y., & Mahoney, J. T. (2009) 'A Theory of Change in Turbulent Environments: the Sequencing of Dynamic Capabilities Following Industry Deregulation', *International Journal of Strategic Change Management*, 1(3), pp.186-211.
- Pfeffer, J. (1994). *Managing with power: Politics and Influence in Organizations*. Harvard Business Press.
- Qaiyum, S., & Wang, C. L. (2018) 'Understanding Internal Conditions Driving Ordinary and Dynamic Capabilities in Indian High-Tech Firms', *Journal of Business Research*, 90, pp. 206- 214.
- Rometty, G. (2016) 'Digital Today, Cognitive Tomorrow', *MIT Sloan Management Review*, 58, 1, pp. 28-29.
- Rydland, M. (2020) 'Middle managers' role during strategic change: One size does not fit all', *Beta*, 34(1), pp. 5-22.
- Sackmann, S. A., Eggenhofer-Rehart, P. M., & Friesl, M. (2009) 'Sustainable change: Long-term efforts toward developing a learning organization', *The Journal of Applied Behavioral Science*, 45(4), pp. 521-549.
- Schilke, O., Hu, S., & Helfat, C. E. (2018) 'Quo Vadis, Dynamic Capabilities? A Content-Analytic Review of the Current State of Knowledge and Recommendations for Future Research', *Academy of Management Annals*, 12(1), pp. 390-439.
- Sharyn E. Herzig Nerina L. Jimmieson, (2006) 'Middle managers' uncertainty management during organizational change', *Leadership & Organization Development Journal*, 27 (8), pp. 628 – 645.
- Sroufe, R. (2017) 'Integration and organizational change towards sustainability', *Journal of Cleaner Production*, 162, pp. 315-329
- Teece, D. (2018) 'Business Models and Dynamic Capabilities', *Long Range Planning*, 51(1), pp. 40- 49.
- Yi, Y., Gu, M., & Wei, Z. (2017) 'Bottom-Up Learning, Strategic Flexibility and Strategic Change', *Journal of Organizational Change Management*, 30(2), pp. 161-183.
- Yin, R. K. (1994) 'Discovering the Future of the Case Study. Method in Evaluation Research', *Evaluation Practice*, 15(3), pp. 283–290.
- Zahra, S. A., Sapienza, H. J., & Davidsson, P. (2006) 'Entrepreneurship and Dynamic Capabilities: A Review, Model and Research Agenda', *Journal of Management Studies*, 43(4), pp. 917-955.