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### 'It Was The Night Of The Long Knives'

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## Abstract

This article explores through ethnography how public servant identities are affected by organizational change. Using an organizational becoming perspective, it studies the introduction of Lean in a recently merged public logistics department. Lean divides the department into two groups and conflict arises. Later, another institutional change is introduced. Here, the employee attitudes towards Lean change, now unifying rather than dividing the department. Rather than a professional-managerial split, the article concludes that the interplay between public sector change and employee identity is shaped by the apprehension of uncertainty and related group conflicts.

## Key words

Employee conflicts, identity, Lean Production, organizational becoming, organizational change

# 'IT WAS THE NIGHT OF THE LONG KNIVES'

**When public management collides with group identities**

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## INTRODUCTION

A growing number of public sector reforms promote an ideal of the entrepreneurial public servant in the effort to realize the promises of New Public Management (NPM) (Osborne and Gaebler 1992; du Gay 2000; Horton 2006). While debated as a concept, I here use NPM as an umbrella term to describe the philosophy that has underpinned a series of public sector reforms in Anglo-Saxon countries from the late 1980s and onwards which challenge existing values and forms of governance. These reforms introduce a set of tools with a managerial and market oriented logic that highlights cost-efficiency, performativity and competition (Osborne and Gaebler 1992). This, in turn, has brought human relations to the fore because it is often assumed that an organization's ability to change is located in its employees' flexibility and mindset (Brown 2004; Andersen and Born 2008).

In the wake of this, a debate has emerged over how the identities of public servants are changing in light of frequent change programmes, including political reforms, organizational restructuring and the import of private sector management concepts (Waterhouse and Lewis 2004: 354). Rather than seeing these changes as merely instrumental, scholars argue that the introduction of market-based and performance-driven change programmes hybridize the public servant's identity, combining the traditional Weberian ideas of a professional public service ethos with managerial values inherent in the NPM movement (e.g. Thomas and Davies 2005; Berg 2006; Bockel and Noordegraaf 2006; Horton 2006).

Empirically informed analyses emphasize the active roles of public servants in negotiating institutional changes (see, for instance, Thomas and Davies 2005). Findings from the present study, however, suggest that perceptions of uncertainty and related group identity conflicts frame the possibility of how these can be negotiated individually to the extent where a jeopardized professional ethos may not be articulated as the main problem. Through an ethnographic study of the implementation of the private sector management concept Lean Production (hereafter Lean), this article will show three things: (1) that identity formation around the implementation of Lean is shaped by group conflicts rather than Lean's inherent performance-driven, entrepreneurial values; (2) that group conflicts are contingent upon apprehensions of uncertainty related to the institutional setting; and (3) that these group dynamics can translate Lean and use it against a public organization's managerial ambitions of further change.

The analysis uses a logistics department in the recently merged public organization Alfa<sup>1</sup> as a case to study how group dynamics and change initiatives intersect. It follows the implementation of Lean in a logistics department and its collision with a subsequent organizational restructuring. The plans of restructuring unfolded alongside the implementation of Lean. The restructuring steering group recommended that the logistics department should be closed for the sake of organizational streamlining. This, of course, also made the Lean pilot project superfluous, and plans were made to terminate it. From the introduction of Lean until the announcement of the

restructuring, employee alliances were reshuffled and different meanings attached to Lean. First, upon introduction, Lean became a source of conflict, dividing the department into favoured 'entrepreneurial' employees and less favoured 'traditional' ones. When the restructuring was introduced, the Lean-induced conflict was replaced with a new conflict, this time between the top management and the department. During this process, the employee attitudes changed so Lean became a cause to rally around. The analysis will go through these temporary fixations of attitudes towards Lean and show how they are informed by group identification conflicts.

As a case study, then, Alfa offers the opportunity to study how the performance-driven management concept Lean interrelates with group identities, which are highly transformative in the face of change, and how these transformations may be so dominant that issues related to individual identity issues of a compromised professional ethos do not emerge. The findings further suggest that the group mediation of institutional change is contingent upon how uncertainty is interpreted in relation to greater organizational processes (see also Steyvers *et al.* 2010: 18, for similar findings from a quantitative study). That many change initiatives collide is especially symptomatic of this public organization as several, often conflicting, change initiatives were set into motion on both the political level and various management levels in the wake of the merger.

The article is structured in the following way. After a brief presentation of the case study and the methodology behind it, current identity discussions on how public servants receive modernization initiatives will be presented, arguing that these conceptions generally attribute a high degree of autonomy in such negotiation processes to individuals. Second, the process-based framework of organizational becoming is introduced as a favourable framework for understanding the interplay between processes of group identification and interpretations of management concepts. The scene is now set for venturing into analysis. As the findings can be divided into two periods, the analysis will revolve around, first, the implementation of Lean and, second, the restructuring of the organization and the management's efforts to close down the department and the Lean project. The article concludes by discussing the implications of the analysis for our understanding of the relationship between public sector reform and processes of identity formation, arguing that collective processes of identification dealing with uncertainty frame individual processes of sense-making.

## **PRESENTATION OF CASE**

Alfa is a Danish public organization which develops, buys, supplies and repairs goods for public sector service providers. Alfa resulted from a merger of three independent organizations on 1 January 2007, and today employs approximately 2400 people. Since 1989, the specific sector to which Alfa belongs has, along with many other parts of the Danish public sector, introduced new performance measure systems to increase

accountability in spending and render different parts of the sector's performance comparable. As such, the overall steering model of Alfa (and the rest of the sector) is based on principles developed in the Danish Ministry of Finance (see, for example, Finansministeriet 2003), which has clear links to NPM with its emphasis on auditing performance (Power 1997; Skærbæk and Thorbjørnsen 2007).

The welfare sector consists of six levels of authority, starting with the ministry which via legislation provides the overall goals and instructions, then a task force responsible for the overall administration and steering of the sector. Alfa is within the third level of authority and is responsible for converting the objectives set by the task force and ministry into detailed daily tasks and operations. While the goals are decided by higher authorities, then, the economic responsibility has been delegated to Alfa which is to act as an autonomous and self-sustaining unit. As such, Alfa represents a typical public organization which has to navigate in a complex dynamic of decentralization and reregulation with local responsibility and decision competence within nationally determined objectives and accountability systems (Pedersen and Hartley 2008).

Along with the merger, staff resources were reduced substantially from the expectation that centralization could rationalize production and allow for synergies and innovation. To help this promise materialize, several management concepts aimed at productivity and efficiency have been introduced, including matrix organization, values-based leadership, new IT systems and Lean. The study took place in Alfa's logistics department, where Lean has been introduced on a pilot project basis, involving eighteen of the department's sixty employees. The department also employs two middle managers, both responsible for employees who work and do not work with Lean. Many of the NPM characteristics originally identified by Christopher Hood (1991) are echoed in Alfa's construction. This case study focuses on one of these tendencies: the introduction of private sector management concepts, here Lean, which has gained much popularity in Danish public organizations where it is estimated that about 50 percent on a municipal, regional and government level work with Lean (Hunniche and Pedersen 2009).

Originating from Japan's Toyota factories, Lean has today become a global phenomenon and, especially in Denmark, it has diffused into the public sector (Naschold 1996; Hasle 2007: 1). Introduced in the early 1990s, Lean is a relatively new system of work organization, aimed at enhancing productivity, product quality and profitability. Lean has five defining principles: (1) define what your customers value; (2) identify complete values chains that produce customer value throughout the organization; (3) create flow in the production processes; (4) establish customer-pull production (opposed to management pushing the products through to market); and (5) seek perfection through ongoing improvements as general organizational routine (Womack and Jones 1996). These principles are, according to the Lean literature, achieved by employee involvement in exposing waste and in developing their own work processes.

They also imply that Lean operates in two distinctly different modes (Bhasin and Burcher 2006). The first mode is functional and defines Lean as an application of a

number of tools. This element of Lean has many similarities with F. W. Taylor's scientific management from the early twentieth century (Hasle 2007: 2). The other mode of Lean is as a 'philosophy of production' concerned with the development of a distinct mindset. This part emphasizes flexibility, pro-activity, visionary leadership and change. With its focus on customer value and a constant search for 'perfection' (Womack and Jones 1996), the philosophy underpinning Lean is illustrative of the customer-oriented, performance-driven, cost-conscious and entrepreneurial worker that has been identified in public management reforms more generally (Hood 1991; Osborne and Gaebler 1992: 15; du Gay 2000).

What, then, makes this case of special interest to public management studies rather than a study of Lean as a generic management concept? First, considering the prevalence of Lean in (Danish) public organizations, it is important to understand how it interacts with existing organizational dynamics. Second, the management structures of this public organization had a great impact on how the changes were introduced. The merger was a result of a political agreement which was announced four years before it was executed. Not surprisingly, this brought about much uncertainty as the merger also involved reducing the number of employees. In private organizations, mergers are rarely announced that far in advance, exactly to avoid creating such uncertainty. As the analyses will show, the reactions brought about during institutional change were rather emotional and powerful. Although the analysis focuses on the micro-politics of change and identity during the introduction of Lean and the subsequent restructuring, these reactions should be understood in the context of the uncertainty spurred by the merger.

Finally, the complex steering relations between the political level (the ministry) and the administrative level (Alfa) resulted in many intersecting change agendas with little co-ordination between them. The Lean project was initiated locally with the ambition of streamlining working processes after the merger, and the restructuring was a result of the political level demanding an externally based review of the merger. While such collisions between change projects also exist in private sector companies, the multiple agendas brought about by ambiguous public sector steering relations definitely make public organizations more prone to sudden political interventions with unanticipated effects in the margins.<sup>2</sup>

## METHODOLOGY

The case study is based on a joint study with the Danish National Research Centre for the Working Environment in the research project LEANUS (Lean without Stress). The research project is a collaborative effort between eight organizations and three research institutions. This research project investigates how Lean implementation influences employee well-being and seeks ways of implementing Lean with a positive result on the employee well-being scale.

Drawing on a variety of especially qualitative methods, the main study involved six weeks of ethnographic observations in Alfa (Hammersley and Atkinson 2007 [1973]). The strengths and the scope of the ethnographic approach include that no parts of working life are excluded as both formal and informal organization structures, every day practices, technologies and narratives count as empirical data (Schwartzman 1993: 35). The ethnographic approach is open-ended and explorative by nature, meaning that 'no finite set of categories' were part of the initial research design but emerged through a systematic interplay between observations, interviews and analysis (Hammersley and Atkinson 2007 [1973]: 158, 161). In this case, the research started out by focusing on the relationship between public servant identity and organizational change. The importance of group conflicts related to perceptions of uncertainty emerged as a finding. Lean was introduced as a pilot project in the fall of 2007 and the fieldwork took place six months later, during which the organizational restructuring was presented.

The observations were supplemented by three focus group interviews and eight semi-structured qualitative interviews, using the 'ethnographic interview' as a framework and explored employees' understandings of self in relation to Lean (Spradley 1979). The interviews focused on employees' experience of change initiatives, in general, and Lean specifically. First, the focus group used a narrative framework to map out the extent to which organizational change, including Lean, had influenced their past and present perceptions of work life in the present and future (Bruner 1985; Demant 2006: 132). Here, uncertainty and group relations emerged as significant themes. These were subsequently explored more systematically in individual interviews. Both employees and middle managers were interviewed for the study and they were selected using the so-called snowball method where one event/person points out the next, which again points forward, and so on.

To profit fully from the open-ended potential of the ethnographic method, 'organizational becoming' has been chosen as the main theoretical framework as it makes one sensitive to the dynamic and constructed aspects of sociality. Before presenting this body of literature, however, existing debates about the changing public servant identity will be revisited to discuss the findings of the importance of group identity.

## **INSCRIBING NEW PUBLIC SERVANT IDENTITIES: TABULA RASA OR ACTIVE TRANSFORMATION?**

While a general shift towards a generic managerialist public servant has been identified as a result of NPM, it has also been argued that identity is subject to local negotiations and enactments, rendering its effects less univocal than originally thought (Thomas and Davies 2005; Rondeaux 2006). Described as an identity project, the NPM movement is seen as an attempt to replace the orientation of a public service ethics with a market-based logic (du Gay 1996; Clarke and Newman 1997; Horton 2006). However, such



studies have been criticized for assuming a too deterministic account of an asymmetrical relationship between a powerful discourse and submissive subjects.

Thomas and Davies (2005: 683), for instance, claim that 'theorising has tended to present a deterministic account of NPM, which portrays individuals as passive recipients of the discourses of change, reacting to a "given" NPM imposed upon them'. They argue that public servants actively participate in translating and interpreting NPM discourses on change, concluding that public servants reconcile managerial discourses with gender specific conditions (Thomas and Davies 2005). Others propose that professional groups resist new managerial forms by combining traditional virtues with managerial values, arguing that identity is a reflexive hybrid of professionalism and managerialism (Berg 2006). These fall in line with studies illustrating how employees' self-understandings become a key locus of resistance (Kondo 1990; Edwards *et al.* 1995; Knights and McCabe 2000). In trying to understand how public servants' identities are shaped, these studies highlight the conscious choices of employees, an approach that has been described as practical-hermeneutic (Alvesson *et al.* 2008: 8). However, such an emphasis on individual selectivity risks attributing excessive agency and voluntarism to the process of identity formation (Alvesson *et al.* 2008: 19).

Instead of seeing identity negotiations as a flexible and individual process of reconciling opposing values, this article suggests that identity formation is not so open-ended. Like Hogg and Vaughan (in Horton 2006: 534), it takes identity to be linked to membership of a social group rather than self-knowledge. Identity is thus constructed in a relational context where individuals position themselves in terms of social groups. Group identification has been defined as the 'perception of oneness with or belongingness to some human aggregate' (Ashforth and Mael in Alvesson *et al.* 2008: 13). As such, interpersonal interactions are highly constitutive of how individuals understand themselves, including how they appropriate identities offered by management concepts such as Lean. Especially during periods of transition, group identities are jeopardized in ways that influence how management concepts are received (Berg 2006; Horton 2006: 535; Alvesson *et al.* 2008: 20). In the present case, opposing group categories along with intersecting institutional change programmes combined different relational contexts in which identities could emerge. As such, identity is understood as an emergent concept that comes about as the effect of various constitutive factors that inform group dynamics. In this case, these factors include the uncertainty and conflicts fuelled by the merger, Lean and the subsequent restructuring.

## ORGANIZATIONAL BECOMING AND GROUP DYNAMICS

Carlsen (2006) has advocated linking the formation of collective identities with the notion of organizational becoming. Rather than understanding organizational identity as a stable and given characteristic, he proposes that it is highly contingent upon the development of the organization (Carlsen 2006: 132). Instead of seeing the organization

as a stable, fixed entity, the notion of becoming emphasizes how everyday negotiations and modifications accomplish organization (Chia 1999: 210; Tsoukas and Chia 2002: 569). While this perspective emphasizes organizations' fluid nature, organizing also produces more stable abstractions which simultaneously emerge from ongoing processes and feed back into them (Bakken and Hernes 2006: 1602). This means that the abstraction of a changing phenomenon to a stable entity itself is performative and constitutive of change. I propose to understand group identities as such abstractions, that is, as temporary fixations of alliances. In the analysis, these are unfolded through two dimensions: the social dimension (how does the us-them distinction emerge?) and the temporal dimension (what assumptions are made about the future?).

In relation to a changing public servant identity, this implies that we should not understand the public servant as simply someone with a professional-bureaucratic identity at Time 1 and with a hybrid identity at Time 2. In the present case, change initiatives (Lean and organizational restructuring) are understood as discursive templates entering the organization, which itself is seen as ongoing communicative interaction (Weick *et al.* 2005: 413). Presumptions about the future change over time and, as the analyses will show, perceptions of uncertainty affect the shaping of group alliances. In short, the process-based view of organizing and its notion of 'temporary abstractions' can help us understand how the implementation of Lean affects (and is affected by) group identifications that shift at critical moments of organizational transformation.

## WHEN IMPLEMENTING LEAN MEANS IMPLEMENTING CONFLICT

The following analysis will show how the introduction of Lean initiates a conflict in the logistics department. While conflicts were not a new phenomenon in the department, they took a particular form after the introduction of Lean. In the months up to the merger, there had been much resistance and criticism of the reform. After the merger, employees continued to identify strongly with their former organizations. In interviews, they described how they deliberately stuck to old routines and colleagues. When asked about how they reacted to the many new initiatives that were aimed at integrating the new organization, one replied: 'Nothing would really happen. . . . Everything would remain the same, but we would pay lip service to the changes proposed and go on trying to make ends meet' (Focus group interview).

Alfa's top management chose to implement Lean because of unacceptably long turn-around times, reports of stress and a shortage of staff. In the implementation phase, management emphasized that in order to implement Lean successfully the employees needed to be motivated to participate. Acknowledging that the merger had been stressful, it was decided to implement Lean on a voluntary basis as a pilot project. Eighteen out of the logistics department's sixty employees volunteered to participate.

The top management expected that the (awaited) positive results would 'spread like rings in the water' and that the rest of the department would be encouraged to participate after the pilot project had finished.

The implementation of Lean brought about the introduction of a 'cell structure', that is, teamwork, rather than individual work processes. For the Lean cells to work efficiently, it was argued that they had to be physically close to one another. Accordingly, the work spaces were reorganized along with the introduction of teamwork and employees no longer sat next to old colleagues but were physically divided depending on their status in the Lean project. At first glance the implementation appeared successful. The voluntary participants reported a rise in productivity, greater job satisfaction and a reduction in work pressure. For the participants, Lean was temporarily abstracted as a solution to the stressful working conditions following the merger:

I have to be honest here. I was not happy when we were told to use Lean. It isn't Lean that I'm against but I didn't like the timing. Too much was happening around people already. But even if I still think that it was introduced too early, I am very surprised by the success it has become. Usually, Lean is used to reduce costs. But with us, they had already cut costs before introducing Lean. Lean has become a means to deal with that. Lean is simply necessary if we are to survive.

(Interview with middle manager)

Despite such positive results, however, the rest of the department did not feel any desire to participate and a conflict emerged between the two groups. The emergence of antagonist relations between the Lean volunteers and the non-participants suggests that Lean became a shibboleth and an identity marker rather than an instrument to simply optimize processes.

One way this became visible was the new options for identity labels made available by Lean. One volunteer, for instance, used Lean to identify himself as in favour of change:

I came back ... and I was informed that there was a Lean project in the department ... And those who volunteered were very busy [going to educational workshops]. And when they presented their [value stream] analysis of this Lean thing they did a very good job. They had boards with suggestions for future improvements. All I could think was ... Why isn't anyone from my old organization participating? I simply couldn't understand it. Then I went to my manager and asked: Why don't we participate? ... I would really like to join and I told my manager that I would. ... Then I could help trying this out and demonstrate whether it is a good thing or not. I think it's quite unfair ... that those who have been in the organization for forty years – that they don't want to help out with this ... We are some people who try to work on being in Alfa. And then there are some – they still sit in their own world ... they find it difficult to change.

(Lean participant)

The interviewee differentiates between the Lean volunteers and 'those from Alfa who don't want to help' and 'find it difficult to change'. In this quotation he does

two things: first, he uses Lean to signal that he embraces change and, second, he makes it an imperative that he cannot morally refuse. Such statements were not unique in the interviews. By participating in Lean, the volunteers could present themselves as participating in shaping the new organization. The introduction of Lean also became visible in several ways: screens were used to separate the Lean users from the others and a weekly updated whiteboard would show statistics of the Lean teams' performance levels. In such ways, Lean enabled the enactment of performance-oriented employees in opposition to the non-participants and new alliances were formed by a distinction between modern and old-fashioned employees. This form of identification echoes other findings where the rejection of old routines or habits is seen as valuable (e.g. Rondeaux 2006: 580). The positive self-identification that came with the introduction of Lean, then, also implied that non-participants were associated with the rather negative values of being 'old-fashioned'.

Now, let us turn to the non-participants. They reported feeling second-rate and neglected compared to the volunteers and they introduced a vocabulary of an 'A-team' (exemplary Lean volunteers) and a 'B-team' (not so exemplary non-participants): 'The managers always ask about the Lean project and the A-team is often highlighted as exceptional. We, on the other hand, are not interesting anymore' (non-participant). After Lean had been introduced, lunch breaks were taken separately and a few employees reported verbal abuse from old colleagues who did not participate in Lean. One of the middle managers described how frustration and division emerged between the two groups:

I think many of them [outside the project] had expected that Lean would mean a fixation on productivity: ... Now they can see that it is a different experience. ... The Lean cells produce more than the average ... but it's not like they're only focused on their computer screens. They actually have a good time, they laugh a lot.

The other middle manager elaborated:

On the emotional plan, it was obvious: People were throwing knives. It [the implementation of Lean] was the night of the long knives. ... One could divide the organization in two, you know. The part that didn't participate in Lean became very violent in their expressions. And those participating in Lean, they conspired and created concerted action.

Using the metaphor of 'long knives' illustrates how emotionally strong the Lean-induced conflict was. The management had expected that introducing Lean on a voluntary basis would prevent resistance. Instead we find volunteers feeling superior to the non-participants who in turn isolated themselves. This suggests that Lean marked some employees as model entrepreneurial workers. Rather than a case of individuals weaving together their identities in the mix of old and new values, group antagonism

shaped how Lean was appropriated.<sup>3</sup> The following section will explore the relationship between this conflict and imagined futures.

## A CONFLICT ABOUT THE FUTURE

Since Lean was implemented as a pilot project, the question surfaced about whether Lean was to be implemented in the rest of the department. Would the voluntary principle be replaced with a principle of coercion, forcing everybody to work with Lean?

The Lean participants hoped for a total implementation:

[Because Lean has been such a success] it would be very ironic if we don't implement it in the rest of the department. Then we will be really foolish. And we have already prepared people for it through the grapevine.

(Lean participant)

On the other hand, the non-participants objected by belittling Lean: 'We have always had continuous improvements. This isn't new. We also had that before Lean' (non-participant). One employee even created her image as a contrast to Lean:

The worst is that we're told that a Lean project never ends. We will never finish with Lean. That's tough. I'm quite negative. I'm a soloist and I don't like [the Lean introduced] teamwork. I guess I'll have to find a new job later on.

(Non-participant)

The two groupings are not only in opposition to each other. On the one hand, they constitute each other's identity: either one is in the project or not. At the same time they threaten each other's identity: the pilot project can only end with either a full implementation or a termination of Lean. As such, the conflict is based on the awareness that both of the group identities cannot coexist in the long run. Lean is transformed from the management's original process-optimizing ambition into a platform for fighting over the department's future identity.

One could interpret the above as merely a matter of different personality types where the volunteers are dynamic and the non-participants old-fashioned. However, the opposite could also be the case: when employees emerge as change-embracing or change-rejecting in relation to the Lean project, it is not because of already fixed identities. As we remember, before Lean was introduced there were no such distinctions at play in the department. With the introduction of Lean, a new set of identities was enabled: Lean made available arrangements for inscription into idealized change discourses. The new distinctions can be seen as temporary abstractions of identities in the making. On the one hand, they appeared solid and unchangeable after

Lean has been introduced. On the other hand, when new change programmes were introduced, as we will see, these identity abstractions were reorganized in accordance with the uncertainty sparked by new change. The following section will explore the ways in which the subsequent organizational restructuring transformed the group identity conflict and the meaning ascribed to Lean.

## CHANGE OF CHANGE INITIATIVE – CHANGE OF CONFLICT

The collision of change initiatives is not an extraordinary phenomenon in public organizations. At both political and administrative levels, decision making can be difficult to co-ordinate. This was particularly the case with Alfa, which had initiated a lot of change initiatives along with the merger. However, as a recently merged public organization, it was also obliged to be reviewed by a consultancy firm which coincided with the change programmes introduced locally. As mentioned, the review recommended the disbandment of the logistics department and the Lean project to streamline the organization.

The news of closure, not surprisingly, spurred a lot of anxiety. The consultancy review was presented at a general meeting in Alfa's cafeteria where all 2400 employees were present, including the sixty employees of the logistics department. During this presentation, it became clear that Lean was to be terminated and the department split into three other departments. One of the middle managers reacted at the meeting by telling the top management that he strongly disagreed with their decision, that he did not understand it and that it would undermine existing organizational processes. After voicing this direct critique, the logistics department cheered their middle manager on in front of the top management. Afterwards, they gathered informally in small groups to discuss their misfortune. Those conversations took place across the divide between Lean volunteers and non-participants. Everybody took part in debating the shocking news of disbandment and Lean was not mentioned once. The employees said they felt betrayed by top management, who did not acknowledge their fear of more turbulence and change. Within less than an hour, it appeared that old bitter fights between the Lean volunteers and non-participants evaporated in the face of a far more serious threat. Now, how did this news then influence the previous negotiations about Lean?

In a hastily organized departmental meeting the following day, Lean was brought up. After discussing whether they could do anything to change the top management's decision, there was a sense of resignation. At this point, the middle manager, who had verbalized his critique in the cafeteria, encouraged rebellion *through the use of Lean* as a symbolic weapon:

I think it is really important to investigate what we CAN do [as opposed to just accepting closure]. And don't give me any bullshit about looking positively at things. I don't want to tell you that. You ask me

what we can do. I think we have options if we want to influence this. We still have a chance. We need to make our voices heard at the intranet: 'Why did you do it this way', ... 'We have had an increase in productivity, we have done such and such', 'We have implemented these and these initiatives' ... Is that the way we want to do it? This means that we ALL go in and post comments on the intranet, we HAVE to ... It [the wording] can't be too emotional. We really have to say what we are good at. What is it we have worked with for the past six months? For example, we have shown that we could implement Lean and that's what we want for the future. So now we ALL have to accept Lean and say 'Okay, we will take Lean' because that may be our only lever. ... Those who have worked with Lean need to go in and write on the intranet.

The quotation illustrates how Lean, once a cause of an antagonistic rift, at this point was reconfigured as a collective mode of resistance against the closure of the department. In this meeting, Lean was imbued with the possibility of an alternative future (the survival of the department). After the meeting, endowed with new hope, almost everybody logged into the intranet forum and drafted letters to top management. Here, volunteers and non-participants co-operated to use Lean to tell stories of success, hoping to overturn the management's decision of splitting the department. Before posting the letters, they looked through each other's posts, discussing the wording to make sure that the arguments were 'sound' and not 'emotional'. As agreed, Lean was construed as proof of a well-functioning department in no need of organizational restructuring, even by several non-participants who had been critical of Lean. Here, for instance, Lean was also used to accuse the management of hypocrisy:

When they [the management] gave us Lean, they told us that it was for *our* benefit and working environment. We did really well with Lean and yet, they take it away from us. It makes one doubt that they were sincere in their expressed interest in our well-being.

(Non-participant)

Likewise, other employees emphasized that they would find it difficult to engage in new change programmes, fearing that they would be closed down just as they would be making them work. In this abstraction, Lean was no longer constitutive of an internal conflict. Rather, it became a strategy for maintaining the status quo. Since the top management was taken to be in favour of Lean, moreover, it was assumed to have a certain persuasive appeal.

The threat of closure changed Lean from a source of division to a means of uniting in the fight for a common future. Lean no longer produced 'us-them' constellations within the department but an 'us-them' constellation between the department and the top management. At the time of observation, one question that materialized was to which extent the online praise of Lean by the non-participants was sincere. Asked about whether he would like to implement Lean as stated on the intranet, a non-participant, who was earlier sceptical about Lean, expressed his revised opinion accordingly:

I'm positive [regarding Lean] and would like to see where we can take this. We have discussed it a lot in the different subdivisions [outside the Lean project]. And we want a light version of Lean which is acceptable to all.

The external threat of disbandment apparently opened for a more flexible way of imagining Lean. The configuration 'Lean versus no Lean' was replaced with 'Lean light versus organizational restructuring'. Lean was transformed from a change initiative to be voluntarily chosen or rejected, to a programme from which certain elements could be ignored, thus making it 'light'. Where the identity conflict at first was a strict 'for or against' the entrepreneurial values in Lean, in this second constellation, Lean could be used in a rather selective manner. Lean was no longer a token of the volunteers' self-idealizations. Now a part of a united department, Lean became discursive capital with which the employees could invest their own hopes for the future.<sup>4</sup>

## CONCLUDING DISCUSSION

The case study illustrates that group identification conflicts are both informed by and shape organizational change. Looking at existing discussions, one would expect that introducing a performance-driven management concept such as Lean would bring about attempts to reconcile it with traditional notions of professionalism. In Alfa, however, the introduction of Lean did not spur such hybridization; instead, it inaugurated a conflict, and identification processes were shaped by the formation of alliances and associated antagonisms in attempts to deal with future uncertainty. The concluding discussion will first sum up how the different identity conflicts were related to the meanings ascribed to Lean over time. This will then be discussed in relation to the public sector identity debate.

The theoretical framework of organizational becoming has allowed us to trace three temporary abstractions of group identities and two different meanings attributed to Lean. Upon first meeting Alfa's logistics department, its sixty employees were roughly divided into three groups according to their old organization before the centralization in Alfa. They articulated much resistance to the merger related to experiences of uncertainty and the apprehension that it would challenge existing working routines and friendships. When Lean was introduced, a conflict arose, dividing the department in two across of former organizational lines, one group for Lean (eighteen volunteers) and one group against (forty non-participants). A split between an entrepreneurial and an 'old-fashioned' identity emerged, now represented by the two groups. Finally, when the restructuring proposal was introduced, the department united in order to resist the top management. At this point, the ideal of an entrepreneurial worker was embraced at a surface level to counter the top management with arguments that had greater legitimacy. The question, however, was not whether they should embrace entrepreneurial values; they simply tried to survive as a department.



When the nature of the conflict changed, so did the meaning ascribed to Lean. When Lean was first introduced, a conflict emerged with two different positions on Lean: (1) as a change programme through which participants could make visible their high performance and entrepreneurial attitude; and (2) as a programme that cast the non-participants as 'old-fashioned' and led to an experience of exclusion. Later, when the organizational restructuring plan was presented, the department united to transform Lean into a discursive artillery unit to combat the management's plans of closure. The new threat set aside the old conflict, providing a new ground for negotiating the meaning of Lean. Processes of group identification no longer aimed at casting oneself in the positive light of an entrepreneurial worker. Lean now represented the future vision of the employees as one department. From being an identity conflict at a horizontal level, the conflict now emerged vertically between a united department and the top management. Lean was sufficiently flexible for employees to enrol it in various agendas, including performing themselves as entrepreneurial, idealized employees, but also opposing the subsequent initiative of restructuring.

The collision between Lean and the organizational restructuring has an ironic twist: the restructuring caused the once sceptical employees to embrace Lean as it justified their resistance to the restructuring. In other words, in order to argue for the department's continuity (against the restructuring), the employees needed to embrace an earlier regime of change (Lean), even if they used to oppose it. As such, the same change initiative (Lean) could bring about both resistance and endorsement at different times. In this case, it depended on what the employees perceived to be the biggest threat: to have Lean implemented in the department or to be disbanded in a restructuring process.

The analysis illustrates how employee conflicts provoked by public sector change limit the ways that identity can be formed and how these conflicts mediate the meaning (and success) of a change programme. The implication is that interpreting reforms is not necessarily an open-ended process grounded in an individual's ability to hybridize and reconcile opposing expectations, as one would expect from existing studies. Rather, group dynamics and employee conflicts shaped individuals' possibility of translating new values and only when the department was united, the non-participants had the flexibility of imagining a 'Lean light' where new and old elements could be combined. Other studies have emphasized the importance of understanding how 'micro' and 'meso' organizational factors mediate organizational change (Steyvers *et al.* 2010). Apparently, 'micro' and 'mezo' organizational factors also mediate the ways in which public servant identities are negotiated. The present analysis illustrated how both the 'micro' level of individual alliances and the 'meso' level of 'management decisions' influenced the negotiated meaning of Lean and the ways in which employees identified with or against it.

The combination of ethnography and the framework of organizational becoming allowed an open-ended and explorative understanding of the relationship between public servant identity and change aimed at implementing the entrepreneurial values so characteristic of NPM. We see two things: (1) that embracing or rejecting the

entrepreneurial values inherent in Lean was contingent upon what was perceived to be a threat; and (2) that embracing the entrepreneurial ideal could also be done on a surface level to counter further reform. Surprisingly, tensions between traditional professional values and the entrepreneurial ideal were not articulated at all. An explanation could be that such issues simply drowned in the affective turmoil fuelled by the long period of uncertainty and group conflicts. The ethnographic method of following a change over a longer period of time made it possible to trace how other factors than value conflicts related to a professional ethos were constitutive of the identity formations in relation to Lean. Together with a process-oriented theory this allowed for understanding identity in an explorative manner close to the everyday life of employees rather than presupposing that classical issues of professional identity were at stake.

While debates about a changing public sector identity seem to assume that managerialist change initiatives such as Lean are transferrable across organizational contexts, producing similar effects of a hybrid public servant identity, this study suggests that local conflicts may overtake such issues. The present study highlights how intense emotions and conflicts may make issues of professionalism less pertinent than surviving in a psychological working environment characterized by uncertainty and stress. That uncertainty and conflicts rather than the well-researched managerial–professional split were constitutive of identity formations suggests that further research should explore the nexus between public sector change and identity in relation to factors of employee well-being. This seems to become still more relevant for a public sector characterized by budget cuts, where organizational change seems to be the rule rather than the exception and where reforms and private sector management concepts continue to be implemented at a high rate in the name of modernization.

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## NOTES

- 1 This is a pseudonym. Because of a confidentiality agreement the identity of the organization cannot be revealed here.
- 2 During the study, the media wrote extensively about this specific welfare sector and the organization had much public and political attention. Unfortunately, more details cannot be given here without compromising promises of anonymity.
- 3 Ironically, this feeling of exclusion to some degree was self-imposed as they originally had chosen not to engage in the Lean project.

- 4 In the end, the top management's attempt at restructuring failed and they had to abandon their plans of disbanding the department. With the employees' fierce resistance, the top management could not find the necessary legitimacy and was forced to postpone the decision and rethink its solution to the problems posed in the review.

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