Organisations are never static; they are changing all the time. Unsurprisingly, actors in ‘third sector organisations’ (the diverse array of organisations that do not fit into the ideal type constructs of market or state organisations) experience and implement change in many different ways. On the one hand, there are numerous types of third sector organisations operating in different policy streams, locations, and contexts. On the other, third sector organisations engage in a variety of activities; some may deliver public service contracts, whilst others focus on traditional civil society and volunteer based activities. Many more may sit somewhere in between (Billis, 2010). There are very few third sector organisations that share organisational histories, activities, funding sources, and structures. In fact, whilst there are numerous attempts to conceive typologies to create some order in the ‘loose and baggy’ third sector concept (Kendall and Knapp, 1995), it remains highly contested (Brandsen, van de Donk, and Putters (2005). As third sector organisations are constantly changing and evolving, researchers face a complex challenge in their efforts to create distinctive and applicable concepts.

There is an inadequate amount of research on third sector organisational change. It is important that we start to address this knowledge deficit. Third sector organisations are increasingly engaged in activities and contexts that were previously reserved for public sector actors (Kelly, 2007). At the same time, policy responses to the 2008 financial crisis focus on reducing public sector expenditure and thus create new financial limits for public and third sector organisations (Clifford et al. 2013). This new ‘crisis of the public sector’ means that many third sector organisations face uncertain income or increased competition and as a result may need to find new ways organizing. These new pressures, alongside consecutive governments' enthusiasm for public service reform and the outsourcing of service provision to non-public actors, shape operating contexts and the requirements of third sector organisations (Taylor-Gooby 2012). As such, relationships, pressures, and opportunities are being reconstituted. The impact of policy changes on third sector
organisations is also a policy issue. If policy makers chose to use markets, contracts and competitive commissioning to govern service delivery, then they need to be aware of the impact of such systems on the organisations involved and thus the services they are able to deliver.

In this commentary I briefly reflect on three papers that discuss organisational change. First, in the working paper, ‘The third sector in unsettled times: a field guide’ Macmillan et al (2013) present the findings of The Real Time project, a unique large scale longitudinal study into organisational change in third sector organisations in the UK. Using the concept of the sociological concept of a ‘field’ (Fligstein and McAdam, 2012), they convincingly show the importance of understanding an organisation’s situation and environment when exploring issues associated with organisational change. The authors contend that “fields are arenas within which actors convene to advance their interests and purposes amidst evolving rules and understandings about what the field is, how it operates and what is at stake” (2013; 1) and they focus on the shared experiences across different organisations. They demonstrate that third sector organisations are influenced by the dominant norms and practices in their field.

In my conference paper, ‘Pricing out third sector organizations’, I narrow down and focus on one single case study of an organisation operating in a particular market based environment. Using transaction cost theory, I explore organisational change through the eyes of economic theorists who perceive organisations as ‘rational systems’ where actors base their decisions predominately on financial transactions. Using empirically driven research I contend that the introduction of a highly competitive welfare market for the delivery of public services has led actors to implement a range of market-suitable reforms. Using a case study of one supposedly ‘successful’ TSO I contend that the market exerts particular regulatory and competitive pressures onto the organisation. The purpose of this paper is to reflect on the outcome of policy making and administration processes on a particular third sector organisation and to demonstrate, in some detail, the change processes involved. In both of these papers the authors and researchers explicitly focus on organisational change over time and adopt a qualitative longitudinal approach to frame their understanding of change.
Crawford and Nahmias (2010) explore the idea of change management in their paper, ‘Competencies for managing change’. Unlike the first two papers these authors use a managerial approach and focus predominately on the conscious actions of individuals within an organisation. The authors implicitly accept that individuals can manage and control organisational change and thus compare the role of project managers and change managers. Their aim is to ascertain the personal competencies required to implement ‘effective’ change management. Unlike the other authors, Crawford and Nahmias assume that actors within an organisation are somewhat powerful actors who are able to make decisions and implement change using professional competencies. Consequently, the authors not only imply that change can be controlled and managed by individuals within an organisation, but they also contend that there are a specific set of characteristics that lead to better management of organisational change. This perspective gives less credence to the organisation’s environment and the powers of others within the market and adopts a different underpinning perspective. Nevertheless it brings into the discussion the important detail about the workings of organisations and the way that changes are implemented.

Collectively these three papers demonstrate very different methodological and theoretical approaches. Yet all three suggest that actors within organisations make active decisions about organisational change. Macmillan et al (2013) posit that actors are competing with each other in a contested field, thus they engage in strategies and game playing. I explore whether rational decision-making regarding costs and exchange relations guides the decisions that actors make regarding adopting and implementing regulatory and contract based changes. Finally, Crawford and Nahmias (2010) focus solely on, what they frame as, change agents - those individuals within an organisation who are best suited to carrying out change processes. This collection of papers brings two essential questions to the fore for future research into organisational change; first, are actors always in control of change? Second, how do we know what changes are taking place?
1. Can actors always be in control of change?

Some researchers and practitioners perceive organisational change as something that can be controlled; change is an active choice by individuals and we can thus professionalize change processes. Most management texts that are aimed at third sector practitioners will claim that actors can control change, and that there are ways to do this. In times of crisis and huge pressure for change from external sources, many organisations recruit ‘change managers’ to try to understand these pressures and respond accordingly. Alternatively, this is a function for the human resources department or it is a central task for existing senior managers. Furthermore, in all three papers there is evidence that actors make strategic decisions and implement change processes.

There are a number of issues to consider regarding how we position ourselves and consider organisational change. First, research that focuses on individuals and specific job titles is too narrow. As demonstrated in the paper by Crawford and Nahmias (2010), many actors whose explicit job is it to implement change and initiate new practices within the organisation, do so without questioning where such ideas come from and the norms they are embedding. Professional memberships, cultural norms, and personal experiences impact on the decisions such actors make. It is also highly unlikely that one actor within an organisation is aware of or in control of the constant changes that organisations experience. They may be responsible for implementing a specific change process, or responding to a specific pressure from the environment, however every interaction between employees and with actors outside of the organisation can be creating change. Furthermore, during times of financial constriction, there may be a tendency for some organisations to ‘follow the money’, and thus actors may reflect the regulatory requirements of the governing state departments or the language of policy documents of the political actors in power. It is therefore questionable whether research that focuses on specific individuals and job competencies can present a comprehensive organisational change narrative.

Second, some changes take place by actors who are not formally defined as change agents. As touched upon in my own text, recruitment is an important factor (and not only in terms
of a specific project management role). When organisations are facing and experiencing a particular environment, such as a new welfare market, senior managers often employ new staff that they now perceive as a requirement of the market. For example, contract management specialists, or those with experience in commercial organisations. Whilst the immediate change is intentional and highly visible (as these new staff bring in new processes and ways of working) there is often a secondary and more permanent ‘shift’. New employees bring new cultures, perceptions of ‘best practice’ and the discourse and language of commercial entities. Similarly departing colleagues take away knowledge and perhaps some attributes that were pertinent to the organisation at a different time. Consequently, conscious decisions to create and implement one type of organisational change in response to a shift in the external environment, may lead to unconscious and longer term shifts in culture, ethos, and purpose (for example). The secondary shift may not be actively controlled or even desired.

Third, external pressures often require an immediate response. Actors within organisations experiencing crisis do not have much time to plan change. Third sector organisations may experience external shocks from a number of sources as, unlike many commercial organisations, they are engaged in a very diverse and broad range of funding relationships, or policy streams. As highlighted by Macmillan et al, (2013) rebranding or repositioning is one way that actors seek to respond to an external pressure and some organisations decide to replicate organisations they perceive as successful. This strategy may involve simple rebranding to look like a different organisation, or it may go deeper and replicate practices and structures. Organisational change may therefore involve an element of ‘morphing’ as actors seek to look like a more legitimate and successful competitor (Leiter, 2008). Actors within organisations may model change strategies on other ‘leading’ or ‘legitimate’ organisations. To make such conscious decision they are often using their understanding of what Macmillan et al (2013) consider as ‘the field.’

The approach adopted by Macmillan et al (2013) is extremely useful. As the authors themselves contend, a field-related perspective “steps beyond a managerial account based primarily on the resources, structures and capabilities of individual third sector
organisations. At the same time it gets underneath a rather general ‘whole third sector’ horizontal narrative to reveal the multiple dilemmas and decisions involved in sustaining organisational life”. To these authors “Change occurs through exogenous shocks arising from proximate fields, or through the complex outcome of everyday struggles for position” (2013: 20). This is an important contribution to the more narrowly focussed managerial texts because here change is positioned as an outcome of a range of (often uncontrollable) actions.

The field concept can easily be applied to my own paper on the welfare-to-work market. Here, we see that when a field (the collection of organisations involved in the provision of employment support programmes), are put under competitive pressures they become ‘arenas of conflict’ (Scott, 2008, 183). In these arenas we see players who seek to advance their interests and if possible create rules of the game and impose them onto others. Clearly, in the welfare-to-work quasi-market we see that some norms, rules and regulations are imposed by state actors onto those within the field. Furthermore, whilst some competitors and actors may shape these rules, it is clear that the case study organisation does not. It complies to and accepts the rules of the game. The organisation changed as actors sought to become legitimate within the field. Is it possible therefore that successful organisations are those that understand their role within the field and are effective in their quest to dominate it? If this is the case, how can a third sector organisation conceive and dominate a welfare market where the other players are large, well-funded, multi-national organisations? These are questions I cannot answer here, however Macmillan et al’s (2013) paper provides a very strong example of how such arrangements can be conceptualised.

2. How do we know what changes are taking place?

Can we be aware of all the changes that are taking place? Those who claim that change can be controlled and managed arguably adopt a narrow view of who is involved in change and how organisations interact with their environment. All actors and employees are engaged in change making activities - every new network or relationship, and organisations regularly appropriate new language or jargon perhaps picked up through attendance at events or sector magazines. Again, the concept of the field is useful here, as it extends beyond the
immediate programmes or activities and suggests that we look at the totality of actors within a field (such as competitors, partners, service users, advisors and umbrella groups). However, the field concept brings about some difficult operational questions for researchers and practitioners seeking to better understand organisational change, as not all data can be collected, and it is not always possible to know what parts of the field are creating change.

Researchers also need to be explicit about how they understand and conceptualise change. This affects the data collection processes and methodological approach. Here we find a new problem, and one reason why there are limitations for longitudinal qualitative research. Both Macmillan et al (2013), and myself (Bennett, 2012), adopt qualitative research techniques to explore change over time. However, this is not only resource consuming, it is also reliant on the accessible data from the case study organisations. Many third sector organisations (but I assume organisations in general) store a select group of texts that document change. Some of these texts present the organisation in a particular manner, or represent the voices and actions of only a handful of dominant characters at a particular time. Furthermore, many third sector organisations engage in many different policy streams, and apply for numerous sources of third sector income. It is difficult for researchers to explore historical activities if only a limited selection of activities has been stored. For example, some organisations only save and document successful grant applications, others may log and record all their formal activities but in different ways as required by different funders. Similarly if a programme or activity ceases to exist many organisations lose knowledgeable individuals who move on to new work, or cease to store the data from long forgotten programmes. All of these issues limit the availability of research studies on organisational change in the third sector.

For researchers and practitioners alike there is therefore an inherent difficulty in understanding why an organisation changes and where the impact of external changes becomes an actual outcome or ‘change event’ within the organisation. If, for example, researchers only spoke to the ‘change managers’ and analysed texts that actively sought to manage change, would the narrative differ than if they had employed a multi-method approach, analysed different texts and interviewed a more varied collection of past and
present employees? How can researchers compare organisations and create patterns of organisational change if there are inconsistencies in data availability? Whilst, some of these issues are central to the research design process, they are less common conversations with practitioners, despite the shared interest in understanding the impact of previously large change events. If research into organisational change can produce a more accurate portrayal of the third sector than current typologies and concepts, then it is important that more research is conducted, and that practitioners and researchers work more closely on issues of data collection. Perhaps then research into organisational change in the third sector can be more useful to practitioners who seek to develop strategies and exert control over their own activities and behaviour.

In conclusion, the three papers seek to identify, measure, and theorise organisational change. There is no doubt that research into the third sector remains contested and organisations are increasingly difficult to conceptualise. It is also evident that research into organisational change is complex; there are many different actors involved and many ways that an organisation can change. Longitudinal research into TSOs is particularly difficult due to methodological issues and data limitations. However, it is important for researchers and practitioners to better understand organisational change. In my view this can be best achieved by producing qualitative, long-term studies that acknowledge the broader environment (or field) in which an organisation operates. This will enable future studies to identify reasons for previous change and hopefully equip practitioners with a greater understanding of the decisions they make and how they affect organisational change. Such studies can also feed into more pragmatic managerial texts that are arguably in high demand during times of intensive policy reform.
References


