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Leading From Within: A Phenomenological Study Of How Managers Experience Transitioning To Self-managing

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Abstract

We investigate a company that goes through a transition from being structured as a managerial hierarchy into a self-managing organization. We conduct a phenomenological study, using an exploratory approach. More specifically, we explore how managers experience the transition. Through analyzing transcripts of interviews from a research project conducted in 2016 and interview data collected in 2020, our findings suggest that the company's managers experience tensions in navigating conflicting demands between focusing on personal development and ensuring financial profitability, tensions in managing all organizational members' individual understanding of the organizational changes and tensions in executing authority in the decentralized structure. As such, this situation brings challenges and confusion to the managers. Understanding the phenomenon of traditionally organized companies that transition into less-hierarchical structures is important, since this trend is becoming increasingly popular among practitioners and is often celebrated in management rhetoric. Taking the perspective of the managers thus becomes a logical first step for understanding this phenomenon, as they are important change agents in this trend.

Keywords: Self-managing organization, Less-hierarchical organizing, Authority, Conflicting logics

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Now to you readers, we hope you will enjoy reading this thesis as much as we have enjoyed conducting the study.

Contents

1 INTRODUCTION

"The purpose of an organization is to enable ordinary people to do extraordinary things."

- Peter Drucker

The concept of authority emerged early in human history as a solution to coordinate actions of a group of people and hold them accountable for getting work done (Jaques, 1991). Scholars have shown that a managerial hierarchy clarifies roles and responsibilities which allow people to coordinate tasks with efficiency and predictability (see e.g. Williamson (1981) and Landes (1986)). Hence, most organizations continually resort to formal managerial authority to divide labor, integrate effort and resolve coordination conflicts (Puranam et al., 2014).

Nevertheless, limitations of the managerial hierarchy have become increasingly apparent over the last half-century. A growing number of organizations are seeking new ways to organize less hierarchically with hope to become more innovative, agile and enriching places to work (Lee and Edmondson, 2017). The increasing pace of change created by technological development and faster information flows (Starkey et al., 2000) and trends toward viewing work and organizations as places for personal meaning (Podolny et al., 2004) have made the limitations of the managerial hierarchy more apparent to both scholars and practitioners. Consequently, a high number of varied efforts have been made to incrementally organize less hierarchically (see e.g. Manz and Sims (1980), Barker (1993) and Wolff et al. (2002)).

However, a selected few are not content with incrementally developing contours of the managerial hierarchy, but aim to radically depart from it. Recent works in practitioner literature, such as "Reinventing Organizations" (Laloux, 2014) and real-world experiments, e.g. the online retailer Zappo's implementation of the decentralized organization form called Holacracy (Bernstein et al., 2016) and the computer games company Valve's radical decentralization of authority (Puranam and Håkonsson, 2015), have generated considerable managerial and scholarly attention.

Laloux (2014) is not only questioning the way traditional organizations are being managed but also how they are centred around efficiency and productivity, just like Peter Drucker, who Denning (2013) describes as the founder of the field of management, did already in 1959 (see Drucker (1959)). The critique is supported by researchers within the field of positive organizational scholarship that study topics such as meaning (Pratt and Ashforth, 2003), flourishing (Chalofsky, 2003), compassion (Dutton et al., 2006) and mindfulness (Good et al., 2016), which all are referred to as "life-giving" phenomena in organizations. Although scholarly interest in new organizational forms has existed for many years (see e.g. Stayer (1990), Foss (2003) and Semler (1989)), the attention these new streams have gained suggests a high interest among practitioners.

The radical approach to less-hierarchical organizations are called self-managing organizations (Lee and Edmondson, 2017). They are considered to be radical since they eliminate the manager-subordinate authority relationship which is the core of the traditional managerial hierarchy. Practitioners' experience of flattening hierarchies is often celebrating in their rhetoric (see e.g. Wellers (2014) and Brindle (2017)). However, previous research indicates that self-management as a reality is more complex than the rhetoric. One the one hand, work from Cohen and Ledford Jr (1994) suggest that self-managed teams improve employees' satisfaction and engagement, but on the other hand, work from Barker (1993) suggests that peer control in self-managed teams can lead to stress and burnout over time.

Due to the radical elimination of the manager-subordinate authority relationship on all organizational levels, self-managing organizations open new lines of inquiry that will help deepen the understanding of less-hierarchical organizing in management research. Work by Bernstein et al. (2016) suggests that individuals vary in the degree to which they feel comfortable in radically decentralized systems, indicating that the individual actor's experience of the changing nature of work is an important line of inquiry to study. Profoundly affected by the changing nature of work while transitioning to a self-managing organization are the former managers (Lee and Edmondson, 2017), as they are expected to act as critical change agents (Balogun and Johnson, 2004), model the new self-leading behavior (Manz and Sims, 1980), at the same time as they, in the cognitive disorder created by the organizational change, need to make sense of the new situation (McKinley and Scherer, 2000) and adapt to their new roles, processes and relationships (Lüscher and Lewis, 2008). According to Lee and Edmondson (2017), much more research is needed to understand the transition and especially how managers experience it.

1.1 Purpose, Aim And Expected Contribution

Previous studies have provided helpful insights for the understanding of incremental changes to less-hierarchical organizational structures (e.g. Barker (1993), Stewart and Manz (1995) and Langfred (2007)). Nevertheless, recent organizational experiments in radical decentralization on all organizational levels, so called self-managing organizations, have gained new mainstream consideration, giving rise to a need for new research (Lee and Edmondson, 2017).

We respond to the call for new research with the aim to generate theoretical insights by applying existing institutional and sensemaking theories in an empirical context which captures the phenomenon of transitioning from a managerial hierarchy to a self-managing organization. Our aim is to systematically generate theoretical insights to present literature in order to deepen the understanding of less-hierarchical organizing in management research.

All in all, the purpose of this thesis is to contribute to the understanding of the phenomenon of transitioning from a managerial hierarchy to a self-managing organization, and thereby deepening the understanding of less-hierarchical organizing in management research. We contribute to the understanding of the phenomenon by delimiting our focus to how top managers experience the transition from a managerial hierarchy to a self-managing organization, a perspective in need of further theoretical understanding due to their changing nature of work (Lee and Edmondson, 2017) and of practical relevance as managers are critical change agents (Balogun and Johnson, 2004) for companies who are inspired by the popular management trends (see e.g. Laloux (2014)) to organize less hierarchically and view work as a place for personal meaning.

1.2 Research Question

For the purpose of this thesis, we explore how a group of formerly appointed top managers in a managerial hierarchy experience transitioning to a radically decentralized self-managing organization. We define *managerial hierarchy* as "organizations where some individuals are given management roles and formal authority to direct and evaluate the work of subordinates" (Lee and Edmondson, 2017), *transition* as "the inner reorientation and self-redefinition that people go through in order to incorporate change into their life" (Bridges and Bridges, 2019), and *self-managing organization* as "organizations that formally and radically decentralize authority in a formal and systematic way throughout an organization, thereby eliminating the manager-subordinate authority relationship and giving the employees autonomy to lead themselves" (Lee and Edmondson, 2017), while answering the following research question:

How do top managers experience the transition from a managerial hierarchy to a self-managing organization?

1.3 Thesis Outline

This thesis is organized as follows: The next chapter, chapter 2 Literature Review presents a literary background to the phenomenon studied by reviewing literature on managerial hierarchies, self-managing organizations, the concepts of self-management and self-leadership, less-hierarchical organizing, the transition from managerial hierarchy to self-managing organizations and the changes that follows for managers. This review concludes that further research on managers' experience of transitioning from a managerial hierarchy to a self-managing organizational structure is needed, motivating the choice of research question.

With a background of present literature and literature gap the following chapter 3 Methodology accounts for our methodological choices and thereby how we approach the phenomenon of interest. Thereafter, we present our theoretical frame in chapter 4 Theoretical Framework, represented by the concepts of institutional work, contexts with multiple logics and sensemaking-sensegiving. This will later be applied, analyzing our empirical findings in chapter 6 Analysis, but first we present our empirical findings in chapter 5 Empirical Findings. These findings will later be related to existing literature and situated in a broader management context in chapter 7 Contribution And Future Research as we discuss our contributions and suggestions for future research. To end this thesis, we will summarize our work in the last chapter 8 Conclusion.

2 LITERATURE REVIEW

In order to provide a broad understanding for the organizational structures and an idea of the transition that will be studied, we first present existing literature of the two organizational structures managerial hierarchical organizations and self-managing organizations (2.1). Since few studies have been conducted on self-managing organizations (Lee and Edmondson, 2017), we also present a literary background of what is known about the concept of self-management and less-hierarchical organizing which provides a greater body of research (2.2). Finally, we review previous research which combined together contribute to a deeper understanding of the phenomenon of transitioning from a managerial hierarchy to a self-managing organization (2.3). Drawing on the changing nature of work caused by the transition, the former managers' experience of the phenomenon is argued to be in need of further exploration.

2.1 Organizational Structures

2.1.1 *Managerial hierarchical organizations*

Lee and Edmondson (2017) provide a useful review of the managerial hierarchy and less-hierarchical ways of organizing. They describe the managerial hierarchy as an organizational structure that builds on two basic principles (1) hierarchy of authority and (2) hierarchy of accountability. Practically, this means that some individuals are given management positions with authority to direct and prioritize the execution and allocation of tasks, responsibility for performance review and accountability for the work of all subordinates. Thereby, the core of the managerial hierarchy is the existing manager-subordinate relationship, characterized by a "power-over" dynamic where subordinates are obligated to report to their managers and lack the resources to object decisions made by managers. In managerial hierarchies, the managerial authority is enduring and irrevocable from below (Lee and Edmondson, 2017).

Scholars have shown that managerial authority provides an efficient way to set goals and resolve conflicts (see e.g. Magee and Galinsky (2008) Nickerson and Zenger (2004) Simon and March (1976)) and helps to ensure accountability and control when work tasks are not perfectly specified (see e.g. Ouchi and Maguire (1975) and Williamson (1981)). Due to the efficient coordination of tasks in large enterprises, managerial hierarchies were widely adopted in the late nineteenth and early twentieth centuries and is still the dominating organizational structure today (see Gruenfeld and Tiedens (2010) and Pfeffer (2013)).

However, the organizational structure has also been criticized for its limitations. Mintzberg (1979) argues that managerial hierarchies function effectively in stable conditions, but face serious problems in fast-paced dynamic environments. Leavitt (2003) critically writes that hierarchical organizations "routinely transform loyal and motivated employees into disaffected Dilberts" and Kegan (1998) problematizes the reinforced status differences that can hinder the growth of the human members. Due to the managerial hierarchy's increasingly apparent limitations, companies are searching for less hierarchical ways of organizing.

2.1.2 *Self-managing organizations*

Lee and Edmondson (2017) describe self-managing organizations as "organizations that radically decentralize authority in a formal and systematic way throughout the whole organization", meaning that they break down the formal hierarchy, eliminate the manager role from the organization chart and thereby also the manager-subordinate authority relationship. The elimination of the authority relationship is not just agreed upon informally but also formally through explicit rules and principles, important to institutionalize the new way of working (Lee and Edmondson, 2017).

All employees are thereby given full autonomy and authority to execute work (Lee and Edmondson, 2017) and are held accountable for their own work in absence of a manager (Banai et al., 2000). Job tasks are not assigned and therefore each member decides on what work to do, how to do it and the amount of responsibility involved in addition to scheduling working hours and leave days (Banai et al., 2000). The work traditionally performed by managers; such as allocating resources, designing task structures and monitoring progress towards organizational goals still needs to be performed, but in a self-managing organization the authority is distributed in a way that is not permanent or given through hierarchical rank (Lee and Edmondson, 2017). Self-managing organizations are described as radical since they radically decentralize authority and formal systems throughout the whole organization, which are reasons to why few companies practically operate as self-managing organizations as well as to why there are so few previous studies on self-managing organizations (see e.g. the real-world experiments conducted by Bernstein et al. (2016) and Puranam and Håkonsson (2015)). However, the concept of self-management and the ideas of organizing less hierarchical is not radically new.

2.2 Background To Self-Managing Organizations

2.2.1 *Self-management and self-leadership*

The concept of self-management is rooted in self-control and was introduced by Manz and Sims (1980). They explain self-management as "a process whereby a person is faced with immediate response alternatives involving different consequences and the person chooses an apparent low-probability response." Practically, this means that through self-managing behaviors, such as self-observation, goal specification and incentive modification, individuals can motivate themselves to undesirable short-run behaviors by focusing on the desirable long-term effects (Manz and Sims, 1980).

Eventually, the concept of self-management expanded to the concept of self-leadership, which is defined as "a self-influence process through which people achieve the self-direction and self-motivation necessary to perform" (Manz and Neck, 2004). In this process, individuals control their own behavior and lead themselves through the use of cognitive and behavioral strategies (Neck and Houghton, 2006) with the overarching purpose to increase personal effectiveness (Neck and Houghton, 2006). Nevertheless, scholars (see Bligh et al. (2006), Manz and Sims (2001) and Manz (1992a)) suggest that self-leadership strategies also lead to a number of other positive individual, group and organizational performance-related outcomes, such as increased trust, commitment, independence and psychological empowerment (Neck and Houghton, 2006).

Self-leadership was initially applied to the research streams which focused on self-managed teams and empowering leadership, where the concept of empowerment was introduced as a potential alternative to the traditional heroic leadership model (Neck and Houghton, 2006). Today, self-leadership is applied to various research areas such as organizational change, spirituality in the workplace, entrepreneurship and job-satisfaction (Neck and Houghton, 2006).

2.2.2 *Less-hierarchical organizing*

Burns and Stalker (1961) early recognized the potential of more fluid and flatter organizational forms. Their work has been the origin to a highly engaged research stream that studies how less-hierarchical organizations accommodate changing market conditions by being more flexible, responsive and innovative.

In their early work, Burns and Stalker (1961) presented an organizational structure called the organic form, which in recent years has been referred to as flat organization, network form and team-based work (Lee and Edmondson, 2017). These less-hierarchical ways of organizing represent a shift, as authority, control and communication are organized through network structures, in contrast to the traditional way of structuring authority through the use of managerial hierarchies. According to Burns and Stalker (1961), individuals thereby have more fluid and ambiguous roles which generate greater individual commitment to the firm.

Another research stream focuses on the empowerment of subordinates and includes research on participation, participatory management, self-managed teams, and self-directed work teams (Lee and Edmondson, 2017). The concept of self-managed teams was first explored by Trist and Bamforth (1951) and is explained as teams that consist of a relatively small amount of members, with complementary skills, that are committed to approaches, performance goals and a common purpose for which they hold themselves mutually accountable. Additionally, they are given the responsibility to organize their own resources and approaches without boundaries set by the organization (Flory, 2005), meaning that authority and control are decentralized to a group of team members (Trist, 1981). By organizing to empower subordinates, the individual's work experience becomes more satisfying and motivating, which increases their productivity (Lee and Edmondson, 2017). Consequently, self-managed teams have been implemented in a wide range of organizational contexts (see e.g. Barker (1993) and Hackman (1986)) and is one of the most popular approaches to empower employees and increase participation.

2.3 Transitioning From Managerial Hierarchy To A Self-Managing Organization

2.3.1 *Organization-wide changes*

Not only are few companies operating as self-managing organizations (Lee and Edmondson, 2017), but the radical change of transforming an organizational structure from managerial hierarchy to self-managing is also argued to be rare (Purser and Cabana, 1998). One potential reason is the required organization-wide changes, since transitioning to a self-managing structure requires a total redesign of the entire system, both operationally and strategically (Purser and Cabana, 1998). Due to the demanding change process, Ticoll (2004) argues that "it would be difficult and risky, even foolhardy to try to wholly transform a hierarchical business model into a self-organizing one."

Previous work from Flory (2005) suggests that self-managed teams often face a challenging implementation process caused by an underestimation of the complexity of the change process. Additionally, even when self-managed teams are introduced in isolation, they are often still subject to control and supervision from other parts of the organization (Manz, 1992b), which is one reason to why researchers have called for organization-wide changes when implementing self-managed teams (see e.g. Thibodeaux and Faden (1994), Wageman (1997), Flory (2005) and Bernstein et al. (2016)). Lastly, transitioning to a self-managing organization does not only require structural changes, but also new ways of thinking for the people involved. One example is presented by Banai et al. (2000), who argue that operating in a self-managing structure requires a change from the traditional perspective, where organizations are viewed as instruments for the external stockholders' wealth-building, towards seeing them in new light as instruments for its members welfare and achievements.

2.3.2 *Changes for the managers*

Transitioning from a managerial hierarchy to a self-managing organization means, by definition, a radical decentralization of authority that profoundly affects the perspective and practice of management and leadership (Banai et al., 2000). Individuals change from operating under a centralized top-down approach, towards leading their own work while applying self-leadership, a task that, however, requires a higher level of psychological development and interpersonal skill (see e.g. Argyris (1998) and Kegan (1998)). Previous studies on less-hierarchical organizations (see e.g. Cohen and Ledford Jr (1994), Wall et al. (1986) Barker (1993)) have primarily focused on the experience of the former subordinates, which receive more power and responsibility in the new self-managing structure. Profoundly affected by the radical loss of previously centralized authority and accountability are also the former managers. Their perspective of an organization-wide radical decentralization has, however, not yet been been captured by previous studies, and is hence in need of further exploration (Lee and Edmondson, 2017).

Yet, the former managers are described as critical for the implementation of self-management (see e.g. Manz and Sims (1980) and Laloux (2014)), as they act as change agents in the organizational change processes (Balogun and Johnson, 2004). They have a central role in modeling self-leading behavior and guiding former subordinates in their sensemaking process, even though they may struggle themselves (Lüscher and Lewis, 2008). Most previous studies have focused the role of managers in the implementation process of self-managed teams. One example is the study by Manz and Sims (1980), which suggests that managers play an important role in helping subordinates to develop self-management skills, such as self-awareness, goal specification and incentive modification, when implementing self-managed teams.

Lüscher and Lewis (2008) applied action research and followed how middle-managers, at the Danish Lego Company, made sense of the implementation process of self-managed teams. They suggest that managers face challenges related to their role, their relationships and their organizational work, and label the challenges as paradoxes of performing, belonging and organizing.

Moreover, the study of Huy (2002) depicts that managers both need to implement structural changes, manage subordinates potential feelings of anxiety and communicate in a way that provides the subordinates with a workable certainty. Signaling a genuine dedication is key, as subordinates tend to sceptically evaluate managers' commitment to change (Labianca et al., 2000).

Consequently, Laloux (2014) argues that the commitment from partners and top managers is critical in the implementation of self-managing organizations. However, Purser and Cabana (1998) identify top-down initiatives as common pitfalls when transitioning to self-managing. Without the support of a company-wide employee commitment, top-down driven change initiatives are troublesome as intrinsic motivation is key for successful self-leadership among all employees (Manz, 1986). Similarly, managers' inability to facilitate a dialog and common understanding of the purpose has caused problems for self-managed teams (Flory, 2005). Huy (2002) takes it one step further by arguing that most unsuccessful change projects originate from managers' incapacity to cope with shifts that dramatically alter the behavioral and cognitive interactions with the world around them. Yet, the process of questioning what is taken-for-granted can be perceived as threatening, especially when one's own career path is at stake (Cunliffe, 2009).

All in all, the managers are profoundly affected by transitioning from managerial hierarchy to a self-managing organization structure. While losing their previous authority and decision-making power, they still have central roles in modeling their own and the subordinates self-leading behavior (Lüscher and Lewis, 2008). This does not only require changes in tasks, but also fundamentally affects the perspective and practice of management and leadership. In contrast to viewing the organization as an instrument for the external stockholders' wealth-building, the self-managing logic places the welfare and achievements of the organizational members first (Banai et al., 2000). Thus, managers alter a process of questioning the logics they previously have taken-for-granted (Cunliffe, 2009) and cope with shifts that dramatically alter their cognitive and behavioral interactions with the world around them (Huy, 2002). Previous studies have focused on managers' roles and sensemaking while implementing self-managed teams (e.g. Lüscher and Lewis (2008) and Manz and Sims (1980)), but as far as we know, no previous studies have captured their experience of the more radical transition to a self-managing organization, and is hence in need of further exploration (Lee and Edmondson, 2017).

3 METHODOLOGY

In this chapter we motivate our choice of conducting a qualitative phenomenological study to explore how managers experience the transition from a managerial hierarchy to a self-managing organization (3.1). We describe the abductive approach in the data collection and analysis process (3.2), present our ontological and epistemological stance and elaborate on the choice of using IPA as phenomenological method (3.3), followed by a description of how the data was collected through semi-structured interviews, reasons behind the chosen interview sample, interview design and data processing method (3.4). Lastly, we describe how we have structured our methodology in order to handle and overcome challenges related to the quality of the results (3.5).

3.1 Methodological Fit

As transitioning from a managerial hierarchy to a self-managing organization fundamentally affects managers' perspectives and practices of management and leadership, an understanding for how managers make sense of the transition, that is; their effort to create orderly and coherent understandings that enable change (Weick, 1995), is vital, as their own sensemaking affects their actions as critical change agents when communicating their understandings to subordinates (Lüscher and Lewis, 2008).

To facilitate a deeper understanding for how managers experience such transition, we conduct a qualitative phenomenological study, since such methodology is especially relevant for exploring the experience of a social and psychological phenomenon from the perspective of the people involved (Welman and Kruger, 2001). We base the study on semi-structured interviews, looking for those whom the research question will be significant for (Smith and Osborn, 2003).

A phenomenological study is particularly useful when the researcher is concerned with understanding complexity, processes and new phenomena (Smith and Shinebourne, 2012). As far as we know, no previous studies have explored the phenomenon of transitioning from a managerial hierarchy to a self-managing organization. Hence, we approach an open research question exploratory, with an abductive research approach, to generate insights to valuable areas for future research to explore (Bell, 2000).

We aim to break down the complexities related to confronting and changing the management practices and logics which managers previously have taken-for-granted (Cunliffe, 2009). Accordingly, our theoretical framework draws on theories from institutional work and sensemaking-sensegiving, where focus lies on the individual's role in creating, maintaining and disrupting the institutions in which they are embedded (Lawrence and Suddaby, 2006), and their effort to create an understanding that enables the change (Weick, 1995).

Phenomenology as methodology and theories in institutional work and sensemaking-sensegiving as theoretical frame integrate attentively when exploring how certain individuals subjectively experience and give meaning to a particular phenomena (Gill, 2014), as phenomenological philosophy has informed the development of institutional work (Holt and Sandberg, 2011) and sensemaking (Weick, 1995). As such, the assumptions we apply in the selected methodology are in line with assumptions made by scholars in the chosen theoretical framework (see Gill (2014)).

3.2 Research Approach

A research approach dictates how a study combines existing theory and collected empirical material to evaluate the studied reality most appropriately (Patel and Davidson, 2003). In this thesis, we apply an abductive research approach which involves a continuous juxtaposition where the theoretical framework, empirical results, and analysis process have been developed interchangeably in an iterative process.

We work abductively since a flexible approach increases the possibility to capture the lived experience of the studied individuals (Bryman and Bell, 2013). The researcher is allowed to focus on the aspects that are especially meaningful for the individual's social life, which the researcher might not have thought of before coming in contact with the individuals' reality (Bryman and Bell, 2013).

Early in the research process we identified a company, which we call Theta, as an interesting organization that is experiencing major organizational changes which align with our theoretical interests. Through a collaborative research project between Theta and Lychnell (in press), we got access to 275 written pages of double-spaced transcribed interview material with individuals at Theta, which had been collected in 2016. Based on insights from reading the transcribed material, we created a preliminary theoretical framework, followed by conducting new interviews, with the same individuals at Theta, to follow-up on their experiences from 2016 and forward. After identifying certain themes in the material (both in the transcriptions from 2016 and 2020), the theoretical framework was adjusted to constitute of the theories of most relevance for the analysis. Lastly, we analyzed the findings through the lens of our adjusted theoretical framework. The research process is outlined in Figure 1.

Identifying relevant company with interviewees who have experienced the phenomenon of interest
Reading the first transcribed text material from interviews conducted in 2016
Outlining a preliminary conceptual framework
Collecting data by using semi-structured interviews with the same interviewees as in 2016
Identifying reoccurring themes across the transcribed interview material from both interview occasions
Final adjustment of the conceptual framework
Applying the conceptual framework to analyze the collected data from both interview occasions

Figure 1: Outlining the research process

3.3 Ontological And Epistemological Stance

Our chosen methodology, phenomenology, has two philosophies with different ontological and epistemological assumptions (see Husserl (1927) and Heidegger (1927)) which inform the phenomenological researcher's selection of a particular methodology. Phenomenology as a term refers to the study of phenomena, where a phenomenon is anything that appears to someone in their conscious experience (Moran, 2002). Despite frequent articulations of its power to understand human experience (see e.g. Gibson and Hanes (2003) and Conklin (2007)) the application of phenomenology to organizational research has been limited.

In 1927, Edmund Husserl presented a new descriptive phenomenological philosophy and method which made philosophical and scientific breakthroughs (see Husserl (1927)). At that time, Martin Heidegger was a student of Husserl, but developed his own phenomenological philosophy with a stronger focus on the human experience of being (see Heidegger (1927)). As the two philosophies differ in their epistemological focus, Gill (2014) argues that the phenomenological researcher should establish if his or her assumptions align with the descriptive philosophy presented by Husserl (1927) or the interpretative philosophy presented by Heidegger (1927). Our ontological and epistemological assumptions align with the interpretative philosophy presented by Heidegger (1927), that aims not to characterize the *what* of the objections of philosophical research as subject matter, but rather the *how* of that research. Interpretation is not seen as a choice, but as an integral aspect of research in all phenomenological methodologies drawing on Heidegger's work, including this thesis. Consequently, the studied individual's existence is always set against the contextualized background.

3.3.1 *Smith's Interpretative Phenomenological Analysis (IPA)*

Our chosen phenomenological method, which draws from the interpretative phenomenological philosophy presented by Heidegger (1927), is called Smith's Interpretative Phenomenological Analysis (IPA). The method has produced hundreds of studies within psychology (Smith, 2011) and utilized new insights to a small but growing number of management scholars (see e.g. Fitzgerald and Howe-Walsh (2008), Wise and Millward (2005), Gill (2015), Rehman and Roomi (2012), Murtagh et al. (2011) and Cope (2011)).

The method does not only align with our ontological and epistemological assumptions, but also our intended research outcomes, as IPA aims to explore in detail *how* individuals make sense of their personal and social world, and the meaning particular experiences hold for the individuals (Smith and Osborn, 2003). Our research question *How do top managers experience transitioning from a managerial hierarchy to a self-managing organization?* is framed broadly and openly, which align with the IPA's aim to "explore, flexibly and in detail, an area of concern" (Smith and Osborn, 2003). Accordingly, the method is especially useful when the researcher is concerned with understanding complexity, processes and new phenomena (Smith and Shinebourne, 2012).

3.4 Data Collection

We collected data by conducting interviews in 2020, and read transcribed interviews which were conducted for another research project by Lychnell (in press) in 2016. The study by Lychnell (in press) focused on how managers experience the outcomes of a mindfulness-based intervention over time and the role that the organizational environment plays in shaping these outcomes. Through this research project we got access to the company, Theta, where we conducted interviews with specifically chosen individuals. The data collected by us in 2020, and the transcribed texts from interviews collected in the separate research project by Lychnell (in press), were both used in the data processing.

3.4.1 *Interview sample*

IPA studies seek to say something in detail about the understandings and perceptions of a specifically chosen group of participants, rather than making more general claims (Smith and Osborn, 2003). This is described as an idiographic mode of inquiry that separates IPA from most other phenomenological methodologies (Gill, 2014). One example of IPA's distinctive interpretative commitment is presented by Smith (2004), who argues for the use of single case studies where the rich experience from one single participant is used. However, most often a slightly bigger sample size is used, e.g. Cresswell (1998) recommends having "long interviews with up to 10 people". Put simply, for IPA studies, breadth is sacrificed for depth.

Moreover, samples in IPA studies should be fairly homogeneous and the researcher should find a closely defined group for whom the research question will be significant (Smith and Osborn, 2003).

Thus, in this thesis we focus on a fairly small and homogeneous sample and use purposeful sampling, looking for those who "have had experiences relating to the phenomenon to be studied" (Kruger and Stones, 1981). The selected interviewees are six top managers who used to work together in the top management team at the company we call Theta. The company has implemented major organizational changes to become a self-managing organization, and the former managers are still operating in the company but in new self-leading roles. These individuals are hence believed to provide experiences of high relevance for our research question, as they are experiencing the transition from a managerial hierarchy to a self-managing organization, our phenomenon of interest.

The managers have been given fictive names in order to stay anonymous. An extensive description of the interviews and interviewees is presented in Table 1: Overview of Interviewees.

Fictive Name	Former Role	Current Role	Entered Company	Transcribed Text material	Face-To-Face Interview Date & Time
Tom	CEO Partner	CEO Partner	Founder 1989	Text based on interview from 2016 (120 min)	05.03.2020 (45 min)
Chris	Vice President Partner	Consultant Partner	1997	Text based on interview from 2016 (120 min)	10.03.2020 (60 min)
John	Team Manager Partner	Consultant Partner	2000	Text based on interview from 2016 (120 min)	04.03.2020 (60 min)
Amy	Project Manager Partner	Consultant Partner	2007	Text based on interview from 2016 (120 min)	04.03.2020 (60 min)
Linda	HR Manager	HR Responsibility	2006	Text based on interview from 2016 (120 min)	10.03.2020 (60 min)
Jim	CFO	Financial Responsibility	2005	Text based on interview from 2016 (120 min)	10.03.2020 (60 min)

Table 1: Overview of Interviewees

3.4.2 *Interview design*

We met Tom, the CEO, and Linda, responsible for HR, during an informal meeting before starting the interviews. Tom gave us an introduction to Theta's history, new vision, values and self-managing structure. He and Linda described how the previous research project, conducted by Lychnell (in press), had been valuable for them personally and as an organization, and expressed an interest for initiating a new collaboration with us. As such, the previous research project and our own first informal meeting with Tom and Linda served as helpful prerequisites for creating a trustful relationship. Tom and Linda helped us to book dates for the interviews with all managers and provided them with a short description of the purpose of this thesis, without explicitly mentioning the research question.

The following interviews had a semi-structured character, since such form allows the interview to go into novel areas. The interview form is the most commonly used and recommended for IPA studies, as it allows the researcher and participant to engage in a dialog where the researcher's initial questions can be adjusted to the respondent's interests or concerns (Smith and Osborn, 2003). All interviews were arranged face-to-face with the managers at their own office and the duration time of each interview was 45-60 minutes.

We used an interview guide as a base for discussion and allowed the responses of the participants to channel the direction in which the interviews proceeded. The guide indicated our general areas of interest, but was not used as a manuscript. The same interview guide was used with all interviewees and we both learnt the interview guide in advance. The interview guide is presented as A1 in the Appendix.

During the interviews, one of us facilitated initial open questions while carefully following the responses. The main focus was to be present in the conversation and thereby add gentle follow-up questions to go deeper in areas which seemed to be meaningful for the respondent. We were especially interested in entering topics when they came unprompted from respondents, as they thereby are likely to have a special meaning for them.

The other role was to follow the conversation between the facilitator and the respondent to see if the scheduled topics were monitored in a natural way. Yet, no specific sequence was followed, neither were all questions always asked. If the conversation had moved too far away from our topics of interests, complementary questions were added during the last part of the interview. This way we could have a flexible conversation and also cover subjects that we identified as relevant for the transition process that we are studying.

One important ethical element of the data collection process was to be transparent and communicate how we handle the interview data. Before starting the interviews, we informed that each participant is voluntarily participating in a MSc thesis, briefly described the purpose of the thesis and presented the benefits of participating, such as contributing with relevant insights to the understanding of a phenomenon which has both theoretical and practical relevance. We explained how we carefully work with confidentiality to reduce risks of participating (Arksey and Knight, 1999), by giving the company and the participants fictive names and describing the firm as a consultancy firm without sharing special details of their offerings. Lastly, each participant was informed that he or she would be contacted to approve our interpretation of potential published quotes. We continuously checked so that no published information would be easily transferable to a certain person during the whole research process.

All participants agreed to the above-explained vocal informed consent agreement and allowed us to audio-record all interviews, which is essential for IPA studies (Smith and Osborn, 2003) as we are interested in what phenomenological approaches explain as a “chain of connection” (Chapman and Smith, 2002) between what the participant says and their experience. Practically, we include all the words spoken in addition to significant pauses, laughs and other features with purpose to gain an understanding for the meaning of the expressed narratives, implying that the transcription process was semantic (Smith and Osborn, 2003).

3.4.3 *Data processing*

We processed the empirical data by following what Smith and Osborn (2003) present as the four key stages for inductive IPA analysis whereby a researcher attempts to make sense of the participant’s sensemaking activity.

Firstly, we read all 373 double-spaced interview transcripts, from 2016 and 2020, closely case-by-case, beginning with specific examples and then systematically working up to more broadly claims, which characterizes the idiographic approach of IPA analysis (Smith, 1996).

We looked for emerging trends in parallel to making notes and comments on each transcript. Some comments were attempts to summarize or paraphrase, some were spontaneous associations that came to mind and some had a deeper character. Consequently, some parts of the transcripts were richer and more commented than others. The priority was to understand the nontransparent complexity and meaning of the content, rather than measuring its frequency, which was obtained through a process of interpretation and sustained engagement with the transcribed texts.

The notes were structured in themes in the first transcript, and used to orient the analysis of the subsequent transcripts in an iterative process. We then clustered the themes, that were related, to create overarching master themes which represented different meaningful elements of the respondents experiences of the transition process to self-managing. Note that the master themes were not categorized based on different theoretical concepts, which would indicate a more deductive approach (see e.g. Glaser (1978)), but, on the contrary, empirically emerged through the interpretative analysis.

The master themes are narratively presented as a thematic analysis in our empirical findings chapter, together with appropriate quotations to keep the individual cases close to the final meaning of the master themes. The quotations have been translated from Swedish into English, as all interviews were conducted in Swedish. As such, there is always a risk of losing underlying meanings (Flick, 2014). Thereby, we both checked the translations thoroughly to avoid mistranslations.

Moreover, when processing how managers experience the transition process, it is important to clarify which perspectives we bring when we approach the transition process. As defined in the introduction, we view a transition as "the inner reorientation and self-redefinition that people go through in order to incorporate change into their life" (Bridges and Bridges, 2019). We see transition as contextual and processual in character with Pettigrew (1990). As such, the individual's transition process both shape organizational contexts and are at the same time being shaped by contexts. Hence, we do not consider the company's history as an event in the past, but alive in the present and may shape the future (Pettigrew, 1990). Correspondingly, even if the data was gathered at two different points in time, in 2016 and 2020, we do not see the transition period as isolated between these occasions when analyzing the managers' experience of the transition process. Using data from two different points in time has given us access to the managers experience of the transition from both an early-on and later-on perspective, which help to understand their overall experience of the transition in more detail. However, note that this thesis is not longitudinal in character. Such study design would focus on the change process, e.g. how the managers' experiences have *changed* between two different points in time. In contrast, our purpose is to study *how* managers experience a certain radical type of organizational change.

Lastly, note that we for the sake of brevity and length limitations have only presented the most relevant aspects of our analysis. We have prioritized in both width and depth, such that the presented parts are directly related to the stated research question. This means that some aspects that the IPA method brings forward, e.g. aspects relating to questions of identity, has been left out.

3.5 Quality Of The Study

Smith (1996) suggests that quality of interpretative studies should be assessed using the following criteria; i) sensitivity to context, ii) rigour transparency and internal coherence and iii) impact and importance.

In this chapter we have presented several decisions made that verify our sensitivity to our context. In our data collection process, we had open-ended questions allowing our participants to respond without interference (Flick, 2008), and did not use our interview guide as a manuscript. We have also discussed the ethical considerations made. Working on the interpretation of the empirical material, we kept relevant literature in mind but were cautious to not let it affect us when interpreting the experiences of the interviewees in line with recommendation of Yardley (2000). Also, we analyzed and interpreted the data individually first, and then compared and discussed the emerging themes with each other to decrease the individual subjectivity in the interpretation (Silverman, 2013). In the presentation of data we applied respondent validation (Bryman and Bell, 2013) giving the respondents an opportunity to review the quotes presented.

Due to the nature of interpretative phenomenological studies, establishing transferability and credibility is challenging as we do not seek to make general claims but rather understand perceptions and lived experiences of a specifically chosen group of participants (Smith and Osborn, 2003). Thereby, the research process is highly dependent on our own interpretations as researchers. Throughout this chapter we have been transparent with our research process, but being completely transparent with the process in which our own interpretations were generated is by nature more difficult to share. We checked to ensure that the clustered master themes in the data processing could connect with the respondents quotes in the transcript. This way, we both used our own interpretations to make sense of what the respondent was articulating, but could also see our own sensemaking in relation to what the person actually had said. To establish dependability and confirmability, checking and documenting our own interpretations has been of importance to ensure the quality of the study.

The final assessment criteria is the impact and importance of the study, where the chosen method has been argued to be applicable as we, through the phenomenological IPA study, can provide rich and early insights to the phenomenon studied. To conclude, we deem the chosen method for investigating the research question to be the most suitable one. It comes with several quality-related drawbacks, as shown above, but still meets the main purpose, to generate theoretical insights, very well.

4 THEORETICAL FRAMEWORK

After processing the empirical data, we adjusted our theoretical framework and went deeper into certain theoretical concepts which we found to be of relevance for analyzing the empirical findings. This chapter presents the adjusted theoretical frame (4.1), drawing on institutional theory, in particularly studies of institutional work (4.2) multiple institutional logics (4.3), and theories on sensemaking-sensegiving (4.4).

4.1 Motivation Of Theoretical Choice

Radical organizational changes are argued to diverge from status quo, and are thereby particularly difficult to implement as they require change agents to distance themselves from their existing institutionalized settings (Battilana and Casciaro, 2012). This is challenging since institutions are patterns that are so taken-for-granted that actors perceive them as the only possible ways of acting and organizing (Douglas, 1986). In order to create an understanding of how managers experience the radical transition between two organizational structures, the managerial hierarchy and the self-managing organization, which have diverging institutional patterns, we use the following theoretical concepts as theoretical framework when analyzing the empirical findings:

1. **Institutional work:** Is a research stream which focus on the institutional changes triggered by internal action by organizational and individual actors (Lawrence and Suddaby, 2006). The theoretical concept is selected as we are interested in the individual actor's role in transitioning institutions.

2. **Actors within contexts with multiple institutional logics:** Institutional logics are defined as "systems of cultural elements, values, beliefs, and normative expectations, by which people, groups, and organizations make sense of and evaluate their everyday activities, and organize those activities in time and space" (Haveman and Gualtieri, 2017). Theories on actors within organizations with multiple logics are useful for understanding the managers' experience of the transition from managerial hierarchy to a self-managing organization, as a transition from one institutionalized organizational structure to another create parallel institutional demands for managers to navigate through.

3. **The process of sensemaking-sensegiving for purposive action:** Is selected to understand how managers create orderly and coherent understandings that enable change, sensemaking, (Weick, 1995) and provide meaning to implement these changes through others, sensegiving (Sharma and Good, 2013). By incorporating theories on sensemaking-sensegiving, we can analyze how managers make sense and persuade organization members to engage in the process of interrupting the institutionalized managerial hierarchy, in order to enable change.

4.2 Institutional Work

Traditionally, institutional theory has examined the stabilizing nature of institutions (Barley and Tolbert, 1997) and how they guide different behaviors (DiMaggio and Powell, 1983). Individual and organizational actors are not seen as free agents, but deeply influenced by symbolic and social pressure from the institutional setting in which they operate (Meyer and Rowan, 1977). However, more recent research (see e.g. Battilana et al. (2009) and Lawrence and Suddaby (2006)) has drawn attention to institutional changes triggered by internal action by organizational and individual actors. This is referred to as "the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions" (Lawrence and Suddaby, 2006).

The research streams that are examining actors' agency in relation to institutional change are called institutional entrepreneurship (see e.g. Battilana et al. (2009) and DiMaggio (1988)) and institutional work (see e.g. Lawrence and Suddaby (2006)). Within institutional entrepreneurship, the agent is involved in initiating and implementing an institutional change, but participation might be either intentional or unintentional (Battilana et al., 2009). In contrast, actors' intentional action – so called purposive action with aim to create, maintain and disrupt institutions - is a key characteristic in institutional work. Hence, actors' ability to become aware of the institutions within which they are embedded is central for their agency.

Most often, actors' awareness of the institutional setting within which they are embedded is triggered by pressuring external events in the outer context (Lawrence and Suddaby, 2006), which can deinstitutionalize the legitimacy of the traditional institutional setting (Oliver, 1991). However, reflexivity can also be triggered endogenously. In order to understand how agency in the form of purposive action can trigger institutional change, Seo and Creed (2002) present four stages leading to intentional institutional change; i) a potential change agent, ii) reflexive shift in consciousness, iii) actor mobilization, and iv) collective action. For institutional change to happen, actors need to emotionally disengage from current institutional demands in order to enable a reflexive shift in consciousness (Voronov and Weber, 2016). Thereby, institutional change on the individual level relates to the individual's emotions (Creed et al., 2010). This draws focus to how internalized institutional practices and logics become embodied realities for the people involved (Hallett and Ventresca, 2006) and is exemplified when people feel pride for living up to the institutional expectations, or shame when they feel like they do not (Voronov and Weber, 2016).

4.3 Actors Within Multiple Institutional Logics

Organizations are often thought to have one dominant institutional logic that provides actors with vocabularies and rationales for actions (Friedland et al., 1991), but can also be fragmented with multiple logics. A social enterprise is one example of an organization that incorporates elements from different logics, a so-called hybrid organization (Battilana and Dorado, 2010). They are caught between the competing demands of for-profit logics and social logics, and need to address dilemmas related to whether they should distribute profit to their owners or reinvest in their social mission (Pache and Santos, 2010). Since institutional logics are rules by which individuals provide meaning to their social reality (Thornton and Ocasio, 1999), understanding and combining the demands from different logics may be perceived as contradictory for the individual actors (Sharma and Good, 2013).

What is more complex is that even if the actors experience contradictory demands of different logics, the contradiction is, however, not experienced equally the same. Each actor has individual filters (Greenwood et al., 2011), such as values and identification with their role, which most often are espoused by a primary logic that guides the degree to which the actor is influenced by the demands of an institutional logic (Pache and Santos, 2010). Consequently, if a manager identifies strongly with his or her role, he or she may be influenced to espouse the demands of profit logics. However, if the manager has personal values that are more social in character, these values can position the manager to recognize the demands of social logics in their work (Sharma and Good, 2013).

4.4 Sensemaking-Sensegiving For Purposive Action

Change implementation within an organization can be viewed as a process of social influence (Marsden and Friedkin, 1993) where change agents need to persuade organization members to distance themselves from the existing institutional norms, overcoming resistance and encouraging adoption of new practices (Battilana and Casciaro, 2012). When managers scan, interpret and define changes in practice, apply sensemaking, and provide meaning to implement these changes through others, sensegiving, they can navigate the perceived tensions between logics and thereby create, maintain or disrupt institutions (Sharma and Good, 2013). Lüscher and Lewis (2008) argue that managers actively engage in sensemaking to interpret and create an order of occurrences in times of uncertainty. Also, when managers address the ambiguity experienced by others, and provide a renewed clarity for further action, they engage in sensegiving (Corley and Gioia, 2004). Previous research has presented that the process of sensemaking-sensegiving has been related to organizational outcomes such as cognitive shifts (Foldy et al., 2008), identity change (Corley and Gioia, 2004), and drawing people into the change process (Rouleau and Balogun, 2011).

5 EMPIRICAL FINDINGS

To provide an understanding for the organization's evolutionary transition process, the first section of this chapter will provide a background to the company studied (5.1), the changes made within the organization leading up to the transition to a self-managing organization and explain what has happened within the organization before the interviews were conducted in 2020. In the following section, the managers' experience of transitioning to a self-managing organization structure will be presented (5.2) in terms of three themes which we identified as important elements in the change process; Implementing self-leadership (5.2.1), Decentralizing authority (5.2.2) and Adjusting to different individuals' inner development stages (5.2.3).

5.1 Background To Theta's Organizational Transition

Theta is a Scandinavian middle-sized consultancy firm, founded by Tom and Hank in 1989. Tom and Hank are the majority owners, but Theta is also governed by the three additional partners Chris, Amy and John. The five partners, together with the HR Manager, Linda, and the CFO, Jim, have represented the firm's top management team and lead the company's operations.

Theta has been organized in a traditional managerial hierarchy with processes characterized with standardization, control and performance goals. The company has had a strong performance culture where the top management team evaluated performance on a company, team and individual level. The company performed well without experiencing any major external events pressuring for change. They are both financially profitable and have been ranked among the top companies on "Great Places to Work", which is a European survey focused on employee satisfaction, for several years in a row. Theta has only made structural changes on the organizational level at one occasion during its 30 year history. Nevertheless, changes in Tom's, the founder and CEO's, personal life would eventually radically transform the whole organization.

5.1.1 *Tom's personal transformation and the introduction of mindfulness*

In 2005, Tom had achieved most materialistic goals and faced a mid-life crisis. His life was extremely hectic, and he started to search for personal development practices to better cope with work's and life's challenges, and to find new meanings for them. Tom joined deep mindfulness retreats and continued to practice mindfulness while gradually changing his life.

Some years passed by and Tom wanted to integrate what he had learned about self-awareness and compassion into his active life as a CEO. In 2011, he started to incorporate mindfulness practices into Theta's conferences and in 2015, a mandatory mindfulness-based leadership program was introduced to the top managers that we interview in this thesis. The course consisted of three mandatory two-day modules taken over five months. The managers' first module focused on learning to observe oneself, and the following ones on observing oneself in relation to others and to the world. They did all training together as a group and had complementary individual meditations to do from home.

Due to high interest among some of the employees, a slightly shorter voluntary mindfulness program was introduced to everyone at the company in September 2015, and similar courses have been available to the employees regularly since then. From time to time, different speakers were invited to share talks about mindfulness-related topics, such as vulnerability and self-leadership. Additionally, the top management team decided to start all its meetings with moments of silence, guided meditations or shorter sharing sessions, so called “check-ins”.

All managers describe that Tom has been the driving initiator of the initiatives related to mindfulness, personal development and organizational change. Chris brings up the company’s history of being business and transaction-focused, where everyone did tough negotiations as brokers in black suits. According to him, Tom believed the mindfulness initiatives would increase performance in new ways:

”Before it was more tough, hard, cold and nothing personal or humane at all, if I exaggerate a little bit [...] Tom had the vision that increased presence will make everyone more happy and content, and thereby become more efficient and perform better.”

John describes a shift in perspective in relation to the old culture; from being focused on doing business, thinking fast and smart to focus on building the organization. He describes Tom’s role in that shift:

”Tom has been the driving force for the initiatives related to personal development [...] It is probably his own searching for something else, on a personal level as a start, and then to bring it into the leadership and being certain that this kind of development is right. It is actually really nice, that he wants more people to experience what he has experienced already.”

A few managers describe how the early mindfulness initiatives have helped them to feel more presence, self-awareness and self-acceptance on a personal level. Others emphasize the open, honest and kind group atmosphere that the group participants now share together. Jim explains:

”In general it has created a more friendly and harmonic organization. We are a little bit better at avoiding politics, who should say what. There is a bigger sense of collaboration and will for the best of Theta, not just having a need to prove ones own right because I have a certain position or whatever it can be. I think mindfulness has helped to create that.”

5.1.2 *Questioning the managerial hierarchical structure*

As the corporate culture changed, Tom gradually became more and more critical towards the traditional way in which the company was being run. He explain:

"We say that we want to have a loving culture, but we fight over [our own share of] profit like dogs. We say that we should personally develop faster here than anywhere else, but to be honest we don't have any real personal development plans, there is no ownership around that. [...] I can keep on like this and still this company is considered to be among the top 10 [middle-sized] companies in Europe!"

Looking frustrated, Tom expresses a longing for something else:

"I've had a great insight in the sense that there must be a better way. What are we even doing? We are treating people like machines, people don't work together and we have structures that disturbs our own culture and things like that. Why do we only have focus on money and not like... [...] What hurts the most is that I have a business, that we are a business, which has systems that create conflicts between people."

Tom continues to explain the limitations of their current system, for example how the incentive system promotes individuals to avoid collaboration. The other managers also express a longing for changes related to the managerial hierarchy and the financial focus. Linda is wrestling about which mark they, as a company, want to leave:

"Of course we should make money in our world, but I feel like I'm wrestling with myself here. What kind of mark do we want to leave? What marginals should we have? Is it really worth it? On the inside I feel some kind of wish that we would just say "we are happy for all the small SEK which drops in, and it really doesn't matter if it's zero or hundred or so", but of course I understand that it doesn't work that way."

Tom expresses humbleness towards the challenges of changing an organization structure that has existed for a long time, and emphasizes the management team's critical role in a potential change process:

"I have a strong belief and desire to create an organization where all people can be in their own full power, do their work based on their capabilities and grow in the way they want to. With that said, it's tough to change something that has existed for 25 years in a traditional consultancy managerial hierarchy and wrap that around. A lot of things need to fit and it's critical to have a committed management team in the change process, and right now they are on different places and have different abilities. It's a big difference between being a manager with title, and decision-making power, compared to being a leader that gets followers."

5.1.3 *Radically changing the managerial hierarchical structure*

After Theta started to offer regular company-wide mindfulness programs, they began to review their internal systems as they experienced a need to harmonize the company systems in accordance with what they have learned through mindfulness. They gradually changed their leading documents (vision, mission and values), created a collectively-shared profit system and changed the way they talked about performance, development and salary. The first of January 2018, Theta went live with an even greater change, tearing down their whole managerial structure to become a self-managing organization.

In the new self-managing structure, all employees are supposed to follow their own inner drives and apply self-leadership. This did not only mean changes to the formal managerial hierarchy but also to work-processes and decision-making. When we interviewed the managers in 2020, they had experienced a shift; stepping down from their previous manager roles to instead apply self-leadership on the same authority-level as all employees. During the two years from 2018 to 2020, Theta had been in constant change, altering processes with hope to make the new organization form work better than the previous one.

Looking back, Chris describes how their previous competition-focused vision did not align with what they saw when they turned their attention towards their inner longings:

"We had the vision to be a world-leading consultancy, but when we started to look inwards we saw a warm culture where we talk about real things, and we started to question what we were doing, what we wanted, why are we even here at all. And generally, when you do that, you realize that you want to help other people and do good for the world."

Tom initially did not know that his own inner longing for change, and that the start of company-wide mindfulness programs, would gradually result in major organizational changes. He explains his own role in the process:

"I believe my own personal development has affected... my appetite for building something long-term sustainable has increased. During these years when I have incorporated the mindfulness programs, it has generated more open space to share opinions. And when we started to look at it, maybe it is to go from being best-in-the-world to being best-for-the-world. At least another North-star focus. So we follow other approaches... And then everything has escalated."

5.2 Theta's Organizational Transition

5.2.1 *Implementing self-leadership*

When we ask Linda about the changes they have experienced, she summarizes that they as an organization, have followed their hearts. Chris says that the organizational changes are overall fundamentally connected to purpose and soft values such as humanity and compassion, both in the internal culture and the services they deliver to clients. John, Tom, Chris and Jim explain how the soft values are visible in the way they treat each other, describing it as a "hugging culture". According to Linda, the mindfulness programs have provided a springboard to many of the things they do differently today. She explains:

"The more we got to know ourselves and each other, the more we understood how much we affect one another in the everyday life, and the more we realized that the way we relate to things affects our clients and coworkers. I think we became much more open for questioning "but wait is this really...", which Tom definitely is the brain behind. There must be other ways than being a traditional managerial hierarchical organization. How is it when all people can be who they really are and focus on three fundamental needs: to feel that the relationships work, to feel autonomy and to feel competent. I mean, that's it. Then our work processes and organizational structure must be formed in accordance with that. I don't think this could have happened if we didn't learn how to approach thoughts, feelings, dialogues, identity and find the different levels [in mindfulness]."

Chris sees mindfulness as a way to listen to "the inside", which he describes as important since every individual is responsible to look within and find out what puts their soul on fire in the self-managing organization. According to him, the mindfulness group sessions create warm and strong relationships among the people in the group, which he believes is necessary in Theta's new structure. Amy and Jim both say that mindfulness and a self-managing organization are not necessarily interrelated, but argue that mindfulness serves as a good foundation when one is about to build a self-managing organization. Jim explains:

"The self-managing organization requires more presence, openness, clarity and honesty that might easily disappear in a traditional organisation. There are many elements in mindfulness that are important if the self-managing organization should work in a good way."

Moreover, both Chris and John experience a shift towards softer values also on a personal level. Chris describes that despite being in the very same physical context, his own way of relating to work has changed drastically. In his former role as Vice CEO he worked hard and experienced pressure and expectations to always know what to think, feel and decide during meetings. Something that changed as he began practicing self-awareness through mindfulness, he explains:

"Before I felt a pressure to always know how to act, but I don't have that unspoken pressure anymore, which makes me more relaxed and it gets easier to feel contact with others [...] It's quite fascinating that I'm in the same context as when I was about to run into the mountain wall, but now I feel more free and relaxed and still solve complex problems for the clients."

John also makes a comparison related to his old manager role when he was expected to secure his own and his team-members performance. He adds:

”I think my leadership is more free since I can search for where I think I can create value and then go into those parts. If someone wants to be lead by me, that now comes by free will, which I think creates higher value instead of forcing anything.”

Tom, Amy and Chris want to make it really clear that despite many soft changes, Theta is still a consultancy firm. Tom emphasizes the importance of not ending up as a so-called ”social club”, and feels uncertain about the unknown that comes with being a pioneer:

”If we look at those who are far ahead, the organization structure called Teal, it almost sounds like they are a social club. More like ”come over here and work if you feel like it and we will see if we make any money later.” The whole transition from the structured managerial thinking, towards something that is much more free and based on having trust in people’s inner world and drives, less control and ego-focus, more focus on the holistic us. I feel... not a fear... But I don’t know what it is. I don’t know where it will take us.”

Amy clearly states that the new self-managing structure only holds if Theta is financially sustainable. She explains:

”Without the revenue from our customers we can’t go anywhere. Then we would have to cut cost by firing people, that is the ugly truth. We are a corporate company that needs to be profitable and everyone wants to have salary. Preferably higher salary every year [...] I think of it this way: how much time can a consultant place on individual fulfillment during paid working hours without losing too much production? It’s actually expensive, not the price for mindfulness courses but the default revenues from lost client hours.”

Chris wants the company to become a role-model for other firms by showing how it is possible to ”do more with less effort”. Thus, focusing on the operation and showing a solid profitability are critical aspects in such process. He explains:

”We must be more profitable than we were with our old organizational structure, because otherwise no one will listen to us [...] And we still need to feel that we are consultants. We are not a mindfulness company. Rather, we are consultants who have added self-aware presence and empathy in our business idea. Or no, not in the business idea, in our own DNA! However, it’s extremely important that we don’t lose the operation.”

Theta’s new soft values are not only visible in the way they treat each other, but also in the new language they use. In 2019, many of the previous performance and profit-focused words and measures almost completely diminished. Jim explains:

”We talked about ”presence”, ”self-aware presence”, ”empathy”, ”real meetings”, ”how can we be more present” and words like that everywhere in the whole organization. We had a whole year in 2019 where we almost never mentioned sales and client covering. It was almost taboo to talk about it, and we had always talked about client covering all the time before, asking each other how much client covering the other person has and so on. I have written reports where I took away some of the financial key ratios because it felt organizationally wrong to talk about these key rations in this context. For me as CFO it was very frustrating.”

Not only did the financial words and key ratios change during 2019, but also the actual financial profitability. Jim explains how he presented the decreasing trends in sales and client coverings on the monthly Monday meetings:

”I showed the negative trend in January, February, March, April, May and June and we just kept doing a lot of internal organizational development projects instead of turning the focus towards the clients [...] The self-leadership should, which also comes from mindfulness, make everyone look inside, get an understanding for what one feels passion for and then release everyone's power to do what one is excited about and live for. If that is not to sale consultancy projects to clients, but to focus on internal organizational development instead, it creates a gap. Our souls are perhaps a little bit happier in the organization now, but we are less profitable.”

Amy has spent a lot of time working to ensure profitability and feel worried about the negative financial trend. She explains:

”After the first mindfulness program [in 2016], I have missed most of the sessions because I have had to prioritize working with clients, as many of the more senior consultants have done. We cannot sit and meditate during prime client time, which I sometimes see 20 consultants do. That really frustrates me.”

Chris has identified similar tensions related to each co-workers individual workload and the collectively shared profit-system:

”It can be provocative when we have people who almost lose their feet while running around to keep up with all the client deadlines in parallel to seeing other colleagues sit in silence while prioritizing their well-being. Especially when we split the profit surplus equally. This creates tensions.”

Moreover, all managers are questioning if the mindfulness initiatives really are voluntary in Theta's contextual setting. According to John, co-workers may experience mindfulness as something forcing due to strong collective expectations. He thinks it takes a lot of courage to show resistance since that implies taking a position against the initiating CEO, owners and top management team. According to Jim, talking about difficulties with mindfulness is a taboo subject. He believes that the organization has not managed to keep up the openness and honest transparency when it comes to discussing the challenges with the changes. For him, the mindfulness initiatives have extended, from being concrete exercises towards becoming the big picture:

”The talk about contributing to society and being a better company, those vision-thoughts that Tom is pushing really hard. I think a consequence is that we have lost focus on the daily operations, the clients, projects and so on. There has been too many different things, and I think we have kind of lost mindfulness on the way. Now it’s supposed to be part of something bigger, and the big picture is dominating [...] Staying with simple concrete exercises in mindfulness might had been more helpful in the daily work.”

Tom also discusses challenges with combining mindfulness, self-leadership, performance and profitability. He says the new changes have helped building a more warm and authentic culture, but also believes that mindfulness in combination with a self-managing structure might have put the organization in something that is not really desirable. He elaborates:

”Every paradigm and evolution of an organization or human being bring a lot of good things. Some of them you want to bring with you and some of them you want to leave behind. What is interesting is how you can connect self-management and mindfulness and still have a performance culture. [...] The challenge is to combine and bring what you have learnt from mindfulness and presence and incorporate that with performance. Our mindfulness programs have helped people to grow, but we haven’t managed to integrate that with doing business [...] Mindfulness and business are two different things, and if they don’t marry each other fully, then you don’t get the organizational effects that you wish for. In contrast, it can actually become a negative spiral. Because when people start to lose focus... I mean, we have taken this so far here.”

Tom continues by shifting focus towards his own influence in the process. He draws connections between his personal development and the company’s:

”It’s probably because I didn’t know better at that time [in 2016]. I have mixed up my own development with the company’s development and have done so for a long time, which is an incredibly painful insight [...] If you look at it this way, here is a circle which illustrates what the company needs and here is a circle that illustrates what I need. Then you want to find a space in the middle which both me and the company need. But if all focus is on what I need, then there is a risk that I get my own little circle out here *visualizes with his hands* completely outside of the company’s circle. That’s a sign of when things don’t really holistically fit. Then things turn inwards and it creates suppressed conflicts. Everything is connected. If we had been operating in a fixed company structure, it would have been less complex. This is like... I mean, we have incorporated everything: self-managing, mindfulness, multi-stakeholder-approach and everything just... *illustrating a tornado gesture*.”

5.2.2 *Decentralizing authority*

When Theta started the new self-managing structure on January 1st 2018, the previous managers wanted to clearly show that their old authority did not exist anymore. Linda describes the shift more in detail:

"We really wanted the others to understand that we did not see ourselves as managers anymore. So we took a very big step back, kind of like "okay, now we are not going to lead at all here, because now everyone is on the same level, we just have different roles and so on". In one perspective, we distanced ourselves too much as if we were on a different planet, and in another perspective we did exactly the same as we had done earlier because it was difficult to break the old patterns. We haven't really had any change-management support for us managers in the shift. We should have put much more effort in supporting us when we stepped down and talked through "what should we do now and what is different?". I also want to add that all managers here feel no prestige [in terms of having a title or image]. No one has difficulties with not being a manager anymore."

Tom sees a clear difference in the leadership he needs to apply in the new organizational structure. He imagined himself to be less appearing, but turned out to be highly involved in all processes. He explains:

"I have carried a lot of trust and when we changed into a self-managing organization I had two great insights. Firstly, I was naive to think that I would be gone just because we changed the organizational structure and deleted me from the chart. Damn, I was so stuck in everything. Many would wonder "what does Tom think about this?", which is understandable. Secondly, from my own perspective, I need to balance listening inwards in order to know when I need to be powerful and defend something that is important for real, when I should just allow everything to happen and when I should facilitate development in other ways. It's a sensitive balance and I'm still learning. But it's really clear that I took too much distance when we entered the self-managing organization, which created a vacuum."

Chris explains that Tom is both at the center of all changes, but also tries to take a step back. He believes Theta is in need of Tom's overlooking perspective at this point:

"It would probably be easy for Tom to just walk in and say what we clearly need to do, but then the whole system would fall. One could question whether we need to have a CEO at all in a self-managing organization. Even if Tom is a very active CEO, he is not working as a traditional CEO. But his spirit is very present since the changes we are doing are coming from him originally. In one way it would be healthy for us if he was less present, but we also need him at the same time. I don't think we could do this without his overlooking perspective. Many of the other managers are right now working operationally on the client projects, including myself, and we don't have the same organizational overview anymore. He is the only one who represents the overview right now."

According to Jim, they had an initial illusion that everyone would be able to decide equally much in the new organizational setting. However, after the shift he experienced confusion among the old managers related to the new authority. He explains:

"We got confused. Who can now say what, to whom? Which demands or expectations can I have of others? There was an insecurity in the leadership because I did not know if I can go to you and say that your sales numbers are too low. The individuals are supposed to acknowledge that themselves in a self-managing organization. We talked in a more loving way, but just raising that discussion with someone was difficult and there was... a gap. One could also speculate whether mindfulness created more vagueness and insecurity in the transition. I experience it that way, in contrast to just making a clear traditional decision. We lost speed and focus due to the gap and the old managers who have some kind of seniority should have acted in a much more powerful way, but didn't dare to because of the confusion. We had, at least I felt, a need for getting Tom's approval for all initiatives. Due to the confusion we didn't establish the usual profitability requirements on all individual consultants, which should be fundamental regardless of what leadership structure there is. For me it's really annoying that we, as old managers, did not pull the emergency break."

John explains how the mandate and decision-making processes differ compared to how he acted in his previous manager role:

"When I was a manager I had a mandate to lead certain questions. People might have liked it or not, but I at least had some kind of "now this showed up, so now we will do this, that is decided because I say so". Now I really need to think through if I want to make any changes, since I don't have the mandate to make decisions myself without taking advice. So I need to talk with others in the advice process and ensure they believe it's a good change, and then do the change together. If we then succeed with the changes, it of course becomes much stronger since we do things because we want to and not because someone else said so."

Amy brings up different personality types, and argues that some individuals are more comfortable with applying self-leadership. Her own way of working has not changed much:

"For me, individually, it was pretty easy to shift to self-leadership because I pretty much worked the same before. But for some people it's really difficult, especially for someone who is new in their career. Some people need instructions and incentives. It can be difficult to see how working with self-leadership is really like from the outside. We have had people who wanted to work here, started and then reacted very negatively and quit. Not many, but still."

5.2.3 *Adjusting to different individuals' inner development stages*

The managers express that all individuals at Theta see the world in different ways, are on different places and in different stages in their mindfulness and self-leadership development. Chris describes how everyone is on different stages on a vertical development curve:

”The higher up I come on the curve, the more [bigger and wider] perspective I see. So if I'm down here, my perspective only goes this far. When we are on different stages in the development journey, we see different things which absolutely can create tensions and irritation. We can feel provoked by how we behave. I don't really know how to handle that.”

Jim explains how all co-workers individually choose to work with mindfulness in different ways and he considers himself to lack the capacity to see how all the personal journeys connect together:

”How the techniques and personal journeys connect with each other, I think that can be perceived as confusing for more people than myself. Then when Tom and some others think ”for me this is crystal clear, how everything connects holistically” with the belief to gather somewhere in front of something over there. That is not clear for everyone. Then you lose people on the way, I believe.”

Tom also emphasizes the difficulties with finding a balance which everyone understands. He explains:

”I have a tendency to see the big picture, pretty far away, but my job is to lead an organization where people have different perspectives which I need to adjust to. If I'm only talking up here, on top of the staircase, it creates a gap. The locomotive loses its wagons on the way.”

Amy brings up the perspective of senior consultants, like herself, who work incredibly hard and therefore prioritize work before the mindfulness sessions. She sees this as an issue since they are the ones who really would benefit from taking part of mindfulness:

”We, the seniors, who are always out working with clients, miss many of the mindfulness sessions due to bad planning. All sessions are being planned with too short notice, which is a pity because we always keep ourselves occupied with projects. But it's very important that the ones who are constantly running all the time, that we really care about them, to make sure they benefit from mindfulness. In order to become better, stronger and sustain for many years. The first mindfulness program strengthened me at the core, but it needs to be kept alive [...] Mindfulness has kind of faded away for me, pretty much. Now I think it's quite bothering to enter an internal meeting where everyone is supposed to check-in. I just feel ”well well, you guys do that and I will just sit here for a while.”

John explains a gap between the perspectives of the co-workers, who have worked with mindfulness for a longer time, and new, often younger, employees with less experience of inner self-development practices. Tom emphasizes that the company not only needs to understand that everyone is on different levels, but must also be able to communicate with different individuals regardless if they are passionate about inner growth or have a stronger traditional career-focus. He explains:

"We emphasize the value of balance, health and so on, but if we have extremely ambitious young people who come here straight from school and want to work damn hard and make career, you cannot tell such a person that money is not important. We are all on different stages on that staircase."

Amy says that the new ways of working are complex to understand and expresses a longing for more simplicity:

"It's difficult to follow everything because it gets so complicated and complex. We are so far ahead with the way we think, about ways of working, the company and the leadership. When everything then boils down to our systems and what we are supposed to do here, it gets so complicated for me. I don't have the patience or resilience to think and understand all the way through. And if I can't do it, how is it for those who are younger and less experienced?"

Linda says that not all individuals fit in an organization based on self-leadership. Some people really value having a close and understanding manager and are pleased with having someone else planning their project covering, since that means they are not responsible in securing job opportunities themselves. Many of the insecure employees turn to Linda for guidance:

"Sometimes I wonder if this organization is real. I meet colleagues who are not feeling well in this, who don't know where to turn to. Who perhaps miss placing responsibility at the old managers in moments when they need to, when they are not capable of taking the responsibility themselves. Then it becomes something shameful, related to their identity, that they are not capable of handling being in this new organization with this lovely self-leadership. It places a lot of responsibility on the individuals."

Linda continues to describe that most of the co-workers work at Theta because they want to work as consultants in different projects, and argues that the self-leadership responsibility can add extra workload:

"Now someone comes and says that the employee should have some kind of self-leadership in parallel to perform tasks in the current project and also plan for future projects. That was not the job they searched for, it was another job. [...] When we don't have managers, we won't know if the employee is not feeling well if he or she doesn't tell us out loud, since we can't read minds. [..] From a mindfulness perspective, if we on the one hand preach the importance of listening to oneself and ones feelings, we also need to understand that everyone is on different levels and we need to play together. Sometimes I feel we would benefit from zooming out and take a step back to make sure everyone gets the chance to catch up."

6 ANALYSIS

In this chapter we present the managers' experiences of the implementation of self-leadership, decentralization of authority and adjustment to different individuals' inner development stages, which have been presented as empirical findings, through the lens of the theoretical framework. Accordingly, we analyze how managers experience conflicting demands from the old traditional focus on profit-maximization and the new practices related to self-fulfillment and self-leadership (6.1). We then analyze how managers experience the process as sensegivers as they try to share their understanding to former subordinates (6.2) while navigating without authority in the new decentralized self-managing structure (6.3), and summarize our concluding remarks (6.4).

6.1 Conflicting Demands Between Institutionalized Corporate Practices And New Life-Giving Logics

6.1.1 *Tom gradually integrates life-giving practices as institutional entrepreneur*

The development of Theta's organizational transition has been closely connected to Tom's personal development process. This is exemplified when John describes how Tom's own searching for something else, on a personal level, has integrated into the company's management practices. An in-depth understanding of Tom's own personal transformation is hence seen as important, as Theta's transition process of deinstitutionalizing the legitimacy of the traditional for-profit logics, hierarchical structure and management practices (Oliver, 1991) starts with Tom, as purposive change agent.

Tom started to question the existing institutional demands, related to work and life, already in 2005 during his personal life crisis. This triggered a personal transformation process where he gradually re-framed which aspects of life and work he attaches meaning to, indicating that Tom experienced a *reflexive shift in consciousness* (Seo and Creed, 2002), by emotionally disengaging from the previous institutionalized acceptable way of being. The process of emotional disengagement from the current institutional order, and thereby becoming aware of the institutionalized environment within which one is embedded, is central for the individual's ability to create, maintain or disrupt institutions (Lawrence and Suddaby, 2006).

Tom clearly demonstrates his emotional disengagement from Theta's traditional institutionalized corporate demands while articulating: "I've had a great insight in the sense that there must be a better way. What are we even doing? We are treating people like machines, people don't work together and we have structures that disturb our own culture and things like that." Interestingly, there are no disrupting external events that are pushing or triggering his realization, which is the common case when individuals become aware of the institutionalized logics within which one is embedded and feel an urge to change them (Lawrence and Suddaby, 2006).

In contrast, for Tom, the reflexive shift in consciousness was *endogenously* triggered while participating in deeper mindfulness retreats during his life crisis in 2005. In the following personal development process, the old managerial hierarchy, characterized with standardization, control and efficiency and the old profit- and performance focus, which pushed employees to internally compete over profit, conflicted with the new compassionate life-giving attitudes which personally grew stronger for him. Thus, he was endogenously triggered to change the organization in a way that supports individuals to live in harmony with the self-fulfilling values.

However, integrating institutionalized practices and values related to self-fulfillment and meaningfulness challenge the status quo in a corporate setting where logics related to performance, financial profitability and managerial authority are dominating. As the existing institutional logics are so taken-for-granted, the organizational members perceive them as the only possible ways of acting and organizing (Douglas, 1986). Consequently, Tom's integration of life-giving practices and logics can be seen as divergent organizational changes, which are especially challenging as both Tom, as the initiating change agent, and the other organizational members, need to adopt practices that not only are new, but also break with the institutionalized norms of the dominating performance and profit-focused organizational setting (see Battilana et al. (2009) and Greenwood and Hinings (1996)).

Hence, these types of organizational changes can not be implemented through simple communication. Rather, Tom needs to create an environment where more organizational members can experience a reflexive shift in consciousness (Seo and Creed, 2002), which is both critical and complex for collective social reconstruction of institutional arrangements to happen (Lawrence and Suddaby, 2006). This is illustrated in the following phrase: "I have a strong belief and desire to create an organization where all people can be in their own full power, do their work based on their capabilities and grow in the way they want to. With that said, it's tough to change something that has existed for 25 years in a traditional consultancy managerial hierarchy and wrap that around."

Gradually, Tom started to integrate his own new life-giving perspectives into the management practices. The life-giving logics related to self-leadership and meaningfulness was communicated in different lectures, added to the company-vision and practiced through the company-wide mindfulness programs. The implementation of company-wide mindfulness sessions became opportunities for individuals to practice awareness of their own often automatic, stimulus-response reactions (Brown et al., 2007), and thereby become aware of the embodied emotional and cognitive impact of the institution in which the organizational members are embedded (Ahlvik, 2019). This way, the organization was gradually transformed and impacted by new life-giving perspectives. A subtle *actor mobilization* (Seo and Creed, 2002), with purpose to enable individual growth and liberation from constraining control mechanisms, with each organizational member's own self-fulfillment and passions at core.

Linda exemplifies how the increased self-awareness has triggered a need for organizational changes that authentically supports self-leading and self-fulfilled individuals: "The more we got to know ourselves and each other, the more we understood how much we affect one another in the everyday life, and the more we realized that the way we relate to things affects our clients and coworkers. I think we became much more open for questioning "but wait is this really...", which Tom definitely is the brain behind. There must be other ways than being a traditional managerial hierarchical organization.

How is it when all people can be who they really are? [...] Then our work processes and organizational structure must be formed in accordance with that." This example shows tendencies that Linda, too, has experienced a reflexive shift in consciousness (Seo and Creed, 2002), while emotionally disengaging from the traditional managerial-hierarchical institutionalized corporate setting. The shift seems to be both endogenously triggered from the mindfulness practices, but also exogenously triggered through story-telling by Tom.

Chris also provides an example of what seems to be a reflexive shift in consciousness (Seo and Creed, 2002), while describing tensions between the traditional institutionalized demands and the compassionate life-giving values that grew stronger from within: "We had the vision to be a world-leading consultancy, but when we started to look inwards we saw a warm culture where we talk about real things, and we started to question what we were doing, what we wanted, why are we even here at all. And generally, when you do that, you realize that you want to help other people and do good for the world." Chris and Linda are examples of when individuals' experiences of problematic situations stemming from institutional contradictions gradually lead to a critical understanding of and disengagement from the traditional way of behaving (Benson, 1977) indicating that Tom has gradually reshaped consciousness from within (Seo and Creed, 2002). Following Tom's change visions, the managers agreed on implementing the radically decentralized self-managing organizational structure, to structurally support the new life-giving logics which emphasized individual liberation, self-fulfillment and meaningfulness, demonstrating a *collective action* (Seo and Creed, 2002) to structurally deinstitutionalize the legitimacy of the traditional corporate logics and norms (Oliver, 1991).

6.1.2 *Balancing demands from conflicting logics*

The new self-managing structure allows individuals to work with what they experience as meaningful. However, Tom also emphasizes the importance of not ending up as a so called "social club", but to keep having high performance. Chris also underlies the importance of combining the life-giving logics with performance and profitability, with hope to enable "consultants with compassion and presence as DNA."

Correspondingly, even if Thetas new organization is built on the belief that the organization will become stronger as it builds on each individuals own drive and passion, it is more important than ever to show a descent profitability. In other words, Tom and Chris hope that the new life-giving logics, by allowing each individual to follow ones own passion, will generate higher financial results and thereby, as Chris explained, "do more with less effort". If the company's financial profitability decreases, the new self-managing structure is believed to lose its legitimacy both among organizational members and external stakeholders, which would be devastating as the whole self-managing organizational structure is built on having self-leading individuals with intrinsic motivation.

However, balancing a performance focus with life-giving logics is challenging, both for former managers and former subordinates. As the new life-giving logics with focus on self-fulfillment and meaningfulness is becoming more institutionalized, Theta is becoming a hybrid-organization (Battilana and Dorado, 2010), fragmented with multiple logics. The institutionalization of the purpose-focused logics are visualized in the increasingly applied words such as "self-aware presence" and "real meetings". Additionally, several of the traditional financial key-ratios diminish, as Jim, the CFO, experiences them as contextually misplaced to use. He explains how the new life-giving perspectives have taken focus from the financial operations: "The talk about contributing to society and being a better company, those vision-thoughts that Tom is pushing really hard. I think a consequence is that we have lost focus on the daily operations, the clients, projects and so on."

When all individuals are encouraged to follow their own passion and freely can chose how they want to work, not everyone chose to work hard in client projects, meaning that the individual's need not always align with the company's need. As Jim expressed it: "The self-leadership should, which also comes from mindfulness, make everyone look inside, get an understanding for what one feels passion for and then release everyone's power to do what one is excited about and lives for. If that is not to sell consultancy projects to clients, but to focus on internal organizational development instead, it creates a gap."

Jim experienced it challenging to know how to communicate when the firms financial performance declined and he did not have formal authority to increase the attention to the matter. Even in situations when he raised attention to the problem, the organization was still dependent on the individuals' inner feelings to change the situation. The challenges are illustrated in his quote: "I did not know if I can go to you and say that your sales numbers are too low. The individuals are supposed to acknowledge that themselves in a self-managing organization. We talked in a more loving way, but raising that discussion with someone was difficult." Jim thereby raised an issue of how to handle individuals who do not perform well enough in the new organization structure, and a confusion regarding to one's own responsibly in initiating those conversations when there is no manager.

Consequently, understanding and combining the demands from different logics are perceived as contradictory for the individuals (Sharma and Good, 2013), and tensions arise between the individuals who allocate their time on self-development projects and the ones who work hard to ensure financial sustainability in client projects. This is illustrated in the comment by Chris: "It can be provocative when we have people who almost lose their feet running around to keep up with all the client deadlines in parallel to seeing other colleagues sit in silence while prioritizing their well-being. Especially when we split the profit surplus equally. This creates tensions."

Both former managers and former subordinates are caught between the competing demands of the for-profit logics and the logics related to self-fulfillment and meaningfulness, and need to address dilemmas (Pache and Santos, 2010) related to whether they should focus on working in client projects or engage in self-development practices. In addition, the individuals, who spend a lot of time working in client projects, risk to not feel the same inclusion and compassionate culture as the ones who actively engage in the self-development practices together. On the contrary, individuals who actively follow their own passions by engaging in personal-development projects risk to experience institutional shame (Voronov and Weber, 2016) as they might be perceived as free-riders when the profit surplus is split equally.

6.2 Leading Former Subordinates Into The New Organizational Setting

The managers' ability to make sense of the changes in practice, and pass that sensemaking on to others, through sensegiving, is critical when changing the institutional setting (Sharma and Good, 2013). However, Linda, Tom and Chris describe challenges in adjusting to the subordinates individual sensemaking process, and describe them to be situated on different places, stages and levels in what they call the personal development curve. Both Chris, Tom and Linda talk about an actual curve as a way to visualize all individuals sensemaking process, different efforts to create orderly and coherent understandings that enable change (Weick, 1995), and the different development levels show that individuals might be more or less universal in their self-development process. The challenge in adapting to everyone's personal sensemaking processes is exemplified by Chris: "The higher up I come on the curve, the more [bigger and wider] perspective I see. So if I'm down here, my perspective only goes this far. When we are on different stages in the development journey, we see different things which absolutely can create tensions and irritation. We can feel provoked by how we behave. I do not really know how to handle that." Tom also brings up the challenges adjusting to different perspectives: "I have a tendency to see the big picture, pretty far away, but my job is to lead an organization where people have different perspectives which I need to adjust to. If I'm only talking up here, on top of the staircase, it creates a gap. The locomotive loses its wagons on the way".

According to the managers, the former subordinates' situated position on the personal development curve affects how they position themselves to the practice of mindfulness, the concept of self-leadership and the new life-giving purpose logic. They explain difficulties in reaching young individuals who want to make a career, and for whom salary and performance are still important, an example of how different individuals often are espoused by a primary logic that effects the degree to which the individual adhere to the institutional demands (Pache and Santos, 2010).

Furthermore, the managers mention different aspects that affect the individuals position on the curve, such as differences in work experience, mindfulness experience, previous role and age, which makes it difficult to collectively create and share a common understanding for what the transition to a self-managing organization means for them as individuals and for the company at large. Initially, when the life-giving logics incrementally were integrated, both Chris and Linda provided examples of how they had experienced what seems to be a reflexive shift in consciousness while deinstitutionalizing the demands from the traditional performance and purpose logics (Oliver, 1991). However, when the managers initiated the major structural changes to become a self-managing organization, the previous institutionalized control systems diminished, leaving all individual's sensemaking and sensegiving processes as the remaining channels for coordination. Jim expresses the perceived difficulties in coordinating everyone's personal journey: "How the techniques and personal journeys connect with each other, I think that can be confusing for more people than myself."

Apparently, Jim is not the only one who has difficulties in understanding how all different elements; self-leadership, purpose, personal development, mindfulness, performance and profitability is connected. Linda and Amy explain that not all individuals fit to work in a self-managing structure, and some employees experience additional stress because of the increased individual responsibility that comes with the self-managing practices. Hence, due to the expressed confusion and stress, Theta risks to lose some of the former subordinates as they do not feel liberated while practicing self-leadership.

6.3 Navigating Without Authority In A Decentralized System

Tearing down the hierarchical structure, the managers lost their formal authority within the organization. Naturally they abandoned the leadership in order to radically eliminate the manager-subordinate- "power-over"-relationship, caused by hierarchical formal authority (Woods, 2016). However, that left themselves and the organization in a vacuum, which is exemplified by Linda: "We really wanted the others to understand that we did not see ourselves as managers anymore. So we took a very big step back [...] We should have put much more effort in supporting us when we stepped down and talked through - what should we do now and what is different?"

Linda and Jim express a confusion related to their new roles with less authority, as the previous roles and control systems had provided shared rules for their actions and behaviors. It was not challenging to give up the prestige that came with the formal position, but difficult to know which expectations they could place on others when they do not have the authority to articulate commands. The confusion is exemplified by Jim: "We got confused. Who can now say what, to whom? Which demands or expectations can I have of others? There was an insecurity in the leadership [...]."

The managers expressed that both themselves and the former subordinates would have benefited from gaining more support in the transition, as the confusion made the transition process slower. However, from a personal standpoint, Chris experiences it as liberating to now enter a room without the expectations to make the right decisions. Moving from a standpoint where authority was fixed based on formal position and came with the right and responsibility to take actions, to allow authority to emerge through collaborative social interactions. On the other hand, the managers experience a challenge when they wish to implement something or take a decision and they do not have formal authority to do so anymore.

Tom also experienced it as challenging to leave his previous role. Even if he was excluded from the organizational chart and did not act on formal authority, it was still informally assigned to him by the former subordinates, who expected and believed that he was still exercising authority. He said: "I was naive to think that I would be gone just because we changed the organization structure and deleted me from the chart. Damn, I was so stuck in everything. Many would wonder "What does Tom think about this?".

Tom's experience shows how authority is a socially constructed phenomenon rather than a structural (Weber, 1983), and social authority still remains, even if the institutionalized hierarchical structure has been torn down. Similar to Tom's experience, the other managers also express a higher dependence on Tom in the transition. The dependence is expressed to relate to their own confusion and loss of organizational overview, making it difficult to adapt to the self-leadership practices which they aim to establish through the organizational restructuring. Chris exemplifies the balance of having a strong CEO in a self-managing organization: "It would probably be easy for Tom to just walk in and say what we clearly need to do, but then the whole system would fall.

6.4 Concluding Remarks

Applying the theoretical framework to analyze the empirical findings, we conclude that managers experience the transition from a managerial hierarchy to a self-managing organization in several important dimensions, which creates tensions they need to navigate through in the new decentralized organizational structure.

Firstly, we suggest that managers experience tensions in navigating conflicting demands between focusing on personal development, purpose and passion, and performing in client projects to ensure financial profitability. As the managers no longer have the authority to ensure accountability of the former subordinates, they find it difficult to communicate when former subordinates are not financially performing, making it difficult to coordinate all individual's inner needs with the company's needs.

Secondly, we suggest that managers experience tensions in managing all organizational members' individual understanding of the organizational changes. As all individuals are explained to be on different inner personal development stages, managers face challenges in helping former subordinates to make sense of the new profit and purpose-combined hybrid-organizational setting, making it difficult for mangers to facilitate the development of the organization and lead individuals into the new self-managing structure.

Thirdly, we suggest that managers experience tensions in executing authority in the decentralized structure. As the tear down of the formal managerial hierarchy disrupted the old commonly-understood ways of behaving, the managers experience confusion concerning how authority and accountability are executed in their new self-leading role. Consequently, dependency and authority are assigned to the CEO, which decrease their decisiveness and speed in the change process.

Additionally, we present an empirical finding with regards to the institutional change. In our analysis, we indicate that the CEO gradually reshaped consciousness from within the organizational setting by integrating new life-giving logics and practices which emphasize self-fulfillment and meaningfulnes, which deinstitutionalized the legitimacy of the traditional for-profit logics, hierarchical structure and management practice. The radical organizational change originates from the CEO's own reflexive shift in consciousness, that is likely to have been endogenously triggered through participation in deep mindfulness retreats. Hence, we empirically suggest that mindfulness practice can endogenously trigger an individual's awareness of the institutional setting within which one is embedded.

7 CONTRIBUTIONS AND FUTURE RESEARCH

In this chapter we place our findings, summarized in the concluding remarks (6.4), into a broader context. First, we discuss the findings in relation to previous research and present our theoretical contribution (7.1). Next, we discuss the practical contribution of our study (7.2) before reviewing its limitations (7.3). We also give suggestions for future research (7.4). To end this chapter, the study and its findings are discussed from a larger societal perspective (7.5). In the following Chapter 8, we present the overall main conclusions of this thesis.

7.1 Theoretical Contributions

The aim of this study has been to generate theoretical insights into the field of less-hierarchical organizing in management research, and the findings of this thesis contribute to literature along several dimensions. Firstly, by deepening the understanding of less-hierarchical organizations and opening up to new lines of inquiry within the field. Secondly, by presenting early theoretical insights to the emerging phenomenon and how it is perceived by organization members, that can provide a valuable starting point for further research within organization and management if the trend towards less-hierarchical organization continues. Thirdly, in taking the perspective of top managers, we contribute to furthering the theoretical understanding of how managers experience less-hierarchical organizational changes, as previous studies have focused on the perspective of middle managers (Lüscher and Lewis, 2008) and subordinates (see e.g. Cohen and Ledford Jr (1994)). Lastly, we empirically suggest that mindfulness practice can endogenously trigger an individual's awareness of the institutional organizational setting within which one is embedded. Hence, we contribute to the understanding of how certain individuals interpret institutional demands (Pache and Santos, 2010), and thereby respond to the call from organizational scholars to get back 'inside' the organization (Suddaby et al., 2010).

7.2 Contributions For Practitioners

Besides the theoretical contributions of this study, the findings also bring insights that could prove to be valuable for managers in their daily operations. If the trend towards less-hierarchical organizations continues, more managers will face the type of situations that the managers in our study have. Given the scarce literature and practical advice, our findings could potentially provide insights to the managers trying to navigate and understand these transitions. Additionally, it does not seem unlikely that also former subordinates could experience these transitions as challenging and perhaps along similar lines of tensions described in this thesis. If that is true, our insights could also be of support to them. At least, the insights could yield an initial understanding of the tensions managers might experience, which could provide the former subordinates with a better understanding of what is going on.

Note, however, that a practitioner who wishes to use these insights must be careful. Given the chosen method, our findings might not be generally applicable to all other individuals or organizational settings. See section (7.3) for a further discussion on this.

7.3 Limitations Of This Study

This study has relied on several methodological choices. One of them is the choice of using a phenomenological method, despite its limited application in organizational research. One can speculate why this methodology has not been used to a further extent.

One reason could be its idiographic approach. As phenomenology examines the subjective "life-world" for certain individual cases, it is only possible to make specific statements about those individuals. However, as the aim of this thesis is to generate theoretical insights about an uncommon phenomenon, an idiographic approach can help to provide insights about certain interesting areas for future studies to explore. Yet, this means that our empirical findings are not in anyway generalizable.

Compared to other phenomenological studies, our empirical findings are presented in a rather descriptive way. Phenomenological studies often study people's consciousness, feelings and views. This study identified several organizational tensions which created the feeling of uncertainty for managers. Instead of describing how the managers felt or were affected by the feeling, we described the challenges that generated the feelings. One could argue that our way of presenting the empirical data is more practically useful for managers in their work life. However, providing practical advice should not be the main concern when the study is designed to explore individuals' experiences. Hence, we consider the descriptive way of presenting the empirical findings as a limitation in relation to some previous studies. Still, it strengthens the pedagogical structure of the study and emphasizes the factors we identified to be most important, which is why we chose to use it.

Thirdly, IPA as an inductive approach has its starting point in the empirical data with the ambition to formulate new theory. In our case, one could argue that less-hierarchical organizations are becoming fundamentally different from traditional hierarchical companies, and thereby require new generated theories (see e.g. Friedman (2006)). However, Pfeffer (2013) argues that "we do not need new theories for a new world but instead a systematic elaboration of our old theories for a world that in many fundamental respects are unchanged, at least as far as behavioral dynamics inside organizations are concerned." We have followed this line of reasoning as we have worked to systematically generate theoretical insights to present theory in order to deepen the understanding of less-hierarchical organizing in management research. Thereby, it is important to notify that our data processing applied a more abductive approach compared to other inductive IPA studies, meaning that we first inductively processed and interpreted the empirical data, and then applied a second round of interpretation while analyzing the empirical findings through the lens of present theories.

To conclude, the chosen study design for investigating the research question comes with several limitations, as shown above. As mentioned previously, it still meets the main purpose, to generate theoretical insights, very well.

7.4 Suggestions For Future Research

As our findings are not generalizeable or transferable, more research is needed to further investigate the managers experience of the phenomenon. Future research should review the experience of managers at other companies, of various sizes, in other industries, in different countries and at different hierarchical levels to identify how the experience resembles and differs from the findings in this thesis. The experience could also be reviewed through other qualitative and quantitative methodologies, that are more transferable, and other theoretical lenses, for example how managers experience how the transition relates to their identity. With limited research of the phenomenon in general, other perspectives would also provide a valuable contribution to the understanding of the transition to a self-managing organization, as for example the former subordinates experience of the change. Does it differ from their experience of implementing self-managed teams?

Building on our suggestive empirical finding, another suggested line of inquiry is to further investigate connections between mindfulness as a potential trigger for reflexively in institutional work. Moreover, as our findings indicate tensions related to authority, further research is encouraged to explore how a self-managing organization should organize its practices to create clarity when authority is decentralized. How should feedback systems be designed? Who should the organizational member turn to when in need of support? How do the organizational members make decisions in pressuring moments? How can a less-hierarchical organizational structure ensure a feeling of clarification among its organizational members?

In summary, as this is an unexplored phenomenon, more research is needed from multiple perspectives and fields of research as it in practice is growing but little academic literature is present as well as practical advice conducting this transition.

7.5 Broader Discussion

Changing from a profit-focused managerial hierarchy is tougher than what is sometimes visualized in practitioners' rhetoric. Yet, it stands clear that the concepts related to meaningfulness and less-hierarchical organizing are appealing to many – and that the number of people who wish to live closer to these concepts in their daily lives are likely to increase. This makes the type of insights that this study has provided even more important along the dimensions discussed under the theoretical and practical contribution.

Our findings have shed light on some of the challenges that managers face in the transition to self-managing, but, as suggested in the section 7.4 Suggestions For Future Research, further research is needed to understand the effects this radical change has on organizational life and its members.

Historically, the invention of formal roles and hierarchies was a breakthrough that allowed organizations to scale (see Gruenfeld and Tiedens (2010) and Pfeffer (2013)). Compared to earlier ways of organizing, the managerial hierarchy acted more like a machine where the goal was to grow the business, achieve profit and beat the competition with the support from a managerial hierarchical structure that uses objectives, command and control to ensure that the goals are achieved (Laloux, 2014). Purser (2018) argues that these logics have extended its reach into every corner of human life, causing the language discourses to link individual fulfillment with economic well-being.

Even if the profit logic has generated important contribution to human life, such as ground-breaking innovations and higher economic wealth, a growing societal movement is critical towards the increasing number of stress diseases among employees, and search for more life-giving organizations where focus is shifted from the profit-focused outside towards the inner holistic approach to organizational life (see e.g Podolny et al. (2004)).

Some companies take smaller, incremental steps, whereas others are much more radical. Example of companies who are taking incremental steps to help employees to cope with their pressuring environment are Google, Goldman Sachs and LinkedIn, who have trained thousands of managers and employees in mindfulness-based stress-reduction practices (Purser, 2018). Wallstreet traders and hedge fund managers now use mindfulness for "fine-tuning" their brands, "upping their game", and "giving them an edge" (Burton and Effinger, 2014). In many Western popularized writings about mindfulness, the practice is presented as an instrumental tool that can help the individual to become more focused, efficient and productive, and thereby be better equipped to function in a pressuring profit logic.

Self-managing organizations also demonstrate an ambition to integrate more purpose in organizational life (Laloux, 2014). According to Laloux (2014), a slowly growing number of business leaders are growing into the next stage of consciousness; they are mindful, they look beyond their own egos and listen to deeper parts of themselves, demonstrating a more purpose-driven logic.

However, combining logics and practices from different societal traditions have also faced critique. Purser (2019) describe that mindfulness practice is becoming refashioned into a "banal, therapeutic, self-help technique" that can reinforce the profit logic's capitalistic roots. Purser (2018) argues that corporate leaders want to have mindfulness that reliefs stress of the employees, but the profit logic's underlying systematic causes of stress and disengagement are rarely raised, placing the burden directly upon the individual employees to adapt to the structural conditions that created the stress and disengagement in the first place. According to Purser (2018), aligning the logics of capitalism and spirituality can not be reconciled, since the pursuit of wisdom conflicts with metrics such as money and power. In contrast, he argues that mindfulness should be applied to awake individuals and organizations from the profit logic's potential unwholesome roots of ill will, greed and delusion, and demonstrate a contrasting genuine force for positive personal and social transformation with the higher purpose to care about the well-being of all living beings (Purser, 2019).

Looking at the above presented argumentation, there are no easy ways in changing or combining the demands from different managerial practices and logics. With this thesis, we indeed demonstrate the complexity of navigating through a transition with conflicting institutionalized demands. Organizations seem to face different kinds of conflicting demands between profit- and purpose-focused logics regardless of how their organizational structure is designed. As long as human life is complex, so is management practices within organizational life. This insight is important to address, as it sheds light to the need for studies that explore how actors experience conflicting demands of different management logics and practices. We are glad that we got the opportunity to contribute with insights to these complex, yet highly important scholarly, managerial and societal trends.

8 CONCLUSION

The purpose of this thesis is to contribute to the understanding of the phenomenon of transitioning from a managerial hierarchy to a self-managing organization, and thereby deepening the understanding of less-hierarchical organizing in management research. We contribute to the understanding of the phenomenon by delimiting our focus to how top managers experience the transition from a managerial hierarchy to a self-managing organization.

Using a phenomenological and explorative approach, we study the experience of a Scandinavian consultancy firm's top management team going through the transition from being structured as a managerial hierarchy to a self-managing organization. Empirically, we combined transcripts of interviews from a research project conducted in 2016 with our own interviews made in 2020. Analyzing the empirical material, along with theoretical concepts in institutional work and sensemaking-sensegiving, our findings suggest that the company's managers experience i) tensions in navigating conflicting demands between focusing on personal development, purpose and passion, and performing in client projects to ensure financial profitability, ii) tensions in managing all organizational members' individual understanding of the organizational changes and iii) tensions in executing authority in the decentralized structure.

Academically, the study contributes to the existing literature by adding theoretical insights to the literature of less-hierarchical organizations, highlighting a radical example of the type of increasingly popular, yet empirically rare transition of interest, and to theoretical concepts within institutional work, as we empirically suggest that mindfulness practice can endogenously trigger an individual's awareness of the institutional setting within which one is embedded.

For practitioners, the study also brings value, both for managers who find themselves navigating in organizations which are transitioning into less hierarchical structures, as well as for former subordinates who might have an easier time understanding the transitions through understanding their managers. In a broader view, we present organizational complexities in the process of creating more life-giving organizations, where focus is shifted from the profit-focused outside towards the inner holistic approach to organizational life.

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A Appendix

A.1 Interview Guide

The interview guide is attached as a separate PDF below.

INTERVIEW GUIDE

Translated version

INTRODUCTION:

- Can you tell us about your role and what your responsibilities are here at Theta?
- What are your most important tasks?
- Have your formal role and assigned tasks changed since you were interviewed in 2016?

MINDFULNESS:

- When you were interviewed in 2016, you [Theta] had just introduced a mindfulness program, how do you work with mindfulness today?
    - Have you [Theta] had any more mindfulness programs? Do you still practice mindfulness?
- How do you experience that mindfulness has influenced you? Can you see any changes;
    - Personally? To the organization? Your co-workers? Your leadership?
- If you would compare to when you started working with mindfulness – how would you describe the development? Has something changed in the way you work?

ORGANIZATIONAL CHANGES:

- Can you tell us more about what has happened internally in the organization the last 3-4 years? What changes have you made?
- How did you experience that the change initiatives started?
- How did the changes affect you? The organization? Your leadership?
- What challenges and benefits have you experienced?
- When you [Theta] conducted the changes, did you experience resistance? Can you describe that?
- How did you experience your coworkers' reactions to the changes? How did you as a leader handle that?
- How would you describe the role of mindfulness in the organizational change initiatives?
- We know you have changed your vision/mission recently,
    - Can you tell us more about it? Were you involved in the change? How did you experience it?
    - Do you experience that something has changed in the way you work due to the changed vision?
- Where do you see Theta in the future?

LEADERSHIP & SELF-LEADERSHIP:

- How are you organized today? Tell us more about it.
- How do you experience your culture?
- Can you tell us about how it is to practice leadership in your organization?
- Have you experienced changes to your leadership?

FINAL QUESTION:

- Is there anything else you see as important, that we have not asked but you would like to tell us?