"*Plus ça change, plus c'est la même chose*" : An Essay on Exploration, Exploitation and Dialectic Change

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Abstract: *Early work by James March shows some of the reasons why organizations are often conservative regarding change processes. In this perspective a central concern in studies of adaptive processes is the relationship between the exploration of new possibilities and the exploitation of old certainties. This article explores the lead set by March developing the contours of an strategic change theory based on discussion of the mechanisms organizations develop to foster dynamic equilibria between change and stability. Equilibria between change and stability, chaos and order, innovation and improvement innovation are important issues, mainly because if change is important to achieve adaptation, prolonged, pervasive never-ending change means anarchy and loss of efficiency. In this article we suggest the proposition that organizations develop paradoxical mechanisms to cope with change, enacting processes of social change that in reality are devices for keeping organizational order. The example of the change management effort in an European advanced technology research laboratory is used to illustrate this theoretical proposition.*

1. Introduction

In a classical study published in 1963, Cyert and March show that organizations have sets of standard operating procedures (decision rules) that are the result of long-run adaptive processes by which these organization learn and adapt to their environmental conditions. These decision rules inform organizational behavior and they are the short-run focus for decision making within the organization. In their theory regarding organizational choice and control, they assume that each organization has:

- Multiple, changing, acceptable level goals. The criterion of choice is that the alternative selected should acceptably meet the demands or goals of the dominant coalition.
- A sequential consideration of alternatives. The authors show that the first satisfactory alternative evoked is accepted, following Simon's bounded rationality criteria. *"Where an existing policy satisfies the goals, there is little search for alternatives. When failure occurs, search is intensified" (Cyert & March, 1963:134)*
- The organization seeks to avoid uncertainty by following regular procedures and a policy of reacting to feedback rather than forecasting the environment.
- The organization uses standard operating procedures and rules of thumb to make and implement choices. In the short run, these procedures dominate the decisions made.
- The organization is conservative in its decisions and most innovations occur as a reaction against failure.

March (1991) shows in his article *Exploration and Exploitation in Organization Learning* some of the reasons that explain why organizations are often so conservative regarding their adaptive processes. The author shows that a central concern of studies of adaptive processes is the relationship between the exploration of new possibilities and the exploitation of old certainties.

> *Exploration includes terms as search, variation, risk taking, experimentation, discovery, and innovation. Exploitation includes such things as refinement, choice, production, efficiency, selection, implementation, and execution.*(March, 1991:71)

The author points out that adaptive systems that engage in exploration to the exclusion of exploitation are likely to find that they suffer the costs of experimentation without gaining many of its benefits. Exploitation brings stability and refinement to the systems. However, adaptive systems that engage in exploitation to the exclusion of exploration can find themselves trapped in suboptimal stable equilibria (March, 1991). The author points out that as a result, maintaining an appropriate balance between exploration and exploitation is important for the system's survival and prosperity. However, these processes compete for scarce resources. Then maintaining an appropriate balance between both is not so simple.
An example of problem consisting of balancing exploration and exploitation is the choice between refinement of an existing technology and invention of a new one.
March shows that compared to returns from exploitation, returns from exploration are systematically less certain, more remote in time and more difficult. The certainty, speed, proximity and clarity of the exploitation process transform it in an easier choice for managers. Managers are usually conservative in their choices.
The author point out this fact and argue that long-run intelligence depends on sustaining a reasonable level of exploration and theconservative tendencies to increase exploitation and reduce exploration make adaptive processes potentially self-destructive.
Mintzberg and Huy (2003) argue that prolonged and pervasive change means anarchy and there are times when change is sensibly resisted, for example, when an organization should continue to pursue a certain strategy that appears to be perfectly good to key decision makers. Change has no meaning until it is juxtaposed against continuity.

> *"Obsession with the dramatically new can blind managers to the varied, integrated nature of change and the predominance of continuity that forms its backdrop". (Huy and Mintzberg, 2003:79).*

In many cases the virtues of exploitation seem so evident to key decision makers that the lure of exploration fades and virtually no exploration activity is undertaken. Moreover, some organizations often simulate change as "escape valves" to keep stability. Organizational actors discuss about change, propose new ideas, managers organize training about new technical issues and change organization's official discourse, **but change does not occur in practice**. As we have discussed above, organizations are, more often than not, conservative in their decisions and exploitation processes most commonly prevail over exploration-based innovative processes. Managers often speak about innovation and exploration of uncertainties, but in practice, most organization invest the major part of its resources to refine existent systems and procedures. The omnipresent change management discourse often masks the reality and the organization has strategies to keep the stability of the system.

2. The Basic Paradox of Organizational Change and the Principles of the Dialectic Change

In their article *Institutional Contradictions, Praxis and Institutional Change*:*A Dialectical Perspective*, Seo and Creed (2002) suggest an organizational change model using organizational paradoxes and dialectics. This article will provide some important issues for our discussion. starting with the nature of social action. In the "*Social Construction of Reality*" (1967) Peter Berger and Thomas Luckmann, within the perspective of symbolic interactionism, raise the following question: "How can social actors change institutions if

their actions, intentions, and rationality are conditioned by the very institution they wish to transform?" Seo and Creed (2002) shape their model around this fundamental issue of symbolic interactionism, drawing on Benson's(1977) classification of dialectic change in four principles: **social construction, totality, contradiction,** and **praxis**.

The first level of the model, **social construction**, focuses on social processes that produce a new social order (e.g., the founding of a new organization) and on new social interactions that gradually define routines and rules. These, in turn, guide the social interactions that follow and define social roles and their scripts, as well as the social expectations social actors have in regard to each new social interaction. In this way an organization's newcomers are socialized in recently created rules, reproducing this social order to some extent. This happens because these recently created rules are institutionalized, establishing a new social system, with its own rules, forms of behavior, culture and subcultures, social roles, symbols, and so on.

Thus we have a new **totality**, that is, an organizational system with many subcultures interconnected by general rules into a "loosely coupled" system (Berger and Luckmann, 1967; Weick, 1976; Seo and Creed, 2002). Organizational systems have multiple levels of interpretation in which these rules, values, and role expectations, take new meaning partly because of bounded rationality effects, partly because the interests, emotions and desires of organizational groups may vary. Many rationalities, emotions and interests permeate an organization; yet, as mentioned above, these multiple interpretation systems comprise a larger system and are interconnected by general rules that characterize this totality, and its historical contingence and unique characteristics.

Third, the model suggests that **contradictions** represent the various ruptures and inconsistencies of interpretation among the various systemic levels and subcultures that comprise the totality (Seo and Creed, 2002). The existence of contradictions that accumulate and are perceived by the social actors is, in fact, what drives the organization's historical change.

With time, contradictions between theory and practice increase, resulting in new forms to question the system, which generate new social practices (**praxis**), the objective of which is to transform the pre-existing social system. The praxis corresponds to various levels of group action, of greater or lesser impact, organized by the social actors whose task is to use the system's existing gaps (contradictions) to shape them according to their interests.

3. Decoupling – Separation of Theory and Practice as a Source of Contradictions in Totality or in the Social System

The new institutionalist studies of DiMaggio and Powell (1983) and Meyer and Rowan (1977) show that organizations conform to institutionalized myths, rules, and models in a productive sector, and that they adopt them to obtain social legitimacy and symbolic efficiency, which can represent a source of resources. However, these same authors show that many times the sector's institutionalized models, discourses, and tools deemed "the best," and which the organizations should adopt to secure social legitimacy and resources, are not always adapted to the organizations' technical characteristics. Furthermore, if they are adopted "in depth," they can jeopardize the system's technical efficiency. For example, some middle-sized organizations do not need ISO 9000 to manage their manufacturing processes, because these standards are recommended for companies of a certain size, employing a certain number of people, with processes and technologies that can benefit from formalization and methodical control of explicit knowledge. ISO 9000 demands the implementation of sophisticated management information systems and the observation of careful document management policies, which could bureaucratize the system. In a small organization dealing with tacit knowledge creative processes, in which communication flows more organically and

informally, a more "improvised" system is quite suitable. However, in some cases the business environment has institutionalized ISO 9000 certification de facto making it a minimum requirement; as it symbolizes an efficient and up-to-date organization, in line with the practices of large corporations. The ISO 9000 brand symbolizes value in itself. A number of small and medium-sized organizations adopted ISO 9000 "in theory;" they are "approved" in the certification process, but in practice do not employ the standards in their systems because if they used them throughout they could jeopardize their business, forfeiting flexibility and efficiency in their manufacturing process. Using this strategy, they combine symbolic efficiency and technical efficiency.
Therefore, according to the above authors, "decoupling" – somewhat separating the discourse from the organizational practice – is necessary for the organization to achieve symbolic efficiency and the technical efficiency it needs.

3.1. The Effects of Excessive Separation Between Professed Values and Organizational Practice

However, Seo and Creed (2002) show us that beyond a certain level decoupling starts having undesirable effects for the status quo. An example of this would be the realization of some of the social actors of the system's excessive contradictions, which could generate phenomena such as **cognitive dissonance** (Festinger, 1972).Cognitive dissonance refers to the shock of beliefs resulting from theory and practice growing excessively apart. Thus, social actors hear they will be assessed according to the latest management models implemented, receive training, and work with the most advanced management tools. Then, this either doesn't happen or falls short of expectations. When this sort of situation is extended over time, it produces disbelief, skepticism, and frustration because of unmet expectations .This situation can bring psychological discomfort, frequently leading social actors to change whatever situation bothers them, and changing the system, either through organized or individual action, to reduce cognitive discomfort (Festinger, 1972).
Generally, studies dealing with paradoxes show that to attribute meaning and understand the contradictory and ambiguous systems of which they are part, individuals tend to polarize their perceptions around opposite elements (Lewis, 2000). These opposite perceptions generate defensive reactions and frustration that can produce an organized collective action to change the system in question, thus transforming it. Consequently, Seo and Creed (2002) suggest an important correlation in their model. **The greater the decoupling between organizational theory and practice, the greater and more frequent will be the contradictions and paradoxes the organization's members perceive, and the greater the possibility of a praxis (an organized collective action for change) and consequent system transformation, by questioning the status quo.**

4. Strategies Employed by Managers to Keep Stability and Avoid Change

From the perspective of those defending stability, a question arises. How to keep the growing contradictions between the industry's and the organization's institutionalized myths and organizational practice from generating a praxis that drives concrete and undesirables changes in the social system?
Roberto da Matta (1987) shows that *one of the ways the status quo can avoid transformations in the social system is by preventing social actors – unhappy with their perception of the excessive contradictions in the broader system – from transforming this discontent into praxis (i.e., an organized action aimed at changing the system itself), thus breaking the transformation dialectic*. To counter this, the status quo establishes spaces where it tolerates

temporary manifestations or social rites of criticism, or a *symbolic inversion of the established order*.

Da Matta (1987) explains that the Brazilian Carnival is one of those social rites whose manifestations the military dictatorship tolerated precisely for this reason. The Carnival was a form of "evasion" and acted as an "escape valve" to express dissatisfaction, frustration, and relief of suffering through symbolic inversion and euphoria. It thus enabled less-privileged social groups to "put up with" the injustice and contradictions in the social system they had to bear for the rest of the year. It released accumulated tension from perceiving the excessive paradoxes and contradictions in an unequal and authoritarian society. This was one of many social rites that allowed a temporary release of tensions, reducing reactions and maintaining social order, ultimately avoiding praxis. (Vasconcelos e Vasconcelos, 2008).

Besides tolerating the social rite itself, another strategy of social actors to keep stability is creating spaces where social actors are "authorized" to temporarily release their tensions, frustrations, and defensive reactions resulting from their perception of increased contradictions in the existing social system, particularly in light of the wide gap between the hyped up models and those the organization employs. This is a strategy that prevents organized collective action from transforming the system and establishing a new order from the previous one.

There are also situations in which the system cannot explicitly "create" or "authorize" these social spaces for expressing dissatisfaction and reaction to paradoxes and contradictions. They can naturally "emerge" (as the virtual, apparently challenging organization described inour example) and be "partially tolerated" by the status quo, through a strategy of "overlooking" (Meyer and Rowan, 1991), or a strategy of "turning a blind eye" to non-compliance of the rule. Social actors that represent the order can identify that these emerging social spaces act as a "voice" (Hirchmann, 1970), which enables social actors to express their discontent, relieve their tensions, and restore themselves, to "put up with" the established order in their everyday lives. Indeed, as illustrated by the Brazilian Carnival, these organizational spaces, even if incipient, ensure no actual changes take place. What we see is only a simulation and a representation of change, where, apparently, everything changes and, in fact, nothing changes. Thus, social spaces that apparently harbor "questioning" and "insubordination" can, in fact, be social spaces designed to "empty out" tensions resulting from the contradictions of the larger system and, consequently, a way to block praxis andundesirable organizational change.

6.Introducing our Example: The Laboratory

The Laboratory is part of a large American corporation in the information technology business, with offices in France and other European countries. One of the global leaders in the IT industry until the late 1980s, the company that owned The Laboratory faced a serious financial crisis in the early 1990s and suffered considerable losses. The advent of the personal computer and "open systems" such as Unix, i.e., interchangeable systems that let customers choose among various available systems, forced the company to adapt to a price-sensitive market for IT systems. For more than 40 years the company's proprietary technology enjoyed a dominant market share, ensured customer loyalty (open systems did not exist), recorded huge profits from the sales of mainframe computers and maintenance contracts for equipment and systems, and helped build a prestigious brand. With the arrival of open, interchangeable systems, even if a customer purchased a mainframe computer from a given manufacturer, it could acquire software and hire maintenance from another supplier. Clients gradually shifted to interchangeable systems that allowed them to choose a supplier and not have to pay for the costly maintenance contracts that the Company had imposed on them because they had been bound to a proprietary system up to that time. In this new environment, competition increased, and the Company lost customer loyalty. Then, after initiating a price war, crisis set in.

In late 1995 the company recorded its first profits after implementing a deep restructuring process in the early 1990s during which the CEO was ousted and nearly half of the staff was licensed. Thus, a company that in the early 1990´s had employed over 500,000 people around the world was reduced to 300,000 in 1997.

The Company´s European Research and Development Laboratory specializes in developing new communication and networking products. Globally speaking, this laboratory was strategically important to the organization, because the Company used technologies developed at this site to provide its Internet and information highway services.

Following the rest of the organization, in 1996 this laboratory underwent restructuring that reduced its staff from 1,600 to 1,000.

Basically, the organization comprised two groups:

a) The technical group (R&D researchers), who consisted of software programming engineers and high-level technicians;

b)"Administrators" or "bureaucrats," comprising executives and managers in charge of specific areas, such as the total quality program and implementation of standards and procedures.

These two groups were always at odds with each other. The first group, which worked directly with R&D, had a hard time accepting bureaucratic controls and regulations, which they deemed nonsense. According to them, the "bureaucrats" lacked technical knowledge to impose authoritarian regulations and did not speak "their [R&D] language"; consequently, they were in no position to impose anything. Clearly, for this group, legitimate authority would have to spring from technical knowledge and skill.

For the second group, there were formal rules and regulations that had to be followed, and consequently the technical group had to adhere to them.

Three engineers who were interviewed, "Development," "Integration," and "Test," pointed out that after the laboratory implemented ISO 9001 certification, the organization's formalism and bureaucracy increased substantially, even though the Company´s organizational systems were already quite bureaucratic before the implementation of the ISO 9001 standards. The Comnpany's organizational culture, particularly at this laboratory, was extremely bureaucratic, hierarchical, and authoritarian. Software encoding engineers who worked in research and development did not adapt well to this environment, particularly in view of the nature of their work, technological innovation. In time, engineers gradually gave in to the burgeoning bureaucracy of processes and procedures at this organization, but relations between the two groups were always highly strung. On the one hand, while engineers sought more autonomy and freedom of expression, on the other hand, managers and administrators tried to impose even more bureaucratic controls. Technicians had to submit to a number of "nonsense reports," and "formal evaluations," which were not necessarily associated with the productivity or technical quality of the work they performed. Moreover, procedures for the implementation of ISO 9000 certification were viewed as excessively controlling and not suited to the work performed at the laboratory. Managers promised to cut back on bureaucratic controls, but according to the technicians the restraints always increased. "*Every three months they would come up with a new nonsense report, evaluation, training, or procedure that only sought to legitimate the existence of the bureaucratic jobs; it would make no difference to the company's core business if they simply disappeared*," said one interviewee, a systems engineer called "Integration." The organizational climate was thus considered "overbearing" and "controlling," based on threats and sanctions by the managers, according to the technicians interviewed, who had only felt at ease "among themselves." There was a basic dichotomy here: The technicians were the group in charge of the main work at the laboratory, which was associated with innovation. According to these technicians, managers used the company's rules and bureaucracy to control them and gain status in the

system, implementing a culture based on control and fear. They used rules to "negotiate," "relieve," and suspend some controls, yet, in practice, negotiation and relief never came and there was no suspension of controls. Technicians felt bound to formal promises of "improvement" of the system, but, in reality, the opposite happened, in spite of the company's restructuring. This system produced frustration, disbelief, and lack of credibility regarding managers.

One of the consequences of this struggle was the rise of an informal organization among R&D engineers at the technical discussion forums that took place on the company's intranet. At first, these technical forums were used only for discussing new techniques associated with technological innovation between the engineers at the French laboratory and the engineers at the laboratory in Raleigh, United States. Each forum had a sort of "censor," a technical researcher who would mediate the discussions and ensure that engineers would not talk about matters other than new techniques for software codification.

Rapidly, however, the discussions drifted from technical issues to political ones. Researchers complained of excessive authoritarianism, unwarranted bureaucracy, and an overbearing working environment, which was unsuitable for producing innovative work; they exchanged information on hierarchy, suggested measures that should be taken, and so on.

In these discussion forums, the researchers participants respected the most were those possessing the greatest technical and organizational knowledge. That is, forum leadership was achieved regardless of age, hierarchy, or seniority. It was achieved by those having the greatest technical competence and skill, which challenged the logic of the formal bureaucracy. Consequently, the most respected participants in the discussions were not necessarily those who held the highest positions in the company.

The "censors" joined the debate and "turned a blind eye" to the fact that the forums were developing a political character and were challenging the existing hierarchy. Below, we reproduce some excerpts from interviews with researchers that illustrate this well.

According to a software engineer in charge of "integrating" codes:

> *"The financial crisis our company experienced in the past five years is not attributable to the fact that the company became a huge 'dinosaur,' as suggested by the specialized press. The crisis resulted mainly from bad management brought about by excessive bureaucracy and irrelevant information that was 'tied up' with middle management and never reached the top, obstructing efficiency of the system as a whole. A reaction to this excessive bureaucracy was the possibility of using the intranet to question these bureaucratic procedures, exchange information, and carry out technical work. Before they were 'caught,' these discussion forums helped us bear with the excessively bureaucratic controls and let information flow freely.*
> *We established an actual 'parallel organization.*
> *'The economic crisis experienced by our company was more than a market problem; it was the result of management problems and excessive bureaucratic controls. This 'parallel' organization showed that people were unhappy with this excessive control and did not work well in this environment."*

Several interviewees explained how this "emerging" information organization was established in the discussion forums. According to a software development engineer:

> *In 1991 The Company's CEO declared that the organization's rigid hierarchical structure had provoked a counter reaction. Middle management blocked and filtered information they got from their subordinates according to their own personal interests. Thus, information did not flow from the bottom to the top, and vice-versa. At that time, the CEO found out about the discussion forums ("the emerging organization") and their use for questioning the organization, an activity which*

managers considered "subversive." When the CEO learnt about the discussion forums, he took an unexpected decision. Rather than "punishing" participants, he decided to officially "open" the network for discussions of all sorts. Before that, the rules were clear: The forums could not include discussions on salaries, political opinions, criticism, views on the company, and any exchange of information that was not strictly of a technical nature. After the CEO's decision, for 15 days everyone was allowed to discuss whatever they wished in the forums. More than 30,000 people joined the debate. The CEO's idea was to gather the main complaints and provide an official reply. According to the discussions and suggestions of forum participants, it was necessary to break up the organization's rigid hierarchical structure and reduce the power of the apparatchik hierarchy.

For this hierarchy, the discussion forums were undesirable". However, when the CEO decided to "open" the debate to everyone for all topics for 15 days, making a survey of the key issues, providing official responses, and not punishing the perpetrators, he managed to make the emerging organization "official" for some time, remove its "subversive" nature, "open" the debate to all, "dilute" the emerging organization, and finally destroy it. After 15 days, the CEO once again banned political discussions in the forums, imposed stricter control procedures, and promised to open the forums for debate a few times a year, under official control, considering the information and suggestions received.

During the "good times," the forums allowed discussions between most engineers at Nice and its sister lab in Raleigh, United States. When they found out that people of the same organization, who held the same kind of function, in another part of the world, shared the same problems, faced the same frustrations, and experienced the same everyday problems, this relieved tension because they realized that the problem "was not us," it was systemic .Sharing these perceptions and having the support of others created a network of support and exchange of experiences that enabled them to better "bear" management.

7. Analysis and conclusions

The "emerging organization" the Laboratory´s technicians spoke about turned out to be an instrument for evading and releasing tension caused by the excessively bureaucratic system, the highly controlling hierarchy, and the controls enforced by the application of rules. That is, because the engineers could use their virtual organization to debate issues concerning their organization that affected everyone, they were better able to tolerate the unavoidable bureaucratic controls in their everyday lives. This tolerance came largely from the fact that they felt "they were not alone" in perceiving contradictions and problems and in their desire to change the organization. In practice, the virtual organization was more useful as an information exchange and release valve than as a venue to organize change.

To this effect, Hirschmann (1970) describes three possible strategies of action for the organizational actor: voice, exit, or loyalty. That is, the organizational actor is loyal to the dominant culture for some time. This actor identifies with this culture and defends it (loyalty). If the actor does not manage to adapt to the culture, he or she ends up leaving the organization (exit). Alternatively, the actor resorts to the "voice" strategy. He or she uses the organizational space to try to change the procedures surrounding him or her, or at least to discuss the issues, although the actor "remains" in the system, tolerating it after releasing some tension. This last strategy allows the actor to remain in the system, even if the system bothers this actor in some essential aspects. Thus, the organizational actors find ways of evading and "releasing the

tension" to remain in the system, in spite of their intolerance regarding its procedures and discrepancies.

If the social actors find ways of evasion, which, in fact, helps them tolerate the status quo and not change it, we can conclude that this type of emerging virtual organization, when not used in devising initiatives to change the status quo, is, in fact, helping to maintain it.

In our analysis, the virtual organization described in the case study performed the same role as the Rio de Janeiro Carnival: When things are apparently changing, they in fact do not change. Everyone discusses change and its whys and wherefores; they exchange information, establish networks of joint suffering and new forms of social regulation other than bureaucratic, but the everyday working life remains the same, with its controls and "burden." These "discussion networks" are controlled and at least in this case are functional for some time. It is a limited expression of "irrationality," focusing on the status quo, which allows members to tolerate the dominant "rational system."

This type of strategy, the deliberate demarcation of spaces for the symbolic release of tensions in a controlled environment, or a discreet, watchful tolerance of emerging organizations that are apparent "sources of insubordination" can be a way of keeping in check any insubordination and criticism of the existing system, and preventing organized action (praxis) that can change the system. At this time, change is delayed and contradictions are no longer a driving force of change, as seen under the dialectic model.

Thus, in spite of the excessive decoupling and erosion suffered by the social system, considering the wide gap between theory and practice, the system's transformation has been blocked and does not take place as suggested in the model of Seo and Creed (2002).

Our example has allowed us to draft the following hypothesis, which can be tested in future studies: Managers that want to avoid organizational change can become aware that an excessive decoupling between deeply ingrained myths in the organization (high degree of embeddedness) and actual organizational practice is exacerbating the contradictions perceived by organizational actors in some sectors. This produces some outbreaks of resistance and dissatisfaction, which, in turn, can bring organized action for social transformation. Managers can then provide established spaces for controlled expression or even tolerate informal – but controlled – manifestation, to "release" or "dilute" tension generated within the system. While representatives provide all that, they do not try to change the system, but rather try to monitor and control these "discharge" systems. Consequently, rising contradiction and a high level of decoupling will not generate the transformations suggested by the dialectics.

We propose a discussion about Seo and Creed's hypotheses:

> "**The greater the decoupling between organizational theory and practice, the greater and more frequent will be the contradictions and paradoxes the organization's members perceive, and the greater the possibility of a praxis (an organized collective action for change) and consequent system transformation, by questioning the status quo.".**

If managers want to keep organizational stability they may create or tolerate these spaces to release or dilute tension "and avoid change. Then, even if organization's members perceive the contradictions produced by the excessive decoupling between managerial discourse and practice and suffer with it, they will not act to change the system, because they will release these tensions using these escape valves. Managers may control these spaces to avoid real change. When social groups try to organize real action, they can "dissolve" these groups, keeping these spaces only for discussion and change simulation.

After a while, people will be "tired" to discuss change and it does not occur and as a consequence social actors will conform to the status quo and stability.

The perception of organizational contradictions by social actors will not produce dialectic change. Then we argue in this paper that sometimes Seo and Creed's hypotheses is not confirmed.

Also, as pointed out by Cyert and March (1963) in their book *The Behavioral Theory of the Firm* and discussed above, the organization seeks to avoid uncertainty by following regular procedures and a policy of reacting to feedback rather than forecasting the environment. The organization also uses standard operating procedures and rules of thumb to make and implement choices. In the short run, these procedures dominate the decisions made. These were two strong characteristics we found at the Laboratory discussed in our example.

In this article we discussed theories about organizational change and strategy and we exemplified our propositions by means an example. We first presented a theoretical discussion, draw some propositions then used the above example to clarify and illustrate our discussion as a provocation for future studies. This is not mean to be a rigorous inductive research based on a thick multidimensional case study. Our objective was writing a theoretical essay that opens new avenues of thinking in the confluence of organizational change theory and strategic management. We presented here these ideas to initiate a discussion and to propose further studies on these issues: the simulation of change as a way to stabilize the organization providing escape valves to social actors express their satisfaction and tolerate the status quo.

Our example shows that managers, even in a research Laboratory, wanted only to perfect the existing rules and procedures and not allowed social actors to question it, even if the engineers argued that the excessive bureaucracy and rules were disturbing the company's innovation processes and exploration strategies. The Laboratory managers concentrate their resources and efforts to keep the exploitation processes and the Laboratory had lost balance between its exploration and exploitation activities because of these conservative decisions.

Managerial discourse proposed innovation – it was a High Technology Laboratory – but real practice was based on a bureaucratic process and culture. The gap between managerial discourse and practice produced tensions among engineers that express their dissatisfactions using the "virtual organization's a way to release tensions. When managers perceived that these discussions could lead to an organized action to change the system, they "dissolved" the virtual organization. Finally, the virtual organization, while it existed, kept the social order avoiding change and innovation regarding administrative process and rules. It was a bounded ritualized change management initiative ultimately aiming at maintaining social order.

In other words: "*Plus ça change, plus c'est la même chose*".

8.References

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