Senior Executives and the Emergence of Local Responsibilities in Large Organisations: A Complexity Approach to Potentially Better Results

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In memory to my father’s spirit, my mother’s kindness
and my sister Hannie’s courage
ABSTRACT

All executives strive for better results in their organisations. They are always dependent on others to achieve these results and this dependency is particularly evident in large organisations. This thesis is concerned with the ways in which these better results might be achieved and the role senior executives might play in this process. The traditional view is that senior executives design and control the way their organisations function and better results therefore depend upon getting the design and the controls ‘right’. My personal experience, supported by many authors, is that this view is often far from reality. In this thesis I therefore draw on an alternative view of how organisations function, namely, the theory of complex responsive processes, in order to explore how senior executives can be more effective given their very limited ability to design and control their organisations.

From a complex responsive processes perspective (Stacey, Griffin and Shaw, 2000; Stacey, 2003a), an organisation is understood, by analogy with the complexity sciences, to be processes of self-organising interaction between agents. The abstract analogy from the complexity sciences is interpreted in the case of human interaction according to the thinking of the American pragmatist G. H. Mead (1934). Mead explains the simultaneous emergence of mind and society in terms of the social act in which one person gestures to another and in doing so calls forth a response from that other in ongoing conversational processes in which patterns of communication (meaning) emerge across the organisational population. Work in organisations is accomplished in these conversational processes. In their conscious, self-conscious and responsive interaction, human agents depend on each other; according to the process sociologist N. Elias (1978), this means that all human relating is simultaneously constraining and enabling. Elias defines power as these enabling constraints between people, so that power is an aspect of all human relating. According to Elias, values, norms and ideology are the basis of power. Human choice and intention influence the shifting of power balances in which conflict, as a normal aspect of human interaction, plays an important role. Power, ideology and identity are then seen as central aspects of organisations.
People only interact locally with a small proportion of the total population they are part of, and do so on the basis of their own local organising principles (communication, power and choice) rather than simply obeying centrally set rules. This can be understood as self-organisation. The global patterns of communicative interaction and power relations across the organisation emerge in these local interactions rather than following a specific plan, programme or blueprint. The global patterns are unpredictable and are not under the control of any member of the organisation. Global – that is, company-wide – results are thus not directly determined by global design or control, but emerge in this local interaction. This approach means re-thinking what is involved in leadership and the roles of senior executives. From this perspective, senior executives are paradoxically in control and not in control at the same time (Streatfield, 2001).

In this thesis I draw on my own personal experience over the past three years as a senior executive in a large services and transport company to identify the role a senior executive can actively play in potentially achieving better results despite not being fully in control. I emphasise the active contribution of senior executives in many local interactions in which global company-wide results emerge. Through the manner in which they participate in, and inspire, the development of local conversational interaction, senior executives can actively encourage front-line staff to take local responsibility for contributing to global, company-wide improvement of results. During these local interactions a chain reaction of local responsibilities can emerge that can contribute to the improvement of global company-wide performance. It is the responsibility of senior executives to communicate clearly in the organisation about demands on performance and results by customers and stakeholders in the market, and to encourage the taking of local responsibility for them. From a complexity view, the impact of leaders on the organisation is not less but different, with potentially better results.
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Introduction

For the past seven years I have worked as a senior executive in different management positions for a large service and public transport company with 25,000 employees. I have been director of a food and retail division, managing director of onshore operations, and at present I am responsible for transport and general service operations. Part of my current responsibility is the merging of several other parts of the company to provide integrated services, information and security to travellers. The total group participating in this process numbers approximately 10,000 people. The merger involves changing the tasks for drivers and conductors and introducing new technology.

I joined this company after it had experienced a period of great upheaval. The source of the upheaval was a conflict in 1999 between the directors, the unions, the works councils and the majority of the staff running operations, about a plan for organisational change regarding timetables and employee work patterns. Although there was an official agreement with the unions, their members slowly but surely started to form informal subgroups who were opposed to what the unions had agreed. Short strikes were initiated by these groups, which seriously affected the traveller. It took only a few people to break up an existing structure and, as in this case, to cause travelling chaos across the country. These events led to an identity crisis for members of the organisation. The travelling public responded negatively to the disruption, which affected the company’s corporate image and identity. As these are also aspects of the identity of individuals in the company, the negative public response led to a sense of vulnerability. As a result of the emerging conflict and the consequent breakdown, some new directors were appointed and in 2002 a remarkable recovery started. However, improvements have now reached a plateau; at the same time, our organisation faces new challenges, like the introduction of a new electronic distribution system (EDS) that will change the tasks and requirements of many working in the service domain.
My purpose in the DMan research programme was to investigate more successful ways of cooperation with the unions, works councils and the total working population during the introduction of new technical systems, mergers and the realisation of substantial improvements in performance. The research is presented in four projects, using a reflexive narrative methodology, which I discuss in the next section. Project One is a discussion about personal leadership styles and a review of how I had been thinking about organisations before coming on the programme. Project Two is a story about leading a negotiation team during labour agreement negotiations. Project Three explores a strategic merger of sales departments from two divisions; and Project Four focuses on performance improvement at the interface of humans and technology.

In making sense of the narratives in these projects, I have relied heavily on the theory of complex responsive processes, which is strongly influenced by Mead’s (1934) thinking, because it offered me a chance to engage in another way of thinking about people, technology and organisations. This approach differs from the views of systems thinking on organisational change. Complex responsive process theory focuses on human behaviour and interaction, meaning that the only agents in a process are people and they are not thought of as constituting a system. Instead they form, and are at the same time formed by, patterns of interaction between them (Stacey, 2003a). The interaction referred to here is understood as local interaction (self-organisation), and it is held that this local interaction leads to slowly evolving emergent global patterns. In understanding such patterns, the work of Elias is important (Elias, 1939). These global patterns structure the very personalities, identities, of locally interacting people through communication and interaction (Stacey, 2005a). In this process, according to Streatfield (2001) and Stacey (2003a), leaders are paradoxically in control and not in control at the same time. A third key element in the theory of complex responsive processes is the analogies drawn from the complexity sciences in which particular computer simulations model the dynamics of iterated, non-linear interaction between entities. The simulations demonstrate that a widespread coherent pattern will emerge from the local interaction in the complete absence of an overall blueprint, plan or programme; a process that is called self-organisation, which can be understood as interaction patterning itself from within (Prigogine, 1996; Allen,
1998; Stacey, 2003a; Schlick et al., 2006; Zuijderhoudt, 2007). The inclusion of the term ‘complexity approach’ in the title of my thesis emphasises this self-organising property as an important aspect of a complex responsive processes view that forms the basis of my thinking in the four research projects.

The theory of complex responsive processes offered unexpected possibilities for insight in relation to the projects referred to above:

1. Developing other ways of thinking about leadership.
2. Understanding the positive role of conflict, which led me to develop a notion of working with explorative conflict at the edge of polarised conflict during labour agreement negotiations. This helped to bring about a successful agreement.
3. Taking a micro strategy approach during a merger process, in which strategy is seen as a pattern of interaction referring to organisational identity. The merger process was strongly influenced by patterns of power felt by people in terms of being part of the established group or as outsiders. Bringing the groups together led to strategy formulation with concurrent implementation, resulting in a successful merger.
4. Understanding improvement processes as the development of ‘social objects’ within communities of professional practice operating in a technological environment. A ‘social object’ is a historically evolved tendency to act in similar ways in similar situations by groups of people in a common (working) environment (Mead, 1925, 1934). This is a concept that came to have considerable importance to my thesis, and I will be explaining it in much greater detail in Project Four.

Being a long-time manager and having been responsible as a senior executive for many organisations, I have always wondered what it is that makes results in organisations improve or not. Management in our company has been struggling for more than ten years to initiate performance improvement processes without sustainable success. Why can organisations working in the same market present completely different outcomes in terms of performance and results? Most of the time, the credit for this is given to the CEO or the executive team. The question is
whether this is fair. Looking back at my own experience, I have noticed that increasing pressure on the people around me to perform better in their respective responsibility areas did not lead to the required improved outcome. Also, executing substantial organisational change programmes did not provide the expected improved outcome. This statement is supported by a whole group of authors: Pettigrew (1997), Boonstra (2000), Kaplan and Norton (2004) and Mulder, Robroek and Stil (2006). The important question then becomes: does the behaviour of executives have any influence at all on improvements, or are these merely the result of coincidence?

At a certain point I started to become interested in complexity theory approaches. Although related to the natural sciences, complexity theory helped me to begin thinking differently about adaptive processes and forms of self-organisation. On the other hand, it did not explain how this approach could be helpful in tackling the many human-related questions an executive faces when managing a company. The complex responsive processes approach in the DMan programme enabled me to explore other approaches to the work of an executive and to think differently about organisations and the work I am doing. In this work I am not only interested in the academic knowledge part of the programme, but also very much concerned with the practical implications. Writing about complex responsive processes has required me to understand and explain my primary concern about what it means for what people do and what they can do differently regarding their responsibilities and to improve their organisational outcome. An aspect of this work is leadership: without really changing my approach to collaboration with people, I have come to understand this relation quite differently. Working as a senior executive is not some idealised form of leadership following some kind of agreed design. It involves many ordinary everyday activities that are vital to what we achieve in our organisation.

I started my career working from a systemic perspective, using management by objectives and other management techniques for organisational design. They have served me well, but not at all times. During my research I started to understand how results in organisations develop as local interaction potentially leading to global (improved) outcome, based on the development of a ‘social object’ (Mead,
1925, 1934), a tendency to act, between people belonging to a same group or social community. During developments of these ‘social objects’, general tendencies were taken up by managers and professionals dealing with customers and transformed into local responsibilities. The leadership literature on complex responsive processes so far reduces the impact of the role of the leader. My investigations try to show that, from a complexity view, the impact of leaders on the organisation is not less but different. I came to understand my role as actually fostering and sometimes shaping the development of ‘social objects’, leading to the emergence of local responsibilities, without losing sight of my own overall responsibilities as senior executive. To explain how these developments took place, I will go on to set out a brief description of the structure of my thesis.

**General overview of the sections that follow this introduction**

The next section concerns methodology. Then I come to Project One. The themes emerging in this project have to do with what strategy means, what managers can do with their power, and what determines organisational outcomes. Another key theme relates to the importance of taking account of those affected by strategic decisions and the importance of the strategic decision-makers participating with them with an emphasis on teams. What can powerful executives accomplish, and how? In all these themes there is a strong leitmotif of (personal) strategy/plans that encounter the unexpected. In Projects Two to Four I have been able to expand on the research question that emerged after writing Project One:

‘In a context of technical change in a public transport system, my research has to do with the following questions: How are we, as leaders, to work with the conflicts that emerge between those affected by the strategic change described above? In what way are strategic decisions affected by such emerging conflict? How does the recognition of inevitable emerging conflict affect the meaning of strategy in relation to change processes?’

What amazes me in retrospect is that in the latest three projects the basis of the original research questions remained the focus of my most intense curiosity: the
social and organisational implications of conflict, strategy and technology, my ideas on which developed in an unexpected way due to the emerging events in my practice.

The way I have been able to approach these points from a complex responsive processes view opened up, in addition to the original questions, new related research areas and areas of knowledge, supporting the development of new insight into organisational change processes from a leadership perspective. Elias (1939) explains how local interactions lead to slowly evolving global social patterns. Managers do not often have time to let things evolve slowly, so I have been trying to understand and experiment with other forms of leadership in which working according to insights coming from complex responsive processes theory can make leaders more effective. In doing so, I have been able to develop new knowledge both from a theoretical point of view and from the perspective of day-to-day practice. Although the term ‘leadership’ is not used very often in the four projects that follow, it is a clear thread running through all four of them and in fact through my life as a manager. The DMan programme offered me a chance to analyse and explain my own experience, which was often intuitively driven, using interpretative tools that enabled me to communicate more effectively to colleagues at all levels in the organisation. Projects Two and Three have been read and commented upon by colleagues who played a part in the narratives and with whom I work closely. Project Four has been circulating around the company and was even (without my knowledge!) translated into Dutch to reach a wider audience. Many of the recommendations I made regarding process approaches on specific strategic subjects developed in the four projects have been taken up by others in our organisation; and, as the proof of the pudding is in the eating, improving results are very encouraging.

However, this process has not been as clear-cut and straightforward as it might sound. A complex responsive processes approach focuses on patterns of relating and power between people as the essence of organisational development and change. In this process leadership is paradoxically an activity of being in control and not in control of the organisation at the same time. This is still not what many leaders want. Most leaders want to be in control; when they are not, they try to
dictate what has to be done, or at least want to approve what is done. In this traditional model, the leader designs the system and expects employees to act accordingly. Indeed, this is also what many professional workers expect. Workers demand clarity, security and straightforward sound decisions; they put emphasis on their own position. I am often asked, ‘Can’t you make a straightforward decision, so we know what we’re in for?’ This attitude is also strongly supported by the unions, because it gives them control over how the workers position themselves.

So, why change an approach that everyone seems happy with? A recent Human Resources Management (HRM) survey in our organisation, covering the total working population, found that being able to participate in developments around one’s own workplace scored as the most important item. Why do we find ourselves stuck in so many process developments as simple as providing better services to our customers? Why have we introduced so many parameters and Key Performance Indicators telling each other again and again we have to do better, without actual results?

The general feeling is that leadership wants results and will design ways to achieve their goals. Professional workers want things to stay as they are and have no urgent feeling that performance outcome has to improve. Feelings of people working in our company are strongly influenced by the interplay between our corporate identity and the company’s corporate image, the image we have with the general public, part of our global patterns. The public, government and members of parliament often use journals, parliamentary sessions, correspondence, and other media to express the opinion that we are not improving enough, conveying the impression that we are losers. Our global external image reflects back upon the identity of many individuals in the company, structuring the personalities of locally interacting people (Stacey, 2005a). One could argue that the image of an organisation lacking improvement would stimulate everybody involved to try to do better; reality shows that it leads to acceptance of the situation, lethargy, shame and hiding; it is like knowing that smoking is bad for you (Maister, 2006).
My approach in this thesis is based on complex responsive processes thinking. In this thinking, it is social processes of local interaction between people, referred to as self-organisation, that create continuity, change and novelty, shaping the organisation while simultaneously being shaped by the organisation. Self-organisation is not a free-for-all party that simply happens. It is about social processes, and this perspective encourages leaders to pay particular attention to conversation, habit, spontaneity, cooperation, conflict and power as enabling constraints in relationships. It also means enabling people to become responsible for local organisational processes leading to global company-wide outcomes (improvements), taking our individual day-to-day experiences seriously, rather than trying to organise from a central HQ. People are organising their own activities based on local principles, not acting according to a central program, plan or blueprint. In this process they might be taking into account a generalised or idealised statement, but in an ongoing activity of gesture and response they are interpreting that generalisation in the particular circumstances at the particular time, in which it is not under the control of one member in the community (Stacey, 2003a).

Starting to introduce complex responsive thinking into the ongoing discourse in an organisation places one in the middle of a battlefield, because it requires knocking on all doors at the same time. Behind these doors are people who, either alone or in groups, have their own identities, ideas and ways of reacting. Although the projects describe a negotiation process, a merger process and a process of performance improvement in which conflict, strategy, the social and human-technology interfaces are the main subjects, the main theme is about leading and leadership, in which identity, anxiety and power are binding factors. I will try to explain in what way these connected factors have played a crucial role in the organisational developments I describe, and how my own thinking has developed during the period of writing, researching and reflecting. Because of its importance, I will also connect these developments to groups outside the organisation, introducing relational aspects of organisational and corporate identity and corporate image. When groups of customers and other stakeholders and their demands play an important part in our development, ultimately we must face the inescapable requirement for our organisation to perform better. So what
are the roles, apart from simply generating and transferring energy, that leaders can play in this process if one takes a complexity view? In this field the development of complex responsive processes thinking (Stacey, Griffin and Shaw, 2000; Stacey, 2003b) has offered challenging insights on how people working in local situations in organisations can and will take up responsibilities and contribute to potentially better results. I will also explain how managers, especially senior executives, can not only work differently but can also make a difference in terms of outcome and results. In the next section of the thesis I will describe the methodology used during the research programme; and then in the sections that follow, I will present in four projects the processes leading to the final arguments in the synopsis.
Methodology

The initial information material on the professional doctorate called the Doctor of Management (DMan) stated that ‘Participants’ work will be the focus of their research. … Everyone is acting with intention to shape the organisation while, at the same time, they are being shaped by the organisation. Paradoxically this shaping process emerges as one action in the present. This is the basis for speaking of self-organisation in the social sciences. The sentence in italics opens up a new world for the practitioner in search of academic knowledge. Being a long-time practitioner, I wondered why so many degree programmes and advanced management programmes have great difficulty in really closing the gap between study and practice, a concern expressed by other authors in the field (Hoddell, 2000; Morris et al., 2004; Wormell, 2004; Boud and Tennant, 2006; Grogan et al., 2007) and in Europe, especially taken up by universities in the UK (Powel and Long, 2005; ERSC, 2005; Ivory et al., 2006) and in Germany (Directorate-General for Education and Culture, 2004; Gorzka and Lanzendorf, 2006). It seems that traditional PhD programmes, then, have great difficulty in closing this gap; and this is where a professional doctorate could be useful. Many colleagues have asked me what a professional doctorate is. In the Netherlands, as far as I know, there are only two professional doctorates: one in Engineering, delivered by Eindhoven University of Technology, and the other in Business Administration, delivered by the University of Maastricht. Several authors have explained the differences and similarities between the two doctorate paths; others have even identified a third path, a professional research path within a traditional PhD (Boud and Tennant, 2006).

The difference strongly resonates with the theory–practice gap mentioned in much of the literature. Universities try to reach out to companies to combine their research initiatives to establish an area of learning that is of mutual interest; many traditional PhD programmes evolved in this way. Executives often sponsor these initiatives, collecting the results, but very seldom actively participate in the research. Many senior consultants have roots in their consultancy firms and lecture at universities, some even as professors. But what about managers and executives? How often do they themselves participate in academic research; and if
they do not, can this be seen as a missed opportunity? I want to explore the differences between traditional PhDs and professional doctorates as a way of highlighting the methodology I have used in my research for the DMan. I emphasise the importance of companies embracing the professional doctorate initiatives to enable managers and specialists to develop academic knowledge in their own fields of expertise. This can contribute to closing the practice–theory gap. Especially within the social sciences area, the DMan programme offered a remarkable opportunity for conducting academic research into my own field of executive work, strongly enhancing my personal and professional abilities.

Morris et al. (2004) analysed the publication history of two of the most influential and integrative journals in their field of clinical psychology according to the authors’ degree qualifications over the last thirty years, and discovered that PhDs produced more published scholarship than PsyDs and held the majority of the faculty positions in integrative programmes. Faculty who graduated from integrative programmes were three times more likely to have a PhD than a PsyD. Morris et al. explain the difference in terms of the academic psychologists who value research above their own clinical practice, while those in the professional school tend to value practice above research. Another important reason for the difference between doctorates might be the relatively short histories of many professional doctorate programmes. There is a movement for clinical training that has developed during the past decade according to a scholar-professional model that emphasises the mutuality of science and practice. This movement produces a whole range of contributions to integration in addition to life in the academy, in which PsyDs excel; and current developments suggest that the future comparative contributions of PhD authors and PsyD authors might present another picture.

Hoddell (2000) compares the traditional PhDs with professional doctorates and wonders whether developments indicate convergence or divergence between the two approaches. Although it is possible to find exceptions, the key characteristics generally are as set out in Table 1 below.
Table 1: Comparison of Professional Doctorates and PhDs

<table>
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<tr>
<th>Professional Doctorate</th>
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<tr>
<td>Usually modular and often, but not necessarily, credit-based. The taught modules are often shared with related Masters-level programmes.</td>
<td>Never credit-based, and almost invariably seen as a single integral programme.</td>
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<tr>
<td>Usually part-time, but there are some subject areas where this is not the case.</td>
<td>Traditionally full-time, but with an increasing number of part-time candidates. This trend is likely to increase as a consequence of student debt.</td>
</tr>
<tr>
<td>There are normally explicit criteria for assessment of the Professional Doctorate; usually these are related to explicit learning outcomes.</td>
<td>While most universities specify that the PhD should be based on a significant original contribution to knowledge, there is not usually any interpretation of this into explicit assessment.</td>
</tr>
<tr>
<td>Most Professional Doctorates are cohort-based – partly because of the need to offer taught elements efficiently, and partly because of elements of teamworking.</td>
<td>Most PhDs are individual, although in the sciences the individual project may be carried out in the context of a research group team.</td>
</tr>
<tr>
<td>While there is a requirement that the candidate demonstrates a high level of knowledge and understanding within the field, this must also be related to professional practice.</td>
<td>A PhD may or may not be related to practice – and can be purely academic in focus.</td>
</tr>
</tbody>
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(Hoddell, 2000, slide 7)

Hoddell (2000) also points to a number of factors that would normally be identified as common to both professional doctorates and PhDs. These are factors that universities have chosen to define as a doctoral level of award, and they are
derived in the main from the traditional view of the PhD. These common factors are:

- A requirement for a significant original contribution to knowledge;
- Assessment based on a substantial written dissertation or thesis;
- Assessment that includes a viva voce examination;
- Demonstration by the candidates of a high level of expertise in their subject area, which may not be limited solely by the boundaries of their research area.

The DMan programme is one that enables participants to combine executive work with academic research, but in a way that is different from many other programmes in that the thesis is not about analysing and researching an abstract hypothesis, but focuses specifically on the candidate’s own working life. This emphasises the nature of the programme regarding self-organisation, in which the emergence of research ideas arises in the complete absence of a programme, plan or blueprint. This not only focuses attention in a very special way on how one acquires knowledge about one’s own work, but it also reduces problems to do with the availability of time, since ‘working is research and research is working’. Any other approach would make the combination of research and work impossible for me, given the responsibilities involved in my line of work. I had some organisational questions in mind when I started the programme, which I shared during the first introduction and in writing Project One. Although these questions did not altogether disappear, my focus has shifted to research questions that were not clear at the beginning or that emerged as a consequence of substantial changes in my working environment. Looking back, my final research questions resulted in a much more interesting and important contribution to my day-to-day working responsibilities, and hopefully to the learning community. From the start of writing Project One, the ‘current project’ window on my computer in the office is always open. In this way I try to integrate thoughts from my daily work and the DMan programme as regularly as I can.
Personal experiences and development during residential sessions on the programme

A key aspect of the programme is experiencing emergence through conversation during the five residential sessions, each lasting one week. The content of the residential sessions is tailored to the knowledge development requirements of the participants, and introduces ways of experiencing self-organisation directly. Self-organisation can be explained as (organisational) developments without having a pre-arranged plan, programme or blueprint. Consistent with this, every morning started with a large group session with no prepared agenda. Thirty people sat down for one and a half hours, sometimes one by one carefully bringing up points for discussion and waiting to see whether anybody else might pick the point up.

Another major element in the methodology was the development of learning sets formed by four or five members of the large group. Membership of each of these learning sets was based on self-selection, which is another experience of emerging patterns in the programme. When a learning set is formed, its members become each others’ mentors, helpers, critics and tutors. Each set is supervised by one of the faculty members and people exchange information on each others’ progress by e-mail, or sometimes live. They also meet nine times for two-day sessions at different locations around the world, due to wide international participation on the programme, to discuss the development of each of their four projects. During the later residential sessions, subgroups were formed that comprised participants who were not confined to membership of the same learning set; these were supervised by the participants themselves, who would exchange topics of mutual interest related to each of the individuals’ research projects.

The large group meetings and the self-selection of the learning sets create many common real-life situations such as anxiety, shame, power, interdependency and rejection (Elias, 1970; Griffin, 2002; Dalal, 2002). Anxiety is an inevitable companion of shifts in themes that organise the experience of relating, because such shifts create uncertainty, particularly uncertainty around individual and collective identities (Elias, 1939, pp. 441–442). I have experienced these moments of conversation with myself: Shall I speak? Will it make sense, and what will they
think of it? Is it a risk? Will I make a fool of myself? Many more questions and feelings arise when engaging in conversation in a large group. It is from this point on that the paradox of the programme became manifest to me; the split disappeared between experiencing and making sense of experience within the programme, within the work situation and between the programme and the work situation. Together with these experiences the research path developed as an ongoing enquiry with shifting questions and occasional answers and insights, making use of or reflecting on several types of methodology. This methodology was sometimes part of the programme, or sometimes crossed my path during further investigation. Another important aspect is meeting the academic requirements, which is an essential part of doing the research and has to be interwoven into my work situation. In the following paragraphs I will go through some of the theoretical and methodological questions I have encountered. I will also explain the search path I have followed, examining different views on methodology and how they could contribute to my research in combination with the views of the DMan programme.

**Some remarks about management research in relation to the DMan programme**

The Advanced Institute of Management Research (Ivory *et al.*, 2006) reported the views of critics who claim that in their pursuit of intellectual respectability, business academics have failed to generate knowledge that can usefully be applied by organisations themselves. The report refers among others to Mintzberg (2004), who makes the same point about the way business schools teach their graduates. Business school researchers address two central issues of our time: one concerns business in its various manifestations, and the other is organisation rather than just management (ibid., p. 394). Mintzberg is positive about the potential outcome of management research from the academic world, but considers this outcome to be one of the best-kept secrets. Academic research on organisations and management suffers from two major problems: first, it is not very efficient; second, it is not very accessible (ibid., p. 395). Serious scholars should respond to practitioner needs. This does not mean to weaken scholarship, but to strengthen it. Working
with the real problems of the world means to dig deeper and understand better, also emphasised in the section where I have highlighted the practice–theory differences between a traditional PhD and a professional doctorate. Intellectual rigour – namely clear thinking – does not get in the way of relevance (ibid., p. 399). There is much information on management research of dedicated subjects, accounting, economics, finance, information, legal, technology, healthcare, etc, but not so much on the general issues of management research. Weick (1996) talks about how executives embodying the scholarship of integration give meaning to facts. Executives talk about connections in the world in complete disregard of the disciplinary boundaries they might be violating. Those connections bridge the arbitrary line that academics draw around their own disciplines. A complex responsive processes view disregards these boundaries as well, understanding organisations as population-wide patterns of relating that emerge in daily local interaction between people. This statement will be extensively explored, with many examples, in the four projects that follow this section.

Johnson and Duberley (2000, pp. 2–3) criticise researchers in management studies for being uncritical and ill-informed in their adoption of particular research methods. Today students need to demonstrate a reflexive understanding of their own epistemological commitments as they engage with management and organisations, in which epistemology is understood as the study of criteria by which we can know what does and does not constitute warranted, or scientific, knowledge. Epistemology confronts a fundamental problem of circularity, from which it cannot escape, in that any theory of knowledge (i.e. any epistemology) presupposes knowledge of the conditions in which knowledge takes place. In effect, this prevents any groundings of epistemology in what purports to be scientific knowledge – psychological or otherwise – because one cannot use science in order to ground the legitimacy of science (ibid., p. 4). For Johnson and Duberley (2000), circularity means that there are no secure or incontestable foundations from which we can begin any consideration of our knowledge of knowledge – rather that what we have are competing philosophical assumptions about knowledge that lead us to engage with management and organisations in particular ways. The question then becomes: Where does knowledge start?
Hegel (1812) held that one cannot begin, as Kant (1790) had done, with an isolated individual subject experiencing the world and then ask how a world of experience gets built up out of the inner world of purely subjective experience. Rather, one must begin with an already shared world of subjects making judgements in the light of possible judgements by others… Person and subject are given content only by the social institutions in which each individual achieves social identity through interdependence and mutual recognition.

(Stacey, 2003b, p. 328)

A complex responsive processes approach takes a stand in which knowledge develops without presupposed knowledge of the final conditions, other than taking one’s day-to-day experiences seriously. Another question is about the position from where the research takes place. The DMan programme approaches the research position of the student as one where the student is an involved participant within the area of research while also, paradoxically, being both subject and object of the research at the same time.

Management research according to the quoted authors means acknowledgement of the importance that this research has in terms of practical implications. Questions of an organisational or managerial nature develop in a reflexive, unpredictable, non-linear way, in which there is no presupposed knowledge about the conditions in which research takes place. These starting-points show much similarity with the approaches within the DMan programme. One theme in which the DMan programme takes a different stand is that the research is about one’s own work, meaning that the researcher is also the researched at the same time. The matter of connecting theory and practice and emphasising practicality is well addressed in this approach. There is no separation between work and study, an important aspect that will be addressed in all projects written as part of this thesis. The projects all started with a narrative about a work situation; and I think it is important to explain my view on the academic rigour of this approach. Another strong point is the fact that research and work are combined efforts, solving the problem of effectiveness. In the following paragraphs I will describe how I have experienced
this combined effort and the methodology used during the development of the four projects.

**Narrative methodology**

All projects started with a narrative about an event or development in my organisation. These narratives were subjects for discussion with my learning set about the issue arising in the narratives which could be the focus of my research. For example, during the first discussions of Project Four, the subject that emerged had to do with the relation between humans and technology, which had never before crossed my mind. In the end the research around this project contributed significantly to performance improvement in my company.

According to Mitchell and Egudo (2003), narrative approaches, involving story-telling methodologies, can be used as an alternative method for the study of human action and can be seen as an interpretative approach in the social sciences. They position story-telling largely in the postmodernist paradigm. Postmodernists question the modernists’ philosophical assumptions of rationality and universal truth, and the application of scientific empirical methods to problem-solving. Postmodernists emphasise that knowledge is value-laden, and reality is based on multiple perspectives, with truth grounded in everyday life involving social interactions amongst individuals. This is one of the reasons why narrative methodology is so accessible for research in the field of complex responsive processes, where a key element is taking one’s day-to-day experience seriously. Meaning arises through conversation between individuals and groups develop identity, which is strongly influenced by power relations. It is through these narratives that actual research areas can develop. As I have explained earlier, this is one of the extraordinary aspects of the DMan programme. The thesis is not an argument around a hypothesis, but a research topic that has emerged from one of my real work situations as part of the research process itself. Let me explain some of the methodological aspects of and around the use of narratives.
Postmodernism and social constructionism share the common ground of uncovering the ways in which individuals and groups participate in the creation of their perceived reality. It involves looking at the ways social phenomena are created, institutionalised, and made into tradition by humans. Socially constructed reality is seen as an ongoing, dynamic process; reality is re-produced by people acting on their interpretations and their knowledge of it (Berger and Luckmann, 1966). Gergen (1998) goes one step further and states that postmodernist thinking and social constructionism not only account for criticism of modernist thinking, but also form the basis for the application and understanding of narrative. Ricks (2002) does not see difference in the use of narratives between researchers and practitioners. Both are drawing conclusions about the meaning of ‘what is’ after determining these stories to prepare action. Both are studying a particular phenomenon and could be said to be using a phenomenological approach to study these stories, although the formats and the way the stories are used are quite different. Hardy (2002), in a theological study, draws on Llewellyn (1999) to provide a link between narrative, qualitative methods and methodology, claiming that narrative can make stronger research claims than calculative research, by revealing humans as strategic beings at both an individual and an organisational level. According to Hardy, to achieve a successful narrative the reader has to be taken inside the hermeneutic circle (Polkinghorne, 1988; Alvesson and Sköldberg, 2000, p. 93), because narrative is pervaded with an awareness of the centrality of time, allowing it to move beyond the individual experience of history to create a communal history. He links theology to a mixture of reason and faith, in which acceptance of its tenets is always a matter of faith. It is both the reliance on and the role of faith that allow the hermeneutic and narrative traditions to come to the fore when dealing with Christian organisations (Hardy, 2002). It is clear that narrative plays an important role in the religious traditions. This is also emphasised in a review by Jordaan (2004) of “Narrative dynamics in Paul: A Critical Assessment” by Longenecker (2002).

An important point has to do with the ‘truth claim’ made by the narrative itself and the analysis of it according to criteria of validity stipulated by the researcher (Alvesson and Sköldberg, 2000). To ensure that my project narratives were as close as possible to reality, I have asked several colleagues who worked with me
on these projects to read the narratives, and correct me when they thought this was necessary. In one case, one of the colleagues mentioned that he thought the sequence of events was not strictly chronological; but he did not insist on changing the narrative, as according to him it would have little impact on the essence of the story (Alvesson and Sköldberg, 2000, pp. 103, 272). I am certain that the story told in Project One is as I saw it during my writing; but it will certainly change, indeed it already has, every time the story is retold. Reflecting on the reflections of the narratives offers the opportunity to perform academic research on one’s own practice. Staying as close as possible to the original events is important as this makes the difference between analysing a story and analysing your own practice, which in the end will contribute to the experiences of others. All finalised projects have also been read by several of my colleagues, especially those who played a role in the narratives, and have been ground for discussion about my views. Project Four was also read by colleagues not playing a part in the narrative during the making of the final draft. At a certain point I discovered that colleagues had translated this project into the Dutch language, in order to make it possible for some of the findings to be discussed with a larger group of our working population. These findings have played an important role in many decision-making processes, becoming a kind of joint inquiry with others. Another important aspect is the combination of being a practitioner and a scholar at the same time, which I have seen as an enormous advantage.

Scholar-practitioner

The participants in the DMan programme use a reflexive methodology through narrative. The basic question here is again the ability to link practice and theory at an academic level. Tenkasi and Hay (2004) focus on the need to bridge knowledge and action from a management point of view and find theory-practice linkages delivering business results and further academic knowledge, considered successful by scholar practitioners based on activity theory. Jarzabkowski (2003) presented a study on micro practices using activity theory, where activity theory can be described as the conceptualisation of psychological development of a process of interaction within particular or historical context. Tenkasi and Hay
(2004) see scholar-practitioners as semiotic brokers and boundary spanners, having a foot in both worlds and being interested in advancing the causes of both theory and practice. They argue that not only do we need a fuller comprehension of bridging theory and practice, but we also need a conceptual clarification of these dual domains and how the scholar-practitioner goes about linking them in organisational endeavours to create actionable scientific knowledge that meets scientific criteria. They approach this question through activity theory, based on the mediated action concept of Vygotsky (1934, 1978, 1979), the principle of unity and inseparability of consciousness (i.e., theory) and activity (i.e., practice). The meaning of this principle is that the human mind comes to exist, develops and can only be understood within the context of meaningful, goal-oriented and socially determined interaction between human beings and their material environment (Tenkasi and Hay, 2004, pp. 180, 188). They found four predominant functions served by creating theory-practice linkages:

1) Use of theory to frame and give direction as a possible solution to an organisational crisis/need or future-state opportunity/vision.

2) Influencing key decision-makers through theory-informed practice and, alternately, practice-informed theory.

3) Including principles of *Valid and Reliable Research* using *Action Research/Experimental Enactment*. This involves implementing an idea and testing it out to see if it works, followed by *Reflection* on the experience to gain insights from thinking about the experiences and sometimes using the process of writing to communicate thoughts to others while also developing insights and conclusions.

4) Demonstrating impact as a form of legitimising the process and outcome.

This approach can lead to useful and practical outcomes; while it partly focuses on control and direction, it also connects to the methodology of complex responsive processes. During many of the local interactions we promoted in our company over the last few years, we stimulated ideas for pilot programmes and responsibility exchange in which people could experiment with other forms of collaboration. After thorough evaluation by the participants, implementation steps
could be worked out and shared with other colleagues. In Project Three, I have described how this can work out in practice.

Tenkasi and Hay (2004) extensively explained their findings to validate the analysis of their results looking for theory–practice linkage. They found enough evidence to ground and shape the development of a process model of theory–practice linkages that was common across all their interviewed scholar-practitioners, employing principles of valid and reliable research that focused on aspects of validity, reliability, and controlling for extraneous variance. Designs here ranged from employing experimental and control groups, and in the case of qualitative research focusing on the constant comparison method (Glaser and Strauss, 1999; Hay, 2003). The field experiments show many similarities with our approach, validating the outcome with future organisational developments and keeping track of whether developments led to the desired improvements or increased efficiency.

Complexity aside, what is most interesting about the scholar-practitioner journey is the active and agential involvement of the scholar-practitioner in the often covert creation and use of theory–practice linkages.

(Tenkasi and Hay, 2004, p. 201)

Choosing a methodology in management research is a risk in itself. What is the generalisability in this methodology? The work I have done in the four projects does not lead to a set of rules. I have chosen to describe specific parts of my responsibilities and reflect on these according to a complex responsive processes approach, with a view to formulating possible other ways of working. But is it valid? It is valid according to its own results in the projects, but will not provide guaranteed success when copied. Management research will enhance knowledge about methods of research and management behaviour, as this research is more about management behaviour and organisations as social phenomena (Johnson and Duberley, 2000). On the other hand, readers, including colleagues, should find new impulses and stimulating ideas to help them reflect on their own work, to improve general performance.
But to make epistemological assumptions and remain unaware of their origins has to be poor practice, particularly when even a cursory examination of the philosophy of science would suggest not only that an epistemological commitment is unavoidable, but also that any epistemological commitment is highly contentious.

(Johnson and Duberley, 2000, p. 9)

**Reflexivity in general**

Another important discovery I made in the programme is the need and ability to be reflexive in my own work and behaviour. The combination of research and work based on this methodology is essential. The structure of the projects calls for narrative, reflection and reflexivity together with the support of the members of the learning sets; this is the way we chose to do things. Is this academic enough? Can this type of research deliver the original insights that academic research is supposed to provide? According to Ricks (2002, p. 18), research and practice coexist, are interactive and inform each other through a shared process of inquiry. She denies the stereotypes of researchers having intellectual intelligence and practitioners having emotional intelligence. Psychologists in the 1940s and 1950s suggested and eventually mandated that in their profession they needed to be researchers and practitioners. Qualitative research in sociology and anthropology was “born out of concern to understand each other” (Vidich and Lyman, 2000). Researchers struggled with how to locate themselves and their subjects in reflexive texts. A generic definition is offered by Denzin and Lincoln (2000): qualitative research is a situated activity that locates the observer in the world. My question, then, is: what can happen when the observer is at the same time the observed?

A way of framing the approach of “reflective practice” conducted by the reflective practitioner is found in Schön (1987). This approach involves a process of thinking about professional practices to challenge one’s own basic assumptions and rational choices. Information grounded in practice, according to Ricks (2002), is
as valid and reliable for decision-making and planning as information gleaned from research that is separated from practice. She argues that through advances in practice new knowledge is generated in the process of inquiring into this practice, which is guided by the question of how to improve. When practitioners strive to change practice through inquiry, they question their own beliefs, assumptions and ways of doing things. She also links this to participatory inquiry, showing the additional advantage of learning from each other. This enables, through collaboration, new understanding of complex issues in order to address these issues.

This way of thinking connects to our work in the large group on the DMan and partly to our learning sets in the programme, where I also experienced the difficulties of acting in this large group as it presents many psychological hurdles that must be traversed in the process of participation. Over the course of my involvement in the programme, I have organized many meetings and conferences in our organisation to stimulate discussions about important matters concerning developments in our company. Looking back, it is important to realise that the people participating in these meetings experienced the same feelings and anxieties that I and others have experienced in our big group meetings during residential in the programme. It is this combination of interweaving the results of both work and research that makes life very challenging: being a scholar and a practitioner, and using each aspect to inform the other. If one starts looking for other complementary or supporting methodologies, action research and action learning are also methods in which practice and theory are integrated aspects of the research method.

**Action research and action learning**

Friedlander (2001) sees participatory action research as a means of integrating theory and practice. He misses the possibility to make room for research in practice, or, as Schön (1987) says, for reflection in action. Friedlander (2001, p. 8) sees working as a scholar-practitioner as the continuous integration of concurrent scholarly and practice work. Explaining on how to teach a group of Chinese
people and experiencing all the differences in approach, he describes his action research question as ‘teaching them to teach me how to teach them’. This can at least be seen as participatory action research. This model of cooperation is largely supported in the literature on action research and action learning, and also focuses on cooperative inquiry, which takes place ‘with’ rather than ‘on’ people (Heron and Reason, 2001). Balogun, Huff and Johnson (2003) focus in particular on the importance of working with organisational members as research partners, rather than seeing them as passive informants.

Dick (1997) sees action research as a process by which change and understanding can be pursued at the same time. It is usually described as cyclic, with action and critical reflection taking place in turn. The reflection is used to review the previous action and plan the next one. He defines action learning as a process in which a group of people come together more or less regularly to help each other to learn from their experience. The use of a team with a common project or problem leads to an action learning programme that looks remarkably like action research. When we act, we often do not have the time to deliberate on what we are doing, so the fundamental principles we draw on are intuitive theories, which can be made explicit in review and planning as material for critical reflection on the last action. He compares action research and action learning with experiential learning, in the sense that experiential learning functions by alternation between action and reflection and between conscious and unconscious theories. Most action researchers are system thinkers, believing that almost everything affects almost everything else (Dick, 2004).

I have experienced various approaches in the DMan programme, including using theatre as a group learning tool, as a process of action learning. Our large and small group sessions and learning sets have a lot in common with action learning and action research, and I have used many of these experiences in my practice. All quoted authors promote reflexivity as an indispensable part of the chain of events. Still, this alone does not support research on complex responsive processes, where one of the main research subjects is how and why we interact in groups of people and how these patterns of interaction lead to organisational development or change processes essential for organisational continuity or results. What is my role as a person/manager in these interactions? How can I focus on results? The
‘why’ question, in particular, requires reflexivity on the researcher’s part in observing and interpreting their own actions. The systemic approach of action researchers will come up with mutual understanding of a problem or situation and describe the chosen solution to be executed. According to Dick (1997) it is usually described as cyclic, with action and critical reflection taking place in turn. The reflection is used to review the previous action and plan the next one. This became manifest in describing communities-of-practice (Wenger, 1998) in Project Four, which in itself is a strong method of developing knowledge. From a complex responsive processes view, research during action becomes part of the development of knowledge during local social interaction on many levels at the same time. Action knowledge will not be developed in bounded situations but become part of day-to-day practice.

**Reflexivity as methodology**

Reflexivity is a dominant element of the DMan programme, taking one’s day-to-day experience seriously and being able to reflect on this. On the other hand, it is presented as part of a reflexive understanding by students of epistemological commitments of engagement with management and organisations (Johnson and Duberley, 2000). Interpreting reflexivity, I found two general meanings in the literature. *Positional reflexivity* leads the analyst to examine place, biography, self and other to understand how they shape the analytic exercise. *Textual reflexivity* leads the analyst to examine and then disrupt the very exercise of textual representation (Macbeth, 2001). Macbeth also emphasises the problematics of ‘certainty’ that have followed from the dissolution of modernist programmes and confidences. Reflexivity begins with scepticism on how we have been speaking, describing, reading and writing, and how we have been doing this all along. Reflexivity recommends an inquiry into the very possibilities of our unreflected knowledge and practices, and brings an unsettled field into view.

Is there a difference in interpreting one’s own narrative and an interview that is reproduced by the interviewers (Alvesson and Sköldberg, 2000, pp. 259–260)? During the primary interpretations, the narrative writer knows what s/he sees,
where the interviewers might sometimes wonder what somebody else’s reflection looks like and what they are looking at, even when they are in a position to ask clarification and even when the interview is taped. The interviewer/researcher is never able to readjust the original material, even where this might improve the knowledge level of the performed research. It may also be difficult to separate preliminary interpretations from better reasoned secondary interpretations in which the researcher does not construct but (further) interprets and explores ‘data’ in depth (Alvesson and Sköldberg, 2000, p. 261).

The researcher/scholar-practitioner, reflecting on their own narrative through self-reflection and participative exploration of experience (participative inquiry), as in the DMan Programme, has a double advantage: the interpretation of information remains first-hand, which will improve accuracy; and one’s own practice can be linked to theory. Intersubjectivity is a determinant of the action research process, just as it is in the interactions between participants in which certain versions of knowledge are produced. The research context is to construct and reconstruct a programme of analysis and reflection around the narratives describing the problems met in (work) practice with the aim of sustaining sense-making processes. In the DMan programme, the projects are written and rewritten many times, a high frequency of iterations leading to a final submission, as part of the reflexive process. Reflexivity is intended here as being inherently connected to action and as a part of the sense-making process in which both participants and the researcher are engaged (Colombo, 2003). During discussion around my writing of Project Four, many colleagues started to participate in a process of joint inquiry. The events presented in this project also describe a process of joint inquiry – or, better formulated, joint learning – in groups or communities. My research method and work mode show many similarities as a parallel reflexive process. In Project Four I have described the many confrontations, conferences and smaller meetings that were all part of a process of joint inquiry, without any pre-planned process or predetermined outcome. Most of the time we had a clear reason why we would initiate one of these meetings; but oddly enough, in many cases the reason, goal and continuum changed during the day in a reflexive process of inquiry with others. In order to make progress on many of the quality problems we were faced with, we created learning groups or (virtual)
communities where as many participants as possible could contribute to discussions, which in turn opened up many new possibilities for other people to get involved in conversations about the subjects.

Authenticity is seen as another aspect. When the researcher is an interviewer, the information is always second-hand. In the case of narrative methodology by a scholar-practitioner, the researcher chooses their own evaluative storyline. The narrative is written from the perspective of the researcher and will change every time the story is retold (Stacey, 2003a, p. 351). The story may be authentic but need not necessarily be ‘true’. Co-reading by colleagues who participated in the events reduces the risk that the story will not have enough general bases in the community present in the narrative. During the secondary interpretation the interviewer has to guess about motives and has to alternate between distance and familiarity in relation to it (Alvesson and Sköldberg, 2000); the scholar-practitioner writing their own narrative knows the (sometimes hidden) motives. Academic rigour is an important question to be solved, when working with narratives. Reflecting on my own experience closes the practice–theory gap. Reflecting on my own reflections, based on literature study and exchange of information with my learning set, the faculty and colleagues at work, can contribute to formulating academic views on the written subjects, making it possible for others to modify or expand their personal knowledge. As a scholar-practitioner I personally feel that it is also vital that new academic insights should lead to improved organisational actions and improvement of performance.

Viewing myself as a manager, I consider my participation in the DMan programme to have been a great motivator; this will become clearer in the four projects and synopsis that follow.
Project One

About Project One

This paper was written at the start of the DMan programme. It is a presentation of my first steps in a new academic world of acquiring knowledge and connecting this knowledge to my practice. Reading it now, I see it is a review of the development of my experiences both as an individual as as a manager, and serves the understanding of the direction of further research based on these experiences. It feels more like touching theory from a practice base rather than starting to build a bridge between the two. Writing down what I have been doing in my life and work was also a period of great struggle. It was difficult to explain why I did what I did and under what influences, when many of my actions were habitual and had not been fundamentally questioned for many years. I tried to be reflexive in this project but the truth is that it has more been descriptive, searching for answers in my own personal history as well as in traditional and more recent literature. Although I have excised large pieces of the original text, what is left has become the basis for development of the other projects and the synopsis, and enables the reader to connect these developments to my personal experiences and see how my thinking has evolved. It is remarkable to note that, as a young man, I could not choose between becoming a musician, a sports instructor or a jet fighter pilot.

In the introduction to the previous section, I gave a short explanation of the actual situation in the company I have worked for since 2001 and the developments there during the last few years. The events were very much influenced by people working in the transport division of the company, whereas I was responsible for the onshore activities. I was connected on the basis of being a colleague and through my future responsibilities of leading the team negotiating with the unions on a new labour agreement for all company divisions. At that time, no one anticipated that at the end of the DMan programme I would become one of the responsible managers of the train and general services division, becoming directly involved in organisational developments in the light of our recent history.
Strategy, Self and Research

Introduction

In this first paper three worlds come together: strategy and my personal life; strategy and my work in the past, including the people, writers and tutors who influenced it; and strategy and the future, the way I interact in my daily work and my intended research work on the DMan programme. The aim of this project is to explore the influences that have shaped how I work and how I have come to think about what I do as a background to thinking about the steps we have to take in our company to change and improve our performance. I will try to clarify, using historical examples, how I feel and think and how the relationships I have developed with other people affect how we work together. The key words are: creativity, novelty, emergence, leadership, adaptive, responsive, detail, strong human relations and knowledge.

This project takes a critical first look at the ways in which we, as managers, interact and make decisions – or do not make decisions – in certain circumstances. These descriptions are to be considered part of an enquiry into the way we work. I am glad that my colleagues have enabled me to participate in the DMan programme. They are prudently curious about the outcome. Even now in this early stage my family, friends and colleagues are already involved, sharing their knowledge and asking critical questions.

Thinking about today

In the company where I now work, why did everything happen in the way it did? Is it possible to look back at events with the knowledge of today? When I do so, what I still see is a lack of trust between many parties involved. Although the performance of the company has improved dramatically, even this month some strategic disputes have been brought to court by the Staff Council. The previous
period was marked by power plays between management and the unions. Power is not something possessed by one group or person, nor by another group of persons: it is a structural characteristic of human relationships (Elias, 1970). The people who were the subjects of this power play developed their own power by initiating strikes, organising travellers to become a huge pressure group to end this conflict in their favour. In the end the status quo predominated, with all new plans reverting to the old situation; this created an atmosphere of distrust that prevails to this day. I do not believe that a company can be managed on a basis of mutual misunderstanding. The workers fear that they will be cheated by the management, and so they go into formal protest against every decision made. The management, in turn, is reluctant to propose any decision for fear that it will further ruin their relation with the Staff Council and that they will go into formal protest. In effect, each side is a prisoner of the other. As the appointed lead negotiator for the unions, with a team representing all divisions involved, these circumstances become very real for my own experience. Mead (1934, p. 121) states:

Under the circumstances the person who stumbles on the footprints of the bear is not afraid of the footprints – he is afraid of the bear. The footprint means a bear.

There might be a fear of change, not for the actual development itself but for the system that underlies it. So every proposal becomes a footprint.

What do we have to change in our ways of organisational thinking to live through these extremely difficult situations? Can we do it in such a way that most of the solutions are provided in intensive cooperation and emerge in moving forward, not through making automatic assumptions that may be unfounded? Is it possible to have everybody participating in the way things change over time, and can the very movement of joint sense-making change ourselves and our situation (Shaw, 2002)? Solutions are formed between people, individuals and groups (Elias, 1970) in mutual interaction. Is it possible to start the search for common vision and intent?
In the following sections, I will review my personal experience of strategic management and how this could influence current choices, both within my personal area of responsibility and within the company as a whole.

**The importance of strategic thinking in my personal development**

To bring the aspect of organisational change and strategic management in my career into perspective, I have to go back to the point where strategy, as such, started to gain a role in my professional life. Needless to say, that strategy has also been apparent in my personal life. Within the army, where I was Cavalry Officer and Platoon Leader, strategy was held to be an important aspect of the proper execution of one’s job, just as teamwork was considered vital. Later on, as the officer responsible for field intelligence, strategic thinking at battalion and division level was required, but on a much broader level. Especially important was the ability to discuss and reflect on the possible strategy of our opponents (in those days, the Eastern Bloc); this required a higher level of strategic thinking. Strategy was distinguished from tactics. In talking about the strategic positioning school, Mintzberg, Ahlstrand and Lampel (1998, pp. 88, 89) point to the views of Carl von Clausewitz (1780–1831) on the differences between strategy and tactics. Strategic decisions require more strength of will, as everything has to be guessed and presumed, while in tactics at least part of the problem can be seen. Quite literally: *strategy means an elaborate and systematic plan of action. Tactic is an expedient way of achieving a goal; a manoeuvre.*

Working in and with teams has been a leitmotif running through my life. In the late 1970s, in the company I worked for, we were trying to identify the complementarities of mental models in the teams in which we worked. We used questionnaires to try to ascertain our personal style (for example, common vision, assertiveness etc) within the group. Having identified the ‘blind spots’ in the team, we helped each other in overcoming our weaker points (Zaanse Stichting, 1979). Team learning, as described by Senge (1990), based on the views of Bohm (1965, 1983), derives from dialogue, which means the free flow of meaning through a group of people, allowing them to discover insights not attainable individually.
Meaning arises in the relation between the gesture of a given human and the response evoked in another human organism by that gesture (Mead, 1934).

There are several other writers or institutions that influenced my thinking on the aspect of working with teams. Adezis (1981) explained the concepts of complementarities in teams based on the assumption that every lifecycle of a company was in need of its own management style. He developed his Pioneer, Control, Entrepreneur and Integrator model of thinking. In bigger companies all lifecycle aspects were present all the time in one way or another, so it was simply necessary to make sure that all talents were on board. I now see that this is also a somewhat mechanistic way of thinking. Even widespread participation, however, is no guarantee of more effective learning or better decision-making when people have not learned to operate on the basis of continuing complex learning, which is very difficult to achieve (Stacey, 2003a, p. 117) but might be very rewarding to investigate.

An historical example of strategy: Prince Maurits and the battle on Tielenheide (1597)

During the Eighty Year War between the Netherlands and Spain, Turnhout (Belgium today) was situated in the front line between the northern and southern Netherlands. Turnhout, despite not being protected by city walls, was in those days an important strategic city. On 24 January 1597, there was a battle on Tielenheide between the Dutch army led by Prince Maurits and the Spanish troops led by Varax (van ’t Hoff and Ogilvie, 1992). The Spanish troops were defeated and fled, despite greatly outnumbering the Dutch troops. Why was Prince Maurits successful? According to the authors, Maurits was eager to learn, intelligent, practical and had stamina.

On the morning of the battle, he sent out reconnaissance units to make and maintain contact with the enemy. To support the reconnaissance units, he created an infantry cavalry unit. An Italian source from 1674 states: ‘trois cent Mousquetaires montés en croupe derrière autant de cuirassiers’ (‘three hundred
horsemen with heavy armoured musketeers behind them’) gave firepower and movement. The Spaniards were not prepared for these tactics and the Spanish reserve troops also had to defend themselves against violent break-outs. Before the Spaniards were able to take their battle orders, the Dutch cavalry attack on the Spanish troops had already dealt the finishing blow. The transformation from marching order into battle order was a smooth one. The attacks were carried out on the front troops as well as the reserve troops in the rear of the colonnade. After a number of skirmishes and a light counter-attack, the battle was over.

Maurits was not able to transfer this tactical masterpiece into strategic success and withdrew. The war lasted another fifty years, until 1648. There have been many other examples of warlords and rulers not capable of creating a lasting result. I was, however, impressed by the way Maurits created new ways of tactical thinking, but was surprised that there was no bigger plan behind it. One will never know how the Dutch-Spanish Eighty Year War would have ended if Maurits had not fought this battle and won it. His creative flexibility is something that attracted me and I have used the story as an example on many management occasions and presentations. The strategic outcome of the story, however, cannot be due to his original planning. Tactically he won the battle, but strategically not the war. Another historical example could be the life of Alexander the Great (Kets de Vries and Engellau, 2003) who, probably not knowingly, was copied by Maurits in many aspects.

In the Positioning School, where strategy is looked at as an analytical process, it is argued that only a few key strategies, as positions in the marketplace, are desirable in any given industry: Mintzberg, Ahlstrand and Lampel (1998, p. 89) refer to the view of von Clausewitz:

To make strategy happen, it is necessary to put together an organisation with a formal chain of command, in which orders are executed without question. Yet this organisation must tap the initiative of its members.

In this last part of the statement can be read a point relating to what Elias (1970, p. 12) says, that even the powerful remain part of the interdependencies between
people in an organisation. It is shown in history that military leaders in good relation with their troops perform better on the battlefield, but amazingly not from the perspective of long-term strategic outcome.

Working in the service industry

In 1973, I started as management trainee for a large services company. The Board of Directors (BOD) in those days had a standard rule that all management trainees had to become acquainted with all the different businesses of the company. One of my first positions was as an apprentice cleaner. Working as a cleaner, one is confronted with many complex issues. I was appointed to clean one of the departments, but was faced with the problem that the circumstances were different every day. To start off with, there was not enough time to clean the whole department thoroughly, every day. After a few days I started to divide the task into three segments: toilets, every day half an hour; one hour to clean one part of the department thoroughly; the remaining last hour to whisk through the rest, a way of working adapted by my present colleagues a long time ago. My ‘deep cleansing’ section started where I had finished off the day before. In this way I achieved an average cleaning result for the whole department. Great was the frustration, therefore, when a professor dropped a box full of blackboard chalks and turned my complete scheme upside down. I had been able to draw up my own working scheme, but now found that I had to adapt to sudden changes when the people working in the department changed their habits. Looking back, I think it is fair to observe that the service industry is fertile ground for the development of emerging, adaptive, and responsive ways of working. On a basic operational performance level, people are able to create their own working patterns. This understanding had a strong influence on my career and on my understanding of the needs of people and the potential of each individual. Cleaning was not a high-ranking profession, and I expected a more or less chaotic way of working, with people around me not speaking the language or with a low educational standard. The truth is that I met people of all kinds in this business and worked with immigrants, students, housewives and workmen, in fact a higher than average representation of the Dutch population; and they were very good to work with.
From that time on, I developed an internal support mechanism for groups who might be socially squeezed in the companies I worked for. As an overall strategy I feel free to delegate responsibilities and important decisions to people working in the service jobs in my company. This approach has always worked out well, except for one time in my working life. I will come back to this later.

**Strategic choices, expanding markets and acquisitions**

It was the time of ‘Management by Objectives’ (MbO), models, checklists (Humble, 1970) and job functions (responsibilities) equal key result areas, combined with action plans (Reif and Bassford, 1973). Hospital directors saw possibilities for the use of MbO, because it could be focused on aspects other than financial and medical results alone (Jones, 1977), a very interesting market at that time. Within this model they would still be able to delegate responsibilities, introduce individual thinking, locate motivation and work with responsibilities on other management levels. The objective orientation within the job function thinking created the possibility, more than before, of talking about the role and tasks of managers, as well as the opportunities and hurdles encountered. MbO was not used in a mechanistic fashion but in an interactive way. Drucker (1957) sees MbO as a management philosophy, describing it as based on the concept of organisations as human behaviour and human motivation and suggesting that it is suitable for all managers in all businesses on every level and all sizes.

The success factor of MbO is that it offers an opportunity to align the functional goals of the organisation with the personal goals of the manager. Work is a natural way of living for almost everyone. Well-motivated employees can develop a high level of self-control, take responsibility, be creative and help the organisation to reach its goals (Groot, 1977). MbO normally relies on negative feedback as defined in cybernetic systems theory; our model was not seeking equilibrium and when necessary we were able to rethink the whole process, which is a key assumption in system dynamics theory. The most significant difference between cybernetics and system dynamics theory relates to the introduction of non-linearity and positive feedback (Stacey, 2003a). Concurrently with the system side
of MbO, result orientation and output of the organisation as a system, we introduced new views on traditional humanistic behaviour such as the hierarchy of needs, attitude towards workers, satisfiers–dissatisfiers, and real work motivation (Blokland and Fischer, 1977). Alongside the aforementioned MbO, we participated in management games with teams of younger managers, had fun, and fought but never won. MbO did, however, have a positive influence on our analytical decision-making processes (Kepner and Tregoe, 1965) and team spirit. We held many discussions about how we should proceed as a business and about our leadership roles combining the balance between business and human interests (Blake and Mouton, 1970).

Our company was acquired by a large retail group that wanted to expand in the service industry; it was not long after this acquisition that I was appointed as a member of our company’s BOD. The chairman of the retail group was convinced that expanding into services was his next step to success. They asked us to develop a strategic plan on how we could build up strong market positions in several European countries. This is a clear case of strategic choice (Stacey, 2003a): deciding on a goal and writing it down. Writing an international strategic business plan is not much different from writing a military combat plan. Together with a research group from Harvard University in Boston, we developed a PIMS (Profit Impact of Marketing Strategies) model for our industry to investigate the return-on-investment (ROI) effects of the PIMS database items such as market share, quality and investments. The results were presented during a large conference of the WFBSC\(^1\) in Miami in 1980. There were, however, minimal differences in ROI outcome, even when the input figures showed a wide variety. This was a disappointment; we stopped our collaboration with the programme. The PIMS models were database-oriented and part of the strategic positioning school. The message of the positioning school, related to process, is not to get out there and learn, but to stay home and calculate. In this way the positioning school has reduced its role from the formulation of strategy to the conducting of strategic analysis in support of that process (Mintzberg, Ahlstrand and Lampel, 1998). But what does the real world show?

\(^1\) World Federation of Building Service Contractors
Our first new acquisition in Belgium came as no surprise. We had long-term relations with the owner and he sold the company because he had no successor. The next acquisition process in France was remarkable. We discovered a small article in a French newspaper reporting that one of the bigger services companies was for sale. A conglomerate listed on the French stock exchange was planning to sell their service activities. After the normal due diligence period in which information was exchanged, two companies were selected to negotiate the possible final deal. One of these was ours. Like all services companies, the business was people-related, with approximately 7000 employees. We negotiated with the company’s management team, headed by a 60-year-old traditional French CEO, formal, honest and straightforward. Through him we were able to visit several branches and talk to other people on different levels. We became increasingly enthusiastic: a good sign for possible future cooperation, but not for negotiating a good price. After a few weeks, feelings were such that we decided to place a bid. Afterwards, we found out that we were competing with an American company, prepared to pay 15 million francs in excess of our bid. However, they had not built up a relationship with the responsible management, and did not speak French; nor had they sent people who were able to communicate in the French language. In the end, the French management asked their old shareholders to decide for us, since they were able to communicate and they felt secure enough that we would more or less respect the cultural differences. In short, our strategy was to acquire a large company in France; we ran into it by accident and were able to buy it, despite a negative price difference for the seller, through inventive tactical manoeuvring and luck. Together with them, we were able to acquire several other French companies and make the company one of the market leaders in France. The mutual feeling for relationships and communication, in the end, also had considerable economical benefits for everyone involved and created a business employing some 40,000 people.

I left the services company after a strategic battle with the Chairman of the Board of the mother company. However, the feeling of losing something has never left me. Elias (1970) stated that losing a person means you lose a part of yourself. A
similar feeling arises when one leaves behind a group of people with whom one has worked with for more than fifteen years. At least, it felt that way to me.

The entrepreneurial phase

After I left the services group, I was able to buy the majority of the shares in a company working in the field of advertising. It was a small company, almost 100 years old, with 100 employees, and a 75-year-old owner, the son of the founder. In spite of its good reputation, the company had been struggling to survive over the last ten years. After conducting a survey and a due diligence investigation, I decided to sell my assets and buy the company. I restored relations with the former CEO of the conglomerate I had worked for and left in agony; he stepped in as minority shareholder. We started to renovate the workshops and improve climate control systems. A quality circle concept was introduced and we tried to introduce new spirit in the workforce. Employees were given the opportunity to follow courses at education centres and in all possible ways we tried to make the company ready for the 1990s. There was one little problem: it did not work. For many different reasons, we were still losing customers and were not able to reduce the failure rate. Here I discovered the meaning of the phrase, ‘there is no time to do it right, but always time to do it again’, as well as learning the importance of a bank in business life (van Gunsteren and Kwik, 1984). I believed I was performing as before but, except for the convention branch of our business, results were poor. When anxious that one’s colleagues are not in control, it is tempting to take over responsibility oneself; and I did. This attitude provokes uncertainty within the organisation and, in the end, does not solve the problem. In fact this was the only time in my life when I was not able to perform and realise the results necessary for continuity. What happens at a personal level when an event like this takes place? In the beginning it is hard to believe that it is actually happening. I felt guilty for the people I worked with, although at a certain point I realised that I was not the only one who had influenced the situation; but as a conscientious manager, it was hard to rid myself of the sense of responsibility. I always said: “the mirror talks”.
When I started a new period in my career, I tried to put the previous episode behind me. This could be described as shame, or uncertainty as to how other people might view the situation. Guilt and shame are the same process; their difference lies in the shift of location from the external to the internal world – an enlightening statement, although it concurs with Freud’s remark that guilt (conscience) is nothing other than social anxiety internalised (Dalal, 2004). It was a couple of years before I learned to handle these feelings. In my work today I am less absolute in my opinions. At that time, I was convinced that what I was doing was right and tried to convince other people of this. When in the end this turned out to be a total failure, I brought more reflexivity into my daily actions in the next part of my life with the knowledge that the expected or predicted outcome might not happen at all. This understanding has become an essential part of my day-to-day thinking.

Reinventing myself

Very soon after the period I described above, I was approached by the managing director of a fast-food restaurant and retail company. The company had always worked with franchisees, but changed this approach in recent years into an in-house operation. Instead of running a business with 100 franchisees, the company now had to manage a few thousand employees. For me it was like having to drive again after a car accident: you soon realise that you still can do it. My former HRM colleague once said: ‘management is a simple skill: you have to be able to generate energy, and transfer this energy to others. The rest you can learn’. I am not quite sure that matters are that simple, but his advice did help.

After that year, I worked for an investment group that had acquired the majority of the shares of a general services company. The services provided were almost the same as in the company where I started my business career. The company had made a major loss in the first year after the take-over, whereas a profit of the same amount had been predicted. There was no common strategy or vision. The company consisted of independent companies that had been bundled together as the result of acquisitions, but managers acted as if they were alone in the world.
After evaluation, two out of six directors could stay and two were newly appointed. They were all given the freedom to organise their work, but within the scope of a common strategy. After two years the company was back on track and today is still one of the leaders in its market. When the old owner bought back a bigger part of the shares, it was time for me to leave.

Taking on a Board role again

I was asked to become Managing Director of the food and retail company I worked for in 1998, when this position became vacant. I was hesitant at first because the former director had played an important role in my professional life and had also become a good friend. There was, however, no connection between his leaving and my coming, as the position had been vacant for several months. Nonetheless, our relationship did come under pressure when I told him that I would take the job he had held. After a year the Chairman of the onshore division, also responsible for our activities, retired and the Board of Directors of the group asked me if I would be interested in taking up his position. I was interested. Together with my colleague, the CFO, we moved towards our new positions; at the same time, I became a member of the Executive Board (EXB). The division had 5000 employees and successfully ran the onshore business of the group. Change was in full process, and in joining I have been able to play a role heading the organisation in the direction I feel comfortable with: few organisational levels with high participation of management in day-to-day business as part of a team, creating a simple structure with straight lines of communication and a strong delegation of responsibilities. Every four weeks, I try to work a one-day shift in different operational jobs. It helps me relate to my co-workers and gives me insight into work and problems on the ‘shop floor’.

In 2002, the decision was made to introduce a new electronic distribution system. The system required many technological changes that will affect the work of many in the control and service area. Developments are still ongoing and much is still unclear. The boundaries and limitations of the technological side of the system are fairly well defined.
The main goals are:

1. Improvement of safety and security;
2. Create a distribution system without boundaries, improving ease and comfort for customers.

We must, however, take into account the lessons learned because we realise that there is a basic fear of change and we will have to gain enough confidence among the people involved to overcome that fear and launch the process, not letting the footprint stand in the way (Mead, 1934, p. 121). Managing has much to do with improvisation like in music. According to Weick (1977), rigid rule-bound organisations that spell out exactly how people should behave are incapable of generating new forms of behaviour to meet new situations. He advocates valuing improvisation more than forecasts, dwelling on opportunities rather than constraints. If we think of strategy as a pattern of interaction referring to organisational identity, how can this lead to a substantial improvement in the way we work, talk, interact and perform?
Project Two

About Project Two

If Project One was an introduction to what was to come, writing Project Two was a real entrance in a new world for me; a world of intensive literature search on new subjects that had to be related to narratives of daily events in my work life. What amazes me, looking back, is the enormous amount of paper I produced and how often the same subject arose over and over again. I told my learning set stories about preparation meetings for negotiations with trade unions and related these stories to the recent history of our company. All of these stories reflected some kind of conflict, so I decided that this should be the main area of research for this project. At the centre of the project there is a story of how a team worked together in negotiating the terms and conditions of a labour agreement for our company’s employees. These negotiations were different from previous ones because the lead from the company side of the negotiations was taken by an operational managing director, myself, instead of a professional negotiator from the Human Resources department; and also different because a single agreement had to be negotiated for all the divisions of the company, replacing separate agreements for different parts of the company.

Two important contextual matters formed the background for the negotiations. First, the memory of the 1999 agreement to which the unions had agreed but which was then undermined by the emergence of dissenting sub-groupings of union members, leading to a damaging strike. The new negotiation team was strongly motivated to prevent a repeat of this. Second, the strategy we are developing of installing a new electronic distribution system. It was, therefore, important that whatever we agreed with the unions should not impede, but rather assist, the implementation of this strategic change which is going to affect the jobs and work patterns of very large numbers of employees.

The story is about negotiations with the unions, but it is not only a story of labour relations. It is also a story of how conflict is implicated in all decision-making
processes, showing the centrality of conflict in management processes. I have tried to make clear how general points on the development of conflict are of relevance to management and leadership generally in all situations, and the roles of individuals and groups in conflict situations, and how an unprepared manager can be exposed to doubt and surprises. This project presents how I developed my views on the nature and development of conflict in organisations. Although, looking back, it is fair to say that many of the discussions around the negotiations were very coincidental. I think a positive approach of stimulating different patterns of interaction and an open mind towards coincidences during negotiations can be repeated as described in this thesis. It is however impossible to copy the negotiation process, as it was supported by extreme uncertainty resulting from the government at that time. This uncertainty drove parties more or less into each other’s arms. From the process I experienced that conflict in itself can be a strong motivator in finding different solutions, and is not something to walk away from.
Working at the edge of polarised conflict in organisations

Negotiating a labour agreement

This project describes an 18-month period in which I led the team negotiating a labour agreement for my company. I explore the formation of the negotiation team, internal relations within the team and relations with union leaders, managers, and board members, as well as the politics and other developments that led to the final agreement. The narrative explores the way in which global patterns of interaction continuously emerged in local interactions as I experimented with approaches to leadership with the intention of securing acceptable results. Conflict, or in some cases the avoidance of conflict, played an important role in organisational life, including the negotiation of a labour agreement. I consider how conflict might be thought about, how it is explained by different authors, how it connects to negotiation processes and how global patterns emerge in the local interactions of negotiation. I make a link to the unpredictability of strategic processes and the effect this has on the negotiations.

As a member of the EXB, I was responsible as managing director for the onshore division. As explained in the introduction, I joined this organisation after it had experienced a period of upheaval. The source of the upheaval was a conflict in 1999 between the directors, the unions, Staff Councils and the majority of the staff running operations, about a plan for organisational change regarding employee work patterns. A binding agreement had been entered into with the unions so that, even though they were unable to convince their members to accept these changes, they had no choice but to continue their support for the new patterns. Union and non-union members slowly but surely started to form subgroups. Short strikes were initiated by these groups that seriously affected production. It only takes a few people to break up an existing structure.

As a result of this emerging conflict and its breakdown consequences, some new directors were appointed and in 2002 a recovery period started. Six new labour
agreements were finalised for divisions and departments covering the period from January 2003 to December 2004. Headquarter staff were included in the General Service and Transport (GST) Division agreement which meant that it covered 12,000 of the company’s 25,000 people, making it by far the most important of the six separate labour agreements covering the whole company. After a remarkable improvement over the past few years, our company now faces new challenges. New electronic distribution systems (EDS) will be introduced. This will have a major impact on organisational and strategic developments, particularly changes in work practices for almost all of the 12,000 operational staff members working in this area. The Staff Councils participated in the decision-making process around the new distribution system, but it was clear that the new labour agreement to replace the one expiring at the end of 2004 would also have an impact. As one of the leaders I realised that there is always the potential for conflict during such strategic change, and I was anxious to avoid a repetition of the 2001 strike.

The HRM director in the GST division, a former union leader, had led the most important negotiation team for the agreement that was to expire at the end of 2004. He had introduced some new items during these negotiations, such as job security for a part of the operational staff in exchange for flexibility (JSF). In late 2003, this director changed careers and the HRM manager of the group left, while a new HRM director was yet to be appointed. At the same time a new policy was adopted to bring all divisions closer together in the light of possible future developments, meaning going from six labour agreements to one for the whole company. The Board decided to ask one of the managing directors to lead the forthcoming negotiations on behalf of the whole group. In December 2003, the CEO of the group asked me whether I would be willing to lead the negotiations with the unions regarding a new labour agreement for the period starting on 1 January 2005. I agreed. From the moment the request was made, I started to think about how this agreement could play a role in our future strategic change program on the introduction of EDS. Major changes lay ahead, and a good agreement could facilitate these changes. One thing I focused on was to secure this agreement in a responsible way, without the polarised labour conflict that had led to the breakdown in 2001, putting the country and our reputation in jeopardy.
What I have discovered in working for our company is that there is a gap between top management and people in operations, on the one hand, and planning and execution, on the other. This, in combination with a lack of trust and superficial relations between these groups, always creates a basis for polarised conflict. During the past few years, the unions have tended to refer to company management as ‘those stupid idiots up there who do not know what they are talking about,’ declaring, ‘We will stand up for the workers to see that no wrong is done’. Neither view, of course, is true; but they are presented as the truth. This way of thinking created an advantageous position from the union point of view. Many times, even small organisational changes led to conflict. So, trying to avoid polarised conflict means, among other things, building better relations, which requires an investment of time and energy in engaging people and taking them seriously in the work they do. This intention of doing what was required to avoid polarised conflict, without weakening our negotiation position, very much influenced the thinking during the whole negotiation process. Focusing on preventing polarised conflict by building good relationships is not generally the starting position in most negotiations, but it provides an opportunity to look at negotiations from another angle.

Reflection on the overriding intention of avoiding polarised conflict

From the start I had a clear overall intention of avoiding conflict by focusing, not on a negotiating position, but on building relationships in order to avoid this situation. Reflecting on this overriding intention, in writing this chapter, I am not only exploring the nature and role of conflict in terms of this particular labour agreement negotiation, but generally in organisational life. We, the company, discovered that we were not able to handle the previous conflict in a way that served the purpose of an acceptable outcome. Also based on the fact that we did not know how relations with the unions and the opinion leaders in our workforce developed during the last years, we were not sure how any conflict would present itself during these negotiations. In reflecting on what happened during the
negotiation period I have come to see the importance of distinguishing between different meanings and forms of conflict in literature and practice.

A typical definition of conflict describes it as a social phenomenon involving a struggle aimed at neutralising, injuring or eliminating the values, status, power and resources of opponents (Coser, 1956; Rapoport, 1974; Glasl, 1999). Conflict, then, has the meaning of a relationship between foes characterised by hostility, fight and even breakdown in cooperation. One could speak in this case of ‘polarised conflict’. Writers in this tradition tend to say little about how conflict emerges and focus instead on how to prevent or ‘solve’ conflict (Mastenbroek, 1987; Schermerhorn, Hunt and Osborn, 1991), involving the ability to handle misunderstanding and tension in organisations. Some warn against suppressing conflictual feelings, because this could surface as other polarised forms of conflict, and advocate instead bringing differences into the open (Glasl, 1999). One could call this ‘preventive or repressive conflict’.

Writers also typically classify conflict into different categories, proposing different interventions to deal with different types of conflict. Mastenbroek (1987), for example, identifies:

- instrumental conflicts about priorities, resulting from insufficient communication and unclear division of responsibilities;
- social, emotional conflicts relating to personal relationships, trust and self-image;
- negotiation conflicts arising in the tension around sharing scarce goods; and
- power/dependency questions reflected in rivalry about position.

Schermerhorn, Hunt and Osborn (1991) distinguish between substantive conflicts, which are disagreements over ends and means, such as the allocation of resources, distribution of rewards, policies and procedures, and emotional conflicts, which involve feelings of anger, distrust, dislike, fear, resentment and personal clashes. Although it is difficult to separate them, Schermerhorn, Hunt and Osborn (1991)
argue that each form must be dealt with each on its own merits, and also recognise:

- role conflict, which occurs when people are unable to respond to the standards of one or more members of the group they normally work with;
- intrapersonal conflict;
- interpersonal conflict;
- inter-group conflict; and
- inter-organisational conflict.

Schermerhorn, Hunt and Osborn (1991) focus on the ability of the manager to encounter and deal with each level of conflict, specifically from the organisational standpoint. They hold that conflict resolution can only be achieved when the underlying reasons for conflicts are eliminated and propose several management techniques to help the manager to solve the problem.

The question might be asked whether prevention of conflict in this way will lead to desired developments in organisations. When conflict occurs, solutions also provide the opportunities to implement necessary change in an organisation, implying that conflict is not always a bad thing. Taking another view, Mead (1934), Elias (1970) and Griffin (2002) see conflict as the normal result of people interacting to reach an acceptable next step in discussing goals. This can be called ‘natural or normative conflict’. Normative, in this perspective, is used to describe the effect of those structures of culture that regulate the function of social activity. Conflict can be seen as an ongoing process of discussing and exploring difference, involving both cooperation and competition without necessarily breaking down as hostility of some kind. In this case conflict could be seen as a description of relationships. This is a relationship of exploration, as opposed to the relationship of confrontation stressed by the writers mentioned above, and can be called ‘explorative conflict’.

Griffin (2002) introduces conflict as an aspect of the emergence of leadership, in focusing on the difference between cult leadership and functional leadership. Cult
values such as cult leadership are the idealisation of standards of the world or the organisation in which one lives and works. For example, the cult value is that all services should be delivered on time, where the reality is that all kinds of influences on a services system result in an acceptably low percentage of punctual deliveries. This is the functionalisation of the standards, which makes them real in day-to-day practice. Cult leadership shows the same phenomenon. Every performance has to match maximum standards, where reality shows that this will not be the case. The discussion between managers, leaders and the people they work with will lead to the recognition of diverse opinions and this recognition will take place through conflict, in which case conflict is a very normal part of our day-to-day responsibilities. Good examples can be found in every election campaign where reality is not good enough to get elected. After the election the politician has to transfer (functionalise) his ideals into usable plans for the time to come, in interaction with his voters and parliament. Griffin also points out that ‘conflict’ itself can be idealised by removing it from the present and making it hypothetical: just pretend that it does not exist, and it becomes a cult value. Not acknowledging and discussing the possibility that conflict can emerge when choices between two conflicting proposals are to be made is in itself seen by Griffin as cult leadership, a form of idealisation.

In taking the above view, Griffin relates to Mead, who sees conflict as the very core of his theory of ethics and leadership and states that it is through conflict that we are continuously recreating our world and becoming ourselves, that is, realising our identity.

Human individuals realise or become aware of themselves as such, almost more easily and readily in terms of the social attitudes connected or associated with these two ‘hostile’ impulses, self protection and self preservation (or in terms of these two impulses as expressed in these attitudes), than they do in terms of any other social attitudes or behavioural tendencies as expressed by those attitudes (Mead, 1934, p. 304).

Griffin also refers to the importance of conflict as viewed by Norbert Elias:
One of the most astonishing features of many sociological and economical theories is that they scarcely acknowledge the central part played in every social development by tension and conflicts


Griffin does not see conflict as something threatening or as something to be avoided, but as a normal result of interaction between people and an integral part of leadership. Ordinary life is an ongoing exploration and negotiation of conflicting positions, which need not immediately be polarised. Such ordinary conflict cannot be managed away or resolved.

By now it is clear that there is not something universal called conflict. It is important to try to prevent polarised conflict and to avoid the repressed conflict that could so easily become polarised, but explorative conflict, as part of the continuous process of relating, can create solutions and prevent people from getting stuck. The position Griffin, Mead and Elias each take is reflected in the theory of complex responsive processes (Griffin, 2002). With regard to the negotiation process I was about to engage in, the explorative conflict involved in building up relations with the union people was to become important. Establishing relations means that parties have to engage without moving into a polarised conflict situation. Working with explorative conflict always holds the risk of entering polarised conflict. My experience is that a thin line separates the two. When I started investigating conflict, I saw it as a general way of describing people disagreeing about opinions and views. In the course of reflecting and writing, I have come to see the question of conflict in a more complex way, although at the time of the negotiations my understanding and actions were much more intuitive. In the following sections, I will describe how the process of relating has evolved. I will also present an argument linking conflict to identity and ideology, and suggest ways of working in an explorative way at the edge of polarised conflict in negotiating a sensitive labour contract.
Preparing for the negotiation of a new unified labour agreement

Returning to early 2004, I would now like to describe some of the preparations we made for the negotiations with the unions. Three main groups were involved: (1) the nine members of the company EXB; (2) the four union leaders, who act as a group when negotiating but are competing when representing their own members; and (3) the six members of the negotiating team. After several consultations with the chairman of the EXB, I presented the first steps of a possible future strategic change program to the EXB on 16 February. This included proposals for job security and staff reduction. I followed the business plan of the GST division and tried to combine this with the plans of the other specialised divisions. Shortly after this presentation, I was invited by the eleven HRM managers of all divisions and subsidiary companies to share my first impressions. I gave them the same EXB overview and sensed their strong fear of being excluded from the process as a group. Labour agreements have always been the domain of the HRM people; now someone else had taken over. I understood their feelings, but it was not yet time to include this large group in my work in progress, as I was concerned that they would push strongly to continue business as usual and I wanted to be free to make up my own mind on how to move things forward. I planned conversations with many other colleagues who, in one way or another, play an important part in how the company is managed and who would have to live with the outcome of our negotiations.

During a financial information meeting at the end of February, I was introduced to the union leaders, Boris, Charles, Karl and Stef, as the negotiator for a new combined company labour agreement. These meetings have something of the nature of a cat-and-mouse game, in which the company is the cat and the union representatives are the mice.

Next, I had to form the negotiating team. From the beginning I was looking for an emergent way to get the negotiating process underway rather than making clear, fixed decisions right at the start about what we needed to achieve and how we should go about achieving it. I was in no hurry because the government was proposing major changes in many social systems, including pensions, which
would feature in our negotiations. In early 2004 it was very unclear just what the changes would be, so I wanted to move as slowly as possible toward the actual negotiation with the unions. I was also very aware of the events of 1999, when the unions had not been able to carry their own members with them. It was important, therefore, to invite onto the negotiating team people with expert knowledge and/or enough support from the managers in the division they represented, to take up the responsibility for negotiating together with me and feel comfortable in working together in an emergent way. The internal political forces and pressures always increase during such a process, and I was reluctant to let these forces influence our work too early and in a way that would make it difficult for us to hold on to our own emergent thinking. One thing was certain – one day there would be a new labour agreement; but the rest was open for discussion. So, I had talks with each of the candidates for the negotiating team individually, sharing my views on the way I would like to work together. For some it was a little unusual not to sit down, think it over and present a point of view on how to move forward and what to get out of the process. Everybody was asked whether they were comfortable with working together in this emergent way. In March 2004 I presented the first draft on the team composition at the EXB meeting.

29 March was a big day. We had our first meeting of the negotiating team and introduced ourselves to each other. We decided to meet every two weeks in the afternoon on the day of the EXB meeting to talk about whatever was going on. Our biggest friend was time, and we wanted to keep it that way. We started our first meeting just talking. Since our future as a team and what we might achieve together was uncertain, we wanted to give ourselves enough room to maneuver without putting all kinds of constraints on ourselves. Our own day-to-day experience gave us enough food for talk and thought to connect to the process at hand. In one of her examples, Shaw describes how one of her clients wants to encourage his people to open up and accept new turbulence. She describes her feelings as follows:

At this point I talk about my interest in the concept of “edge of chaos” conditions in which a complex network paradoxically experiences both stability and instability – where variations in the reproduction of existing
patterns may amplify to generate real novelty. I talk about how such self-organizing emergence is intrinsically uncontrollable in the usual sense and unpredictable in the longer term. I said that I was interested in working with the self organizing processes far from certainty and agreement where people really did not and could not know precisely what they were doing as they acted into an evolving situation.

(Shaw, 2002, p. 93)

Working with a team that was partly selected by me and partly selected itself, it was possible to exchange ideas and start feeling comfortable in not knowing. We were very clear about the fact that we needed to build up informal relations with the union leaders. Godfried, a member of the team who came from the General Services Division as a labour relations expert, had built up strong relations over the past few years, and this contributed to the kind of starting position we wanted to be in. It would surely help to prevent polarised conflict from emerging and facilitate dealing with the more normal exploratory conflict situations that arise in every discussion (Mead, 1934). During the final stages of the negotiations, Godfried and I had many opportunities to make use of these good relations in discussing subjects on an individual basis outside the conference room, which is often the case during complicated negotiations (Mastenbroek, 1994). During almost every negotiation team meeting we talked about major developments in government policies on subjects connected to our negotiations. Step by step our knowledge base increased and we felt more comfortable about widening the circle of people we would like to involve in the discussions.

The first union leader I met on an individual basis was Karl, from one of the largest unions. He warned me about the attitude of one of the other unions, which was intent on destabilisation. I thanked him for his concern, but as always with warnings, most of the time I had no idea what to do with them. Boris, another union leader, had a clear view of what he wanted to talk about and was well prepared. In fact he came up with many of the subjects we had identified ourselves. Boris was also partly responsible for the agreements with the government department providing the logistic infrastructure and was worried about the way their negotiation process was developing. The government is still
responsible for much of the logistic infrastructure. In the early days it has been one entity but it had to split up because of European regulations. Several competitors make use of this same logistic infrastructure, which serves a common purpose. Although the government department had their own negotiation process, we still shared many rules and regulations. However, both organisations have their own wage structure and the government level is not at the same as ours. This creates tension, on a day-to-day basis, between the people working in the government and people in our company who sometimes work closely together.

Two other union leaders, Stef and Egon, had done their homework well, presenting an analysis of the present and an extensive description of the future they wanted. During the process they tried to hang on to their ideas and come back to their plan, but no one actually accepted their invitation. Their disadvantage was that the group they represented was one of the smallest.

**The issue of job security and job flexibility**

On 13 April 2004, we had an EXB strategy meeting. The subjects I presented did not arouse much discussion. However, it was clear that some of the members strongly opposed JSF. Although JSF had been agreed for the more than 7000 staff members of the GST division in the last labour agreement, my impression was that some of the EXB had agreed to this against their will or had been overruled. This time, they wanted to make sure that this would not happen again. However, I was convinced of the importance of extending JSF to other parts of the company because of the new distribution system we would be installing in the coming years.

We did not stand alone in this line of thinking. Wilthagen (1998) introduced the term ‘flexicurity’ as a new paradigm for labour market policy reform. He describes this concept as a trade-off between labour market flexibility and increased national social security models. He states that flexicurity could be considered as an implementation strategy for transitional labour markets under government supervision. The main purpose at that stage was to create social systems more open for transitory states between gainful employment and
productive non-market activities to alleviate structural unemployment. Later, Wilthagen (2002) extended this thinking not only to transitions between work and social security situations but to the emerging of the flexibility–security nexus in and between companies. In our company this line of thinking was transferred into the JSF proposition.

The first ideas of exchanging JSF and mobility came up in 2003. The GST division, which had been through the major trauma of 2001, had to reach a new labour agreement and there was a real necessity to discuss changes in working patterns. Every discussion about this subject ended in a stalemate, because whenever organisational change and reduction of staff were discussed people were afraid of losing their jobs. By analysing pension schemes and dates of retirement, the management of this division – in those days responsible for their own agreement – had figured out that natural reduction of staff numbers matched the business plan forecast of the next eight years, and they decided to offer this security. Combined with a reasonable wage increase, stability on the worker front was restored and management could start working on the next phase of plans.

The purpose of the negotiation I was leading was to combine all labour agreements in order to create a new ‘one group’ feeling. Differences in legal position, with some people having JSF and others not, would hinder us in the discussions about job integration, more output with less personnel, and new working schemes. Every time the subject arose in board meetings, feelings of animosity rose to the surface. Such a hostile atmosphere compromised the willingness of others to talk about the matter.

In our negotiation team we had made calculations of what would happen if we honoured the request of the unions to extend the JSF offer to the staff of other specialised divisions, which would enable us to start talks about the integration of jobs between the GST and other specialised divisions. It turned out that it would easily fit the business plan forecast, so we decided to support the idea and to present it in the next EXB meeting. During this EXB meeting, the discussion about JSF followed two directions. Firstly, for some, there was a feeling that extension of the working sphere of JSF could bring the necessary flexibility (with
a stronger agreement and better contract), given that organisational change was inevitable. Secondly, other members reported that the experiences with flexibility so far had been disappointing. There was another complication. If JSF was extended to all the company’s national divisions, the international division would also press for it. I was requested to present an inventory of all types of JSF agreements for one of the next EXB meetings. There was also misunderstanding on the current agreement, and insufficient understanding of staff reduction due to normal retirement. We promised to provide the necessary information for regional, national and international operations.

Although we later provided detailed information, the members of the EXB still did not give us the impression that they agreed with us on JSF. We, the negotiation team, tried again to give improved and clearer information. I tried to explain that many of the other subjects were directed by new government rules and regulations and that our main goal was to create as much room as possible for future change in the organisation and possible lower costs. Eventually, the EXB agreed on JSF for those groups of employees working in the same field. JSF, previously agreed upon for the operational staff of the GST division, was to be extended to service groups of other specialised divisions. The negotiation team would prepare a memorandum on how staff of the GST division were distributed across the regions of the country, and what it would mean to add the other service people. Decision-making processes moved slowly forward, but there was still a feeling of ‘yes, but…?’ The atmosphere during the discussion of this issue continued to be tense, reflecting the pattern of power relations.

Because of the concerns that Boris had expressed, I organised a meeting with one of the directors of the government logistic department to discuss JSF. They too would be greatly affected by the outcome of our agreement, so we needed to explore where serving our interests might become counterproductive for them. In the meantime, the negotiation team had developed a strong coherence; we even had some harsh discussions and real conflicts, but came out stronger. Conversation played an important role in all phases of the process.
As the patterning within and between the different groupings evolved, it became clearer and clearer that the JSF issue was leading to a more and more polarised conflict situation between several of the participants. The atmosphere at meetings was grim and the discussion itself was leading nowhere. During one of the EXB meetings, I asked if there were other reasons for the opposition that had not yet been disclosed. This question led to a hostile atmosphere and did not take us any further. We were stuck. However, my team and I were convinced that an understanding on JSF would help the company to move forward in the coming years and also help us finalise the negotiations. In October 2004 one of the unions sent us a letter demanding job security for all staff. This was the first time the unions brought the subject up for discussion.

So, what I want to draw attention to here, as we slowly approach negotiations with the unions, is the tension, with its potential for polarised conflict, within the EXB and also with closely related companies and government departments which we depended on and which depended on us.

**Conflict: individuals and groups**

Reflecting now on these events, I can see how we in the negotiating team identified the three most important groups involved in these negotiations as our own team, the EXB and the union leaders. There were many other groups also involved, but they did not have the same level of influence. Individuals participated in a number of different groups. Many of the discussions in these groupings took the form of explorative conflict as we worked through our differences, and although the potential for polarised conflict was never far away in any of these groupings, the only serious potential for polarised conflict emerged in the EXB where the discussion stagnated and explorative conflict was avoided. So what do other authors in the sociology and organisational literatures have to say about the role of groups in emerging conflict or its prevention?

Coser (1956) explains the effects of conflict on groups in two ways. Firstly, conflict sets boundaries between groups within a social system, creating
awareness of separateness and thus creating the identity of groups within the system. Secondly, conflict reinforces group cohesion. He argues that conflict establishes the distinction between the ‘in-group’ and the ‘out-groups’, so giving rise to the development of individual identities. Coser makes a distinction between realistic and unrealistic conflicts. Realistic conflicts provide the means toward a specific result, whereas non-realistic conflicts, although still evolving in interaction, are not caused by the antagonists but by the need for tension release of at least one of them. Non-realistic elements in realistic conflict situations increase the intensity of the conflict.

Rapoport (1974) starts with an extensive analysis of conflict in nature in general, as the struggle for existence, evolution and survival. When dealing with conflict, he says, first we must identify the conflicting parties. In doing so it seems most natural to identify individuals as the basic conflicting parties, because if all members of a group had the same aspirations there would be no problem. When some members of the group want to achieve goals and purposes for their own benefit, problems will inevitably arise.

Rapoport focuses on systemic theories of conflict, where it is not the individual psyche that is at the centre of attention but group processes not subject to control by single individuals. When looking at the role of individuals, Rapoport draws, among others, on Hobbes’ (1957, p. 139) picture of human life as the war of everyone against everyone. In Hobbes’ model, individuals are not differentiated from each other, in which case the focus of attention is not on individual psychology but on systemic effect. For example, Rapoport considers the ‘psychologies’ of actors larger than individuals, in particular highly organised social ‘organisms’ such as states. The soldier sent out to a war obeys the command even if he does not want to. Coser focuses more on the individual human being, whereas Rapoport chooses a systemic and group approach, pointing to Hegel’s idea that contradiction is unavoidable in the process of logical progression toward the truth and that this contradiction is in its essence also a concept for conflict.
Mastenbroek (1994) describes his methods for intervention in terms of four stereotypical patterns of relationship connected to certain behaviour, problems and frictions. Based on this assumption, Mastenbroek (1987, pp. 206–208) distinguishes four types of conflict-solving behaviour, as shown in Table 2.

Table 2: Types of conflict solving behaviour

<table>
<thead>
<tr>
<th>Types of conflict</th>
<th>Effective behaviour</th>
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</thead>
<tbody>
<tr>
<td>Instrumental conflicts, which are business- or target-oriented</td>
<td>Problem analysis, efficient meeting and decision-making processes</td>
</tr>
<tr>
<td>Social emotional conflicts, which focus on identity</td>
<td>Empathy and open communication</td>
</tr>
<tr>
<td>Negotiation conflicts, concerned with the distribution of scarce goods</td>
<td>Negotiate</td>
</tr>
<tr>
<td>Power and dependency conflicts, focused on securing position or improving positions in relation to others</td>
<td>Structuring mutual dependency</td>
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</tbody>
</table>

Glasl (1999) generally sees two opposite positions in dealing with conflict: conflict avoidance and battle. The first attitude suppresses all forms of conflict and will result in a negative influence on working atmosphere. In the second, attitude conflicts will go on until social coherence in the group is completely lost. Glasl focuses more on the individual in the group and less on conflict between groups. His most important question is whether the person has a conflict or whether the conflict has the person. In other words, does the person still have control over themselves? When the conflict has control over the person, this
person will be guided as if by an invisible hand and will transform the image of
the other. In a conflict situation there is self-infection.

Glasl (1999, p. 123) provides many intervention techniques based on nine
different levels of escalation to handle these kinds of situations with the strong
belief that awareness about conflict can prevent it from emerging or can solve it.

1) Hardening: Concentrate on issues, suitable communication methods relieve
the strain, loosening to allow to return to the positive qualities of people
involved.

2) Debate and polemics: Disabling the polarised powers, from fighting for
dominance to debate, from compulsive ping-pong to self-directed action.

3) Actions, not words: Strengthening empathy, loosening the crystallised roles,
clarifying discrepancies between verbal and non-verbal messages.

4) Images and coalitions: Correcting distorted perceptions, which disable
perceptive mechanisms, dissolving fateful role attributions.

After this point professional help is advised:

5) Loss of face: Process consultation or process counselling.

6) Strategies of threat: loosen or break interlocking of the conflicting parties.

7) Limited destructive blows: Mediation in the classic sense is required.

8) Fragmentation of the enemy: Voluntary arbitration.

9) Together into the abyss: Mobilisation of superior power.

Glasl works out the interventions in great detail, which can be helpful in
recognising the occurring situation, but it is important to bear in mind that every
Elias (1970) describes interaction between human groupings in terms of patterns of power relations in which people are included and excluded from particular groupings. It is this process of power relating that creates the identity of the individual (‘I’ identity) and of the group (‘we’ identity). One’s sense of personal identity is closely connected with the ‘we’ and ‘they’ relationship within and between groups. In this way the identity creation of the ‘I’ and the ‘we’ are closely connected. Griffin (2002, p. 195) describes the ‘I’ and the ‘we’ as emerging identity in the tension of the direct experience of relationships between human beings in the unity of the social act, and relates this to complex responsive processes. He shows that conflict is a natural process in the recognising of one’s own identity in the other and the other in oneself, and that recreating one’s identity cannot be realised without the struggle of entering into conflict. Griffin focuses strongly on the relation of conflict and identity. The transformation of identity through conflict is an intense process because conflict holds a high level of emotion and tension. Griffin develops his line of thinking from the leadership perspective. I think there is no leadership without emotion, and emotion – like conflict – transforms identity. Coping with this phenomenon is one of the major aspects of leadership. Taking the views of Griffin into account opens up new possibilities in processes of negotiations. I will now review some of the experimental processes that helped us to develop negotiations in an explorative way.

**Preparations for the negotiations continue**

I had my first meeting with Charles, the leader of one of the unions, in December 2004. This meeting had been postponed six times during the previous ten months. To my great surprise, and probably also to his, we got along very well, which immediately led to a few other meetings. In previous labour agreement negotiations this union had been the hardest to deal with. After my meetings with
Charles, we organised an informal dinner meeting with all the union leaders to get to know each other better and to exchange general knowledge. It was a successful first step that involved the exchange of much personal information. We took our time to build up a relationship and to create something of a common feeling. At the end of the dinner, we planned the first official meeting to exchange company information.

There were also other ways in which we engaged the unions. For example, we organised theme groups and later we organised a conference.

**Theme groups**

Early in 2004, after our second explorative dinner meeting with the union leaders, our negotiation team reviewed the interaction between the unions, noticing the competition and sometimes the tense atmosphere when they started negotiating between themselves. Those are the moments when one feels that polarised conflict lies just around the corner. In light of this, we proposed setting up small combined theme groups involving the different unions and ourselves, to investigate in detail four main topics:

1. Job security combined with job reduction and job flexibility;
2. Pensions;
3. One labour agreement;

All unions agreed to participate in these groups and to investigate the boundaries between the major subject areas. The outcome of this meeting guaranteed us the desired delay of the beginning of real negotiations. We had the impression that time would help us in building up not only personal relations but also working relations with union members and leaders.

Our intention in setting up the smaller theme groups was to provide forums where we could discuss the major issues together with union representatives and explore
the situations in which we all found ourselves. The last thing I wanted to happen was for us to be forced into real negotiations. The government was so unclear about future regulations on our main negotiation points that, given a huge demonstration of hundreds of thousands of union members against government policy, especially on pension regulations, starting negotiations too soon could easily bring us into a polarised conflict situation. Avoiding the formulation of a strategy right at the start is not a common procedure during negotiations. In normal negotiation processes, people tend to take up starting positions on what they would like to realise as a best outcome, and the party that can hold on to this starting position the longest makes the most out of the negotiation (Karrass, 1974). In not taking this position, the process went in a different direction where parties were investigating together what new government regulations would mean for everybody and what an objective point of view might be. Because of the universal uncertainty, the risk of going into polarised conflict about unclear negotiation points was so high that we intuitively chose another approach.

Another example of how we slowly prepared for the negotiations is the conference we organised.

The conference

During a short conference on complex responsive processes of the Complexity and Management Centre of the University of Hertfordshire near London, one of the participants suggested that I contact a consultant on union participation in organisational change. At the same time, Boris proposed having a conference to develop a recovery plan for the complete sector. The members of the negotiating team favoured the idea of creating joint experiments with the unions.

As a result I made an appointment with the consultant, together with two people of the negotiating team, and we met him in London. He talked to us about the privatisation process of the British energy and electricity industry, where he was involved in the change programme of one of the sectors. These public-sector organisations had to be transformed into a commercial company. From the start of
the process, management tried to involve the unions in playing an active part. This was not easy, to say the least, because unions were afraid of losing control, influence and power and were organised in a bureaucratic way. They organised brainstorm sessions with employees of this ‘future’ company about many subjects and invited union leaders to take part in these meetings. During the meetings all hierarchical levels were mixed. Special attention was paid to involve so-called opinion leaders or ‘trouble-makers’, often also active members of the unions. As a result of these meetings, ten conferences in the country were organised inviting all other employees, to increase the general level of participation. As people were able to convince each other that there were no hidden agendas and that the decision of the government was not an issue for discussion, so it was best to be involved, the results of these conferences contributed strongly to a smoother change process than expected. Looking at our case, the expert suggested inviting the unions into the strategic thinking process of the company based on his positive experiences during a massive change program. Besides, a conference with union leaders and opinion leaders about the future of the company, which was similar to Boris’ earlier idea for a joint conference, could support the process.

The members of the EXB were enthusiastic about a conference to discuss the future of the group with union leaders and opinion formers. The negotiation team suggested that the CEO should take the lead at the conference to signal a separation between the conference and the actual negotiations. It was clear that the negotiations and the conference would influence each other and that the conference would give us an additional opportunity to work with the union representatives. Soon after, we had a meeting with the union leaders to prepare for the conference. Although there was always some tension at these meetings, the union leaders were very enthusiastic about the idea of a conference. Ellis, a colleague of Godfried, then joined the organising team. She had been employed by one of the unions and had a good sense of what was going on there. One of our ideas was to create preparation teams consisting of union leaders, union members and ourselves. I suggested that it would be wise to involve the HRM managers of the divisions because they still felt excluded. This suggestion was accepted. We formulated a communication strategy and I undertook to inform EXB members about the conference plan.
When we organised this conference for the beginning of February 2005, the unions agreed to postpone the negotiations, even though the old agreement had expired by then. This was exactly what we wanted, and indeed it served a mutual purpose for both the unions and ourselves. We hoped that the conference would improve our working relations with the unions. Boris suggested a conference preparation meeting with the participants in the form of sharing dreams about the company’s future.

The conference itself was organised as an open-space gathering (Owen, 1997), a meeting instrument we often use, and was attended by more than 150 participants, including management, union leaders and union members. We gathered all information around dreams of participants in advance, created a marketplace where people could express their interest in discussing certain topics, and in the end had a public forum where people could express their ideas or concerns based on the discussions. In between we held a ‘press conference’ with interviews with union leaders and our CEO. During the conference it was possible for anyone, working anywhere in the country, to communicate through an internet connection. This went even on for extra days after the conference. In the end we informed all employees through our journal and a special bulletin about the results. A second conference was to be organised before the end of the year.

This turned out to be a useful exercise because it led to an open exchange of information, although some people did have doubts about the value of sharing dreams to initiate discussions, because of the risk of speculating about an idealised future shorn of any obstacles to achieving it. However, the discussions we had did reduce fears of threats and manipulation, because everybody could take part. After sharing many dreams, the discussion moved quickly to the day-to-day working situation of drivers, mechanics, conductors and customer service people, which formed a common context for all of us. Without the dream sessions, this might not have happened so easily.

There was an unexpected interruption in the development of relationships with the unions after the conference. Boris, one of the union leaders, provided members of
parliament with incomplete information about a calculation model from the
cconference. This led to a severe confrontation between Boris and the company,
after which we had a serious discussion with him. Godfried explained to the
negotiation team that passing on information by the unions to outsiders was
always a risk and had often happened in previous years. The team formed the
view that this action would have to be responded to, and so proposed a very
interesting early retirement scheme, making it clear that this was not a shared
success of both the unions and the company. Boris understood the message from
the negotiation team and promised that information leaks would not happen again.
We knew that we were moving at the edge of possible polarised conflict and had
to inform the other unions of what happened. Parliament can be a disturbing factor
when misinformed and when it starts acting on this misinformation.

Negotiations, agreement and some surprises

Although I was the leader of the negotiating team, it turned out during the first
round of the negotiations that Godfried took the initiative of chairing the meeting.
This was not prearranged but, rather, happened in a very natural way; he
continued to take this role at all other meetings, after members of the negotiation
team decided that they all felt comfortable with it. Due to his expert knowledge on
many subjects he was already doing much of the talking, which he did with much
talent. This development gave me the chance to play a bigger role in discussing
ideas and content. Godfried and I had our final meeting with the CEO about our
mandate on 23 March 2005. JSF was still the most important issue. We wrote a
final memorandum highlighting all the items we were to discuss with the unions
and suggested another discussion with the EXB because the JSF subject was still
so sensitive. However, everybody felt that the information was clear and that we
had talked about it enough.

During the third round of negotiations on 24 March 2005, we were slowly moving
forward on all subjects. We exchanged much technical information and in the end
the questions on JSF and the required organisational change regarding EDS
brought some life to the meeting. The discussion offered us the possibility of
clarifying our ideas and reducing the union fear that people would feel threatened by the reductions in staff and changes in work patterns required by EDS. We explained that we could reduce our workforce by 1700 operational members in a completely natural way between 2005 and 1 January 2011. That is why we could offer job security to operational staff of other divisions. However, we made it clear that the same amount of work had to be done with 1700 fewer employees due to the investment we would be making in the new distribution systems. All understood that this had to be our main mission for the coming years.

One of the unions wanted to extend job security to the operational team of the international division. The managing director of this division had given job security under certain conditions to his staff and agreed that we could bring the subject into our negotiations. I explained the situation in a telephone call to our CEO to get his approval for this arrangement. Afterwards I discovered that he had misunderstood how many board members were directly involved in this discussion, which led to a conflict after finalising the agreement.

On 20 April, the last round of the negotiations started at 10 am. A problem arose due to a mistake or misunderstanding by us at 1.30 am in the morning of the next day, and there was an intense and lasting silence; at least, it felt that way. The leader of one of the unions gave in immediately and solved the problem in the blink of an eye. This was one of the most remarkable moments during the whole negotiation period and demonstrated the atmosphere we had been able to create. At 2.30 am that day we had an agreement, and by 4 am Godfried and I could sign the papers together with the union leaders. After having a beer together we prepared news releases for the newspapers, radio and television. No conflict, no extra tension.

All news stations talked about a revolutionary agreement supported by unions and the company. Remarkable was the quiet, almost silent way the whole process had moved forward. Compared to many times in the past, when we hit the newspapers with controversial news and conflict, this was a big surprise for many people. Some did not even know we had already started the negotiations, although unions presented results on their Internet sites on a day-to-day basis. All union members
supported the outcome, and on 3 June 2005 we presented the follow-up of the negotiations to the EXB.

However, there was also an unexpected development. Some members of the EXB still had doubts about the outcome, mainly because extension of job security was part of the agreement. (The decision was made 23 March and communicated by internal memo to all EXB members, but it remained controversial). It was strange to experience a certain distance that surfaced during some of the regular meetings. My feeling of success was diminished, and I wondered if and how I should communicate this to my team. In fact I had a bad weekend, especially because all newspapers in the country were complimenting us on the results. I was able to express my astonishment at the attitude of some in an EXB meeting a few days later. We discussed in more detail the EXB processes accompanying the negotiations and why some of the EXB members felt ignored. When it came to the issue of JSF, it was clear that whatever the outcome, some members would be against it. The CEO had interpreted the extended mandate for the operational staff of the international division during our telephone conversation in another way, but their managing director did not leave any doubt that he agreed with our approach. The outcome of the meeting was that the JSF subject was so sensitive that another EXB meeting after 23 March would have been wiser.

Some time later, there was another surprise. The negotiations of the logistic government department were not our direct responsibility. Their management, however, was not able to reach an agreement on terms and wages, and on 17 June this department went on strike. There was no means of services during that day throughout the country. Although we were not directly involved in this part of the negotiation process, we could have been more aware of the pending risks and perhaps we could have tried to have more influence on their process directly or via our negotiation partners. Luckily they soon reached an agreement.

**Local interaction and global patterns**

This paper has described organisational negotiation processes comprising more
than one hundred meetings and discussions. I have left out many, many details, but I hope I have included enough to show that such processes are messy and full of unexpected sidesteps. How it all evolves depends on the specific contexts the parties find themselves in, as well as on many coincidences. A key question for me is this: what made it possible to work at the edge of polarised conflict without such conflict actually arising during the negotiations? I think the answer has to do with building up good relations, which took much time and energy. In the end it was this that helped us to avoid polarised conflict and achieve a result that benefited both the company and its employees.

Instead of following standard negotiation procedures, we created opportunities for discussion that amounted to opening the door to explorative conflict; it is this engagement in explorative conflict, rather than suppressing or avoiding conflict, that creates the greater possibilities of avoiding polarisation. There is risk-taking involved, because explorative conflict approaches the edges of polarised conflict, but by doing so we reduced the risk of an outbreak. Although this is a specific example concerning union negotiations, I suggest that it has general implications for many other management processes where complicated negotiations inevitably raise the prospect of conflict. I would say that during the period of the negotiations, my colleagues and I operated quite intuitively and in the process created a different approach to negotiating. As the leader, I think I tried to stimulate working at the edge of polarised conflict where creativity evolved in local interaction (self-organisation) from which there emerged the global, population-wide patterns (strategy) of better understanding with the unions and a successful agreement, as well as global patterns of a divided EXB and a strike at the logistic government department. Let me explain.

As I have said before, several groups played important roles in the overall processes of the negotiation. The EXB was responsible for the group as a whole, that is, the head office and all the divisions. The negotiating team had to relate to the EXB, and it also had working relations with divisions and HRM departments. The union leaders acted as one group, but also as separate entities for the people they represented, and we in the negotiation team had to develop relationships with them individually and collectively. Many other groups played a role during these
negotiations, and then there were policy-makers and politicians in the central
government who were making decisions of direct relevance to our negotiations.
Again we had some interaction with all of these groupings. In terms of activity, all
of these groupings consisted of relatively small numbers of people, sometimes
with the same people in more than one grouping, who accomplished whatever it
was that they accomplished in ongoing conversations, in relationships, with each
other. All of this can be described as local interactions (Stacey, 2005a), or more
technically, as self-organisation. The narrative in this paper has pointed to some of
these local interactions.

Those working in the natural complexity sciences have been particularly
concerned with the relationship between self-organising, that is, local, interactions
(micro activities) and global or widespread patterns (the macro). For example,
Prigogine (1996, p. 60) became convinced that macroscopic irreversibility of time
was the manifestation of the randomness of probabilistic processes on a
microscopic scale. Also, in an interview with van Maris (2005) on computer
simulations of the self-organising development of vowel systems, Bart de Boer
argued that global structures emerge only through interactions on the local level,
without any outside influence and without a prearranged hierarchical structure.
Elias (1970), writing long before the complexity sciences appeared, took a similar
view of human interaction. He explains that (1) development of technology, (2)
social organisation, the twin processes of increasing differentiation and increasing
integration and (3) the civilising process cannot be understood in terms of parallel
increase in what he calls three types of control leading to a predictable future.
Especially in the civilising process, changes in self-control take place that can be
non-linear. Elias says that looking at the past makes it possible to see how present
forms of society have emerged from earlier forms, but that this has no pre-existing
aim or significance. Trends do not take a straight course, and very often develop
via severe conflicts. It is beyond human power or foresight to carry out changes in
social structures. Elias refers in a way to types of local interaction leading to an
unpredictable form of tomorrow’s (global) society.

I argue that it makes sense of my experience of the negotiations to think in this
way about the many local interactions, the many meetings and events, through
which widespread, global patterns emerged. In other words, strategies, as global patterns, emerged in the continuous thinking and discussion involving all of us in many local situations during the negotiation process through which we were reconstructing every step we took. However, in all our local interactions, we were also keeping in mind ‘the big picture’. We were very aware of a number of global patterns: our group’s contracts with central and regional governments; the financial resources and results; our clients and their representative organisations; our own organisational structure; and so on. So in our many local interactions we were co-constructing the emergent global patterns, but at the same time we were taking into our local interactions our generalised interpretations of these global patterns. These generalisations then were constraining us. These generalised global patterns, both internal to our company and external to it, were most of the time beyond our control (Stacey, 2005a).

When we take a complex responsive process view, we focus on communication between humans. This immediately leads to diversity and unpredictability (Stacey, 2005a). This makes us look at organisations as ongoing temporal processes of human communicative interaction.

Social forces, social structures, routines and habits can all be understood as generalizations that are particularized over and over again in each specific situation we are in… Furthermore these generalizations are often idealized and come to form the cult values we repeatedly have to functionalize in our interactions. This way of understanding routines and habits focuses attention on the inevitably conflictual nature of particularizing the general and the idealized.

(Stacey, 2005a, p. 44).

It is the idealisation of our imaginatively created unity that makes us experience value; the voluntary compulsions that serve as criteria for good and bad actions (Dewey, 1934). Mead (1934) talked about the functionalisation of idealised cult values to give the values we make use of in our day-to-day life; and this always gives rise to conflict, which will show itself in interaction. This is true for the kind
of negotiation processes I have been describing, as well as for the implications on strategic developments of the company as a whole.

At the EXB meetings, some of the members tried to hold on to the cult value, ‘companies do not give away job security’. However, the reality was that more than 7000 employees had already been given job security. It was the proposed functionalisation of this cult value involving the addition of a further 1500 employees to the scheme that brought up the different opinions. Some tried to limit diversity by holding on to the cult value in an absolute sense, while others were trying to functionalise it. These differences of opinion led to attempts by some to engage in explorative conflict as part of a normal discussion, while others were moving toward polarised conflict. Power plays an important role in determining who will take up which position. The approach of Griffin (2002) and Mead (1934) is one in which people engage in explorative conflict that often comes close to working at the edge of polarised conflict. When in a discussion people try to hold on to cult values in any circumstances, the explorative conflict phase will not take place and people will immediately enter polarised conflict and get stuck. As soon as we start taking account of the specific time and situation we are in, we are particularising or functionalising the general and the ideal. This requires continuing conversation in which we engage in explorative conflict. We still have our different positions, but now we are negating the simple negation, the polarisation, and exploring how we can obtain something of what we want that makes sense for both of us in the specific situation we find ourselves in. The opposition, the conflict, is then potentially transformed into a novel arrangement we can all live with. Although the story is one of a successful negotiation, from a leadership perspective it is important to stress my inability to control all the factors involved and point out the inevitable surprises that occurred along the way.
Project Three

About Project Three

In Project Two it became clearer to me how the population-wide patterns of interaction between people, which is what we can understand organisational strategy to be, emerges in the many, many local interactions between people and groupings of people. The situation described in Project Three asked more or less for a comparable approach, only it did not happen at the beginning. The story begins as the very general strategy of a straightforward cost-cutting operation in which one of the options is a merger between the national and international sales departments of two divisions. In Project One I stated that strategy means an elaborate and systematic plan of action. In the story in this project, over two years passed before the merger was accomplished, and I started to question the assumptions about what strategy actually is. When I compare my experience of strategy in these events over the two-year period, I experienced a mismatch between this and the usual view of strategy as a systematic plan of action formulated by top executives and then implemented by others. Instead my experience was one of ongoing conversations involving not only top executives but many other members of the organisation, all of whom had and interests in, and views on, what was happening and what should happen. Working in the DMan programme made me aware that we probably had to start involving other groupings to solve the problems that arose. When we invited other people who were directly related to the process to participate in conversations and organise their own meetings, new strategic issues were emerging, leading to actions not at all related to managements’ original intentions. After finalising the process it became clear that strategy emerges in the social interweaving of (different) intentions and actions by all groupings involved. But it was not until being confronted with the strategic issues described in Project Four that what started as coincidentally enabling local patterns of interaction became a deliberate strategy.
Strategic development of a merger: formulating and implementing at the same time

Introduction

This reflective narrative describes a two-and-a-half-year merger process between the sales and distribution offices of the international and national divisions of a large services company. Approximately 1500 people and 40 regional sales offices were directly involved in this merger. I focus attention on micro-strategising activities and leadership, exploring how thinking in terms of complex responsive processes (Stacey, 2003a) affected how I worked in this situation. I point to how groupings of different departments play a part in the merger process through their changing positions and shifting power relations, reflected in the dynamics of inclusion and exclusion and the effect this has on their identities (Elias, 1939; Elias 1970; Elias and Scotson, 1965; Iterson et al., 2002; Soeters and van Iterson, 2002). If, from a complex responsive perspective, I see organisations as patterns of interaction between people who have to live and work with the outcome of strategic developments, it becomes important to work with strategic questions in this community. I invite people to co-develop strategic answers in diverse settings and groupings as part of their day-to-day work, leading most of the time to new unexpected outcomes. Asking strategic questions can also surface insider and outsider relations (Elias and Scotson, 1965), in which diverse groupings develop or damage their co-operation, making this an important point in strategic development. The following narrative describes the trial-and-error process of formulation and implementation of strategy at the same time and my own shifting of thinking about strategy as the interplay of intentions in conversational processes.
Organisational background: established–outsider relations

The national and international divisions both operated through the same sales and distribution department unit until five years ago, when the international division decided to develop its own sales and distribution department. The national offices were then separated from the international offices, and staff had to choose where they wanted to work. Although they continued to be located next to each other, and often shared back-office facilities, a psychological divide arose between the people involved in which they came to regard each other and themselves as the ‘international elite’ and the ‘staff’. The people working at the international desks were paid on higher grades, and this led to some envy.

This situation did not attract my immediate attention when I became responsible for the division in which the national sales and distribution activities were located; but it was later to become very important. Looking back and reflecting on the way these group formations played an important role in what subsequently happened, I find it helpful to turn to Elias and Scotson (1965). They describe ‘established and outsider relations’ in a small community in England, which led to people thinking about themselves as being superior or inferior to each other, so establishing power differences between two interdependent groups. The only real difference in this community was that people in one area had been there longer than the others. This small difference was used to establish major differences between groups through labelling in streams of blame-and-praise gossip (Soeters and van Iterson, 2002). For Elias, power was not something possessed by one group or person and not by another but, rather, was a structural characteristic of all human relationships in every situation (Elias, 1970). Elias held that people are not autonomous but always live in figurations of power relations taking the form of ‘we’ and ‘them’ (Elias, 1970). The differences between the international and national groups were pay grade and the feeling that international sales were more complicated. In gossip terms, they were called the ‘ladies with the pearl necklaces’. The real differences, however, were relatively small. Personal identity is connected to these ‘we’ and ‘them’ relationships. Such group dynamics do not feature much as important factors to take into account in most approaches to strategy but, as I will explore later, they can be very influential.
Round one: cost reduction through co-operation as strategic choice

With all of this in the background, the EXB, of which I am a member, had budget meetings, to investigate ways of improving the company’s financial results. The management of the international division was not present at this meeting. So even though that division had budget problems because of low-cost operators entering their markets, attention was nationally focused on seeking to identify areas where we could perform more effectively and efficiently. My colleague Gerald, managing director of the commercial department, and I proposed developing co-operation between the national and international desks with a view to increasing efficiency and lowering costs, or increasing service levels for our clients. This was not a fully formulated plan, but emerged as a possible intention worth following up. So after we had discussed the idea with the others present, we decided that the two of us should meet the management of the international desk and share our ideas with them. Knowing that they had financial problems and were looking for more efficiency too, we expected that the idea would find a warm welcome. We also knew that part of the management group at international was going to move to other positions soon and that a new managing director was preparing to take over.

The national sales and distribution department was part of my division, but the commercial division was responsible for sales and marketing strategy. They financed the offices in which we worked, playing an important role in decisions about the layout and image of the offices as well as the presentation of our staff. Two weeks later, Gerald and I informed the management of International about the meeting we had and the idea we wanted to discuss with them. They did not explode with enthusiasm, which of course is natural enough when colleagues start introducing ideas concerning your business; but they did listen carefully. In the end they followed our argument and we decided to ask the responsible directors and personnel managers of both divisions to investigate whether this approach could lead to an acceptable form of co-operation between our sales offices and reduce costs enough to make it worthwhile putting the energy into this approach. Four of the directors and managers had their first two meetings in December, two months after the board meeting, and agreed to meet again the following January.
In the meantime I confidentially informed our Staff Council about the plans we were starting to develop. I did not want to surprise them, and was curious about their initial reaction. They liked the idea, and I promised them I would involve them the minute it became serious business. Some European countries have a two-tier board structure, consisting of a Supervisory Board and a Management (Executive) Board, and in addition they have introduced a Staff Council structure by law. This law ensures that the rights and interests of employees are respected by management in relation to matters of labour conditions and company strategy. The Staff Council has to approve a request for any change in labour conditions, and they have a right to give advice on company strategy. Both parties have the right to appeal to a labour court if one feels that the other one did not follow the proper rules. In most companies, the Staff Council has a right to appoint one or more Supervisory Board members. This structure reduces the direct influence of unions in the company, as happens in the UK and the USA, because it is the Staff Councils that have a direct interest in the success or failure of a company. Based on the size of the company, the number of elected members in a Staff Council ranges from 3 to 21, and elections take place every two or three years. In large companies with several structural levels, such as divisions, each division will have its own Staff Council with representatives of these Councils forming a central Staff Council at the top level to meet with the president of the company. During the election process, unions play a role in proposing and supporting union member candidates.

The plan stops: strategic decision-making in isolation

In the second week of January, my colleague Genevieve, one of the directors of sales and services in my division, called me. Anxiously she said, ‘The new managing director of International, Robert, is going to call you in a few minutes to tell you that they have changed their strategy and will present a recovery plan for their division which involves shifting most of their sales activities to the Internet while maintaining telesales and reducing the workforce by 250 people, including almost all the 150 staff members of the international sales offices’. She had also
heard that they had consulted union leaders and their Staff Council and planned to release a press statement soon. However, the former manager had suddenly fallen ill so that Robert, who had not even started his new job yet, had to take over and was about to inform all employees of the changes. It was Genevieve who had urged him to call the managing directors of the other divisions and tell us what his plans were. I was speechless when I heard the news, especially since colleagues from his and my division were investigating a possible merger of the sales offices. However, the only concern Genevieve and I had at that point was the effect this message would have on our 1000-plus sales and information people who were working in close proximity to international sales staff and had originally been one team who all knew each other well. We decided to inform our site managers on location about what was going to happen and assure them that this would have no effect on our operation.

That afternoon there were no international sales – all the international offices were closed because staff members were engaged in emotional meetings. After a while, I explained to our Staff Council what had happened.

**Back to business as usual**

We then had to look for other opportunities to improve our performance and lower our costs. We also had to visit all our offices to regain the confidence of our own teams and reduce the fear of ‘today it’s them, tomorrow it’s us’. Despite the assurances, however, the doubts remained and it took us some time to get everybody back to normal. Even more surprising was the fact that after a few days the international sales staff went back to work and took up their daily activities as if nothing had happened. However, we heard that they had little confidence in what was going to happen and no idea how rapidly the shift from personal selling to Internet sales would be. At the time of the decision, 6% of the international sales went through the Internet, and the plan was that this would be increased to more than 60% over two years. The Staff Council of the international division withdrew in protest, leaving management without any means of formally communicating the change in strategy.
It was also surprising that none of this was discussed at the EXB. During this period, International was not in the mood to seek co-operation and my EXB colleagues and I just let it go, since we thought it was not crucial to the short-term developments of the whole group. Furthermore, it was in accordance with the overall strategy of increasing Internet sales and electronic ticketing. After Robert took his new place at the EXB, we started to work together and I developed a better understanding of how he was trying to restore results in his division. However, he did not ask anybody for help, so he was very much on his own. Also, at that time I started to prepare for negotiations with the unions about a new labour agreement for the group, and so had many other things to do.

Renewal of personal acquaintance and restart of co-operation

In October, 12 months later, I was interviewing my colleagues on their ideas about the coming labour agreement negotiation. Robert and I decided to have lunch together to exchange our views. We both had the feeling that it would be a wise idea to get to know each other better, since we were sitting together around the same table at every board meeting. My attitude was still one of keeping a certain distance. After exchanging formalities, I tried to explain why I had kept my distance. I asked why they had not only stopped the talks at the end of the previous year but had also chosen not to inform us in advance. Robert gave two reasons: first, the former management had told him that we could not be trusted and acted only to serve our own interests; and, second, they wanted to be sure that none of their ideas would leak before they were ready to present them.

After continuing our conversation, he understood that I felt offended and did not want to have anything to do with the developments of the international division. He also admitted that if he had the chance to do it again he would make different choices, including continuing our talks about integrating the sales offices. The development of Internet sales was not likely to meet the original expectations of an increase to 60% in two years because after one year it had only moved up to 8%, which meant that the international sales offices would have to remain open.
From a personal point of view, I liked Robert, and so after a while I accepted his suggestion to restart the integration talks. I knew that our division had some extra financial resources that would enable us to absorb part of his staff and that the rest could come from his reorganisation funds. Together we would be able to raise sufficient funds to integrate, and so cut costs while developing the future of electronic ticketing. A complete restructuring of tasks and responsibilities would take place for all our operational staff, which would enable us to save a great deal of money without incurring any job losses and so, we hoped, no unacceptable social conflict. We decided to reopen talks with the same people who were present ten months earlier.

Reflections on strategy²

The events I have described so far affected the whole of the international division, as well as large parts of the national division, and they had potential long-term consequences for the whole group. They are, therefore, what most people would call strategic. How can I make sense of the strategising activities in this story? Or, better still, how can I understand strategy and strategic management in the light of the above events and my long working experience? What is the role and influence of all the people working in this strategy process, apart from continually being surprised? To develop a better understanding of what was happening, I first want to focus on the broad notion of strategy.

A few years ago I would have defined ‘strategy’ as an ‘elaborate and systematic plan of action’. When I now look back at the events of the last two years and compare my experiences with this statement, I am struck by a number of points. It could be said that the story so far displays elaborate patterns of action, but they hardly constitute a systematic plan. A systematic plan would normally take the form of a clear decision reached after analysis of the facts, followed by a clear sequence of implementation steps that are adhered to by all those concerned. This clearly did not happen – it was all much more exploratory and political,

² Appendix 1
characterised by personal relationships, people falling ill or retiring, personal rivalries, and possibly Robert’s own anxiety when he suddenly discovered that he was on his own, leading him to forget to involve his managing-director colleagues. Instead, when I reflect on the above events, it becomes clear to me that through the social interweaving of (different) intentions and actions by all groupings involved (Elias, 1939, p. 436), new strategic issues were emerging, leading to other actions not at all related to the original intention of the management of the international division. On the first day of the announcement, all international sales offices were closed and staff members were engaged in emotional meetings. Pretty soon after the emotional reaction of staff, the question that predominated was whether management had made the right decision to move into the direction of totally automated sales and whether our clients had the ability to use these new technologies. People were worried whether this new system would lead to the loss of a great number of customers. The reactions of staff and customers caused doubt in the minds of International’s management, making this a story of stopping and starting, where demarcations between formulating and implementing strategy are far from clear.

I now see that my earlier, assumptive, clear statement about strategy does not describe what actually happened. Robert and I, seeing the outcome of the processes so far, could say that our strategy processes had failed. Were we incompetent? On the other hand, it could be that simple definitions of strategy are unrealistic in practice. Perhaps strategy needs to be looked at in different ways. But what different ways are there?

The definition of strategy in standard textbooks runs along the following lines: ‘top management’s plan to attain outcomes consistent with the organisation’s missions and goals’ (Wright, Pringle and Kroll, 1992, p. 3). However, many authors do not consider the definition of strategy to be a simple matter and provide a broad spectrum of views. For example, Mintzberg, Ahlstrand and Lampel, (1998) present a complete guide to nine ‘strategic schools of thought’. They focus on two major lines of thinking. The prescriptive schools are built around planning and design, reflecting the above standard definition of strategy, and are more concerned with how strategies should be formulated rather than with
how they are actually formed. The descriptive schools are developed around the learning aspects of strategy and more concerned with ideal strategic behaviour rather than prescribing how strategies should be formulated. Volberda and Elfring (2001) link to the work of Mintzberg and take a ‘synthetic approach’ that incorporates all of the nine schools. A synthesising school of thought in strategic management consists of more than one base discipline and one set of problem-solving techniques to deal with a specific range of strategic problems. They have analysed three emerging schools of thought with synthesising characteristics: the configuration school, the dynamic school, and the boundary school. Volberda and Elfring see these classifications as an improvement on some previous attempts, which simply distinguish between ‘content’ versus ‘process’ and ‘strategy formulation’ versus ‘implementation’, leading to more fragmentation in the field of strategy instead of contributing to strategy synthesis and bringing schools of thought together.

The confusing conclusion so far is that strategy is a complicated matter and that all approaches seem useful in one way or another, providing choices that, taken on their own, do not really help practitioners such as me to go further. We can conclude that our knowledge of strategy and management is fragmented, unstructured and inconsistent, even self-contradictory (de Wit and Meyer, 2005). Whittington (2001) does not give any answers, but encourages managers to start thinking differently about strategy. Members of the academic community increasingly argue that the concepts and tools of analysis that have formed the backbone of the strategy literature during its major growth period need a basic re-evaluation in order to pave the way for new ideas (Volberda and Elfring, 2001). I could continue with a longer list of statements by other authors, all telling us practitioners that there is no general recipe for strategy and all encouraging us to use our own brains and senses in developing our strategic awareness.

As we created a second chance for ourselves in the merger of the two sales and distribution departments, we needed to ask ourselves whether other approaches might be useful in helping us to develop new ways of strategising, which included our own awareness of our day-to-day practice. The complex responsive processes view of organisations and their strategies is that they are continually iterated
processes of relating and communicating between people. The central argument of the complex responsive processes perspective is that strategy is the evolving pattern of collective and individual identities and intentions, emerging in the ordinary, everyday local interactions between people (Stacey, 2001). These local interactions lead to population-wide processes that give form to emerging strategies in organisations. It is not the exclusive domain of a few top managers to create their strategy and pass it on to the rest of the organisation. Frequently, strategising activities lead to confusion and opposition that require the ongoing involvement of people in top hierarchical positions in organisations like mine.

Looking at the narrative so far and taking the events of the merger between the sales and distribution offices of International and National into account, it becomes clear that, without emphasising the detailed approach and introduction of another level of participation, we would not have been able to finalise the merger with a positive outcome. The strategic world changes: strategic innovation increasingly involves managers at the periphery, rather than just at the centre. Strategy-making then becomes a continuing feature of organisational life and there is an increasing pressure for a more micro perspective and to involve people in the daily strategising process. In our case, the total separation between management formulating the new strategy and staff blocking the implementation is a good example of the necessity to rethink how to involve people performing the daily working process in strategic developments. With this in mind, the missing link in the developments of International so far is the bridge between the formulation of strategy and the way a company can actually make its strategies work.

At this stage it became clear that my view on how to develop strategy had changed from the traditional top-down approach to a broader perspective in which many people play many roles, sometimes without even realising it. Small events influence the way in which the outcome is formed. Many patterns were emerging showing examples of the interplay of intentions and coincidences, leading to mostly small, but some big, steps in the strategic process when it moved forward. What looks like a systematic approach is in reality largely influenced by unexpected events. Traditional literature focuses on prescriptive schools, like the
planning and design schools, advocating this systemic approach. More recent literature describes other strategic approaches in which less absolute choices are made and developed through thesis and antithesis, ending in a synthesis for that specific strategic question. The real strategic world is much more messy and unpredictable and is influenced by small incidents that have important effects. Who is present at or absent from a meeting affects what happens afterwards. Many groupings like the Staff Councils are part of the strategising activities in which personal relationships, personal agendas and shifting coalitions are important to reach goals. During our process the effect of people not informing each other or trying to manipulate each other had great influence on progress at certain stages. Conversations, as well as gossip, at formal and informal meetings (Soeters and van Iterson, 2002) are vital to what happens in terms of the strategic outcome.

Different groupings develop different intentions and they clash in their interplay, which leads to strategic patterns emerging across the organisational population. The interdependence of these groupings makes it very clear that one cannot live without the other. During one period the EXB was left out, which later turned out not to be very sensible when you need the co-operation of other colleagues. People in operations of the international division did not play any role of importance in the top-down strategic thinking process. Their real influence, however, was significant as they were able to make the process stop or go when they wanted, so that developments were not smooth or linear. Formulating and implementing in this example can be seen as one activity and top management has to remain involved.

Let us now move on to the next episode in this story of a merger.

**Round two: interplay of intentions in strategic development**

At the first meeting of the second round of talks with our four managers, in November, after 13 months, Robert and I shared our feeling that we had not explored all the possibilities for integrating jobs and operational responsibilities in
such a way that the 150 people earmarked to leave the company could keep a job related to their experience and even maintain their same wage level. We discovered that we needed to invest more time and energy to bring our colleagues to the same level of co-operation that Robert and I were slowly approaching. Change was happening through the conversational nature of the interaction (Shaw, 2002; Shotter, 1993), formulating and implementing was happening at the same time (Pettigrew and Whipp, 1991; Stacey, 2001; Whittington, 2001) and politics was involved to convince each other and balance individual positions. At the end of the meeting, everybody was ready to proceed again and appointments were made.

During the next regular Staff Council meeting, I announced that we were starting discussions again, which could mean that a greater part of the sales staff of the international division would have jobs. They again reacted positively. Shortly after this announcement it became clear that during the period of unrest in the international division, people had started to move to other jobs without waiting to see how future developments would look. At three locations this was leading to a staff shortage, and the management of International proposed a quick merger at these locations. My Staff Council accepted this on condition that the people coming back from International to our division would be placed at the bottom of the seniority list in each location, which meant that they would have the last choice when jobs had to be transferred to other locations. The interplay of different intentions became very obvious at this point as did the shift to the new relative positions of the established (national sales) and the outsiders (international sales).

Although one might have thought that the most important matter for the international staff would be to move from the category of ‘being redundant’ to ‘having a job’, the condition to do with seniority generated much emotion and led both the national and international groups to label the latter as ‘second-class citizens’ and ‘rubbish’. I suddenly realised that some of the old envy felt by national staff was still there. I could understand the way of thinking of the national staff who felt that helping others was fine provided it did not lead to higher risks of relocation, but I did not expect to encounter such strong emotions. Power
relations were shifting as the international staff felt their increasing dependence on the national staff (Elias and Scotson, 1965, p. xlv).

For me, the story is one of ongoing local interactions taking the form of formal and informal conversations between small numbers of people in which they were relating to each other in ways that reflected their histories of being together, as well as their own individual histories. These local interactions are conversational and political in nature. Various intentions emerge in these conversations and those intentions interact with each other, so interweaving human activities (Elias, 1939, p. 441). The management of International decided to close their sales offices to reduce increasing losses. People in operations opposed this decision, not only because their own jobs were at stake, but also because they thought such a drastic decision dangerous for client continuity and in the long run for the continuity of the company. They also seemed to have enough power to make these developments effectively come to a standstill. However, on their own they were not able to reach an agreement on a new strategy without management co-operation. Small decisions, such as the pre-merger of three offices, were blocked by other groupings from National; they just would not let them in. All these events led to other outcomes, which in turn influenced new (global) outcomes, determining the future of the company. Patterns of local interactions of (small) groups led to the emergence of global (that is, population-wide) patterns. Discussions in all sectors of the divisions concerned, and even outside of them, led to a global outcome that could not be influenced by one single grouping in the field of operation and management. These processes, however, still develop under generalised restrictions set by company management, such as ‘We have to find a solution, otherwise financially we will not be able to continue to serve our clients in the same way we do today’. In other words, it is not a completely free process.

Robert, the managing director of International, and I were expecting to do the right things. We reopened our merger discussions, involved our Staff Councils and made a pre-merger decision solving capacity problems at three locations. Again, everything came to a standstill. What was going wrong? What were we doing wrong this time? We could have forced our decision into the organisation, but we didn’t know what effect that would have on our plans for the near future. I
consider myself a participative manager, but when I think it is necessary I do not hesitate to use power. People in operations have their own power position, influencing co-operation and the outcome of their ideas. The same power relations make people feel included or excluded in the development of strategy and the links with identity and recognition (Elias, 1970, p. 93; Elias and Scotson, 1965; Griffin, 2002, pp. 197–200). During the process up till now several things became very clear: people were taking positions, airing their ideas, wanting to be heard, using their power in closing the offices. Different groupings were more or less forcing their way into the discussion. From a complex responsive process perspective, I started to understand this form of strategy as the iteration and emergent change of the identities of various groupings and the interplay of intentions. These considerations convinced us and opened up our minds to investigate other options. Closing all the sales offices ceased to be the main target of the management of International.

Round three: exchanging new ideas with the Staff Councils

At the beginning of a new year, after 15 months, Robert and I sat down again to think about what to do next. What had at first looked like a very rational process was turning out to be far from that as the emotional conflicts between the national and international sales groups became more evident. One option to deal with this situation would be to stop the discussions and go back to the original plan of keeping the sales offices separate. However, at this stage it would mean great social instability again and, given the labour agreement negotiations at that time, could do more harm than good. So we decided against this option. Instead, we had to carry on with a full merger between the two sales and distribution departments. As stated before, we also started to understand strategy as the iteration and emergent change of the identities of various groupings and the interplay of intentions, and therefore organised another meeting with our directors and personnel managers to exchange ideas about how to take the next step. International had made their director Holger responsible for sales and marketing, and he joined us for the first time. The new Staff Council of the international division was almost reinstalled, so we agreed to prepare an official letter to them.
to present our ideas for the full merger and ask their advice. At the same time, directors would inform staff groups of National and International at various locations and present the ideas. Robert and I would join the presentations at the biggest locations to give moral support and show that we were really serious this time.

We invited both Staff Councils for a joint presentation to exchange our ideas and present our plans. We invited them to join us during presentations to staff of both divisions on location in the country and see what kind of questions were coming up. The meeting itself was not a great success because the Staff Council of International was new and showed distrust regarding our intentions. I intervened at one point when they doubted my trustworthiness, reacting very personally to one of their members. It was clear that they were not used to a personal reaction like that. Luckily, the effect was that the atmosphere went back to normal, making the result of the meeting more or less acceptable. Everybody, however, seemed to have forgotten that the current plan was still to fire a great number of people. Due to all kinds of personal initiatives the number had been reduced to 150, but this was still substantial. Part of the discussion was about what kind of international products were going to be sold and where, despite the original intention of the management of International to stop physical sales activities. People tend to hold to their original ideas about their working situation as long as possible, so blocking any awareness of any threads, such as, in this case, the real threat of job loss. In practice this means that people do not start being creative in their search for new solutions in view of the changing circumstances, but cling to their idealised perception of the old structure, which in practice was not so ideal at all and had the same working problems as everywhere else.

It was our obligation to make it clear to the Staff Council of International that if no solution was found it would mean that the international sales offices would cease to exist. In the end, we agreed to do our presentations personally on location and then move forward to the official part of the merger in co-operation with Staff Councils.
Presentation(s) in the country: shifting established–outsider positions

In March, some 17 months after the start of this story, Genevieve and Holger visited one of the smaller locations in the countryside. There were separate presentations to national and international workers, about 20 people in all. The presentations did not go very well, but nor did they go badly – people reluctantly waited for things to happen. The members of the Staff Council were the ones trying to light the fire, but also with little success. The same thing happened at another smaller location with the same result. Then the first big group, about 80 people, was on the list. Robert and I would join our colleagues to show our commitment.

We started our presentation in the kitchen of the international team. This idea of using the kitchen was quite good, because it created a homely atmosphere that helped the flow of the discussion. People still had many questions about their personal situations, wages, hours and future positions, but, to my surprise, they spent a long time discussing sales, disappointed clients and many other sales-related strategic subjects, which were not actually part of the discussion. During this meeting, in which we expected to talk about personal expectations of people moving to another division, it was a surprise to enter into discussions about the strategy of the international division and the effects this had on customers. Even when management has made a decision, this does not mean that people dealing with this decision on a day-to-day basis will accept this as a given situation.

The presentation for the national team was in a meeting room, which was really full. The atmosphere was hostile. The possible impact of the seniority listing was blown up to gigantic proportions, and our colleagues at International were thrown completely off-balance by so much aggression from the national sales staff. I must say that I was somewhat shaken by this too, not really knowing what to do next. We collected all the arguments and told them we would come back to them as soon as we could.

The next day I asked Brent, one of Genevieve’s colleagues who was responsible for this group, what had happened. His answer astonished me. He had stayed a
little longer and talked to the group and some individuals. They told him that they had had a marvellous time, that it was good to see the managing director and that they were very relieved. My experience, however, was that of going nowhere. A member of the learning group in my DMan programme suggested looking for an explanation for what happened in *The Established and The Outsiders* by Norbert Elias and John L. Scotson. Reflecting today on what happened, it becomes clear that there had been a shift in the established–outsider relation between International and National. The identity of the last group had changed, and they saw what happened as an attack on their new power superiority (Elias and Scotson, 1965, pp. xlv-xlvi).

**Round four: involving people on operational levels in strategy development**

What became clear during these meetings was that people working in operations do have views on how strategy should be developed in our divisions and how co-operation between our divisions could help us perform better. What does it mean to involve people in strategy-making, and how should it be done? Mintzberg (1987) compares strategic planning by one or more senior managers sitting in an office formulating courses of action that everyone else will implement on schedule, with someone crafting strategy. Crafting is not so much about thinking and reasoning as about involvement with the materials at hand, with feelings of intimacy and harmony developed through long experience and commitment. Formulating and implementation merge into a fluid process of learning through which creative strategies evolve.

When they talk about strategy, many managers have in mind what Mintzberg (1987) calls deliberate strategy based on intention, formal plans and pronouncements. But can we trust these plans? Do we not often fool ourselves by denying unconscious motives? Mintzberg places emergent strategies at the other end of the spectrum from deliberate strategies. He describes emergent strategies as strategies without clear intentions, actions simply converging into patterns (Mintzberg, 1987, p. 69). He argues that strategists have to take into account the many actors in an organisation and the ‘interplay’ of their actions, which he
understands in terms of chance. Elias (1970) also talks about emergence, but as the emergence of pattern in the interplay of intentions rather than chance. He links the interplay of intentions with the development of identity and power relations.

Having had good earlier experiences in asking managers and colleagues to get involved in finding solutions for future next steps in our organisational development, I suggested to my colleagues that we ask the two responsible managers, National and International, at the ten different locations to organise a series of meetings with all their people. They would take to these meetings our basic problem: how to develop a full merger of our sales and distribution offices, taking into account the new commercial parameters of the international division. We would help them in facilitating the meetings when required and would ask them to come back with their ideas in three months. We hoped that this would allow new patterns of interaction and intention to emerge. I did not see many other options, so I phoned Robert about this idea. It did not really surprise him that I suggested another approach: he had been at the previous emotional meetings too. He answered that he would discuss it with his team and come back to me in 24 hours.

The next day, he said he embraced the idea. We also agreed to invite a member of both Staff Councils to the meetings on location to keep everybody at the same pace. Our teams started organising the joint meetings and the facilitation. The reception in the country was positive and everybody was ready to go to work. Then there was a surprise: the Staff Council of International was against the plan. They thought it was their job to give advice on this subject, and that their position was undermined when the whole country started to influence the discussion. After a short deliberation, Robert and I decided that we could make a management decision on the approach, because this was not among the legal rights of the Staff Council. We still offered them the opportunity to team up on location, which in the end they did. The personal involvement of top management, playing an active part in these meetings, enables implementation and formulation of strategy to take place at the same time, and in the end this became one of the key success factors. Without separating the processes of formulation and implementation, it is not possible to play a distant role as a leader, as this will immediately split this
process in two different actions, one following the other. Influenced by the power of decision-making capacities, the managing director can speed up the development of ideas. Initiatives of middle management to involve their groupings in a strategy discussion followed by a meeting where results of these middle-manager groups can be exchanged with top management creates an acceptable mixture of middle-management and top-management involvement, making strategy formulation and implementation possible at the same time. Top management also has the power and the responsibility to alleviate identity conflicts within the different groupings participating in the process of the information exchange. Again the importance of conversation is emphasised, as it is through conversation that identities are formed.

If strategising is not a top-down one-way street, and we accept the alternative that strategy is developed in local interaction leading to novel global patterns, it is important to create an atmosphere that enables participants, as serious players, interactively to contribute to these processes (Stacey, 2005a). The constraint for leadership is to create this atmosphere, realising that power is at play in all relations, but certainly also knowing that hierarchy is always present when opening up these non-hierarchical discussions. The need for co-operation with the Staff Councils, during the merger, shifted power relations substantially in their direction. Power relations form figurations, or groupings, in which some are included and others excluded and where power balance is tilted in favour of some groupings and against others (Elias, 1939). However, it is these groupings that will play an important role in the final outcome of the process we have initiated. Belonging to a group establishes powerful feelings, constituting each individual’s ‘we’ identity. These ‘we’ identities, derived from the groups we belong to, cannot be separated from the each of our ‘I’ identities (Stacey, 2005b). Mead (1934) explains that processes of human relating form and are formed by the individual and collective identities. These processes reflect complex processes of power relating as part of the processes of interaction. When the ideas to organise the meetings were emerging, there was a large difference in identity between the international and national groups. I developed the idea that bringing people of both groups together and stimulating conversation about a common problem would bring the groups closer together. During the next phase of the process, this
did indeed turn out to be the case. Initiating the strategy meetings between the groups of International and National brought people closer to each other through conversation. These meetings led, especially after the exchange of ideas in the big meeting, described below, to new strategic ideas and plans applicable to the whole (population-wide) organisation working on the merger.

The big meeting: formulation and implementation of strategy at the same time

The communication manager of my division took responsibility for organising the big presentation event that was to be held in October. She hired a top facilitator to lead the day and the large-group discussions, and prepared the feedback sessions for the people from the ten different locations. When the day started, there was a noticeable difference compared to the last sessions. National and international colleagues from different parts of the country had prepared their presentations together and walked in together, chatting loudly.

In retrospect, the invitation accepted by participants to develop intentions on a local level through conversation, good facilitation and the assurance that management would take their contributions seriously helped in bringing down boundaries between groups. In addition to bringing people together and stimulating conversation about what had to be done, a trust in leadership helped the process move forward. My personal feeling is that a lack of trust will increase the positional bias of the participants because they will focus discussions on their own responsibilities and the local environment in which they work, instead of joining the invitation to participate in a wider-scale discussion.

After coffee, our facilitator introduced the two representatives of our Staff Councils, as well as Robert and myself, to the more than 100 people present and briefly gave us the opportunity to express our hopes for a fruitful day. Today’s goal was to be able to write the legal request for advice to the Staff Councils based on the requirements and practical input of the groups from the country offices who would have to do the real work.
During the first half of the morning, five groups presented the combined ideas of each of their locations to the other five, who were free to move around at ten-minute intervals. During the second half of the morning the roles were reversed, giving everybody the chance to absorb the information of at least six groups; but, with some intelligent shifting of presentation responsibilities, this could even be more. It was good to see that national and international people from all locations had joint ideas on how they saw their co-operation. Some had worked this out in great detail, as it was not necessary that every location had to follow the same standards, since their markets were quite different. Everybody had the chance to ask questions, show doubt or confirmation. The remarks were added to the flipcharts to be used in later presentations. Afterwards the facilitator discussed the questions of the morning with management and some of the Staff Councils’ members. We extracted six to eight major subjects to be discussed in the afternoon by mixed groups of both divisions. We hoped that this would lead to suggestions on how to handle the request for advice and the next steps. One remark came back from all groups: please let us get going and finalise these discussions as soon as we can. This was, in fact, good news.

After lunch we presented the general questions. This led to a small interruption, when one of the participants accused us of bringing in subjects that had not been discussed that morning. Although they were related, he had a point. The Staff Councils also had a suggestion on one of the subjects not presented that morning, so we had a common problem. Genevieve saved the situation by mentioning that everybody could sign up to and participate in any of the discussions. If nobody was interested then the slots would remain empty, which actually did not happen. The big group split into all kinds of smaller groups like an open-space session (Owen, 1997), discussing the most important questions that should lead to the next steps on how to organise the follow-up. The level of participation was high. Everybody had this feeling of responsibility; as if people were crafting and designing their own future (Mintzberg, 1987; Johnson, Melin and Whittington, 2003). At the end of the day all groups presented the outcome of their discussions and Robert and I assured them that all their suggestions would find their place in our plan and the legal request for advice to the Staff Councils.
People were really influencing each other that day. When people meet, start working together and exchange information, a form of generalisation takes place, influencing the process into a global outcome. Two weeks later Robert and I presented the combined legal request, prepared by our colleagues, to our Staff Councils, with an answer expected within six weeks of the meeting.

**Micro strategy in retrospect**

Looking back at what had happened, it became clear that the moment we asked our staff members to participate in the project it suddenly gained speed. It involved the methodology of asking middle management (Nonaka, 1988) to take up responsibility for local interaction, based on the open questions we formulated: ‘What do we have to do to make this merger work?’ and ‘What are the consequences for all people involved?’ We looked for a meeting design that offered the possibility of a high exchange rate of information with a high degree of participation in the shortest possible time, and followed the suggestions of our facilitator.

The information-exchange session helped bring all ideas and views together in a way that allowed us to formulate a strategy beneficial for the company with the input and support of all employees. In implementing the next phases of the merger, we could relate our findings to the outcome of the Ketovi and Castener (2004) research on joint reduction of managerial position bias. When people were asked to participate in the strategy process in the various sessions of the meetings described above, they found that their interactions with each other tended to reduce their highly personal focus on their own local situations and enable them to see the connection to company-wide developments. It was clearly visible in our approach during the first rounds. Only very slowly management was convincing each other and themselves to ask staff of the different departments to participate in solving the problems that had arisen and to play a substantial role in strategic future developments. Every failure during the process directed my own thinking toward a more participative process. In doing this, the process started to move,
resulting in better cooperation, encouraging us to go forward, slowly discovering that the patterns of random conversation between people increased better understanding.

The way our managers in the offices in the country developed their strategic input, based on our questions, can also be compared with the results presented by Regnér (2003), who describes strategy-making in the periphery, our offices, as inductive, including externally oriented and exploratory strategy activities like trial-and-error, informal noticing, experiments and the use of heuristics. Strategy-making in the centre is more deductive, involving an industry and exploitation focus and activities like planning, analysis, formal intelligence and the use of standard routines. We actually introduced our micro strategy (Johnson, Melin and Whittington, 2003) and periphery approach (Regnér, 2003) the moment we got stuck in the original deductive approach (Mintzberg, Ahlstrand and Lampel, 1998). During the process, we chose our different approaches as a trial-and-error run. Views I developed during the DMan programme resulted in the move away from the centre of power, looking for other forms of participation and enabling other forms of communication and patterning. It is only now, through reflection, that I am able to explain what happened and change future ways of thinking.

Balogun et al. (2003) focus in particular on the importance of working with organisational members as research partners, rather than seeing them as passive informants. When working with larger groups to gather data, facilitation skills and the knowledge of group settings need special attention. We were supported by skilled facilitators who helped us to make this process a success. In a way, studying strategy and performing strategy is comparable in its action with studying ‘the know-how’ and ‘the know-what’, bringing strategy back to its day-to-day function in organisations which, in a business environment, has to be measured and followed. Lowe and Jones (2004) describe the design of a strategic control system. Emergent strategies and control systems do not get along very well, but constructing the system as a participative inquiry with people in operations, identifying critical success factors and Key Performance Indicators (KPIs) and, more broadly, the formulation of a strategic performance measurement system, opens up new possibilities. This is especially the case when
critical colleagues have to be convinced to give a bottom-up approach a chance, and KPIs give them some security that this is not an uncontrollable method of management. Practitioners expect concrete advice and insight related to changing circumstances and hard-headed connections to performance outcomes with no reason for unnecessary softness (Pettigrew 2000; Pettigrew, Thomas and Whittington, 2002a: 485). These expectations need not be in conflict with a more process-oriented approach, especially when the target is a process of continuous improvement (de Wit and Meyer, 2005, p. 91). From a complex responsive process point of view, however, working with KPIs is not sufficient: improvement has to be organised through patterns of relating in the organisation, leading to better results and performance figures. This approach of stepping back and letting the members of the organisation work together to build better performance often results in anxiety for many leaders, who need to step back from the feeling of ultimate control, which in reality is itself illusory since managers are in control and not in control at the same time (Stacey, 2003a).

Being aware of the established–outsider circumstances and the shift between positions (Elias and Scotson, 1965, p. xlv), we introduced different platforms of conversation between International and National, leading to new (global) patterns. Original intentions, even negative ones, disappeared and were replaced by new intentions of groups formed by other people who had not worked together before (Elias, 1939). The people of International felt superior in the beginning, retaining this perspective even during the period when their jobs were under threat. It took some time before they realised what was at stake and, even then, more than once they shifted discussions back, leading to denial of what was really happening (Elias and Scotson, 1965). Very slowly, the people of National discovered their power position, being at the receiving end of the merger, and power positions changed, leading to highly repetitive patterns of thinking. Only after management started to enable different patterns of conversation during the local meetings and the big meeting were new plans formed that led to new strategic outcomes, again emphasising the importance of direct top-management involvement during the whole process.
Looking back now, I relate this to a complex responsive process view of organisations as a continually iterated process of relating and communicating through conversation between people. An evolving pattern of collective and individual identities and intentions, emerging in the ordinary, everyday local interactions between people (Stacey, 2003b, p. 358), leading to population-wide patterns giving form to emerging strategies in organisations. I wonder why it took so long to make the necessary process-attitude adjustments, and whether it will be possible, knowing what I know now (again), to integrate complex responsive approaches in our organisational life, not as something special but as an integral part of our day-to-day work. Working in ways influenced by complex responsive processes thinking can produce effective change if management as leaders of the company are willing to take the risk of unpredictability, without losing their own responsibilities. A strategic problem is only really solved once concrete actions are undertaken that achieve results (de Wit and Meyer, 2005). So far, the described merger process is successfully completed. One of the conclusions of this paper is not to be surprised by the next surprise, which will inevitably occur.
Project Four

About Project Four

A sudden career move, which meant that I became member of the new BOD of the transport division, shifted my responsibilities from the onshore division to train and general services. My knowledge about this division came from my involvement in the latest labour agreement negotiations. The main reason a new management team was formed was that customers required further improvement of our performances and a next step had to be made. Train conductors, the most visible group, play an important role in the way customers evaluate our work. Many conductors work most of the time individually in a technologically driven environment and are seen by management as part of a technological and logistical system. All improvement questions are approached through this technological system and we discovered that this does not work. To get a better idea of the consequences of this approach, I highlight the role of technical systems in a human–technology environment. At the same time, several other groups of professionals in the service-and-security domain are working in teams, developing more successful ways of working similar to many of the examples of communities-of-practice. These teams, especially empowered teams and teams working on the basis of continuous improvement, perform better in contact with customers.

When I started this project, I was convinced that technological constraints in our environment made it impossible to develop improvement areas based on customer requirements, other than from a systems point of view. In particular, the individual work sphere of conductors is a hurdle we have been unable to overcome over the last few years. My research, based on my knowledge of complex responsive processes, has taken me in another direction. Based on the experiences in Project Three, I started to make deliberate connections between local patterns of interaction, the development of ‘social objects’ and leadership responsibility. This means that technology does not lead in the interaction between the technical
system and the people involved – technological determinism or ‘technological myopia’ – but instead the interaction focuses on the relation between people, strongly influenced by technological developments and constraints. People, not the system, are responsible for the transportation of travellers; so how can we bring the technical system into the discussion about human interaction and performance, leading to improvement in customer evaluation? This approach has led to other forms of discussion in our Board and new ways of managing our company with regard to performance improvement and the development of organisational structures.
Resisting ‘technological myopia’: focusing on performance improvement at the interface of humans and technology

Introduction

Over the past year I have been involved in the merging of several large departments, involving more than 10,000 people, in the public transport company in which I work. One of the reasons for this reorganisation is continuing customer demands for performance improvement in services such as punctuality and, especially when services are disrupted, travel information. Our performance over the last few years has been adequate enough to keep the system running but even though our company has very sophisticated systems for planning, performance measurement, reviewing, monitoring and quality control, we have not been able to improve customer services much.

We are not alone in experiencing difficulties such as these. According to Boonstra (2000), planned objectives were not realised in more than 70% of change processes in Dutch organisations. He argues that planned change programmes are not adequate in dynamic and ambiguous environments. He believes that a research methodology with its roots in the action itself and reflection on these actions is required where organising, renewal and learning meet. These experiences seem to be consistent with other international inquiries where 75% of all cases do not achieve the required outcome (Pettigrew, 1997). Mulder, Robroek and Stil (2006) go one step further and state that 90% of all reorganisations fail. Their opinion is that there are relatively too many managers, the fastest-growing professional group, and they emphasise that without the involvement of people responsible for the execution of strategies in production areas of organisations, no reorganisation will succeed. They also emphasise the necessity for employees to resist corporate bureaucracy. This counterpower is necessary to re-establish mutual respect between managers and employees, so that improved performance becomes a co-production. According to van der Ven (2006), many managers isolate themselves from their employees through using reason as their dominant management
philosophy. In public governance, normative justice is changing into justice based on pragmatic and economic models (Pessers, 2006). It is likely that few managers today welcome messages such as these, because they conflict with many of the control developments in the organisations and society of today.

However, for me, the experience of my company and that of many other organisations means that instead of just continuing as before, looking for the answer in better technical systems and increasing pressure on local parts of the organisation, we need to step back and consider why our past actions have not produced what they were supposed to. Organisational change is stimulated not by a common vision of the solution, but by acceptance of the problem (Swieringa and Jansen, 2005, p. 45). It becomes important to ask what is going on in our organisation; particularly what the relationship is between the technical systems and the people working in this organisation. Reflecting on these questions is the purpose of this project, and I propose to do this by focusing on the issue of improved punctuality, service attitude and travel information. In particular, I will focus on the role of conductors in delivering performance improvement, because they are the ones in direct contact with customers.

The dominant way of thinking in our organisation is that it is built around many technical and logistic systems, such as time schedules, working rosters for personnel and computer-guided traffic-control and information systems. We seem to have a kind of ‘technological myopia’ according to which we think of people as being organised around these technological systems, seeing them as parts of the systems. This reflects our systems way of thinking in which we conceptualise our organisation as a cybernetic system where actions are directed in such a way that the discrepancy between the desired outcome and the actual outcome is fed back as information that guides the next action, so that the discrepancy is reduced until it disappears. In this way the organisation should perform according to a given pattern. This can be seen as the application of the engineer’s idea of control to human activity (Stacey, 2003a, p. 33), where cognitivist psychology assumes that even the human mind is a cybernetic system (ibid., p. 82). Perhaps it is this way of thinking that results in idea after idea, initiated at head office, tumbling over each
other as we try to balance performance and planning while hardly anything new happens in our day-to-day operations.

There are other ways to think about humans and technology. For example, we can think of people as a social system interacting with the technical systems. This immediately draws attention to the fact that staff on trains work according to individual rosters and continually change teams during the day. So it seems that there may not be much interaction between the social and technical systems because there is little social activity within working relations (ibid., p. 131). My observation is that the social system exists far more outside working relations leading to strongly developed streams of blame-and-praise gossip (Soeters and van Iterson, 2002) in canteens and clubs, influenced by unions and works councils. How are we to understand the impact of all this on our attempts to improve performance?

Actor–network theory partly overcomes the problems of socio-technical systems, but here technology is still at least as important as people, possibly more so. Relation between humans and technology, in a common environment, can be seen as a ‘quasi object’ (Serres, 1982), but technology is still shaping the organisation.

Yet another way of thinking about the social and the technical is in terms of the theory of complex responsive processes, according to which organisations are patterns of interaction (communicative, power, evaluative choice) between people, in which they use, form and are formed by technical systems understood as both physical and ‘social objects’ at the same time (Johannessen and Stacey, 2005). A ‘social object’ is a historically evolved tendency to act in similar ways in similar situations by groups of people in a common (working) environment. This way of thinking opens up other insights into the possibility of performance improvement. I will argue, however, that although physical objects have a function in the emergence of the ‘social object’, they are only subject of the interaction between people, and that as physical objects they constrain and enable what people can do. Technical systems are created by people, and people work with the technical system as part of their day-to-day responsibilities. There is a standard procedure handbook for people working on trains, which is partly followed, so the question
becomes relevant whether influencing patterns of interaction between conductors can lead to other working relations and working standards towards each other and the customer/traveller. Surprisingly, customer evaluation figures in responsibility areas where people work in groups or teams, such as security and general services at railway stations, showed a dramatic increase during the last few years. Has this any meaning when asking ourselves how to improve service quality on trains?

We need to be asking a number of questions: Does the technical system simply support organisational activity, or is it more than this? Is it continually shaped by people while it shapes them? Technical and logistic systems are important for people working on trains, but how does this influence their performance and the way people on the trains socially interact? Staff appear to have little social interaction in their working situations, especially when people are seen as parts of the technical system in which they are working, so can finding out more about the social (working) relations of conductors and drivers lead to understanding the impact of these relations on performance? More particularly, what is the impact when social interactions take place outside of work, having little to do with work and so little chance to develop a ‘social object’ and much to do with rumour and gossip? If we discover that this is where change is necessary, how do we think about the role of technology and the impact it has on people when they are perceived by others – and probably themselves – as simply parts of the technical system in a technological organisation working according to schedules, working rosters and computerised traffic control? Where does the client or traveller become part of the answers to these questions? How much does the technology constrain people like conductors in what they can do, and what can managers do about shaping and constraining the impact of the technological system? By introducing (virtual) teamwork and the workings of (virtual) communities-of-practice and so trying to overcome the problems of individuality, I intend to pursue questions such as these in relation to the work of conductors on our trains.
Problems with the performance of train conductors

The work of drivers and conductors is organised around national agreements on train schedules, which are developed in relation to customer demands and travel requirements. These schedules are translated into working rosters in which regional requirements are taken into account, especially concerning first and last trains of the day. Many of our interactions and working relations are based on these agreements, leading to many constraints and much mistrust. A consequence of the planning rules is that, due to required variation and cross-regional duties, drivers and conductors work alone or in new combinations when they start a new trip. Conductors hardly ever work in the same team configuration for more than half a day. Because we have no individual or even group quality-check models, this individualistic behaviour leads to great anonymity without any individual feedback from colleagues or managers. My impression is that there is hardly any (social) interaction on performance requirements and performance standards. The only aspects which beyond any doubt are handled in a very responsible way are safety regulations. I think this has to do with personal values of conductors and in this case also drivers, more than management influence.

Important issues related to client satisfaction are punctuality of arriving and departing trains, the intervals travellers have contact with a conductor and information in trains and on railway stations when the train system is interrupted. To experience the workload of conductors, I worked several shifts together with them. I did the same with the mobile security teams, who really focus on control, and I already had my experience in my former position working with the station service teams. Conductors in general do have a high safety standard with regard to the technical handling of trains. Apart from this, talking about the majority, I am not impressed by their general level of service performance, their negligence regarding the dress codes and general procedures, their passive attitude during train journeys and their inadequate knowledge of train schedules. Regarding the last point, we need to ask whether we provide them with sufficient access to the required information and whether they find this adequate. On the other hand, I was present in some cases when serious incidents or accidents occurred and then conductors took brave and highly effective action, helping victims, providing first
aid and excellent collegial support. A number of questions arise in relation to improved customer service. Is it ‘them’, the conductors, who are at fault? Or is it ‘us’, the management? Is it the way we co-operate, or fail to co-operate? Or is it the technological environment in which we operate? Consider first the possibility that we blame the people when the problem is the technical systems that are at fault, as Norman suggests:

Humans, I discovered, do not always behave clumsily. Humans do not always err. But they do when the things they use are badly conceived and designed. Nonetheless, we still see human error blamed for all that befalls society.

(Norman, 1988, p. vii)

**Improving performance through technical systems**

When there is a disruption to our train system somewhere in the country, the technical system prevents conductors from collecting what information they can locally because they are only allowed to contact a central call centre for information. This call centre then contacts regional traffic controllers, but only after a 15- to 20-minute delay, during which they analyse and solve the logistical problems. There is a clear preference for securing the optimal availability of train equipment because planners firmly believe that optimal client satisfaction is achieved through bringing the right train to the right spot. However, it is during this short period of time required to do optimal planning at a central location that travellers are most in need of adequate information. The consequence of the centralised information procedure is that conductors feel insecure and are unable to give the required information, leading to angry customers. The conductor silently leaves the scene and customers stay behind, alone. The present solution is to give the conductor a better handheld computer, but not to change the procedure. Again, the focus is on the technical system and there is no change in the outcome. Recently I had a discussion with some Board colleagues about the need to optimise the way staff work with technical systems by asking conductors and drivers whether they can work with the planned equipment or whether we needed to make some form of adaptation to the volume of travellers.
Take another example. When a train is a few minutes late to make a cross-platform connection with another train, it can happen that the first train leaves at the same time as the second train stops. This means that travellers see their train departing and miss their connection, most of the time without information. It could be said that the system is to blame for this, because the instruction is for trains to leave on time. Yes, this is true; but not always. Conductors can make professional judgements on the situation, but for this to happen we have to make them partners in the discussion about this subject so that, at least, they can inform travellers about the occurring situation. The blind pressure on train staff to drive on time has other consequences. Due to a change in a safety rule in our departure procedures, all our trains require 15 to 20 seconds more than what is allowed in the schedule to complete door-closing operations. This has led to a substantial reduction in punctuality of arrival at the next station, escalating over the whole journey. The system change was not discussed with the conductors, who simply accepted it without pointing out the implications of a change in departure procedure to meet the aim of punctuality. No account was taken of what the conductors actually have to do to meet the change in procedure.

Managers in our organisation have been trying to improve the performance standards of conductors for years but many are now giving up, simply hoping that the standard will remain sufficient so as not to endanger train operation. However, the above examples suggest that we usually approach an issue primarily from the technical-systems perspective, tending to pay rather little attention to what is actually involved in the way people have to work with those technical systems. We have a tendency to assume that they are rather like parts of the system who will fit into it and do whatever is required to make it work efficiently. Unintended consequences frequently result from the system not working as required, and this may be why managers are losing heart. So perhaps we need another way of thinking.

It is becoming apparent that improvement has to do with people: the social, not just technical, systems. Conductors normally work alone or in small teams of two to five in a continually changing composition, meaning that they will very seldom
work within the same team, taking into account the large number of people. Security teams, by contrast, often work in the same configuration for a couple of years. Their average performance standard is much higher. My experience of working with the station service teams, who work in groups too, is that they also achieve a higher standard. Another observation I made is that when conductors work in teams most of the time, the poorest standard of one of the team members becomes the standard of all. When one of the conductors does not feel comfortable moving through the train, most of the time there will be a no-show for travellers. In that case, conductors safely close doors after a stop as part of the safety procedure and sit down in first class or in the rear driver’s cabin for the rest of the trip, as part of their service attitude. Management has been irritated by this problem for many years, but they admit that they have not found the solution to change this behaviour. We have a long history of improvement planning with little success, and have not consequently introduced continuous improvement as a quality development method. So what makes train staff act in the way they do, and how do we evaluate their role in the improvement of service levels? Recently a colleague and I were examined by several conductors and an instructor on safety departure procedures. This meant working a full day shift as an apprentice conductor, and although the emphasis was on safety procedures, we performed all the other responsibilities of a conductor. The enthusiasm with which conductors were talking about their profession, with us and their colleagues, during the exam was remarkable.

So is there something missing in our daily social contact to enhance this feeling? What is the role of management in this? What has literature to offer on this subject? If we focus on patterns of relationships while also accepting the importance of technical systems in our work, the question to be investigated is the psychological and sociological relation with the technical and social environment in which people work.
From technology and humans to humans and technology

According to MacKenzie and Wajcman (1985), three layers of meaning of the word ‘technology’ can be distinguished. First, the level of *physical objects or artefacts*, such as lamps and bicycles but also trains, engines and tracks. Second, ‘technology’ may refer to *activities or processes*, such as steel-making, or driving trains. Third, it can refer to what people know as well as what they do: an example is the *know-how* that goes into designing a bicycle or operating the information system on railway stations.

Bijker *et al.* (1987, p. 4) also identify three approaches to understanding the relationship between humans and technology:

1. The social constructionist approach, in which individuals and groups participate in the construction of their perceived reality. Socially constructed reality is seen as an ongoing, dynamic process, in which everyday reality is derived from and maintained by social interactions. Key concepts within this approach are ‘interpretive flexibility’, ‘closure’ and ‘relevant social groups’. One of the central tenets of this approach is the claim that technological artefacts are open to sociological analysis.

2. Technology treated in terms of a ‘systems’ metaphor, which stresses the importance of paying attention to the different but interlocking elements of physical artefacts, institutions and their environment and thereby offers an integration of technical, social-economic and political aspects and enables links between micro and macro levels of analysis.

3. Breaking down the distinction between human actors and natural phenomena, both treated as elements in ‘actor networks’. This approach reverses the usual relationship between participant and analyst and casts engineers as sociologists.

In their study, they also question the identity of ‘technology’: The distinctions between human and machine, knowledge and action, engineering and the study of engineering practices, are all ‘blown up’. We
find that sociologists of technology are actually contributing to the
development of technology.

(Bijker et al., 1987, p. 6)

Norman (1988) looks for social implications of technological artefacts. He introduces POET, *The Psychology of Everyday Things*, or the psychology of how people interact with things. One of his major arguments for POET is that much of everyday knowledge resides in the world and not in our heads. Norman focuses on the role of the designer bearing great responsibility for the interaction between technical object and its user or operator. From examples of small items like VCRs, cameras and household appliances to be used in our day-to-day lives, he also goes on to investigate operations and disasters in nuclear plants, airplane cockpits and trains. He especially focuses on the role of errors in designing an artefact or technical system:

If an error is possible, someone will make it. The designer must assume that all possible errors will occur and design so as to minimize the chance of the error in the first place, or its effects once it gets made. Errors should be easy to detect, they should have minimal consequences, and, if possible their effects should be reversible.

(Norman, 1988, p. 36)

According to Schlick et al. (2006), a characteristic of human–machine interaction is that the complexity is self-generated, or emergent. Self-generated complexity arises from the ability of human cognition to make spontaneous abstractions of phenomena in the task domain. The human is able to dynamically distinguish between important and unimportant features of the task. The task acquires its meaning, often unconsciously, during the interaction. However, designers of automated systems try to automate all the tasks in order to deal with human (un)reliability. This design approach assumes that an a priori task allocation can be made so that each task in the human–machine systems performance is optimal. However, even in highly automated airplane cockpits, in the end, humans are controlling the flight management computer and have to step in when the computer fails. The paradox of this design approach is that the component of
presumed low reliability, the human, is then given the task of supervising the job that has been automated, because humans have greater adaptive abilities than machines. They can be expected to help the machine, instead of the other way around (Hoc and Lemoine, 1998).

Looking at these approaches, it must be noted that many technical systems in our railway industry are organised in a way that allows people, especially train drivers, to make errors that are then considered to be a public offence. Furthermore, conductors are always looking for more variation in their daily work. This is understandable, but not consistent with Norman’s approach that complex tasks of everyday responsibilities should become routine and do not require much planning and thinking, simply because we do not have enough time to make a conscious decision during the execution of the many normal (complex) tasks involved in working on trains. This desire for more flexibility in operations and the burden of the technological system is worth investigating further.

**Improving performance through interaction between social and technical systems**

An important perspective on the relationship between people and technical systems is provided by socio-technical systems thinking. Examples of human–technology cooperation based on system dynamics comes from the aviation industry. Degani and Wiener (1997) describe the use of airplane procedures specified by operational management. These procedures must lead to a standardised means of carrying out the job. Inconsistent or illogical procedures lead to non-compliance by the operators. The paper addresses the development of procedures for automated cockpits, a highly controversial issue in commercial aviation. Over-procedurisation fails to exploit one of the most valuable assets in the system, namely, the intelligent operator who is ‘on the scene’. So, introducing procedure interaction between pilots and the technical system becomes important. Procedures are also dependent on the operational environment, the type of people who operate them, the culture of the company and the nature of the company’s operations. Even in highly procedurised systems, there is room for individualism;
and that individualism can and should be tolerated in these human–machine systems.

In our industry, conductors and drivers are informed about technical and procedural changes by means of a handheld palm-top computer. The messages are created by management, but even more by staff departments. Sometimes representatives of the target group will participate in the development of ideas. This is no guarantee that people reading the messages will comply with the new regulations. They will probably use what they think useful and ignore other messages partly or completely.

Sharma (2006) proposes the use of non-linear dynamic system theory as a possible technique to account for the dynamic, non-linear and possibly chaotic human–machine characteristics. Pilots require more automated aid when their manual performance is inadequate from a flight safety perspective. Depending on the necessity, the human–machine system dynamics may be transformed from a chaotic to a nonchaotic regime or vice versa by small control perturbation. Lewis, Sycara and Payne (2001) studied the role of (technical) agents in human teams and discovered that, depending on the role an agent plays, the way agents communicate with their human team-mates influenced (social) team behaviour. In the world of air traffic control, ‘humans using automated tools’ is changing into ‘humans and automated systems “collaborating” with each other’ (Hoc and Lemoine, 1998; Lee, 2006). Olsson and Jansson (2006) studied the work conditions of officers on bridges of high-speed ferries to examine the information provided and the understanding of interactions and interfaces between humans and the technical support systems. Their conclusion was that the way information is integrated and presented to the officers is inappropriate. The automated systems are introduced one by one, replacing traditional instruments, so integration and layout is inadequate.

Although I cannot prove it, I have the feeling that a similar investigation of our train drivers’ environment might come up with comparable results. A Swedish project investigating traffic safety related to the train-driver work situation showed comparable outcomes (Kecklund et al., 2001). Although not directly
connected with my research project, it is concerned with human–machine interaction and might be worth investigating at a future stage. Spurgin (2004) tries to connect the fields of Human Reliability Assessment (HRA) with Human–System Interfaces (HSI) in order to estimate the effects of changes in HSI upon risk reduction. This question is reiterated in the work of Hoc and Lemoine (1998), Lee (2006) and Degani and Wiener (1997), and is an important issue in the approach of Norman (1988) when he talks about human error in a technical environment or working with technological systems. Much emphasis is given to the relations and interaction of human and technical systems, the design and the role they play in operating these systems, and little emphasis is given to the social circumstances in which processes take place. When conductors need information to inform customers during disturbed situations, the process is regulated on the presumption that our technical equipment is functioning well enough to maintain radio silence and work on digital information. In practice, this very often turns out not to be the case, leading to frustrated conductors and angry travellers. Conductors have nothing to fall back on except a central call centre that is far removed from operations. To illustrate more clearly what I mean, we should step back to the beginning of the 1950s.

The view on the relation between technical systems and humans was strongly influenced by the research of Trist and Bamforth (1951). They studied a change in technology in the coal-mining industry of the UK as part of a larger project of the Tavistock institute of Human Relations on new social techniques developed in industry. A new coal-cutting device was introduced that required miners to work in different ways. This caused considerable hostility, and the miners sabotaged the changes. Trist and Bamforth tried to understand why this was happening in order to advise managers what to do about it. They argued that the new technology and its new mode of working broke up the teams miners had been working in, teams that reflected their social relationships in the mining villages in which they lived. Trist and Bamforth argued that treating technology as if it was simply a technical system would increase the risk of managerial actions failing, because they would be ignoring the social dimension of operators’ lives: not just the social aspects of their work lives, but the social aspects of their whole lives, since these were inevitably intertwined. They suggested that we think in terms of a social system
that is interacting with a technical system. This question will become more important to my company when we introduce electronic tickets and controlled access gates on railway stations, changing certain tasks and responsibilities of our conductors. How will this affect their social interaction, and will this improve service levels?

From this perspective, the operators are now thought of as parts of a social system (covering work and life more generally); drawing on open systems theory, one could think of this social system as exporting work roles that are imported by the technical system. To change or improve anything, one must analyse the social system as well as the technical system, and design changes in the social system to reflect whatever changes are desired in the technical system. The social system here includes not only the direct activity with others while doing the work, but also interactions back at the canteen with others, in our case conductors, drivers, etc. The rumours become important aspects of this social system that could all affect how the technical system functions. At present, we are introducing a new schedule for travellers and new rosters for our employees. More than ever before, we try to increase employee participation in these planning models. On the other hand, there is a rumour going around that we do not have enough equipment and staff to start up the new schedules. Although this is not the truth, the rumour can ruin the introduction of the new schedules, so we need to take this threat very seriously and it is of great concern for management despite the higher participation level of employees. Trist and Bamforth concluded that technology, no matter how sophisticated, will fail when it is not part of a social system designed to operate it.

The requirement was for joint optimisation of the interrelated technical and social systems. Based on this assumption, consequent resistance to working in new ways will make new technology fail its potential. If changes are to succeed, they have to be based on a realistic understanding of the interconnection between the social and the technical subsystems. The Trist and Bamforth article still shows remarkable parallels with the actual development of the situation our company is in today. According to Boonstra (2004, p. 12), organisational systems theory has developed further into a dynamic system theory based on the ideas of Emery and
Trist (1965), in which dynamic systems theory assumes that organisation takes place in complex dynamic systems in which the actors constantly interact with one another and give meaning to the events around them, and in so doing they create a social construction of reality. Connecting the stories of Trist and Bamforth and Emery and Trist, the question becomes relevant whether these connections and interaction also apply to the relation between humans and technological systems. What effect do socio-technical systems have on improvement?

An important step made by the socio-technical systems approach is to move away from the idea that humans have to adapt to the organisational and technical framework of production, to stress the interrelationship between humans and machines and foster the aim of shaping both the technical and the social conditions of work in such a way that efficiency and humanity no longer contradict each other (Ropohl, 1999). The quintessence of this approach is captured in the words ‘foster’ and ‘design’. Moreover, socio-technical systems can be seen as the application of the engineer’s idea of control to human activity (Stacey, 2003a, p. 33); although, paying closer attention to the social consequences of their decisions about technological developments (rationalist causality), there are still systems unfolding the enfolded design (formative causality). It is still about (top) management designing the way systems interact (Johannessen and Stacey, 2005, p. 146). Callon (1987, p. 100) offers two reasons why socio-technical systems in the end will not contribute to a balanced relation between technology and humans. First, engineers involved in the design and development of a technological system, particularly when radical innovations are involved, must permanently combine scientific and technical analysis with sociological analysis. Second, systems concepts presuppose that a distinction can be made between the system itself and its environment. In particular, certain changes can and sometimes must be imputed to outside factors. How do we define the limits of a system and determine the precise influence of the environment? Callon points out that the actor–network concept has the advantage of avoiding this type of problem and the many difficult questions of methodology it raises, so let us join him in investigating this next step.
Taking an actor–network perspective

Another way of thinking about the relationship between people and technical systems is provided by actor–network theory, allowing us to measure the distance between the heterogeneous and impure sociology of the engineers and the pure and homogeneous sociology of the sociologist (Latour and Woolgar, 1979; Callon and Latour, 1981; Callon, 1987). According to this perspective, the railway is a network and the agents are conductors, drivers, controllers, timetables, trains, work rosters, signalling equipment, etc. So here the work roster and the timetable are as important, probably even more important, than the conductors. Although actor–network theory partly overcomes the problems of socio-technical systems and seems more balanced, it introduces another reified concept (‘the network’) that also can be manipulated in a managerial way and diverts attention away from interaction between people. This approach places very high importance on the technology in terms of what is produced. In other words, the technology is shaping what happens; perhaps even more than the people do. Latour (1997) sees the transformation of the social from a surface, or a territory, to a circulating entity, as the most useful contribution of actor–network theory. The social has become a certain type of circulation in which actor–network theory becomes a theory of space, bypassing the question of social construction and the ‘realist/relativist’ debate, leaving only the organisation of the ‘glocal’ as a single plane of endlessly entangled translations, calling networks.

According to Harris (2005), institutions, organisations, are, from a Latourian perspective, loci of methods of ordering, whose essential operation resides in the recurrent patterns by which the relations between humans (subjects) and non-humans (objects) are generated and maintained. Latour sees technical objects as intermediaries, or translations, that enable human ‘actants’ to achieve definite goals. There is no polarity of a subject and object in which the former, via the methodology of the natural science, attains knowledge of the latter, but rather a network of ‘circulating’ references or translations. Latour emphasises that in organisations non-human actants come to develop new properties; in other words, organisations become the kind of hybrids that characterise contemporary culture. Latour uses the terms ‘purification’, the world of humans and non-humans, and
‘translation’, fabricating novel entities, as hybrids in the intermixture of nature and culture, society and matter. These contrary tendencies (purification and translation) exist in mutual presupposition, mixing society and nature in complex networks. Instead of this dichotomous constitution, Latour introduces the category of the ‘quasi object’, a term developed by Michel Serres (1982), in which the relations between object and subject are moments in an originary aporia:

This quasi-object that is a marker of the subject is an astonishing constructor of intersubjectivity. We know, through it, how and when we are subjects and when and how we are no longer subjects.

(Serres, 1982, p. 227)

From the perspective of the quasi object “it is impossible to define the human by essence”, the human is rather the focus of a historical succession of contingent networks, the product of particular ways of “passing” the quasi object. The human is the nexus of relations, the site where properties are exchanged. In keeping with a commitment to symmetry, this perspective also alters the status of matter or objects which can no longer be regarded as outside or prior to history or society… In this manner the quasi object casts new light on organisational structures – which are perhaps too often reduced to abstract systems of interpersonal relations.

(Harris, 2005, p. 173)

The human, being the nexus of relations, shows similarity to Mead’s (1934) approach of the ‘social object’, to which I shall return later. Latour envisages a society that is technically determined by a technology that is socially determined (Harris, 2005, pp. 171–172).

Goguen (2000) argues against this technological determinism, where technology is seen as an autonomous force that changes society, because it ignores the complex social network that supports the technology. Latour’s approach places humans and technology on a scale of even balance regarding the development of society, or one might say puts technology in an even more important position. This positioning, as mentioned earlier, did not lead to the required performance
improvement in our company. At this point, actor–network theory shows the same limitations as the socio-technical systems, shifting the focus away from the interaction between people. Actor–network theory pays little attention to the detail of interaction between individuals as the process in which transformation emerges. They do not explain the transformation process, what it is that transforms social practices in their replication, *transformative causality* (Johannessen and Stacey, 2005). As my research into improvement is focusing heavily on patterns of social interaction between humans supported by technical systems, in the next step I turn to a complex responsive processes way of thinking about technology in my search for this explanation.

**Technology and complex responsive processes**

Mead’s thinking plays a significant role in constructing the theory of complex responsive processes and offers us a chance to engage in another way of thinking about people and technology that differs from the systems perspectives I have reviewed earlier. Complex responsive process theory focuses on human behaviour and interaction, meaning that the only agents in a process are people and they are not thought of as constituting a system. Instead, they form and are at the same time formed by patterns of interaction between them (Stacey, 2003a). In this communicative interaction, which is also influenced by power relating and evaluative choosing (Elias, 1939), they employ tools and technologies. These tools and technologies can usefully be thought of as technical systems. Thus the primary relation between people and technical systems, in this theory, is that technical systems are tools developed and later employed by human agents in their activities of interaction with each other, through which they shape both the social and the physical worlds they live in. However, to stop at this point does not take account of the powerful impact that technical systems have on what human agents are able to achieve and on how they experience themselves. Secondly, therefore, according to Mead (1925, p. 263; 1934, p. 154) and Johannessen and Stacey (2005, p. 153), the relationship between people and technical systems takes the form of a ‘social object’. According to Johannessen and Stacey (2005), as people design and use technical systems they develop tendencies to act in similar
ways with regard to these technical systems. Technical systems have meaning for us as reflected in a sense that meaning can arise only when taken up in interactions with other people, and it is through these interactions that technical systems become ‘social objects’. I have to acknowledge that there are similarities between this approach of the ‘social object’ and the ‘quasi object’ developed by Serres (1982). The difference I see is that the ‘quasi object’ starts with a focus on the object, matter, in symmetry with the social. The focus of complex responsive thinking is directed not only to the physical technological object, but more to the interaction and relating between people where the generalised ‘social object’ called technology is particularised. This differs from elevating technical systems to the status of agent, as in actor–network theory, or seeing human agents as parts of a social system, as in socio-technical system theory.

From this point of view, according to Johannessen and Stacey (2005), one could understand the relation of conductors with the technical logistic system of timetables, rosters and procedures as ‘social objects’, as generalised ways of acting on the part of conductors with regard to those timetables and rosters. However, another question arises when we try to relate the performance of conductors to their technological environment, and this also counts for many other technological developments in the company. Many technical improvements and changes do not lead to a more satisfying product or service for customers. Let me come back to the example of departure procedures mentioned before. For safety reasons we changed our departure procedure, meaning that the train will not start moving before all doors are closed. This change in procedure was not accompanied by allowing extra time for the extra steps a conductor has to take before the train actually departs. After a major drop in punctuality was noticed, system analysts started to investigate what the reason for this drop could be. The conclusion was that trains that depart a little later than planned are more likely to lose extra time on the way to their final destination. After talking to many conductors it turned out that the new procedure takes 30 to 35 seconds, compared with the original ten. However, we still start our procedures ten seconds before actual departure time, with the result that all trains depart late and the punctuality figure drops. This has been going on for almost two years now! Why has this
happened, and did anyone stand up to suggest an alternative approach to the 
change in procedure?

A departure procedure and safely closing the doors, a technical procedure, can be 
seen in the light of Johannessen and Stacey (2005) as a ‘social object’, a tendency 
to act. Based on several observations, I argue that a technological object or any 
physical object can play a role in the emergence of a ‘social object’ only as 
subject in the interaction between two or more human agents. Using the ideas of 
Searle, in which he states that physical objects cannot be named by the object 
itself, Fearn (2005) explains that something becomes a computer when it is used 
as a computer and it becomes named as a computer when at least two people have 
agreed on the use of this term. There is no doubt that after this agreement, the 
computer, when used, autonomously takes part in the development of human 
knowledge and skills, and this is how humans develop a ‘quasi object’ working 
with technology. The big step, however, can only be made when this ‘quasi 
object’ becomes part of the ‘social object’. In the introduction, I mentioned that 
there is little interaction between conductors about their actual performance. This 
lack of interaction, along with insufficient stimulus on the part of management to 
talk about day-to-day performance, might have led to this and other failures to act 
according to customers’ wishes. Change in improved technology or safety 
procedures does not automatically lead to positive change in customer services 
and performance. In fact, Johannessen and Stacey (2005, p. 158) also state that a 
physical object can be meaningful only insofar as it is somehow taken up in our 
interactions with each other.

Sharma (2006), Trist and Bamforth (1951), Emery and Trist (1965) and Boonstra 
(2004), they all emphasise, from different perspectives, the need for human 
interaction to develop the performance between humans and technology. Schlick 
et al. (2006) state that the complexity of human–machine interaction is self-
generated; Lewis, Sycara and Payne (2001) claim that the way technical agents 
communicate can influence social team behaviour. According to Mead (1934, p. 
154) and Johannessen and Stacey (2005, p. 153), the relationship between people 
and technical systems takes the form of a ‘social object’. I argue, however, that
technical systems have meaning for us as reflected in a sense that meaning can only arise when taken up in interactions with other people forming a ‘social object’. This approach is consistent with Mead’s earlier writings:

I wish, however, to restrict the social act to the class of acts which involve the cooperation of more than one individual, and whose object as defined by the act, in the sense of Bergson is a social object.

(Mead, 1925, p. 263)

Based on Mead’s presumption and my own argument, I make the following statement:

*Individual use by humans of physical objects or making use of a new technological procedure does not automatically mean that there is some form of generalisation, because the social process is taking place only in the mind of the individual. It is by talking to others about the use of physical objects or the effects of a procedure that these will be taken up in the conversation and so become part of the generalisation process between humans, having influence on the ‘social object’.*

This can become a very important point because it can make visible what is missing from our process of introducing new technological solutions or improvements and shows the difference of management behaviour between technical-socio systems thinking and complex responsive process thinking. In the first situation, management will devise a solution for this evolving problem. In the second situation, they will encourage broad communication and interaction between the people involved in working with the problem. In the presented case, that means that conductors, managers and logistic people have to sit down and start talking about the problem before entering the discussion about the solution (Swieringa and Jansen, 2005). After that, we will have to think about a way to widen the circle to all people involved in improving the punctuality of departing trains. This is one of the main differences compared to socio-technical systems thinking. There is not one prescription for solving this problem, even when we take the technical and sociological aspects into balanced consideration. An
important question, however, is how to stimulate the interaction and communication processes between the thousands of people involved in this and other problems, and how to improve in general. It is not a ride free for all and it will not go by itself. Management must follow and measure improvement steps and participate in the development of the ‘social object’ itself (Tobin, 2003).

**Complex responsive processes of performance improvement**

Stacey (2005c, p. 57) questions the mainstream systems perspective on quality improvement, taking a complex responsive process approach that changes the focus to an ongoing, iterated pattern of relationships between people. Where could this lead in working relations in our own organisation?

Almost one year ago the company changed its penalty system for travellers without a ticket. We had to bring it more in line with the rest of the national public transport sector, and we had to reduce the number of quarrels between travellers without a ticket and conductors. For that reason the choice was made that on every occasion the traveller should be penalised for being unable to show a ticket. Central Customer Service was the only department with the power to revoke this penalty. Many conductors embraced the new rules, but there was also a lot of opposition. After a year it became clear that the conductors had made their own rules, depending on the situation. When one of our vending machines broke down and passengers were unable to buy a ticket, they were obliged to give the penalty, but in many cases they were looking for other solutions: allow people to get off at the next station, allow them to stay on when it was a short trip, and many more examples. Brown and Duguid (1991) already discovered, through studying workplace practices, that the ways people actually work usually differ fundamentally from the ways organisations describe that work in manuals, training programmes and job descriptions. Even in highly sophisticated technological areas like airplane cockpits, these debates take place (Degani and Wiener, 1997; Sharma, 2006). Recently, after several discussions with different groups, we adopted their way of handling the situations. Again, Brown and Duguid suggest that practice is central to understanding work. The penalty regime
did not change, and this is what we told travellers; but the conductor is responsible for a proper execution, including providing customer services when this is needed.

In fact, the conductors had functionalised our cult value of giving a penalty to every traveller without a ticket. So the suggestion is that we accept that policy statements are generalisations and idealisations, or cult values that have to be made functional in the complex responsive processes of interaction between those who actually do the work, in our case, the conductors. This practical solution is related to my experiences in the DMan programme, where a final stage emerges from many interactions between the participants and is consistent with the ideas of Mead (1923) when he talks about values. Can instructions from management be seen as values? If so:

There are no absolute values. There are only values which, on account of incomplete social organisation, we cannot as yet estimate, and in face of these the first enterprise should be to complete the organisation if only in thought so that some rough sort of estimate in terms of the other values involved becomes conceivable... The task of intelligence is to use this growing consciousness of interdependence to formulate the problems of all, in terms of the problem of every one. In so far as this can be accomplished cult values will pass over into functional values.

(Mead, 1923, pp. 243–245)

However, people find it difficult to keep such a perspective in mind; and this does not only apply to managers. To my surprise, in a meeting about the subject, the union representatives started to call for new regulations to describe what can and cannot be done in this new form of freedom. At the end of this discussion I bluntly said that I would not do that because it would bring us back to the same dilemma, only from another angle; which they accepted. Although we agreed not to make this new approach public, the next morning it was in all the newspapers, creating a lot of extra work for our press department.
Generalised other and ‘social object’

The other day I was sitting as a passenger on a train that was delayed entering one of the bigger stations. A female conductor, who had already checked our tickets, started to give information about changes of platforms for other departing trains and new times of departure, and she apologised for the delay of our train. She did all this in a highly professional manner. Not only was her information accurate, but she showed so much confidence that this in itself influenced the way passengers experienced the train system. Because I could not find her after the trip, I had to look up who she was so that I could phone her half an hour later to compliment her on her performance. She told me that she had been member of a team working on improvement of information for travellers, and that she and her team members developed better ways to provide this information. I could not agree more. She also told me they had conferences together with other teams. Although I also introduced conferences as a way of quickly exchanging information, this was not new for the company: other managers had done this before me. The information improvement teams one day ceased to exist and she could not tell me why, but thought it was a pity and offered her help if we thought of starting again. I include this story to emphasise that there are very good examples of high quality performance; people have been working on this improvement in a form of communities-of-practice, but the improved ways of working somehow did not cross the boundary of the community and none of the developments held any kind of general continuance. So, next to the question of how conductors improve their performance; the other question is: when they do improve, why is this confined to small teams working on new knowledge, procedures and customer satisfaction? Why does this not cross over to other colleagues?

We are talking about the interaction between people who are already participating in a group. Development takes place through interaction between individuals, selves, of the two groups, creating new ways of working together on a local basis, even when they are part of large national departments. These local interactions can lead to new global processes in due time (Project Three). According to Mead
the self is constituted by an organisation of new particular attitudes of other individuals toward oneself and toward one another in the specific social acts in which the person participates. Full development of the individual’s self takes place by an organisation of the social attitudes of ‘the generalised other’ or the social group as a whole to which one belongs. One thus becomes an individual reflection of the general systematic pattern of the wider social or group behaviour. The organised community that lends each individual their unity of self may be called ‘the generalised other’. The attitude of ‘the generalised other’ is the attitude of the whole community (Mead, 1934, p. 154). So, in the case of a security team, the team is ‘the generalised other’ insofar as it is part, as an organised process of social activity (work), of the experience of the individual members of this team. Bringing other people into this organised process of social activity changes ‘the generalised other’, and it is in this form of ‘the generalised other’ that the social process influences the behaviour of the individuals involved in it and carrying it on (Mead, 1934, p. 155). This imaginatively perceived unity is then a generalised tendency to act in similar positions in similar ways. This emerging imaginative generalisation is one phase of the so-called ‘social object’. The other phase, which is inseparable from the generalisation, is the particularising of the general in the specific contingent situations in which we find ourselves (Stacey, 2005a: 36)

…objects are constituted in terms of meanings within the social process of experience and behaviour through the mutual adjustment to one another of the responses or actions of the various individual organisms involved in that process, an adjustment made possible by means of a communication which takes the form of a conversation of gestures in the earlier evolutionary stages of that process, and of language in its later stage.

(Mead, 1934, p. 77)

A ‘social object’ means belonging to a specific group of people in a specific situation, a historically evolved tendency to act on the part of large numbers of people, to act in similar ways in similar situations. They form and are formed by ‘social objects’ in a process of interaction. Mead uses the word ‘object’ as a tendency to act rather than the concept of a ‘thing’ (Johannessen and Stacey,
2005, p. 156). People can belong to different social groups with different ‘social objects’: a familiar example of this can be the family father and well-respected employee transforming into a football hooligan on Sunday. In both cases, he feels that he belongs to the group he is part of. The results of the merger meetings between the security people and the service people show all aspects of this generalisation process, and do suggest remarkable new ideas and insights on how a future part of the organisation could be established.

By introducing technology in the discourse, another question becomes important: whether there is an influence of other objects or artefacts on the ‘social object’, people feel that they belong to and act accordingly (Mead, 1934, p. 154). In our case, conductors are constrained by schedule and roster planning in a technological environment. The question is important because of the possible impact on the relation between humans and their technological environment. It is good to mention that Serres’ (1982) approach of ‘quasi objects’ shows some similarities with this approach of Mead, when he talks about generalisation with inanimate objects. The difference can be found that the ‘quasi object’ starts with a focus on the object, matter, in symmetry with the social as the leading property of interaction.

One year ago we introduced the possibility to use a WIFI network on stations for staff to call on for duty with their handheld computer. The advantage is that people do not have to walk to a central office on the railway stations – which, on the larger stations, can be a walk of 15 minutes – but can go direct to the train they have to service. The very modern system was designed as a physical object to increase efficiency and reduce unnecessary loss of time, but it also led to a further reduction of social interaction. The end result was that people were not trained well enough, or it was more complicated than expected to use the system; and for that reason, it was thought that the system was not working properly. What should have led to more efficiency was heavily criticised and turned out to lead only to more inefficiency. Even now, after one year of reparative measures and considerable extra training, the system will never be accepted as the very helpful solution it has the potential to be, and has cost the company a great deal on increased payments resulting from the use of extra time. Instead of community
members helping each other in the use of the technical system, people convinced each other that this was yet another management whim designed only to increase efficiency and reduce costs.

**What can we do to improve customer satisfaction in train services?**

We realised by now that our operations are guided by technical systems and that this way of working is not leading to the required improvements in operational performance. I have tried to explain how complex responsive process thinking invites us to start working in another way on this performance improvement, taking into account the relation between people and between people and the technological systems and procedures. One way can be to initiate forms of interaction about our day-to-day experiences and try to include people from operational levels in this discussion. I have been invited by several regional management teams to share my opinions about service developments. In these teams, managers and employees of train and security departments are present. Until now, I have been able to exchange information about service developments with up to 80 managers and several hundreds of other employees. Instead of talking about service development with managers, I will start with the question: ‘What do you think about your work today, and are you satisfied with your present performance?’ When they answer that they are not satisfied enough, I start an inventory of opinions and ask: ‘What, then, is blocking your normal daily performance? Why do you think that solutions have to be found in a new plan in the future? Do you know why you and your people in operations do not perform at the required levels, and have you ever discussed this with them?’ (Swieringa and Jansen, 2005). This question disconnects people from the technological environment for a moment, making the person, rather than technological systems, central to the discussion.

Brown and Duguid (1991) argue that practice is central to understanding work. They describe the research of Orr (1990), where a maintenance department for copying machines could not find the necessary repair instructions to solve a maintenance problem. The social pressure in the company is to solve problems
without changing machines. The work of maintenance representatives is not only simply about maintaining machines, it is also about maintaining social relations. The team was not able to solve the problem directly, which ended up in a long story-telling procedure, essentially being a process of diagnosis. This story-telling begins as it ends, in a communal understanding of the machine and shared experience; information that cannot be found in the manuals. The story-telling lasted for several hours, progressing from incoherent to coherent information, in the end generating enough insight to lead to diagnosis and repair. I think that by telling these stories the representatives were moving their thoughts from unconscious to conscious, looking for new images of the machine in the asymmetry of its parts (Norman, 1988; Dalal, 2002). After three months, an assimilated version of the diagnosis was heard in the companies’ lunchroom, recounted among other service representatives. An important skill for service representatives is not only knowing how to repair machines but also being able to create, trade, and understand highly elliptical, highly referential, highly informative ‘war stories’ (Brown and Duguid, 1991, p. 45). The irony, according to Orr (1990), is that for the purpose of diagnosis the representatives do not have smart machines, just inadequate information and ‘their own very traditional skills’.

This is exactly the question we are facing. How can we restore the relation between the company’s requirements and procedures and conductors’ skills, discussing the difference between conscious and unconscious operation? The story-telling and informal conversations are often framed in a community-of-practice. A community-of-practice evolves around the sharing of experience related to work practice (Orr, 1990; Brown and Duguid, 1991; Orr, 1996; Wenger, 1998). This sharing relates to professional responsibilities, activities and vocabulary. Since the actual work practice often differs from the canonical practice described in manuals and directive documents, the community-of-practice plays an important role (Olsson, Bergquist and Ljungberg, 2000). When we have our meetings, I work together with several of my colleagues from the HRM department who are also interested in this conversation approach based on taking our daily experience seriously (Shaw, 2002). We have collected all kinds of opinions in large group discussions, but instead of publishing our results we invite
managers to have the same conversation with their own teams, with the help of a facilitator when requested, to expand the community and create new ones on a regional or functional basis.

The first results they have fed back to us are fairly encouraging. The sessions are held on a voluntary basis and more than 50% of operational employees come to attend. Managers’ reactions are that they used to bring messages from top management to their employees, telling how the top wants the jobs to be done, even when they did not fully agree on the prescribed solutions. This time, instead of bringing something, they can share and collect information necessary to prepare the next steps for discussions about service developments. This approach immediately changed the relation they have with their co-workers and changes their leadership approach. I have been able to attend several of the local meetings and our plan is to have a large final meeting, in four regions with 40 managers and 160 team members; and at the end of this year, we will organise one combined meeting with 200 representatives from the regions to discuss what keeps us from doing our daily work the way customers would like us to perform, after which they will have to take the information back into their own communities.

One of the specific outcomes is that people have countless examples where they describe constraints of technical systems and procedures leading to underperformance with regard to client satisfaction. My own perception is that they underestimate the role they can play themselves; this role has been made subordinate to the technical system, leading to forms of cynicism and lethargy. On the other hand, the regional meetings start having the impact of communities-of-practice, a phenomenon we have seen earlier in the service and security group, with good results. The actual working situation of professionals can be (mentally) isolated and focused on their own local practice. They sometimes have little connection with the constellation of practices defined as whole and other parts of the company. As a result, they do not engage in systematic reflection on the nature of the competence to which they contribute, what is needed to ensure its future development, what connections to seek inside and outside the company, or what their own trajectories may be within this context. Because jobs fail to capture their imagination, working relations remain distant, passive and uninspiring (Wenger,
1998, p. 257). This is probably the case with conductors, despite the fact that they continuously operate in a customer environment, which makes this observation even more remarkable.

Brown and Duguid (1991) argue that conceptual reorganisation is necessary to accommodate learning in working and innovation. This must stretch from the level of individual communities-of-practice and the technology and practices used, to the level of the overarching organisational architecture, the community of communities. Inter-organising the work of the three groups: service, security and conductors, taking into consideration the technological support and aspects of the working situation, can be helpful in creating new communities-of-practice where working, learning and innovating go hand in hand (Brown and Duguid, 1991, p. 55). Furthermore, various communities-of-practice have to form a tight constellation, to take responsibility for inefficiencies and mistakes whose cause fall outside the narrow purview.

An organisation that functions in a sufficiently coordinated fashion, without excessive top-down hierarchy, thrives on intensive negotiation of meaning and is thus likely to be more dynamic and more pervasively creative. This means we still have some work to do and does not imply laissez-faire or absence of leadership (Wenger, 1998, pp. 260–261). Brown and Duguid (1991, p. 45) describe how knowledge can wander into and around an organisation, not stopped by boundaries. I noted that in our organisation people working in teams perform better. So the simple solution could be to invite people to work in a team configuration one way or another. The advantage of teamwork is that teams most of the time have a common goal, even when people work individually. In practical terms, this is made difficult by the many individualistic tasks to be performed in our train services; yet when teamwork in its traditional approach is not possible, there are other solutions! Lipnack and Stamps (1997, pp. 6–7) introduce virtual teams as groups of people who interact through interdependent tasks guided by common purpose. Bal and Teo (2000) emphasise that virtual teams are geographically dispersed, driven by common purpose, enabled by communication technologies and involved in cross-boundary collaboration. Technology is therefore acknowledged as the fundamental driving force behind the existence of
pure virtual teams, and critical to its existence (Arnison and Miller, 2002). They also argue that if conventional teams use the same technology as dispersed teams they often work as a virtual team, although they can work in close proximity. How team members interact, rather than where team members are located, should define a work team as virtual.

Virtual teams, especially when their configurations can change frequently, live on exchange of information. Kirkman et al. (2004) describe how highly empowered virtual teams and cross-boundary teams in organisations were associated with significantly higher levels of process improvement and customer satisfaction than less empowered teams. Virtual teams can be completely virtual, or co-located with electronic communication that may or may not be supplemented by face-to-face meetings (Kirkman et al., 2004, p. 178). Communities-of-practice can develop their own ‘social object’ in every (team) combination they work in, real or virtual, in which technological developments play a crucial role. Although most virtual teams perform highly complex based tasks, this is not always the case (Lipnack and Stamps, 2000). So conductors can also be part of virtual teams or (virtual) communities-of-practice and develop a ‘social object’ interacting on their day-to-day improvement questions around the technology they work with. They are not working all over the world, but on the other hand they work dispersed all over the country all the time. The characteristics of virtual teams, combined with the well-developed digital technologies in our company and face-to-face communication, can offer conventional face-to-face teams an opportunity to accomplish their goals and achieve their vision utilising the best features of both types of teams (Arnison and Miller, 2002). It is the ‘social object’ of patterns of interaction, through virtual communities-of-practice, that can lead to an imaginatively created global outcome of ‘improvement’ (Stacey, 2005d, p. 37). Recently, five virtual communities-of-practice for train drivers from all over the country started, with unlimited access for other company members, to discuss improvement issues on technical and procedural aspects. After four months there will be face-to-face contact between members of these virtual communities, to evaluate intermediate results.

It is the combination of conversation, enabling other forms of teams and communities-of-practice and leadership fulfilment, that should enable us to work
on performance improvement in our technological environment. The basic question is: What is our primary responsibility working in our company? Is it driving trains on the basis of meeting time schedules, or do we feel responsible for the more complex travel requirements of our customers with the assistance of several technological and logistic systems? This approach strongly resonates with the ‘marketing myopia’ ideas of Levitt (1960): firms should define themselves through their broad industry orientation rather than in narrow product or technology terms. Railroad companies should see themselves in the transport business, transporting people who wish to go from A to B. In my example this should be explored not only from a marketing point of view but also from a psychological point of view, where people in their minds and in practice make use of technology to provide an adequate service or product to customers and feel responsible for their journey. Becoming aware of ‘technological myopia’ introduces a broader view of the human use of technology in a generalisation process between employee and customer. The ‘social object’, tendency to act in similar ways in similar situations, of the two groups will develop through particularisation of the general way of interacting between employees and customers, leading to small changes in the general way to act. Through interaction between employees and management and leadership influences, as described above, these changes should be experienced by customers as small steps of improvement in the appreciation of their journeys, as a basis of complex responsive process thinking.

Conclusion

Communities-of-practice in the traditional way are seen as a systemic way of working, but I argue that this does not always have to be the case. Several authors describe the workings of virtual teams related to the degree of virtuality (Kirkman et al., 2004). The sociological aspect of technology in the interaction with people can be viewed from many angles; from mainstream systemic thinking, social systems and social constructionism, to actor–network theory, where technology is at the centre of thinking about humans as agents in a technological/social network. These theories, many of which we use today in our company, do not lead to the
required performance improvement. Organisational change is not stimulated by a common vision of the solution, but by agreement on acceptance of the problem.

To improve customer performance standards, conductors, working with technical systems and procedures, need to develop a new customer-oriented ‘social object’, a new generalised tendency to act in similar positions in similar ways. I argue that humans develop a ‘social object’ related to technology only when they are enabled to interact around technological change with other humans and are not required merely to interact with the technical object alone. The ‘social object’ can be developed through working in teams or in communities-of-practice. Members of teams have, most of the time, a common purpose. This way of working on improvement, especially with empowered teams, is to be preferred, but may not always be possible. In communities-of-practice, members work on common technical or procedural (improvement) problems and develop a ‘social object’ around common solutions. To eliminate the restricting boundaries of systems thinking, virtual teams- and communities-of-practice enable knowledge development to move freely throughout the organisation, leading to other forms of generalisation and new ‘social objects’ of the different groupings involved. According to a complex responsive process view on teams- and communities-of-practice during face-to-face contact, virtual contact or a mixture of the two approaches, managers stimulate and enable local interactions around technological change. They have to become part of the development of the ‘social object’ (Tobin, 2003, pp. 156–157), within the economic and strategic constraints of their responsibility. These processes should lead to global company-wide performance improvements relating to customer requirements. We still have much work to do. Considered the size of the groups involved, it will take time, courage and patience before we will see the impact of these improvements on the customer evaluation figures of train services.
For Project One, I was asked to identify some of the key ideas that have shaped my thinking about my work in organisations. This led me to explain my attraction to particular historical leaders whom I admired for their strategic creativity and their commitment to the people they led into battle. Many managers today similarly look for such masterful examples in the management literature in order to find ways of identifying and copying the success of great leaders in their own work (van’t Hoff and Ogilvie, 1992; Kets de Vries and Engellau, 2003). It has become part of mainstream systems thinking about organisations to identify success with the ability of senior executives to design a strategy and then ensure its implementation in the organisation – that is, ‘management by objectives’. For most of my career I have been influenced by systems thinking and management by objectives (Drucker, 1957, 1966; Kepner and Tregoe, 1965; Humble, 1970; Reif and Bassford, 1973; Lievegoed, 1975; Blokland and Fischer, 1977; Jones, 1977; Groot, 1977). This thinking focuses on designing structures, setting objectives, planning, and casting all management problems in systems terms to be solved by systemic methods, techniques and control. In Project One, I stated: ‘Strategy means an elaborate and systematic plan of action’, where the strategic choice has to be decided by senior executives and then implemented under their control in the organisation. However, I was also well aware that the reality was not quite that simple.

Growing awareness of problems in my thinking about the senior executive role

In Project One, I pointed to how we often lose sight of the fact that not all of the actions of the masterful leaders we admire ended well, indeed that some even ended in disaster. This leads us to create unrealistic expectations of leaders (Tobin, 2003, p. 140). When I look back at my own experience, as at that of my famous examples, the important question is always how to preserve continuity and
improve organisational results and how much this comes back to ordinary hard work rather than depending on grand designs. In our company many good initiatives are taken up, developed by project teams and then implemented in the organisation. However, when the project teams cease to exist many of their good ideas dissolve into thin air. So, looking back, I can see how I also took some steps to thinking about non-linearity and positive feedback in systems dynamics theory and how this related to moving away from simple top-down leadership techniques (Blake and Mouton, 1970; Naisbitt and Aburdene, 1985; Senge, 1990). These authors, and other systems thinkers, have also questioned top-down approaches and the ability to control. According to Pettigrew (1997), Boonstra (2000), Kaplan and Norton (2004) and Mulder, Robroek and Stil (2006), between 70% and 90% of all planned reorganisations or objectives fail due to the fact that in many strategic approaches choices are still made by people in small groups at the top, initiated by macro strategic thinking, who try to implement these changes through power and conviction.

By the time I got to Project Three I was questioning my earlier statement about strategy being systematic and decided by senior executives. In that Project, I described a merger process between two sales functions in our organisation that ran into periods of stopping and starting, even coming to a standstill. This merger process also seemed to suffer at several points from top-down control. Largely by intuition, partly influenced by being on the DMan Programme, I started to suggest that we involve middle management in the processes we were managing, sharing responsibilities with them and accepting the interdependencies in which people influenced each others’ behaviour (Mintzberg, 1987; Nonaka, 1988). From that moment, the project started flowing again. I explained this in terms of the development of strategy formulation and implementation at the same time involving a combination of horizontal and vertical strategy synthesis. I pointed to how in strategy literature there is a movement away from leadership exercising top-down strategic choice approaches and towards developing approaches that synthesise a thesis and an antithesis (Volberda and Elfring, 2001; Pettigrew, Thomas and Whittington, 2002b; de Wit and Meyer, 2005), or introducing a new focus on micro strategy (Whittington, 2001; Johnson, Melin and Whittington, 2003). Others also question the contribution of today’s planning, control and
target-setting literature (for example, Hoogervorst, 1998, p. 85; Seddon, 2003, p. 204; Hoogervorst, 2007, p. 49). Cools (2006) introduces trust-based management concepts in response to modern governance and control principles. These last observations about control and planning make room not only for the idea of formulating and implementing strategy at the same time, as presented in Project Three, but also for other forms of transformative strategy, which I will take up below.

The following quote from Serres (to which I have added the word systems) summarises the story of today’s management struggles with insecurities and the search for some synthesis that usually ends in a cloud of many answers in which we still do not know which way to go:

The devil or the Good Lord? Exclusion, inclusion? Thesis or antithesis? The answer is in a spectrum, a band, a continuum. We will no longer answer with a simple yes or no to such question of sides. Inside or outside? Between yes and no, between zero and one, an infinite number of values appear, and thus an infinite number of answers. Mathematicians call this new rigour ‘fuzzy’: fuzzy subjects, fuzzy topology. They should be thanked: We have needed this fuzziness for centuries. While waiting for it, we seemed to be playing the piano with boxing gloves on, in our world of stiff logic [and systems] with our broad concepts.

(Serres, 1982, p. 57)

It is a recognition of the ‘fuzziness’ referred to here that has helped me better to understand how different aspects of leadership and organising interact in such a way as to lead to organisational change. Managers feel the need to be rational (van der Ven, 2006), but many times rationality leads to stuckness and black or white choices.
Taking a complex responsive processes perspective on the senior executive role: developing local responsibility

In developing my knowledge about a complex responsive processes view, during the DMan programme, I started to think differently about the social processes managers participate in and the part they play in these processes. From a complex responsive process view, organisations are seen as global or population-wide patterns that emerge in local interaction. According to this approach, teams of executives, including senior executives, are also seen as patterns of local interaction. People acting in terms of local interaction or self-organisation are only interacting with a tiny portion of the total population they are part of. This is the case with professionals who have contact with customers, just as it is between members of executive teams. Not everybody has contact with everybody; people are interacting according to their own local principles, or local rules, not acting in accordance to rules centrally established and given to them as instructions. Executives often try to force people to behave the way they want, but will often have to admit that in practice, especially in large organisations, this does not work out in the way they had hoped. People do not act according to the generalised or idealised statement of top management, but are interpreting that generalisation in particular circumstances at a particular time. In these circumstances patterns of interaction emerge and develop in the complete absence of programme, plan or blueprint for the whole organisation, rather than being under the control of one or a few members of the organisation. Self-organisation produces diverse emergent patterns with the dynamics of stable instability. It is this diversity that produces novelty (Stacey, 2005a). Global organisational outcomes emerge in local interactions so that the ‘cause’ of the global, organisation-wide outcomes is not a central grand design but the many, many local interactions, not only of senior executives but also of all other organisational members. In this process the global and the local patterns are influencing each other at the same time, that is, in a paradoxical way.

This perspective raises important management issues, particularly concerning the role of senior executives. It means that managers are not able to directly determine global organisational outcomes, but they are still held responsible for such
outcomes by their organisation’s stakeholders. However, they can influence global outcomes through their own local interactions, indeed it is in these local interactions that they and others create global outcomes even though they cannot determine or control those outcomes. It is for this reason that senior executives should initiate and participate actively in local interactions in the organisation, even forcefully when necessary. This offers them a chance to influence, through their local participation, the global organisational patterns, which can be understood as ‘social objects’. Social objects, which I explore in Projects Two and Four, are historically evolved tendencies to act in similar ways in similar situations by groups of people in a common (working) environment (Mead, 1934). Such ‘social objects’ are characterised not only by the sharing of intentions and goals but also by conflicts involved in their power configurations. This approach, in which the senior executive is intentionally seeking to participate in the emergence of desirable ‘social objects’, requires a great deal of personal involvement and often knowledge about detailed processes and procedures.

For many managers it is difficult to recognise how outcomes actually emerge in local processes. It becomes even more difficult when developments do not proceed as fast as everyone would like and outside pressure from stakeholders, boards, and politicians increases. I have had the experience of giving in to these pressures at a certain point in my career, described in Project One, even though this was against my normal natural behaviour at that stage of my life. I increased direct control, reduced the autonomy of my collaborators and introduced multiple forms of direct process steering in the organisation. Today I realise that I acted on an illusion of control that led to a destructive outcome with regard to the organisation I was responsible for in those days. It is at these moments of outside pressure that executives need to have confidence in themselves and in taking another approach to leading their organisation that requires them not to stop but to stimulate local interactions with their potential for new emergent outcomes. An example of this is the development of the successful international IT group BSO with 10,000 ‘co’ workers (Wintzen, 2006), which was built on a structure of a maximum of 50 people per cell, with one manager and great autonomy on the business level, a structure Wintzen compared with frog jelly. He very meticulously describes the relation between the general board and the cells,
emphasising how he saw division of responsibilities between himself as senior executive and the managers of the cells. Mintzberg once compared this cell organisation with a church (Wintzen, 2006, p. 199). Churches and spiritual organisations indeed show many similarities with a cell structure. The cell structure ceased to exist after the company was taken over and two worlds collided, one of trust and one of control (ibid., 184). This is the same trust-based governance controversy that is explained by Cools (2006). Another example is the successful transformation of the Danish company Oticon S/A, world leaders in hearing-aid instruments (Morsing and Eiberg, 1998). From a traditional managed manufacturing company it changed into what the CEO Lars Kolind calls a spaghetti organisation. This metaphor sums up their ambition: it moves all the time and is never the same, everything is tangled up and yet it is possible to follow an element through (Morsing and Eiberg, 1998, p. 11). Morsing and Eiberg explain how a lot of people and incidences were entwined during the transformation process, which thus affected and impacted upon the people involved. She refers to the process as an excellent example of change as self-organising. It is interesting to investigate the theoretical background of Wintzen’s and Kolind’s choices and look for similarities with a complex responsive process approach.

Executives should realise that in terms of self-organisation, however ‘fuzzy’ that may seem, they cannot directly determine the global outcome of organisational goals; Wintzen and Kolind both realised and practised the value of this statement. I claim that it is this paradoxical approach of being responsible globally – but only being able to achieve results by participating locally to influence, to co-create, the ‘social objects’ – that can lead to improved results. This approach stimulates emergent behaviour through teamwork and communities-of-practice of people contributing to the required organisational improvements. As I developed the four projects set out in this thesis, this became clearer, as did the necessary reflective behaviour as a basis of thought and action at the same time. I came to understand that what I was principally trying to do in my many local interactions and in those I tried to stimulate, even if I could not directly participate, was to help co-create a particular ‘social object’ to do with the taking of local responsibility. I assisted in the development of tendencies for people to act in a locally responsible manner.
without continual central direction. I was trying to influence these local interactions to develop in a particular kind of pattern through discussion with local managers and professionals, resulting in the transformation of global intentions into local responsibilities, to bring about clearly improved performance behaviour and better results for the organisation. At a certain point, after many meetings, we discovered that a train route or line is the smallest measurable entity in our organisation close to customer awareness. Having concluded this, we asked volunteers to take responsibility for these train lines. Local managers and even conductors stepped forward to take on this responsibility. We had three times more volunteers than opportunities. From the day these local responsibilities were adopted and people at the local level started to develop their particular ‘social object’ on a specific train route, performance results started to improve. I have described this way of working together in Project Four, and I will come back to this example in another section of the synopsis because of its importance.

What I am referring to here is transformative strategy. In transformative strategy, two opposites do not lead to strategy syntheses, as proposed in some of the literature, but to a dialectical new form. I reflected on this last perspective as an additional way of describing emergent strategy development (Grogan, Donaldson and Simmons, 2007), global strategic patterns are not directly determined by the global plans, programmes or intentions of senior executives but rather emerge in the local interactions in which the global intentions of senior executives are interpreted and made particular. The merger of two sales departments described in Project Three, extended over a long period of time, which enabled an ongoing inquiry with shifting questions and occasional answers and insights. The title of the dissertation points to how initiating, delegating and sharing responsibilities in local interactions in an organisation can lead to an accumulation of local improvement acts, resulting in a company-wide improved global result. Senior executives have to realise that results will not improve by signalling idealised leadership. My slogan is: talking about the figures does not improve results; top managers have to be involved in ordinary local activities. My focus is on large organisations because it is the kind of organisation I am responsible for and particularly with regard to the many top managers, who seem to think that only action on a global scale has any impact. I am arguing the opposite, that it is
cumulative local interaction that has the impact. After several years of experimenting I can say that it does not stop by talking about explanations and new ways of thinking. Working according to these ideas has shown that top-management involvement really can lead to better results on many levels and in many responsibility areas of the company.

In what follows in this synopsis, I will describe how my thinking has developed as I worked on the different projects set out above and how experimenting with and particularising day-to-day experiences from a complex responsive process view can lead to transformation of decision-making and organising. Suddenly there can be clarity as to how to proceed to the next step of the process following new ways not previously imagined, before entering a new period of fuzziness and uncertainty. I will explain how, as a senior executive in a large organisation, I started to work differently and potentially became more effective, despite the fuzziness of organisational day-to-day life, even accepting fuzziness as a normal fact of complex organisational life.

To clarify how my thinking in the projects has developed, I will now list the steps that I will follow in the argument, expressing the way this thinking and my practice have moved and from which argument the final statement and contribution has been derived:

1) Define the role of senior executives in local interaction producing emergent global outcome. What is different from other more conventional approaches, and how does it relate to a complex responsive process view?
2) Examine the essential role that conflict plays in the actions of senior executives, and how this means making distinctions between different kinds of conflict.
3) Explore how local interaction, which includes the senior executive’s actions, is creating organisational identity, strategy and improvement.
4) Technology plays an important part in my daily work. I will explain how I have come to think about technology, especially in relation to local human interaction.
5) What is the role of anxiety? What does anxiety mean in the development of our company’s improvement issues?

6) Although there is much information showing that direct contributions of senior executives to final and global results is limited, senior executives are not without means to play a significant part. So I will explain what, in my view, senior executives can do.

After the final statement about my own contribution, I will conclude with an indication of the limitations of the outcome of my research and what further research I might suggest to build on the argument and conclusion.

1) A complex responsive process view on leadership as a key aspect of the senior executive role

A key aspect of the role of senior executives is that of providing leadership. From a complex responsive processes perspective, leadership is viewed as ongoing processes of social interaction in which leaders participate – they are co-creating the emergent outcomes in which they are being recognised as leaders while recognising others’ roles. Leaders are not able to control these processes or predetermine the social recognition that constitutes leadership. For the leader this involves understanding oneself, and valuing oneself, as a member of a group (Tobin, 2003). Our understanding of leadership moves away from a macrocentric orientation to a paradoxical relationship between macro and micro that places the leader within and among the organisation, rather than above and without, and that calls for leadership to be understood as an organisational phenomenon, not as an individual role (Taylor, 2003). Badaracco (2002) describes the decision-making processes leaders go through as a small step-by-step process, focusing on micro processes, in which leaders experience periods of doubt, questions and uncertainty but still have to do what they are paid for. Shiel (2003) draws on Stacey, Griffin and Shaw (2000) who view organisations as processes characterised by unique patterns of interaction that are continually reproduced, always with the potential for change. Shiel sees himself as part of a leadership process (albeit a very influential part), and in this process only contributes to knowledge and the
creation of knowledge rather than being the one who can choose the outcome. Engaging in this process of knowing also means that one’s own knowing will be changed simultaneously. Learning about organisations, leadership and strategy will be experienced as aspects of the process of continually reproduced coherence of interactive communication with the potential for change that is the organisation. Tobin, Taylor and Shiel relate here to the development of a ‘social object’, in which identities of participants are transformed.

In Project Four I described the development of a ‘social object’ during conversations between management and professional workers as a means of contributing to a better service performance level. This ‘social object’ was about the way people working on trains treated customers and about their consciousness regarding their primary responsibilities. An example: two people start working together on a train, one suggests making a control round, the other declines and wants to sit down and wait for a while. Discussing these kinds of dilemmas in groups with other colleagues gives management the opportunity to share their opinion and discuss what is needed to follow the suggestion of the first colleague. When the tendency to act in these similar situations changes and the group adapts another approach regarding their responsibilities, this also indicates a transformation in identity. Who are we, how do we act and how do people see us? Being a participant in this process, I as the leader can also influence the development of the social object, but will be influenced at the same time by this development. A manager who states: ‘I am in control’ (Stacey, 2003a) is in fact creating a paradox, because there is no manager actually in control (Streatfield, 2001). Williams’ (2005a, 2005b) approach is helpful in explaining the relation between the individual and the group, as located in a social process. The identity of the manager is emerging in social interaction, where the interplay of gesture and response offers a means of understanding the emotional experiences of group participants. Also, during my work in the many large and small group processes I have described, I was part of the change of social relations between individuals and the change of meaning at the same time, the experiencing of interdependence without acknowledging this in a formal or explicit way. It is, however, sometimes helpful to create awareness of this interdependence during conversation,
especially when a) delegating responsibilities, b) real dependence is at stake, or c) organisational developments get stuck.

It is at this point that I took up Stacey’s (2005a) and Williams’ (2005b) use of the notion of the *interweaving of intentions* (Elias, 1939) in which local patterns lead to global outcome. Exchange of ideas or intentions, enabled by particularised conversation, can lead to new ideas or even novelty, to new concepts not thought of before. Without this emerging novelty an organisation will ultimately reach an impasse. Allowing or even stimulating these patterns on many local levels will eventually lead to new patterns on a global level. The manager, however, remains responsible for managing the final responsibilities in ‘the network’, stimulating a participative free flow of intentions at local levels leading to unexpected but constructive outcomes on the population-wide level, as an unbounded nexus of interdependent relationships (Williams, 2005a, p. 56). For myself, encouraging the emergence of local patterns of interaction and participating when possible is an important issue, a role that can be taken up positively by executives who are not controlling but influencing the evolving patterns of interaction. The authors I have referred to explain a strong feeling of dependency in terms of how others will influence the final outcome. The difference in my approach, which I will try to explain below, is how as a manager I can forcefully initiate discussion on different levels and, by being present, can play a stronger role in connecting intentions and potential goals. These intentions or goals are not random. Based on my global responsibilities, I do not encourage any and all local interactions. I always keep some higher purpose in mind, such as a merger of functions, or an improvement in service, or meeting the difficulties of rosters and new timetables for trains. This approach shows many non-linear characteristics and is highly unpredictable in its outcome. It also elicits many of our normal habitual human patterns and reactions, when we start discussions or dialogues about subjects that do not hold the same importance for all participants. Many times during these kinds of conversations other subjects surfaced that had also to be addressed; people had their own agendas and ideas. Sometimes we found ourselves heading in a different direction encouraged by the personal fears or interest of one or more of the participants. Although it belongs to my responsibility to make sure that in
the end the subject of discussion is sufficiently met, allowing other peoples’ contributions is extremely important.

To clarify more what happened during the periods of organising the meetings and writing the projects, I will highlight some of the important organisational and psychosocial aspects I became aware of and which were essential for my understanding. The first aspect of senior executive engagement in local interactions has to do with understanding the part played by conflict, which I deal with in the next section.

2) **Senior executive roles and the part conflict plays**

In Project Two I described the negotiation of a new labour agreement. Due to the fact that many of the social security laws in our country changed in the course of the project, the negotiation team developed the idea of inviting the unions to participate in a combined exploration of how these new laws would influence labour relations in our company. We did this by creating as many opportunities as possible to develop relationships with the union leaders and their representatives, enabling us to engage in deep discussion about differences, while holding off the actual negotiations as long as possible. In doing this, I argue, we were engaging in normal processes of conflictual interaction which I have called *explorative conflict* to distinguish it from the more common understanding of conflict as polarised, preventive, repressive, natural or normative.

These sessions of *explorative conflict* started as a kind of coordinated coincidence which we, the negotiation team, then changed into a deliberate part of the negotiation process, experiencing the shifting of themes and the shifting of power relations between the people involved in the process. In the end this overt engagement in explorative conflict turned out to be a powerful aspect of the final success. We deliberately did not enter the expected negotiation mode, but stayed at the edge between explorative and polarised conflict during many local interactions about different subjects. Although the unions were pleased with the modern and constructive outcome, they later said that they missed the original
hard-line negotiations they were used to. At a later stage I came across the writings of Mette Morsing (1998a) about conflict as a driving force in project organisations. She considers project organisations to be an organisational form that is characterised by conflict, although she also recognises that conflict is an integral part of daily life in every company. Because social systems are so often dominated by stability, conflict discussed openly can increase the repertoire of reaction patterns surviving unstable conditions (Morsing, 1998a, pp. 93–94). In her findings she draws attention to the fact that the conflict perspective is unexplored. Many of my conclusions in Project Two could be considered as a next step in practical and theoretical development of the general discussion about conflict also related to her findings.

For me it was the first step in experiencing the organising power of local patterns, discovering that the outcome of this local interaction strongly influenced the global outcome of the negotiation. At a certain point all members of our negotiation team started to recognise how interaction between local and global patterns could work, accepting that the global outcome, the result of the negotiations, could not directly be influenced. Based on this insight, we stimulated talks in small subgroups between union representatives and negotiation team members, about many subjects. In these smaller groups ‘social objects’ developed, which made team members realise the importance of their individual contributions on these local levels. Union members and company members started to give similar reactions to questions like: How shall we handle disability problems? What is our opinion on the development of our pension fund? What do we think of the development of job security combined with job reduction and job flexibility? In the development of a ‘social object’, it is noticeable that participants in a subgroup, comprised of members of different unions and various groups throughout the company, started to give similar reactions and answers on questions that had arisen in the big general negotiation meeting with everybody present. It is this generalisation process that also became important in our discussion on performance improvement described in Project Four. During the development of ‘social objects’ in subgroups, the identities of participants transform, and at the same time these participants transform the identities of the others (Stacey, 2005b), which I will explain more thoroughly in the next section.
With hindsight, it might seem like a smooth linear process without disruptions, but it certainly was not. Not all parties wanted to participate in local talks from the beginning. It took some time to become better acquainted with all the participants coming from opposite parties, with very surprising consequences – such as people starting to like each other and act accordingly. There is nothing wrong with liking each other, but it is not often part of the normal progression during negotiations. Critical exploration and questioning the habitual solutions is not a very popular way of interacting with others, because it challenges relations between people and opinions. A key aspect of negotiations is that parties always want more than the other is willing to give. Taking positions often means that people try to prevent conflict, which can lead to impasse or problems in the aftermath; or there is no other outcome than polarised conflict, which then has to be resolved. Although explorative conflict might sound like a continuous situation of tension, extremes in patterns of relations are reduced, which gives more opportunity for generalisation and particularisation processes and the development of ‘social objects’ as described by Mead (1934).

On the other hand, exploring conflictual situations always involves taking risks, which is one of the reasons that managers try to stay away from it. The essential part of exploring conflict is awareness of the role of local patterns in developing new insights, or novelty, on a global level. During the negotiations, inviting people from different parties to investigate solutions on partial subjects prevented a quick escalation of the total negotiation process. Bringing together the different partial solutions and the ‘social objects’ of the subteams helped in finalising the negotiations in a progressive way. It was notable how during the negotiations one of the union leaders came to our rescue when we made a mistake. This would probably not have happened during traditional negotiation processes. Conflict plays a central part in management processes, and is of relevance to management and leadership generally in all situations. Approaching conflict as a natural part of the exploration of opinions and meaning can contribute to better results and relations.

In this section, I have explained my experiences of working with conflict as an important general part of management processes and following the development
of ‘social objects’ and the transformation of identities. In the next section, based on my first conscious experiences with the organisational force of local interactions, I will go one step deeper in examining the relation of patterns and identity in relation to organisational change and strategy.

3) Local and global patterns of identity and image

The second aspect of the senior executive role in local interactions that I want to describe has to do with the interdependent matters of identity and strategy. If emergent local patterns in organisations offer such a powerful opportunity, why is it that managers are not more aware that this is how organisations develop? During the development of ‘social objects’ in local interactions, the identities of participants are transformed. In certain cases, the identities of people working in our company need to change. There is, however, no way that management can directly force this change process. Senior executives can play a key role in the emergence of identity by linking conflictual processes with the emergence of identity. Griffin (2002, p. 193) focuses strongly on the relation of conflict and identity and states that the transformation of identity through conflict is probably a more intense process of transformation than other forms because conflict holds a higher level of emotion and tension compared with other forms of interaction. He also focuses on the difference between cult leadership and functional leadership. Cult values, like cult leadership, are the idealisation of standards of the world or the organisation in which we live or work. Functional leadership, experienced by the people belonging to the group that is led, evolves in the context of day-to-day interaction in which they and other participants are continuously recreating their identity as they construct their future in terms of enabling the constraints of the past (Griffin 2002, p. 196). In doing so, Griffin (2002, p. 194) relates to Mead, who sees conflict as being at the very core of his theory of ethics and leadership and states that it is through conflict that we are continuously recreating our world and becoming ourselves, that is, locating our identity.

Elias (1970) describes interaction between human groupings in terms of patterns of power relations in which people are included and excluded from particular
groupings. It is this process of power relating that creates the identity of the individual (‘I’ identity) and of the group (‘we’ identity). Power is a structural characteristic of all relationships, and so is always present in all our (inter)actions, both good and bad (Elias, 1970, p. 74). Dependency on others gives rise to power, and when we need more from others than they need from us the power ratio is titled to them. Collinson (2003) questions the traditional conceptions that treat power as a solely negative and repressive property possessed by a ‘higher’ authority and exercised in a top-down fashion. All the above-mentioned aspects of behaviour were important when we discussed the need we felt to organise and facilitate as many meetings as we could, knowing we took a risk talking about potential critical outcomes. In this way, management could participate in the discussions about all the important areas of development in our company. I have described the many interactions that my colleagues and I had with our professional staff, related to my reflection on the patterns of interaction, interdependencies and identity transformation; but can the role executives play during these processes influence the final outcome?

During the development process described in Project Four, we did not have much time because stakeholders were demanding improvements in our performance. So, taking up my responsibility, I used the experiences of the union negotiations and the merger of sales functions to initiate a quality-improvement process on a much larger scale but in a much shorter period of time. In this project I explained what happens when designed technical systems are used to influence the performance levels of people working with these systems, concluding that simple reliance on technical systems does not lead to the required improvements. As in the previous projects, so in this case we also organised and facilitated many meetings throughout the organisation. If organisational development is understood as meetings during which we converse (Shaw, 2002), there is a danger that people will dismiss this as ‘just talking’. Shaw describes complicated processes of change arising in conversation in a way that seems almost unrealistically simple, but our experiments with this on a small scale during the events in Projects Two and Three gave us enough confidence to really expand on these ideas in Project Four. Over the past year, more than 3000 people have participated in discussing whether we have to change our approach to customers and public, and, if we do, then how
we can achieve this. Many of the developments I describe started by inviting a
group of people to discuss some given subject by just starting to talk about it.
Once involved, the group was more or less forced by circumstances to sit down
and talk when situations got stuck. Other authors who influenced these processes
were Swieringa and Jansen (2005), who emphasised the importance of engaging
the hidden, unspoken of feelings of those involved. During these enquiries we
often encountered the unexpected, resulting in a shifting of themes or the
necessity to change the process. This process of discussion is once again
characterised by the ‘explorative conflict’ discussed in Project Two.

Many managers would prefer to have direct control over all developments in their
organisation. Exceptions can be found in the cell-structure development of BSO
as a high-end IT information service company with 10,000 co-workers. This
development stopped shortly after the company was sold to another market party
and the founder and CEO stepped back (Wintzen, 2006), emphasising the role of
the leader. Lars Kolind of Oticon was able to continue his approach based on
many similar starting points. Suggesting another approach, one in which through
self-organisation and development of local patterns performance may improve,
needs a lot of conviction. However in special cases managers are not always
certain that they are in control. I have looked for examples where the executive
community accepts the unpredictability of their actions and knows that they are
dependent on the development of many patterns of interaction, both inside and
outside the company. Next to the unpredictable behaviour of stock value, this is
also the case in matters of organisational identity, corporate identity and image. It
is interesting to discover that managers accept that they do not have direct control
over these issues. Many of the complex responsive process views are brought into
practice when executives have to deal with the uncertainties of the market when
communicating with outside stakeholders. Executives are aware that this
communication affects the way the public is seeing and evaluating the
performance of their company. Public opinions are influenced by how the
company perceives its corporate identity and develops a corporate image. The
image of the organisation directly influences the identity of people working in the
organisation. This approach is supported by Morsing (1998b), who describes how,
during a comprehensive change process in Oticon, change of organisational self-
categorisation (identity) was mediated by a simultaneous change of external reference (image). How we are perceived by others buying or using our products and services is very much part of who I am. These personal identities lead to an organisational identity, who we are, which in turn develops into a ‘social object’ and influences peoples’ tendencies to act on performance in particular situations.

To clarify some of the ideas on how executives think they can influence processes of identity formation of people in the organisation, I want to make a short detour. In a qualitative research project by van der Jagt (2005) into views held by the senior management of the largest Dutch companies on corporate communication and reputation, it was found that chairmen consider responsibility for communication to be an important part of their own leadership role. Their motives were either extremely offensive or defensive. All chairmen were persuaded of the power of a strong reputation.

Our external communication is therefore also aimed at employees. Indeed: half of our advertising budget is in fact directed internally.  
(van der Jagt, 2005, p. 183)

In general, 20% to 35% of a CEO’s time was spent on communication about reputation. For some, it was even their top priority. Damage to a reputation can be a powerful brand killer. Feelings are strongly influenced by the interplay between our organisational and corporate identity and the company’s corporate image, the image we try to sustain with the general public and the customer. I think that judging by this research project, there can be no doubt about the importance of what CEOs think about the identity development of their employees and organisations.

During the merger process described in Project Three, the position of the groups from International changed from excluded outsiders into included or established, transforming the identities of both national and international groups. Stacey (2005b) sees organisations as temporal processes, the ongoing action of communication that is simultaneously both co-operative and competitive, the patterns of relations between bodies. In these ordinary experiences, our selves, our
identities are iterated and potentially transformed, from one present time to another. Organisations are not created as things or organisms separate from and outside ourselves as individuals, existing as some kind of supra-system above us that then affects us. According to Stacey, organisations cannot have an identity. Instead, organising is the thematic, narrative patterning of our communicative interaction, which actually constitutes the identities of each of us, while at the same time we constitute that communicative interaction. ‘Who I am’ is always inseparable from ‘who we are’. It is this same interaction process during the merger that created a feeling of belonging for the new group. Organisations are ‘social objects’ and cult values, involving the real activities of imagination, which we are making particular in our ordinary everyday activities. It is in these activities that we are continually iterating and potentially transforming our very selves, our identity.

This identity transformation is one of the key reflections in Project Four when discussing the performance-improvement aspects of conductors working with technology. Technical systems alone cannot improve performance levels; it is the conversation and particularisation of social objects in day-to-day activities between the participants that will transform the identities needed in these improvement processes. On the other hand, technical systems can be helpful and are sometimes necessary in supporting these developments. One of the amazing aspects after finalising the merger described in Project Three was that there has never been any serious disagreement between participants about the new situation. This shows that in the development of a new ‘social object’, peoples’ identities can transform and at the same time become established, and ‘outsider’ feelings are eliminated or transformed.

It is through these examples that I try to explain that thinking of organisations as patterns of interaction or networks is nothing new; but are we aware of it? Reflecting on these processes from a complex responsive process view changes the mental position of the executive, who becomes more aware of how he or she can become more effective in their interactions not only with people who do not belong to the organisation, but also with those who certainly do. Organisational identity is constructed via similar processes with outsiders – for instance,
customers, media, rivals and regulatory institutions. Mulholland et al. (2006), in their book *Mashup Corporations* and van Grieken, Klokgieters and Tolido (2007) remove from their thinking the (virtual) boundaries between the organisation and the outside world, entering flexible forms of co-operation with partners and customers based on a service-oriented architecture. In this approach, customer relations define organisational structure. This thinking has consequences for the awareness of organisational image, as it removes the difference between inside and outside images; it can change the interaction between image and identity of the organisation and its environment, also affecting traditional views on organisational structures.

What I have highlighted in this section regarding social interactions and identity are not the only important issues regarding performance improvement in an organisation in which technology plays such an important role. I have already made a few references to the role of technology in the improvement of services. In the next section, I want to come back to and explore further the role of technology in local social interactions

### 4) Technology and local social interactions

In Project Four, I have described how in our organisation technology leads almost every decision-making process, in which the dominant way of thinking is that the organisation is built around many technical and logistic systems, not taking into account the position of our operational staff on trains and platforms. Operational questions like ‘How do we improve our performance?’ are answered by looking for better technical solutions. The relations between humans and technology can be described in many ways. Technology can be seen as a mainly physical object. We can think of technical systems interacting with groups of people as a social system, in which humans do not have to adapt fully to organisational and technical frameworks (Ropohl, 1999). In actor–network theory, technology is as important as people, who are considered an equal part of the network. In our organisation we have tried many of these approaches, which did not lead to the necessary improvement of our operational processes.
Another approach I have described towards technology and social relations is the theory of complex responsive processes, in which people form and are formed by technical systems that are understood as both physical and ‘social objects’ at the same time (Johannessen and Stacey, 2005). Although this comes much closer to my own ideas, I was still not satisfied enough with this explanation. I argue that physical objects have a function in the emergence of the ‘social object’, but they are only subject to the interaction between people. Physical objects constrain and enable what people can do, but cannot be part of the ‘social object’ itself, in my view technical systems are created by people and people work with the technical system as part of their day-to-day responsibilities.

The social act is restricted to the class of acts which involve the cooperation of more than one individual, and whose object as defined by the act, in the sense of Bergson, is a social object

(Mead, 1925, p. 263).

Is it possible to develop a ‘social object’ when people are working on a highly individualistic basis with technology? Orr (1996) and Wenger (1998) developed the idea of communities-of-practice. These are formed by people who do not work as a team on a daily basis – such as repair technicians in the copier industry – but who are asked to solve mutual organisational or technical machine problems. Introduction of communities-of-practice creates the opportunity of developing focused ‘social objects’ within groups of people responsible individually for our day-to-day performance. People can become key in decision-making processes in which technology is involved. In practice, the development of ‘social objects’ in communities-of-practice and in general meant provoking local interaction, either by myself or by one of my colleagues, and then being present as much as possible. I certainly believe that this had an impact on the development of the ‘social objects’ of many groups in the organisation. The ‘social objects’ are evolving in local parts of the organisation and affect image, identity, leadership and strategy. In fact, the manager must shake many trees to see what might come down. However, no matter how interesting this may sound, a ‘wait and see’ attitude will not be enough to realise fast improvement of our key performance areas.
In our team of directors, we agreed to rethink our local responsibility areas to understand how improvements could be made measurable and accountable. Our present local responsibility areas comprise groups of people whose operational results can be accounted for only on a global level, not for the specific group in which they work. We invited 250 of our middle managers to attend two sessions and explained our main concerns. We challenged them to start thinking about how the necessary performance improvement could be organised and accounted for on a local level. We also suggested looking back to previous experiences; there had been some successful projects over recent years. What we were trying to do was not ‘ordinary’ empowerment or team-building of our local management, although in Project Four I have stated that empowered people perform better. In reality, empowerment has more to do with a state of mind, identity, than with defining what this power should be. Traditional empowerment has to do with (top) management giving power to others, as if power is something only possessed by a select group of top executives. From a complex responsive process view, power is not something possessed by a few but a characteristic of all relationships (Elias, 1970; Collinson, 2003). In our case, again as in Project Three, we needed middle management to take up responsibility for a part of our company performance on local level (Nonaka, 1988), not transferring power but actually together developing a responsibility area without a pre-planned blueprint.

The result of the discussion was the introduction of train line/route management. Our company operates 65 train lines, standard train connections between two cities, at regular intervals during the day; some are short and some can be very long, crossing the country. The operational results of these lines can be presented in terms of our measurement standards of punctuality, service attitude and travel information. It is the same sort of information that we present on a company-wide level, knowing that we cannot directly influence performance standards at that global level. Our regional directors and managers asked for volunteers who would take up the job of managing a train line, in addition to their present tasks. Our controlling department developed a reporting model in which actual results of train series could be evaluated at a local level. Numbers are extremely important because they can make the difference between talking about one’s work and
talking about one’s responsibility. This way, executive management accepts that a greater part of the outcome of our global responsibilities will be in the hands of local managers, and they will discover ways of dealing with sometimes complicated local situations and relations. We agreed not to change the way our professional staff normally execute their daily tasks, and we agreed that we would not make changes in the organisational structure, even after having received several requests to do so. Despite the fact that we did not think it was necessary, we also did not want a repetition of the 2001 events (the major strike) if people got the idea we would try once again to introduce standardisation of work patterns.

The development of the described ‘social objects’ in Project Four entered a new dimension. As I have explained in Project Four, conductors and drivers are not connected to specific train lines but work on different lines all around the country. From the perspective of work variety, this is a positive point. Managers who are normally responsible for organising the availability of members of their own groups for different train lines had to volunteer to take up additional specific train-line responsibility, in a non-formalised, virtual structure. When they are awarded a train line we suggest that they organise communities-of-practice with members of their own group or with members of other groups, who at least have regular working experience on the chosen train line. In these communities-of-practice (Wenger, 1998) they can talk about performance items at train-line level and discuss what should be done to improve performance. During these conversations a ‘social object’ can develop on how they will act on their train-line and stimulate others to do the same. From this point on, managers and professionals will be able to influence their own results. These results will add up to the global outcome, in which the global outcome influences the local-level discussions. It is this combination of working with communities-of-practice and the awareness of the development of ‘social objects’ in groups that presents novelty in organisational change on a local-responsibility level.

Again as executives, although the organisation is large, we do participate extensively in the local processes, helping to focus on the really important issues; and certainly it still costs a lot of energy to get things going. Many of our middle
managers still do not feel confident enough to invite drivers and conductors to form communities-of-practice and ask them how they think professionals can contribute to the performance improvement of specific train lines. Some managers find it difficult to ask employees for their advice about what has to be done and to start sharing responsibilities instead of sitting down alone to develop a plan. Initiating these talks is one of senior executive’s most important tasks. As executives, we are deliberately provoking opportunities for discussion in which ‘social objects’ can evolve when the strategy develops. We know what our global ambitions about the ‘social object’ are; we have our own idealised view on how we would like them to develop. However, we don’t feel we have to describe this local strategy in advance. This view differs from traditional macro strategy concepts, but relates to the micro strategic thinking described in Project Three. Another important aspect described in Project Three is the ‘established’ and ‘outsider’ behaviour (Elias and Scotson, 1965) of the people who participated in the merger process of the two sales departments. In these developments, it became clear how strongly feelings of anxiety can develop.

When people ask why all communities-of-practice do not develop at the same pace, anxiety is an important issue to slow developments down. People want to be heard; they want their contributions taken seriously, however, when suddenly the opportunity is offered to participate, many feel considerable anxiety that withholds them from doing so. Is this simply anxiety about speaking up? In a recent television programme, people from our company were only willing to be interviewed when they could not be recognised on screen. Is it anxiety about us, their managers, about each other, about change – what difference does anxiety make to the contributions people feel prepared to offer? In the next section, I will come back to the relation of anxiety and the development of local patterns.

5) Another aspect of local interaction: anxiety

In all the local interactions I have been describing, there is always the important potential for anxiety and the effect this can have on what happens. Houchin and MacLean (2005) suggest that anxiety makes organisations stabilise over time, as
stabilisation is one of the primary defences against anxiety. Nitsun (1996, pp. 248–249) describes anxiety as the basis of deployment of ‘social defences’ in which people retreat from role, task, and organisational boundaries into fantasised solutions and self-created boundaries. Dalal (2002, p. 181) relates anxiety to exclusion, the fear being that the excluded will resent and attack, making this a fact of existence. In certain cases this can explain why (middle) managers sometimes will not enter the discussion when groups in our company do not perform or do not behave in a way we think we agreed upon. In those cases there is anxiety on the part of management to confront individuals or groups because of their possible negative reaction – or worse, looking at the 2001 strike events. These reactions present anxiety and aggression more as part of our day-to-day relational processes, rather than as internal energies. It is fundamental to trace the sources of fear-inducing members of a society to understand the control of conduct that a society imposes on its members and in which the degree of anxiety is different in every class and historical phase (Elias, 1939, pp. 441–442). Anxiety is an inevitable companion of shifts in themes that organise the experience of relating because such shifts create uncertainty, particularly uncertainty around individual and collective identities. Organisational change also affects personal change and the ways people make sense of and experience themselves, again threatening personal and collective identities. The way in which people live with anxiety is crucial to organisational change and innovation (Stacey, 2003a, p. 418).

I have summarised the views developed on the nature of local interaction and some social implications of how this impacts upon global outcomes. I now come to the matter of just what it is that senior executives in large organisations can actually do to be more effective, given that they cannot directly determine those outcomes.

6) What senior executives can do

Senior executives are held responsible by stakeholders for global (total) organisational results. From the complex responsive processes perspective I have been taking, these results cannot be directly determined at the global level itself,
so senior executives need to be aware that global outcomes will depend on the way local responsibilities are defined and taken up by managers and professionals operating locally in the organisation. For senior executives, this means being responsible and dependent at the same time. So what are their options?

I will go back to the example of organisational image. Organisational image influences the identity of individual members of an organisation, which directly leads to change of organisational identity through the interaction between the ‘I’ identity and the ‘we’ identity. Leaders cannot directly determine organisational identity because they are simultaneously part of this identity while it is part of their identity. They are thus participants in the processes of influencing others and being influenced by others at the same time. Organisational image, or more specifically corporate image, can certainly be influenced by senior executives; but the outcome remains unpredictable. Marketers have focused on the concept of corporate identity; the behaviourists have emphasised organisational identity. According to Balmer and Wilson (1998), little cross-fertilisation of ideas takes place, although both areas of knowledge are well developed and mutual recognition is increasing based on the strong link between marketing and organisational behaviour with regard to corporate identity scholarship. They advise organisational behaviourists to be sensitive to the likely effects of corporate identity, because corporate identity is a complex phenomenon and it is dangerous to think that it can easily be managed. Advertising agencies and communication advisors can influence this outside image. The changing image that public has of an organisation affects the identity of its members. Leaders are not without any means to readjust outside image and reputation, let alone their personal role in communication and PR activities, as we have seen in van de Jagt’s (2005) survey. Dynamic interactions through direct contact between employees of the organisation and the public – customers – will have effects on organisational image. Interaction between both groups will influence the identity of the customer as well as the identity of the employee. In fact, this identity change will be part of the ‘social object’ of train staff and people using train transport, comparable to – for example – the attitude people have developed on how to behave when entering a hospital. The executive is participating in local patterns both inside and outside
the organisation, influencing the development of the ‘social object’ around the image of the organisation as much as they can.

Another option is to initiate and facilitate as many interaction and communication events as possible at all levels of the organisation, inviting people to conferences in order to challenge them and start discussions about organisational intentions such as performance improvement, financial results, quality items and organisational structures. Senior executives need to realise that they can never determine any global outcome (Wintzen, 2006). Lars Kolind states that there is never a breakthrough that has occurred by writing a memo; breakthroughs occur when two or more people get together, get inspired, have fun, think the unthinkable (Morsing and Eiberg, 1998). Only by sharing intentions and putting an enormous amount of energy into many meetings and discussions can a senior executive maximise their influence in many local-level discussions. It also means that in particular circumstances, executives need to develop a detailed understanding of processes in the organisation, as this is what communication is about when interacting at a local operational level. The senior executive needs to try to arrange for the circle of people participating in intentional local interactions to be as wide as possible, offering more chances to achieve more favourable organisation-wide outcomes. This process is non-linear and dynamic, the outcome unpredictable; but, as I have described in the four projects above, senior executives can make a difference.

As mentioned before, many senior executives would like to have direct strategic control over global organisational performance, so producing the required results. This wish is quite natural given the fact that senior executives are held responsible by stakeholders for the total, global, results an organisation is achieving, from a performance and financial perspective. When results and performance do not match the original planning, an organisational change programme is often initiated to take measures to improve organisational results. Several authors have pointed out that between 70% and 90% of these planned reorganisations fail (Pettigrew, 1997; Boonstra, 2000; Kaplan and Norton, 2004; Mulder, Robroek and Stil, 2006). However, when senior executives approach organisational change from a complex responsive process view they accept a paradoxical position of being in
control and not in control at the same time (Streatfield, 2001). They then understand that their role is to encourage people working in the organisation to take control over their own work and so give the emergence of new ideas more of a chance, potentially leading to better results. During this enabling process people will develop their identity, supported by recognition of their abilities and position and a feeling of belonging. New responsibility areas like train-route management can emerge, creating new local patterns but with clear and negotiated mutual KPIs between managers and their executives, like those presented in Project Three (Lowe and Jones, 2004). New cross-reference responsibility definitions are locally developed and will be supported when these responsibilities contribute to global KPIs and can be managed locally.

An example of this is the recent formation of instruction and coaching teams formed by managers on trains, not related to their own groups; this formation is in cooperation with train-route management and is an example of a chain reaction in the emergence of local responsibilities. Improvement results can be locally measured and communicated with professionals providing the services, like conductors. This new responsibility definition does not change organisational structure, but can contribute heavily to performance improvement. Numbers play an important part in being able to discuss the outcome of accepted responsibilities. Managers need the participation of professionals at a local level to achieve results, as I have extensively explained in earlier sections: local interaction is crucial to achieve result improvement globally. People’s personal identities and organisational identities are important performance aspects in an organisation and will develop in the interplay of intentions between individuals and groups in patterns of interaction, together forming the organisation.

A complex responsive view helps executives to be aware that organisations develop as local patterns leading to global, organisation-wide outcomes in which these local patterns and global processes interact and influence each other and from which new shared local responsibility areas emerge. Looking back at the examples of historical leaders in Project One, it is said that many of them spent the night before a battle with their men to increase their confidence. It could well be possible that they used this local interaction to influence the ‘social object’:
how to fight together, their strategy and focus on interdependency. Executive teams are local patterns that cannot determine directly the outcome of the total, global, organisation. Local patterns develop through conversation. It is through talking together that participants develop local patterns in which their personal identity is transformed along with the identity of their group. The interplay of local intentions, interdependencies and global processes will lead to organisational identity, answering the question: ‘Who are we, and what do we stand for?’.

Finding this answer together is important for people because the participative process can develop feelings of belonging, involvement and recognition and reduce feelings of anxiety. During such participation they are co-creating the further development of the ‘social object’ of their group, as they engage in power configurations and conflict. In the projects described above, as senior executives we were deliberately provoking opportunities for discussion as much as we could. The problem with this approach is that it requires a great deal of personal involvement and can be endangered by its time-consuming nature. It was important to share ideas and responsibilities with the team colleagues I am directly involved with, as this created an opportunity for sharing views and exerting influence on a larger scale. We know what our global ambitions about the ‘social object’ are; we know where we need to improve, and will use all our influence and power to achieve better results; and we know what our own responsibilities are. It is difficult for managers to let developments lead their own way; this becomes even more difficult when developments do not proceed as fast as everyone would like. It is at such times that executives need to have confidence in another approach of leading their organisation, and not disturb but stimulate the emergent properties of local patterns.

Although this thesis is a personal account stating that I have not been able to directly determine the results and performance improvement of the organisations we have been responsible for, I think I have been able to make a difference, but not alone. Most of the ideas emerged during interaction with my colleagues in the executive team and directors and professionals in the field. Certain developments would not have taken place if we had not taken the initiative. Awareness of the highlighted organisational aspects of patterns of interaction, interdependencies, the ‘social object’, generalisation, identity transformation and detailed knowledge,
and overall responsibilities have played an important role in the choices I have made and suggested during the last three years. Choices which finally should lead to shared responsibilities between managers and professionals, questioning traditional organisational structures. Other executives in my place might have taken other initiatives with different results. During the work on the four projects, and in reflecting on them, my thinking about my role as the leader has shifted from believing that I ought to be designing the future and motivating people to act accordingly, to the view that I should be facilitating and leading the local participation of many others, co-developing local responsibilities. This shifting of thought does not make any difference regarding my ultimate personal responsibilities, ambitions and performance levels; on the contrary, I believe that working according to a complex responsive process view will in the end lead to potentially better results.
Critical appraisal

This thesis describes my personal experience of my own subjective choices. Other managers would probably have made other choices. It relates to unique situations in which different people would act differently, meaning that we cannot say in general what action a particular situation calls for, nor can we predict what the outcomes of particular actions will be. Some could even argue that the exercise is all rather pointless without prescriptive suggestions. Is this a limitation or a drawback of the method? In my opinion, it is certainly not. I do realise the difficulties that subjectivity and uniqueness pose; but these are central aspects of my experience, and several authors have supported this approach with their experiences, so what is to be done? Knowledge cannot be stored, nor can intellectual capital be measured or managed. I can share my own experience with others and tell the stories in patterned narrative-like forms in which there is no difference between experiencing and learning, occurring as a shift of meaning. Learning in this view is an activity of interdependent people and is simultaneously individual and social (Stacey, 2001; Stacey, 2003b, p. 331). The intention of sharing the experiences described in this thesis is that other managers might question their own habitual approaches and so come to act differently rather than simply repeating conventional actions which some research has shown do not work. Discussion of the ideas and specific situations in this thesis may well provoke thought in others, leading them to thinking differently; and this could contribute to further knowledge development by these other managers. Of course, what I have set out is not a textbook and provides no set of prescriptions, which is a limitation if one thinks from the conventional management perspective. However, from the perspective I have taken, this is a limitation we need to confront – general prescriptions for predictably successful global outcomes may well be impossible. But we can still say something about what not to do in general as we go about looking for what to do in specific situations.

A complex responsive process perspective has led me to think about some entirely new concepts, some of which were very helpful and challenging, like the development of a ‘social object’, awareness of the importance of local and global processes, and paradox as an important aspect of management life. Some more
familiar concepts have introduced themselves in other parts of the research, like power, inclusion, exclusion, responsibility, leadership and strategy. Although these concepts are more common, in different ways they can potentially be much more helpful in my day-to-day work as a senior executive responsible for satisfying customers, government and stakeholders. I set out the key features of this shift in thinking which underlies taking a different view of prescriptions.

**Complex responsive process thinking versus systems thinking**

Earlier in this synopsis I referred to a quote from Serres (1982, p. 57) about a new awareness of ‘fuzziness’ in life and organisations, in our world of stiff logic and broad concepts. This fuzziness helps us to move away from a simple ‘yes’ or ‘no’ in very general terms to embracing the particularisation in specific situations of the general. I have used his quote to better understand the importance of fuzziness of leadership and management, moving away from the need for managers always to be rational (van der Ven, 2006). In the same quote of Serres, I have added ‘[and systems]’, intending a departure from systemic thinking. This last addendum is not easily accepted by many of my colleagues or the academics with whom I have been sharing my ideas. Systems theory literature comprises vast contributions from many authors and scientists about systems in different forms and appearances, as described in Jackson (2000), Midgley (2000) and partly elaborated in Project 4. According to Checkland (1981), systems thinking can be seen as a reaction to the failure of natural sciences when confronted with complex real-world problems set in social systems (Jackson, 2000, p. 2). My opinion is that thinking about organisations in complex responsive process terms can be seen as a reaction to the failure of systems thinking (Stacey, Griffin and Shaw, 2000). In a complex responsive process approach, organisations are considered to be temporary patterns of interaction between participants, including leaders and managers, in which thinking in terms of systems is replaced by the awareness of local patterns of interaction and ‘social objects’
There is no blame

We all tend to blame someone – the competitors, the press, the changing mood of the marketplace, the government – for our problems. Systems thinking shows us that there is no separate ‘other’; that you and the someone else are part of a single system. The cure lies in your relationship with your “enemy”.

(Senge, 1990, p. 67)

I can agree with Senge’s starting-point in this statement, but it will come as no surprise that I do not agree with the suggested solution. Thinking, according to the complex responsive process approach, develops around the existence of the separate ‘other’, as it is through the other and ourselves that we develop our identity and our social behaviour, not focusing on the existence of a system but on the development of a ‘social object’. Kozulin (1986, p. xxiv) describes how Vygotsky (1979) explains that socially meaningful activity can serve as a generator of consciousness. A first step to concretisation of this principle was the suggestion that individual consciousness is built from the outside through relations with others, and that we are aware of ourselves because we are aware of the other. In relation to ourselves, we are in the same position as others are to us. Kozulin also relates this thinking to Mead’s (1934) significant symbol development. Mead (1934, pp. 47–48) states that the procedure responsible for the genesis and existence of mind or consciousness – namely the taking of the attitude of the other towards one’s self, or toward one’s own behaviour – also necessarily involves the genesis and coexistence of significant symbols, or significant gestures.

Senge (1990) also thinks of an organisation in holistic terms, as does de Geus (1997) when he Portrays not only the economic aspects but also the psychological, sociological, and anthropological aspects of a living company on the following characteristics:

1. The company is a living being.
2. The decisions for action made by this living being result from a learning process.

(de Geus, 1997, p. 201)

Working on my thesis from a complex responsive processes view, I question this holistic systemic approach as a means of improving performance in organisations. In all four projects I have explained how I think a complexity approach can support the improvement of general or specific organisational processes. In Project Four I have clearly shared my reservations about working according to a systemic approach, e.g. when introducing the concept of communities-of-practice (Wenger, 1998), which is originally seen as a systemic way of working with boundaries, parts and whole. Stacey (2003a) extensively describes the development of many different forms of systems theory to explain how he moved from systemic to complex responsive process thinking. In my view organisations are not wholes, but temporary patterns of interaction and conversation by human beings, structuring themselves together with and under the influence of leadership and shared intentions, as I have explained in this thesis. However, the opposing opinions among managers about systems and processes will continue to exist, and it is only realistic to emphasise that a systems approach is deeply embedded in today’s management thinking.

**Possible future research**

What I have tried to explain is another approach of relating and organising, not within systems but as patterns of interaction within the responsibility of the senior executive. The interaction between participants is not directed through system relations but through processes of generalisation. In this explanation I refer to the approaches of Vygotsky (1979) and Mead (1934). Vygotsky (1979) considers that the combination of thought and language interacts in the person’s mind and body at the same time, developing meaning and sense (Kozulin, 1986) and seems not to consider interaction between people as a system. He explains the social development of people through influences by the other. This development of the ‘generalised’ other is what Mead (1934) calls a ‘social object’: people developing
similar tendencies when confronted with similar situations. This can also be seen as the development of consciousness (Goguen, 2000). In my view, ‘social objects’ have strong social implications for behaviour or changes in people’s behaviour as a consequence of interaction within their specific groupings. Vygotsky and Mead are not the only authors to refer to social developments in processes of interaction. Van der Ven (2006) refers to Levinas, who developed the idea of an original ‘il-y-a’ – literally, ‘there is [being or image]’ – a collective answer to important problems in the form of an organisation. Serres (1982) developed the idea of the ‘quasi object’, where people are influenced not only by their relations towards each other but also by ‘things’ influencing this behaviour. Furthermore, Mead (1934) and Johannessen and Stacey (2005) explain the development of the ‘social object’ under influence of e.g. technology. In Project Four I have explained that I hold a different opinion on this, namely that the ‘social object’ can only be influenced by human interaction.

My thesis is based on reflexive narratives connecting theory and practice, which in itself does not happen very often on an executive level. This connection can help others to think about the other side of the bridge, whatever side of the river we might find ourselves. I have tried to provide management insights in the paradox of ‘being in control and not in control at the same time’: in my view, the nature of the paradox means that it will never be completely understandable.

The leader is present at many events at many levels of the organisation. How people experience this form of leadership has not been part of this argument, but could warrant further research. Many of the socio-psychological aspects highlighted in the synopsis can be taken up as separate areas of research. We need more detailed behavioural studies into how elements such as anxiety, trust, fear and power affect leadership during the described developments of local interaction and global patterns. Following the ideas of Morsing (1998a) and my own conclusions in Project Two, this also accounts for the conflict perspective that could be further developed as well in theory as in practice.

Another question that emerged during the events of the last year is how to find the most suitable organisational structure. The next phase can be investigating the
relation between the development of local patterns, global outcome and the
development of organisational structures as a temporarily construct. This is an
area of further research in which the experiences of Wintzen (2006), Kolind
(Morsing and Eiberg, 1998) and the mash-up ideas of Mulholland et al. (2006)
and van Grieken, Klokgieters and Tolido (2007) can be very stimulating. We had
the first meetings, with our managers, to investigate whether a new structure could
emerge together with the professionals working on trains; a structure based on
customer demands and employee needs when fulfilling these demands. The idea is
that the organisation will be structured by the demand created by dominant local
patterns of interaction related to main areas of customer services. In our view, this
can lead to different (virtual) structural forms in which size, hierarchies, regions
and many other traditional aspects of structuration will be left alone and aspects of
customer demands and needs, and the responsibilities of local professionals, will
be leading in the formation of the structure with a temporal character. These
processes take place within our global executive’s responsibilities but stay away
from a globally designed structure. The outcome should provide more satisfaction,
flexibility and customer orientation and make use of the development of local
interaction described in this thesis.
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Appendix 2.

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