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NARRATIVE AND TIME IN INTELLECTUAL CAPITAL MANAGEMENT


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Abstract
The contribution of the discourse on intellectual capital in terms of managing intellectual capital has been somewhat narrow and traditional: namely in terms of measurement, documentation and codification of knowledge resources. This paper argues that we need another framework for managing intellectual capital. We seek to construct such a framework by introducing narrative and time to intellectual capital management. Our framework for working with narrative and time is a model for construction of reality. Accordingly we construct reality by integrating four dimensions: facts, logic, values and communication. Inspired by Ricouer’s work on narrative and time, we argue that integration in the model is a narrative process by which time becomes human time. Integration is thus perceived as a mimetic circle where actors create a meaningful story (plot) from a diversity of events or incidents. The plot is thus a synthesis of the heterogeneous and it combines two temporal dimensions of narratives: the episodic and the configurational. Through this framework, we argue that intellectual capital management demands that one work with narrative integration through the dimensions on which this integration is obtained.

Keywords: intellectual capital, narrative, time, integration, world, reality, facts, logic, values, communication.

Introduction
The purpose of this working paper in progress is to introduce narrative and time to the discourse on intellectual capital and to develop some implications in relation to intellectual capital management. At the outset we perceive intellectual capital (IC) broadly as a complex dynamic process of situated collective knowing that can be leveraged into economic and/or social value. The reason why it is called intellectual capital derives from the idea that knowledge and learning have become important in creating economic and social value (Lundvall 1992; DMSTI (Danish Ministry of Science 2003); probably more important economic factors than the traditional triad of land, labor and capital (Jørgensen 2006, p. 78; O’Donnell 2004, p. 295). As such a discourse on IC has emerged concerned with managing IC. We perceive this IC-discourse as a language game (Wittgenstein 1983) consisting of different scientific concepts, methods and tools. It is not well-defined but rather a network of concepts, methods and techniques that have quite different histories and that have emerged from different places. IC-discourse is thus scattered, fragmented and inconsistent (Spender 2006, p. 12). By perceiving IC-discourse as a language game we avoid essentialist definitions of the phenomenon in question. What is important is how IC-discourses are used to construct realities by academics, managers and practitioners. The key question is how IC-discourse intrudes into the
language games of everyday organizational life (Jørgensen 2006). These language games involve many different actors such as managers, employees, board members etc. These language games are where the actors’ knowledge is used, produced and reshaped continuously. It is the character of these games that determines the effects – the value – of the actors’ knowledge. Since knowledge and learning have become a more valued concept (Mouritsen 2004, p. 258) in today’s societies, we need better concepts and models for managing knowledge – that is managing intellectual capital.

Thus far the contribution of the IC-discourse in terms of managing intellectual capital has been somewhat narrow and traditional. Overall it has suggested managing IC by measurement, documentation and explicit specification (codification of knowledge). IC is in other words “…shifting the focus of management from the tangibles to the intangibles under the auspices of the old doctrine of “what gets measured gets managed”. (Chaharbaghi and Cripps 2006, p. 30). As noted also by Chaharbaghi and Cripps (p. 30), such an approach devalues IC’s inherently tangible nature, because it is impossible and undesirable to reduce IC to a calculable number. Of course there are scholars who are aware of the problems of measuring IC, and they have come up with different suggestions for repairing or modifying this approach to IC management. Mouritsen for example suggests that an IC statement creates knowledge of how knowledge is created, developed and applied in organizations and that such statements can be used to intervene in organizations.

“Presenting the composition, upgrade and use of knowledge resources over time…. the intellectual capital statement puts forwards evaluative questions: Do we like it? Where should it be changed? Can we agree on new measures? Such questions are managerial ones because they help managers to change knowledge resources and direct them towards new strategies” (Mouritsen 2004, p. 259).

We are generally sympathetic to the idea that in the knowledge economy, organizations need some measure of their knowledge assets in order to provide them with more financial possibilities. But it is a fundamental mistake – and a potentially dangerous one - to suggest that these measures can ever be used effectively for intellectual capital management no matter if these measurements are used in a dialogue between managers and employees. The problem here is that people still pay serious attention to these measures. Thus, it would not remove the fundamental problem that management by such measures would be management by illusion. The fundamental misunderstanding of IC-discourse is that it tries to produce measures or codification of what knowledge resources are, which is a hopeless endeavour. On this matter, our position is similar to Chaharbaghi and Cripp’s position that “…the legitimacy of measurement schemes in the context of intellectual capital is so dubious that it makes them unworthy of serious scholarly attention” (Chaharbaghi and Cripps 2006, pp. 30-31). An important branch of the IC-discourse, knowledge management (KM), runs into these problems when it tries to codify knowledge. KM is strongly influenced by Nonaka and Takeuchi’s account of tacit-explicit knowledge conversion in Japan’s knowledge creating companies (Nonaka and Takeuchi 1995). The problem in Nonaka and Takeuchi’s model is however that their
work has helped to institutionalize an erroneous account of Polanyi’s account of tacit knowing (Ray and Clegg 2007, p. 163) and have “…contributed to a craze in which KM practitioners seek to make tacit knowing explicit by finding a way to “express the inexpressible”’” (Ray and Clegg 2005, p. 320). But this is directly contrary to Polanyi’s argument, which was that tacit knowing represented an inexpressible tacit coefficient to every thought and action (Polanyi 1958; Polanyi 1966; Polanyi 1969; Hall 1979). ”KM appears to be a bewitchment of our intelligence by the language of explicit knowledge says Ray and Clegg (Ray and Clegg 2007, p. 164) by reframing a famous phrase from Wittgenstein: “Philosophy is a battle against the bewitchment of our intelligence by means of language” (Ray and Clegg 2007, p. 164; Wittgenstein 1983, § 109). The inevitable conclusion is that much KM and IC-discourse has misunderstood IC-management and has misinterpreted problems of IC-management in organizations.

We argue here that one of the problems of IC-discourse is the fact that it doesn’t pay any attention to narrative and time when it addresses IC-management. By measuring or codifying knowledge it implicitly seeks to go beyond being and time. The results are that these numbers and words become entirely meaningless or alternatively that they can be interpreted in all kinds of different ways depending on the interests and intentions of the interpreters. The problem here is that narrative and time are fundamental conditions of human existence (Ricouer 1984, p. 52) – a point which we return to in more substantive detail below. Narrating is thus a description of the ways in which humans construct meaning and in this process it places activities and people in a specific temporality. This means that activities are attached with temporal significance which makes them meaningful and which means that people do and say particular things and relate to other people in specific ways. To construct meaning is not just saying and doing things – it is also to see activities as part of a greater context. Narrating thus reflects the process which Wenger refers to as imagination (Wenger 1998, p. 175-178) and which is integrated in practice. Narrating places events in time and place. It is based on experiences made by people during their course of life. But it goes beyond the past and the immediate now and extends itself into the future by giving a sense of direction in life. Narrating creates a dynamic relationship between past, present and future and provides a sense of continuity. Referring to Dewey (1916, 1991), Clandinin and Connelly for example note that

”…Dewey held that one criterion of experience is continuity, namely the notion that experiences grow out of other experiences, and experiences lead to further experiences. Wherever one positions oneself in that continuum – the imagined now, some imagined past or some imagined future – each point has a past experiential base and leads to an experiential future” (Clandinin and Connelly 2000, p. 2).

Knowledge is about using language and symbols to construct reality but this construction of reality is not limited to the now. It is extended in time through the imaginative process of narrating. It is one of the reasons that measuring or codifying knowledge is simply too complex and hardly worth while – who can construct a calculable number or express in words the process of imagination. Tacit integration of elements, which is Polanyi’s
description of how people construct knowledge, is here very similar to the integration process – that is *emplotment* - by which people construct narratives (see later).

The purpose of this paper is to contribute to the creation of a new framework for understanding intellectual capital management – a framework where the understanding of narrative and time plays a significant role. Our framework for working with narrative and time is a model of reality construction. According to the model actors construct reality by integrating four dimensions: *facts, logic, values* and *communication* (Henriksen, Nørreklit et al. 2004; Nørreklit, Israelsen et al. 2005). We argue that the process by which these dimensions are integrated is a narrative process where activities are given temporal significance through the process of emplotment. Through the narrative we construct reality, which is that which works for us (Henriksen, Nørreklit et al. 2004, p. 17). Reality is equal to what Ricouer calls *human time* characterized by the fact that it is articulated through a narrative mode. The idea here is that this human time must be integrated with what we call facts or world, which consists of chronological or episodic time. IC-management - and management - in general is about creating the conditions for integration of world and reality. This in turn is characterized as a narrative process where the different dimensions of reality construction are integrated. We will especially use Ricouer’s work on narrative and time in describing this kind of integration, perceived as a *mimetic circle* where actors create a meaningful story (plot) from a diversity of events or incidents. The plot is thus a synthesis of the heterogeneous and it combines two temporal dimensions of narratives: the *episodic* dimension and the *configurational* dimension. The first relates to world, while the latter relates to reality. Through this framework, we argue that intellectual capital management demands that one work with *narrative integration*.

The remainder of this paper is organized as follows. First we present the model for reality construction and its components and briefly relate this to IC. Second we delve deeper into the integration process of the four components by relating Ricouer’s work on narrative and time to the model. In particular, we describe the mimetic circle within which narratives emerge. We then identify and describe IC-management challenges by drawing on this framework. We conclude …………

**Construction of reality**

Our framework for working with time draws on a model of reality construction that we worked with in a project on radical change in organizations (Henriksen, Nørreklit et al. 2004). The model proposes that actors construct their realities by integrating four dimensions: *facts, logic, values* and *communication*. The idea in the model is to visualize some important dimensions of reality construction that go in daily life through our participation in what we inspired by Wittgenstein call *language games* (Wittgenstein 1983). As such our basic ontological position is that reality becomes socially constructed by playing language games (Jørgensen 2007). Language games or communication is thus central in understanding organizational processes. It is through language games that organizations - and the actors that constitute the organization – act. Facts, logic and
values are thus integrated in the same speech acts. They are not distinct processes but merged in the speaking of language – that is, in communication with others. In the following we will present the model and its core concepts. The model is illustrated below (Henriksen, Nørreklit et al. 2004, p. 17-22):

Model 1: Construction of reality

\[
\begin{array}{c}
\text{FACTS} \\
\text{REALITY}
\end{array}
\quad
\begin{array}{c}
\text{LOGIC} \\
\text{COMMUNICATION}
\end{array}
\quad
\begin{array}{c}
\text{VALUES}
\end{array}
\]

\textit{Facts} comprise the world. It consists of chronological or episodic events. We may divide this notion of time into two modes: \textit{Cosmic} time (Kemp 1999) comprises natural forces in the world: wind, weather, tide, gravity, water, earthquakes, tsunamis, biological and ecological forces etc. \textit{Objectified} time comprises forces in the world produced by human life. It includes norms, traditions, conventions and their manifestations in words, concepts, symbols, artifacts etc. Facts are the raw material for construction of reality. In other words, facts comprise the historical and geographical conditions for the actors’ construction of reality. These facts are objectively present but they are also to some extent objectifications of actors’ constructions of reality, which thus become part of the conditions for future constructions of reality. Facts have probably become increasingly dynamic as we have entered the globalized economy (Bauman 2004). The relationship between cosmic time and objectified time is also probably more and more interdependent since human actions to a higher degree interfere with natural forces (pollutions, global warming etc.). Since facts are expressed in words and symbols, they are paradoxical, contradictory and equivocal and are potentially open to a lot of different interpretations (Wittgenstein 1983). Facts are “what is happening” – a \textit{chronicle} (Czarniawska 2004, p. 23). Since facts are used to construct reality, they are also used to construct identity; that is facts constitute what is called \textit{identity capital} (Pullen 2005). Since facts are, to a large extent, dependant on human life, they are also negotiable. The relationship between facts and reality are thus not necessarily one of adaptation of reality to facts; the relationship – or the meaning - is negotiated (Lave and Wenger 1991; Wenger 1998).

\textit{Reality} is different from world (facts). Reality is our sense of, our knowledge of and our feelings for this world. Reality is how we construct the world. Our reality is that which works for us (Henriksen, Nørreklit et al. 2004, p. 17). We only know the world through this construction of it. The relationship between reality and world is constructed through \textit{language games} (Clegg 1975; Wittgenstein 1983; Henriksen, Nørreklit et al. 2004; Jørgensen 2007) - caught in the \textit{communication} dimension in the model. This suggests that we use language as a toolbox for constructing realities. It also implies that using language and playing language games is an active process of constructing reality. Language is in other words not an objective mirror of reality as argued in Wittgenstein’s early philosophy (Wittgenstein 2001). We play language games according to the
contextual rules-of-the-game in a particular culture (Clegg 1975; Hardy and Clegg 1996; Shotter 2005; Jørgensen and Dehlin 2006). These rules are often tacit and have the character of norm, tradition, convention, use, etc. That is, they are historically created ways of talking and acting that have been learned and interiorized through upbringing, education and participation in the cultural life of particular families, organizations, communities and other social groups. Communication is central in talking about reality as socially constructed. It would be impossible to talk about culture, community, society or history without communication (Dewey 1916; Geertz 1973; Bruner 1996). Communication or dialogue is thus a matter of life and death for any organization (Gergen, Gergen et al. 2004).

Playing language games is important for human existence. We may say that the world is reduced to reality through the process of playing language games in the sense that construction of reality is an identification process that seeks to reduce different events into the same. Playing language games is thus equal to what in the literature is referred to as narrating (Boje 2001; Chappell, Rhodes et al. 2003; Czarniawska 2004; Sfard and Prusak 2005). Narrating is about giving sense and coherence to what we do; it is an effort to create unity and consistency from material that is otherwise just a flowing soup (Boje 2001, p. 2). Narrating is thus the active process by which reality is created. It creates “sameness” in the sense of constructing similarities between events – not in seeing them as the same. As such construction of reality is to construct a familiar world for the actors. We draw here on the notion of family resemblance, which is Wittgenstein’s solution to the question of how we are capable of using the rules of the game in new situations. We are capable of using language but not because situations are basically the same but because they look alike other situations. Instead of situations being the same there are networks of similarities that overlap and criss-cross each other (Wittgenstein 1983, § 67). In dealing with everyday situations, actors draw on how they have learned to use language in similar situations – thereby constructing reality. They use the past to construct the present. Through family resemblance, situations are made relatively similar. But family resemblance is not only recognition but is also a construction. It is a projection from the individual to the world. Therefore construction is also a matter of identification. Even if world and reality are different from each other, reality construction actually constitutes the actors’ endless efforts to reduce the world to something that is familiar to them – that is creating sameness between world and reality. Reality construction is in this way an identification process, which is essential for our very existence. Identification is a way of making reality manageable through an active process of construction, whereby meaning is projected from the body to the world in a way where the meaning is projected away from us (Polanyi 1958; Polanyi 1966). As such reality is a projection where the projection is the result of a learning process. Knowledge goes from the body to the world and we depend on the body in our actions and understandings. We know the body from what it does in the world. Hall describes it as follows: “Insofar as I act, I am not conscious of myself but from myself” (Hall 1979, p. 276). Hall also uses the description “participating in” to denote the active process by which we create reality. “On this epistemology, I am not a detached, impersonal observer in knowing, but on the contrary, I pour myself into things.” (Hall 1979, p. 275).
In transforming facts to reality, two other dimensions are important according to the model. The first dimension is logic, which denotes the process that transforms facts to possibilities. It is through logical processes that facts are transformed into future possibilities and choices. There are different kinds of logic: material, formal, social or subjective. A material logic describes rules, procedures and guidelines embedded in material technologies or systems like accounting systems, budget systems, quality systems, production systems etc. Formal logic comprises the kinds of logic that can be found in mathematics and scientific theories. Subjective logic comprises the individuals learned way of creating possibilities from particular situations: This includes the use of methods, systematic ways of thinking etc. It is logic that may have been interiorized through upbringing, experience or formal education. Social logic comprises socially produced conditions for transforming facts into possibilities; that is that the organization of social life conditions what kinds of logic that may come into play in creating new possibilities. A logical process is a rational process that creates a pattern or consistent picture of events, which are often fragmented and opaque. Even if many kinds of logic seeks to go beyond time and space in the sense of being manifestations of more generalized ideas about the relationship between events and their interpretation, the use of logic is never beyond time and space. It is used by actors with different intentions and interests and under different circumstances. Therefore the meaning of management concepts, for example, cannot simply be understood by analyzing the management concepts in themselves. They must be understood through how they are translated (Tryggestad 1995; Latour 1996; Czarniawska and Joerges 1998; Sevon 1998) or transformed (Gherardi and Nicolini 2000) into organizational action. This also goes for methods and concepts used in IC-management like KM (mentioned before) or The Balanced Scorecard (Kaplan and Norton 1992; Kaplan and Norton 1996). This is because the dimension called values is also integrated in construction of reality. If our actions were only controlled by logical processes our reality would be completely instrumental and lifeless. But this is of course not the case. By doing something we don’t just do something we also attach to these actions temporal significance as noted above. We create temporal significance through our values. Values comprise what is important and valuable for us. Values determine what we like and dislike. Values create meaning in life and they constitute our point of direction in life. It is through values that we assess possibilities as serious, inspiring, threatening, reprehensible or unimportant. Actions are thus symbolic (Geertz 1973) and linked to the temporality of our existence. Through our values we extend ourselves in time, because values are embedded in how we experience the past, present and imagined futures and how we construct continuity between past, present and future. Since the meaning of IC-management concepts and methods in this way depend on actors’ intentions and interests, IC-management is also always influenced by the relations of power that exist in organizations (Jørgensen 2006; Jørgensen 2007) whereby IC-management may turn into “tyrannies of truth” (see for example) (O’Donnell, Henriksen & Voelpel, 2006; Voelpel, Leibold et al. 2006).

We have now described the components of the model and we will now try to answer the questions about its implications and challenges in relation to IC-management. One of the
central challenges for IC-management is the integration of world and reality. The management task becomes to intervene in the language games in order to ensure integration between IC-actors’ construction of reality and the world. That is the role of management is to give a sense of direction in the world. It is a strategic task, which relates to one of the major forces behind the emergence of IC-discourse: namely the development from industrial economy to innovation economy (Lundvall 1992; Voelpel, Leibold et al. 2006) or learning economy (Lundvall and Johnson 1994), and which is characterized by an increasing speed of change. This means that IC-actors in particular to a higher degree must relate to many changes and thus to new conditions for construction of reality. This puts pressure on the narrative process by which we create consistency in life, and whereby we try to reduce the world to reality. Bauman speaks about an *identity crisis* (Bauman 2004) created by the ever increasing speed of change in the global world. Identity is thus under pressure by constant changes. Speaking from the model, this is an indication that facts (world) in the form of cosmic and objectified time are more dynamic. The task of management is to create the conditions that IC-managers and practitioners can create sustainable narratives in a time of increasing pressure and make sure that our realities actually work, which is to ensure that our language does not become obsolete.

The management task is thus mediating between world and reality in the sense that the manager continuously needs to create the conditions that the organization and its actors can create a meaningful position in the interplay with customers, suppliers, competitors, partners, managers, employees and other groups and organizations. The contribution of IC-discourse in relation to this task has been new ways of measuring and controlling people. This is an industrial economy management approach, which has become obsolete in the innovation economy. Instead it belongs to the industrial economy. In our model, the management task is a communicative task, which needs to contribute to the integration of world and reality. Logic plays an important part, because logic helps identifying future possibilities in the world. IC-logic thus comprises the techniques, methods and concepts that are used by IC-managers and IC-practitioners in order to systematize and organize the dynamics of the world and thus in order to identify for actors what they can do. This is no matter if logic is embedded in systems, procedures and technologies, in social systems or in the actors’ subjective logic. There is an important temporal dimension in logic, since logic helps in translating cosmic and objectified time to human time (see next section) thereby identifying future possibilities for the actors. But it is equally important that these possibilities are integrated with actors’ values so that the actors may construct a meaningful and desirable future. The energy of innovation and learning lies in values. Therefore it is important that any management approach and especially IC-management approach take their starting point in the actors and what they would like to do. When IC-managers mediate between world and reality, they need to apply such an approach.
**Narrative integration**

Narrative and time are integrated as important aspects in the model for construction of reality and thus in understanding the integration of facts, logic, values and communication. But we have not yet in any comprehensive fashion described, how this integration looks like. It is especially here that we believe that Ricouer’s work on narrative and time (Ricouer 1984; Ricouer 1985; Ricouer 1988) can be used. We draw on his descriptions of threefold mimesis, which appears in *Volume 1 of Time and Narrative*. It is our ambition that describing the integration process in this way will make it possible to understand and to work with integration in relation to IC-management.

Ricouer’s work on time and narrative is perhaps also the most comprehensive work in the field of narrative research, and therefore most other authors in organization studies build extensively on Ricoeur’s work and concepts (e.g. Cunliffe, Luhmann et al. 2004; Chappell, Rhodes et al. 2003, pp. 47-48). As noted by Czarniawska:

"Among all those there was, and is, the formidable presence of Paul Ricouer, who took into consideration those aspects of various schools that related to his main interest: the relation between temporality and narrative" (Czarniawska 2004, p. 2).

However, there are problems also in Ricouer’s work, which relates to his conception of power and therefore also his conception of narrative. The three core concepts of narrative, *chronicle*, *emplotment* and *mimesis* (Czarniawska 2004, p. 23), are closely related to Ricouer’s work. Chronicle is “what is happening” and is to be perceived as the dynamics of cosmic and objectified time. *Mimesis* is the representation of the world in a text. Mimesis is thus where world becomes reality. Finally, there is *emplotment*, which is a structure that makes sense of events and creates a unity of events dispersed in time and space.

The relationship between time and narrative is the focus point of Ricouer’s work. Between the activity of narrating a story and the temporal character of human experience, there is a correlation which is not incidental but must be perceived as a transcultural necessity. Ricouer’s hypothesis is that time understood as chronological time becomes human time to the extent that it is articulated in a narrative mode, and that narrative attains its full meaning when it becomes a condition of human existence.

“To put it another way, time becomes human to the extent that it is articulated through a narrative mode, and narrative attains its full meaning when it becomes a condition of human existence” (Ricouer 1984, p. 52).

Ricouer explores the relations between time and narrative through what he calls three moments of *mimesis: mimesis1, mimesis2 and mimesis3*. What brings these moments together is the *power of configuration*. His thesis is that the meaning comprised by the power of configuration, and which results in emplotment, is the result of the intermediary
position between two operations which Ricouer calls mimesis1 and mimesis3 and which constitutes the two sides of mimesis2. His idea is thus that mimesis2 draws its intelligibility from its faculty of mediation, which takes us from one side of a text to another (Ricouer 1984, p. 53) through the power of configuration. This procedure is contrary to the scientific procedure, which Ricouer calls the semiotics of a text (p. 53). Ricouer’s approach, on the other hand, is hermeneutical and the hermeneutical task is to reconstruct the set of operations, whereby a work lifts itself above the opaque depths of life, action and suffering and to be given by an author to readers who through their reception of the work change their acting. Semiotic theory is, according to Ricouer, only interested in the literary text. Hermeneutics, however, is interested in “…the entire arc of operations by which practical experience provides itself with works, authors, and readers. It does not confine itself to setting mimesis2 between mimesis1 and mimesis3. It wants to characterize mimesis2 by its mediating function” (Ricouer 1984, p. 53). Ricouer’s approach is thereby hermeneutical in Gadamer’s sense of the word, because Gadamer also describes hermeneutics as a basic approach to life rather than narrowly confined to the interpretation of a text (Gadamer 1992). Hermeneutics is concerned with the interplay between history, text and actor, and it is also here, that Ricouer locates the play from mimesis1 to mimesis3 through mimesis2. He suggests that what is at stake is the process by which the textual configuration mediates through the prefiguration of the practical field and its refiguration in the reception of the work. It is the reader, who is the operator, which by means of acting – the action of reading – creates the unity that criss-crosses from mimesis1 to mimesis3 through mimesis2 (Ricouer 1984, p. 53). The relations between mimesis1, mimesis2 and mimesis3 constitute in this way “…the dynamics of emplotment”, that is how plot is shaped. It is this dynamic, which for Ricouer is the central element in the description of the relations between time and narrative. Ricouer will in other words solve the problem of the relations between time and narrative by showing the mediating role, that emplotment has between the moment of practical experience, which goes before emplotment, and the moment of refiguration that follows it.

“I propose to disentangle them from the act of textual configuration and to show the mediating role of the time of emplotment between the temporal aspects prefigured in the practical field and the refiguration of our temporal experience by this constructed time. We are following therefore the destiny of a prefigured time that becomes a refigured time through the mediation of a configured time” (Ricouer 1984, p. 54).

In this way human existence is circular, because emplotment always emerges on the background of a prefigured time, that becomes a refigured time through the power of configuration. Narratives are created within a “circle of mimesis” (Ricouer 1984, pp. 71-76) “…where endpoints (post-understandings) lead back to or anticipate starting points, and incorporate pre-understandings of semantic structures, symbolic resources and temporal characteristics” (Cunliffe, Luhmann et al. 2004, pp. 270-271) (see also their summary of Ricouer’s argument, p. 270).
When we use the mimetic circle as a description of the integration of facts, logic, values and communication, it is because the mimetic circle in many ways draws on the same elements, which are however ordered differently than in our model. Ricouer’s argument is that narrative rests on a pre-understanding of the world. For Ricouer this pre-understanding is threefold: It is an understanding of its meaningful structures, symbolic resources and its temporal character (Ricouer 1984, p. 54). Firstly, pre-understanding rests in the competence to utilize “…the conceptual network that structurally distinguishes the domain of action from that of physical movement” (pp. 54-55). Humans have in their practical life concepts to understand what action is in relation to physical processes (Kemp 1999, p. 37). Narrative involves a familiarity and understanding of concepts such as goals, motives, agents, means, cooperation, competition, struggle, success, failure etc. (p. 55). The relation between this practical understanding and the narrative understanding is two-fold. It is a relation that is based on presupposition and of transformation. Every narrative presupposes an understanding of concepts like the ones mentioned above. But narrative is not limited to the use of concepts in the conceptual network. Narrative adds to it discursive features, that puts the sentences and concepts in a composition, which means that more than loosely coupled sentences and concepts emerge (see also Kemp 1999, p. 37). This is the ”…syntagmatic order of discourse…, which implies the irreducibly diachronic character of every narrated story” (Ricouer 1984, p. 56), and which is contrary the to synchronic paradigmatic structure of the conceptual network. In sum the relationship between narrative understanding and practical understanding is as follows.

“In passing from the paradigmatic order of action to the syntagmatic order of narrative, the terms of the semantics of action acquire integration and actuality. Actuality because the terms, which had only a virtual signification in the paradigmatic order, that is, a pure capacity to be used receive an actual (effective) signification thanks to the sequential interconnections the plot confers on the agents, their deeds, and their sufferings. Integration because terms as heterogeneous as agents, motives and circumstances are rendered compatible and work together in actual temporal wholes” (Ricouer 1984, pp. 56-57).

In our model this meaningful structure would correspond to logic; that is the competencies that actors possess in relation to the creation of possibilities in the world. There is a familiarity in using language and other techniques and means that are available for action the creation of possibilities in a dynamic world. This includes the ability to use structures in the social system (social logic), the ability to use techniques, methods and concepts that are learning and interiorized (subjective logic), and the ability to use systems and technologies (formal logic and material logic).

But pre-understanding in Ricouer’s framework also rests on other elements; namely that facts (world) are communicated in symbols and that there are particular values such as
rules and norms that govern the use of symbols in everyday life. Ricouer calls this the symbolic resources of the practical field. According to Ricouer, this second feature of pre-understanding governs the aspects of acting, to be capable of acting and knowing-how to act. He argues, that if human action can be narrated at all, it is because it is already articulated in signs, rules and norms. In this respect, Ricouer draws on anthropologists like Clifford Geertz (Geertz 1973) and Ernst Cassirer (Cassirer 1999), which implies that “…symbolism is not in the mind, not a psychological operation destined to guide action, but a meaning incorporated into action and decipherable from it by other actors in the social interplay” (Ricouer 1984, p. 57). In addition the concept symbol signals the symbolic system’s structuring character. This means that to understand a ritual act, it must be situated in a ritual, a cultural system and thereby within the whole network of conventions, presumptions and institutions that constitute the symbolic framework of culture (pp. 57-58). It is because of the symbolic network, that we can interpret signs as meaning one or the other. The symbolic network ensures that narrative actions can be read and understood by the audience of the storyteller. Symbolism introduces ideas of rules and norms, which means that actions can be assessed and evaluated, that is judged on the background of moral preferences. Actions thus attain a relative value, which says that such and such actions are more valuable than others (pp. 58-59). In this way this second feature of pre-understanding operates with facts as mediated through symbols but also that these must be understood and interpreted within a cultural system (a set of language games), and that the use of language is assessed and evaluated from norms and values.

Finally, values are also present in the last feature of pre-understanding in Ricouer’s framework, and which relates to the temporal features on which narratives are configured. “It goes so far as to recognize in action temporal structures that call for narration” (Ricouer 1984, p. 59). There are inductors that invite for narrating. This is not just about recognizing temporal dimensions of our understandings of actions (past, present and future). The coupling of the different dimensions are more important, not at least what Ricouer, with reference to Augustine, calls the threefold present: the present of the future, the present of the past and the present of the present.

“The present of the future? Henceforth, that is, from now on, I commit myself to doing that tomorrow. The present of the past? Now I intend to do that because I just realized that….The present of the present? Now I am doing it, because now I can do it. The actual present of doing something bears witness to the potential present of the capacity to do something and is constituted as the present of the present” (Ricouer 1984, p. 60).

However, according to Ricouer this phenomenology of action can be developed even further.

”What counts here is the way in which everyday praxis orders the present of the future, the present of the past, and the present of the present in terms of
one another. For it is this practical articulation that constitutes the most
elementary inductor of narrative” (Ricouer 1984, p. 60).

Ricouer draws on Heidegger’s concept *within-time-ness (being-within-time)*, which is
described in Heidegger’s principal work *Being and Time* (Heidegger 1962). Ricouer uses
it to show the temporal structures in our actions. According to Ricouer, the temporal
structure embedded in being-within-time is the structure, which we are most likely to
represent as a linear representation of time; that is as a simple succession of abstract
“nows.” Within time-ness is defined as a simple characteristic of Care; that we are thrown
among things and must care about them. But because within time-ness is deduced from
Care and of the perception of time as historical time, it cannot be understood as linear
time (what Heidegger referred to as vulgar time; Ricouer 1984, p. 62; Kemp 1999, p. 40).

“Being-“within”-time is above all to reckon with time and, as a consequence
of this, to calculate. It is because we do reckon with time and do calculations
that we must have recourse to measuring, not vice versa. It must be possible,
therefore, to give an existential description of this “reckoning with” before
the measurement it calls for. Here expressions such as “have the time to,”
“take the time to,” “to lose time,” etc. are very revealing” (Ricouer 1984, p.
62).

Similar things can be said about adverbs like: then, after, later, earlier, since, so long as,
during, all the while that, not that, etc. All these expressions are according to Ricouer
oriented towards the datable and public character of the time of preoccupation.

“Yet it always preoccupation that determines the meaning of this time, not
the things we care about”….a day is not an abstract measure; it is a length
that corresponds to our Care and the world in which it is “time to” do
something, where “now” signifies “now that…” It is the time of works and
days” (Ricouer 1984, p. 63).

As such it is on the background of actors’ intentions and interests (their values), that time
cannot be represented as a linear succession of abstract nows. Time is “time to do
something” and therefore our preoccupation determines the meaning of time.

Narrative integration thus rests on a pre-understanding of human action: On this
foundation, the integrative process called mimesis2 by Ricouer is constructed, and
which is broadly known as the plot (see for example, Boje 2001, p. 2; Chappell,
Rhodes et al. 2003, pp. 47-48; Henriksen, Nørreklit et al. 2004, p. 44). According to
Ricouer, plot mediates in three different ways: First it mediates between the individual
events and the story as a whole: “…It draws a meaningful story from a diversity of
events or incidents (Aristotle’s pragmata) that it transforms the events or incidents into
a story … In short, emplotment is the operation that draws a configuration out of a
single succession” (Ricouer 1984, p. 65). Secondly, the plot draws together
heterogeneous factors such as “ … agents, goals, means, interactions, circumstances,
unexpected results” (Ricouer 1984, p. 65). To take a simple example from the literature: “We teach and they learn” (Chappell, Rhodes et al. 2003, p. 45) has all the characteristics that define a narrative. It sequences and emplots events over time (the first characteristic of plot). It defines characters and roles, motives, interactions and relations of power between participants in the story. Finally plot mediates in a third way: “... that of its temporal characteristics. These allow us to call plot, by means of generalization, a synthesis of the heterogeneous” (Ricouer 1984, p. 66). Emplotment combines in different ways two temporal dimensions, one chronological and one that is not: “The former constitutes the episodic dimension of narrative. It characterizes the story insofar as it is made up of events. The second is the configurational dimension properly speaking, thanks to which the plot transforms events into a story” (Ricouer 1984, p. 66). Plot provides an end point of the story, which organizes the individual events, and which makes it possible to follow a story. This end point of the story, its conclusion, must be acceptable as congruent with the events brought together in narrative (pp. 66-67). The final stage of the mimetic circle is called mimesis3. With reference to Gadamer (1992), this stage corresponds to “application” (Ricouer 1984, p. 70). Mimesis3 is where “the world of the text” intersects with the hearer/reader. It is where reality construction is manifested in words and actions and become the object of “public” attention and where it undergoes inter-subjective negotiation.

**Narrative integration and IC-management**

As noted before, the management task is to mediate between world and reality. The IC-manager has a special task in designing the context for IC-practitioners’ constructions of reality and in ensuring that IC-practitioners can create a meaningful position in the world. We may call this kind of integration a “valid” reality. The special challenge in constructing “valid” realities in the innovation economy is that world has become more dynamic and fluent. A non-valid reality is thus where world and reality drift apart, which in terms of the narrative vocabulary may be compared with situations where the mimetic circle evolves into a vicious circle or on the contrary that the continuity in reality construction breaks apart. Ricouer has some considerations in regard to the first problem – that the mimetic circle evolves into a vicious circle. Ricouer believes that it can be refuted that it is a vicious circle. Instead he argued that it is an endless spiral.

“I would rather speak of an endless spiral that would carry the mediation past the same point a number of times, but at different altitudes” (Ricouer 1984; p. 72).

The claim of the presence of a vicious circle is that the endpoint leads back to the starting point, or worse that the end point is anticipated in the starting point. In other words, narrative would be nothing but repetition of prejudices and pre-understandings of an almost static “dynamic” between mimesis1 and mimesis3. This is of course problematic in a dynamic world like the innovation economy because world and reality would quickly disintegrate. But Ricouer does not believe that the circle is necessarily a vicious circle.
According to Ricouer, the claim of a vicious circle stems from two interpretations of circularity. The first concerns the violence of interpretation, which is the case when narrative creates an illusion which cannot sustain the demand for honesty. But this claim stems from our inclination to say that “…narrative puts consonance where there was only dissonance” (Ricouer 1984, p. 72). But this is a reflection of a nostalgia where we cling to the idea “… that order is our homeland despite everything” (Ricouer 1984, p. 72). This argument, however, rests on the assumptions that discordance is put on one side and concordance on the other side in the relationship between time and narrative. But this is a fundamental misunderstanding of the dialectical relationship between time and narrative. Firstly because our experience of time cannot simply be reduced to discordance. According to Ricouer, Augustine’s analyses of time reject that assumption when he argues that time unities distention and intention. Secondly, narrative is not simply concordance.

“Emplotment is never the simple triumph of ‘order’. Even the paradigm of Greek tragedy makes a place for the upsetting role of the peripeteia, those contingencies and reversals of fortune that solicit horror and pity. The plots themselves coordinate distention and intention” (Ricouer 1984, p. 73).

In other words, narrative draws together heterogeneous factors into a unity but this unity is not the triumph of order. The major advantage of narrative in organization studies is perhaps precisely that it organizes heterogeneity at the same time as it allows for heterogeneity – that is, it allows for internal tensions, sudden reversals, contingencies etc. that are the results of human actions. Organization science is then to unravel complex cases of where the organization researcher, like a detective, follows the clues behind the emergence of organizational events in order to figure out who had done it, why, when and how it happened. The vicious circle can also be the result that the narrative is redundant, which is the case when mimesis3 doesn’t add anything to mimesis1. ”Mimesis2 would then only restore to mimesis3, what it had taken from mimesis1, since mimesis1, would already be at work of mimesis3” (Ricouer, 1984, p. 74). On this point, Ricouer suggests that there is “…a prenarrative quality of experience” and further: “Without leaving everyday experience, are we not inclined to see in a given sequence of the episodes of our lives “(as yet) untold” stories, stories that demand to be told that offer anchorage points for narrative?” (Ricouer, 1984, p. 74). He mentions two examples: the patient that speaks to the psychoanalyst tells fragments of stories. In this case the purpose of such sessions is to deduce a narrative which is more supportable and intelligible. As such a told life story emerges from untold and repressed stories. In the second example, Ricouer talks about the judge who tries to understand a course of actions “… by unraveling the tangle of plots the subject is caught up in. The accent here is on “being entangled”…a verb whose passive voice emphasizes that the story “happens” to someone before anyone tells it” (pp. 74-75). The told story is simply the continuation of these untold stories. The art of narrating is thus not something that is artificial or redundant.

"We tell stories because in the last analysis human lives need and merit being narrated. This remark takes on its full force when we refer to the
necessity to save the history of the defeated and the lost. The whole history of suffering cries out for vengeance and calls for narrative” (Ricouer 1984, p. 75).

In this way, Ricouer refutes the claim that the circle is a vicious one. Our narratives and our realities evolve all the time. But the question in this context is whether narrating evolves into valid realities. Narrating interprets world but this interpretation is not an independent or open interpretation but is influenced by the conditions in which it takes place. The refutation of the presence of a vicious circle touches on this aspect but not to the necessary extent. In any case Cunliffe, Luhmann and Boje offer two amendments to Ricoeur’s approach. The first amendment emphasizes performance.

Be it resolved that Ricouer’s position on narrative and time needs to be expanded to consider the context or space of narrative performances. We are not studying already constructed narratives, rather narratives are performances in the moment, “a product of imaginative construction” (Mink 1978: 145). Life is lived in the moment and much of our sense-making also occurs in the moment.” (Cunliffe, Luhmann et al. 2004, p. 272).

This amendment is proposed because, Ricouer does not sufficiently pay attention to the diegetic aspects of narratives but only rely on the mimetic aspect in his mimetic circle. This amendment extends Ricoeur’s hermeneutical position towards a more post-structural or postmodern position and it relates to the delicate balance, whether narrating is subjectively or inter-subjectively constructed. On this matter Ricouer has, according to Cunliffe, Luhmann and Boje, a tendency to emphasize the narrator, where the post-structural or postmodern position emphasizes the context and spaces where the narrative is constructed – a viewpoint that makes the narrative more dynamic, liquid and adaptable to the circumstances of its construction. These circumstances comprise other actors with whom we engage. That means that an important aspect of reality construction becomes more visible – namely the relations of power and how they influence the narrative (Hardy and Clegg 1996; Ainsworth and Hardy 2004; Clegg, Courpasson et al. 2006; Jørgensen 2007). By emphasizing performance, narrating becomes more situated and relational but also influenced by other actors in different positions and with different intentions and interests. The results may be manifold. In some cases we might imagine that the situational and relational aspects will enforce the development of narrative, which thereby avoids that the narrative repeats itself. On the other hand, we might suggest completely the opposite – that it will enforce a vicious circle in the sense of enforcing particular narratives of world or that the fundamental relation between activity and imagination in narrating becomes arbitrary and illusory. People narrate in order to make sense of the world but this narrating may exactly be a violence of interpretation – but not in the sense that narratives do not evolve – but in the sense that these narratives conceal, mask and hide what we are really doing. This relates to Foucauldian analysis in the sense that genealogical analysis uses history, among others, to avoid being seduced by the web of stories, legends, myths, and narratives, all of which conceal what is “really” going on (Foucault 1984; Jørgensen 2007, pp. 70-73). Genealogical analysis seeks to go beyond imagined truths like for example, stories of heroes and scoundrels, rational explanations,
romanticism, images and so on. Genealogical analysis seeks to tear off such masks and map actual events in their correct chronological order, in the proper context, and with a proper description of who is involved, and what part they play. This includes the winners, the losers, the marginalized and the privileged. Power analysis demonstrates the complexity, the contradictions and the paradoxes in relation to who people are and how they have become who they are. It reveals that people are part of history and as such are subjected to influences and pressures to behave in particular ways. It demonstrates how people are capable of practically anything in order to promote their own intentions and interests. They cooperate, they work hard, they do great things but they also argue, they struggle, they exploit, they deceive and they lie. Their narratives are conceived as constructions and masks, which may only provide a one-eyed and a narcissistic representation of who people are. But this aspect of narrating is not only necessarily only due to the promotion of particular interests and intentions. It may also be caused by the simple fact that some peoples’ realities are almost unbearable. In this way imagined identities – and thus sagas, stories and narratives – are a way out, so to speak, a way of coping with difficult everyday realities. They provide a way of maintaining a human face that allows the suffering individual to rebuff rationalization, control, oppression and exploitation (Gabriel, 2000; see also Pritchard, Jones and Stablein, 2004, p 219). As such it is also clear that relations of power may influence the sense of continuity embedded in our realities. The postmodern approach emphasizes discontinuity as an important part of existence today; it implies that we move from a more continuous and consistent approach to reality construction to a more discontinuous and inconsistent approach, which is a viewpoint that Boje has presented with the notion of antenarrative (Boje 2001). The problem of integration thus becomes an important management challenge in the (post)modern society. According to Boje, antenarrative denotes”…the fragmented, non-linear, incoherent, collective, unploted and pre-narrative speculation, a bet” (Boje 2001, p. 1). He introduces antenarrative analysis as a solution to the crisis in modern narrative methods. Antenarrative analysis is thus the analysis of stories”…that are too unconstructed and fragmented to be analyzed in traditional approaches” (Boje 2001, p. 1). Story is before (ante) narrative, and it relates to Ricoeur’s work in the sense that “…the followability of a story allows us to look at antenarration before the emplotment of story, and to search for pre-understanding before the story becomes followable” (Boje 2001, p. 2). Antenarrative is interesting in that it in many ways captures one of the management challenges in the postmodern world, which in many ways have actualized the concept IC. The actualization of antenarrative analysis expresses increasing fragmentation and a higher degree of internal tensions between the many small ”stories” and thereby a higher degree of tension in our identities. This approach to reality construction is connected to the second amendment proposed by Cunliffe, Luhmann and Boje to Ricoeur’s approach. This amendment emphasizes multiplicity.

Be it resolved that perpetual referring within the threefold mimesis occurs across past, present, and future time and context, resulting in multiple threads of earlier narratives (M1) weaving together into multiple present emplotments (M2), and continually recreating multiple futures (M3).(Cunliffe, Luhmann et al. 2004, p. 273-274).
The need for this second amendment is according to Cunliffe, Luhmann and Boje that Ricouer has not to any sufficient degree discussed the dynamics within the mimetic circle – a dynamic which creates “polyphonic, negotiated narrative” (Cunliffe, Luhmann et al. 2004, p. 274). That is, this amendment emphasizes a higher degree of multiplicity of interpretations, which perhaps a more important feature of the plural, paradoxical, inconsistent and opaque global world (Bauman 2004). Integration of facts, logic, values and communication cannot in other words be taken for granted. Integration has perhaps become fragile in the innovative economy and as such integration constitutes an important management challenge in general and particularly an important IC-management challenge. How integration is accomplished is a complex and continuous management task, which cannot be resolved once and for all. We hope that by providing a new framework for understanding IC-management, IC-managers will become more reflexive of their talk and actions.

**Conclusions**

This paper has proposed a new framework for understanding IC-management. According to this framework, we construct reality by integrating four dimensions: *facts, logic, values* and *communication*. Inspired by Ricouer’s work on narrative and time, we have argued that integration in the model is a narrative process by which time becomes *human time* and where integration is a mimetic circle, where actors create a meaningful story (plot) from a diversity of events or incidents. Through this framework we have argued that IC-management is to work with narrative integration of facts, logic, values and communication, where the challenge of IC-management is to create the conditions for construction of sustainable realities. Through a postmodern critique of the mimetic circle, we have argued that this has become a central management challenge in the post-modern world due to that the world has become more dynamic, equivocal and paradoxical.

**References**


