Failures to Enact the Future - a Social Practice Perspective of Organisational Renewal

Brian Vejrum Waehrens & Jens Ove Riis
Center for Industrial Production
Aalborg University
Denmark
Mail: bvw@production.aau.dk & riis@production.aau.dk
Why, What and How?

• Why?
  - Predominant focus on the tension between intended strategy and organisational design.
  - ... But the future is not ready made “out there”, it is enacted, which means that we need to turn attention to activities with an eye to the future...
  - Lack of concern for the interaction between micro-level practices and macro-level future oriented activities.
  - Not so much a failure of seeing future possibilities, as a question of establishing mutual images of enacting these. Working with the thinking-doing gap.

• What?
  - The research question: How are new ideas about strategic organisational change unfolded and absorbed in knowledge intensive organisations, and how may this help us explain the failures and unintended consequences of strategic change initiatives?

• How?
  - Three longitudinal field studies, following companies undergoing strategic change.
  - Data collection: participatory observation method, supplemented with document studies and interviews
  - Practice lens
Elements of the practice lens

• Primacy of social life and its development is ongoing human activity.

• Focuses on how people shape the organizational reality that shapes them
  - people as producers and products
  - Structural artifacts as medium and outcome

• Allows consideration of the structural conditions and consequences of recurrent practices for future oriented activities.

• Recognizes that the possibilities for social change are located within the power of human agency, but that this power is structurally conditioned.
## Overview of key variables

<table>
<thead>
<tr>
<th>Company</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td>Navigation Software (internet, database)</td>
<td>Service &amp; systems provider to the public sector</td>
<td>Composite materials for alternative energy</td>
</tr>
<tr>
<td><strong>Research setting</strong></td>
<td>Development department</td>
<td>Whole company</td>
<td>Technical department</td>
</tr>
<tr>
<td><strong>Research Question</strong></td>
<td>How does a company balance the need for rigorous planning during the development of complex software products with the flexibility to respond to frequent market shifts and unexpected events?</td>
<td>How does a company link its diverse lines of activity and what are the historical and practical problems in do so?</td>
<td>How to balance short-term and long-term development needs? Linking macro level technology planning and individual competence development.</td>
</tr>
<tr>
<td><strong>Firm size and age</strong></td>
<td>100 employees, 5 years old</td>
<td>100 employees, 50 years old</td>
<td>2500 employees, 70 years old</td>
</tr>
<tr>
<td><strong>Firm culture</strong></td>
<td>Entrepreneurial and development oriented “develop the world’s best products”</td>
<td>Participative democracy, exploration mindset</td>
<td>Engineering, operations oriented; quality, on time delivery, cost – “getting things out the door”</td>
</tr>
<tr>
<td><strong>Organisational structure</strong></td>
<td>Emerging functional structure</td>
<td>Product groups</td>
<td>Formal functional</td>
</tr>
<tr>
<td><strong>Research methods</strong></td>
<td>Participant observer</td>
<td>Periodic field observation</td>
<td>Periodic field observation</td>
</tr>
<tr>
<td><strong>Data</strong></td>
<td>Field notebook, post mortem reviews, recorded interviews, project and company documents.</td>
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</tr>
</tbody>
</table>
A vicious learning cycle... At Beta

Reduced: efficiency, ability to meet customers needs

Many new customised projects drawing on new technologies and frames of thought

Activities established to satisfy new demands aimed at strengthening own position exploring new technological domain, but not breaking internal boundaries

Increased balkanisation

Process initiated to form new strategic focus

Discussion to break down intra-organisational boundaries

New structure introduced by management

Financial and market crisis

Competencies, skills and self perception

Lack of cross organisational understanding and knowledge

Breakdown of discussions

New product/market domains

New business planning system

Customers’ image of the company

Declining core market due to technology shift, increasingly demanding and professional customer

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Increasing commitment to own domain, lack of systems thinking,
Initiatives taken

• Management design initiatives representing an effort to connect overall goals to everyday practice.
  - Future conferences
  - New division of labour focused on collaboration through new structure
  - Development portfolio plan.
  - Project management manual and templates.

• Problems encountered
  - Priorities continued to shift. So staff were reluctant to adopt the new strategic direction and its methodologies and when they did they found that their efforts were counteracted by others in the organisation.
  - Staff felt that it was difficult to connect their activities and competencies to the new direction and did not feel that initiatives helped them.
Outcomes

- In spite of the best intentions and considerable efforts, the sense actors made from their work and the practices behind mutual activities remained largely unaffected by the new strategic direction.

Why?
Some Findings from the Beta Case

• Highly skilled people who commanded their isolated activities, but were not given the means or opportunity to connect to the organisational purpose.
  - Inability to connect with other activities in the ongoing company project portfolio.
  - Inability to connect micro-level activities to organisational strategy, due to embedded interests and ongoing business concerns.

• Structure preceded understanding of how to make it work
  - The belief that the new structure would make things work.
  - No social practices to bring life into the structure or for that matter any concerted effort, time or willingness to develop these.
  - Domain boundaries were unclear and changing.
  - Interrelating problems between and within competence groups. (powerful experts).
  - Ambiguous basis for establishing working relationships.

• No means of integrating an increasingly distributed organisation.
  - Many new people, with little experience or means to connect.
  - Lack of effective and balanced leadership.
  - The efforts and costs of communication in building a shared practice were highly underestimated.
  - Experienced people were not only bottlenecks in activities, but also in their inattentiveness to the need to include new people in their activities and allowing them to understand core technologies.

• The case indicates a lack of sufficient matter to hold the organisation together while searching for a new reality from which to build mutual understanding and activities.
Design cycle meets social practice

- Strategies initiative established to examine current performance and assess alignment with environment
- Develop new insights and capabilities
- Mediating initiatives
- Realignment by developing new design and reinforcing it
- Developing new strategic intent identifying focus competencies and rethinking structure
- Compare performance against objectives
- Shifts in technology and/or markets, leading to new demands that make core technologies obsolete
- Members questioning the relevance of objectives based on practice repertoire
- Members enacting own beliefs and interpretations of new design elements, reinforcing old divisions and ways of thinking

Brian V. Waehrens

Center for Industriel Produktion
Aalborg Universitet
Some Cross Case Insights:

- The case companies were highly knowledgeable with advanced and substantial development activities.
  - They developed organisational structures and allocated resources in efforts to create better fit.
  - They welcomed and supported individual initiatives.
- Yet, they failed to integrate activities internally and to connect them to the outside stakeholders.
- Why? The Social Practice Perspective gives a few pointers.
  - Not enough collaborative practices or histories of collaboration.
  - Not enough focus on designing for learning and facilitating the linking of diverse streams of activity.
  - Not enough social or activity based substance from which to construct a mutual practice.
  - Historically embedded dominant ideas were dis-balancing the organisations.
The social practice of change

• Established social practices potentially influence strategic change in a number of ways:

1. By creating a trigger for change,
   • Visualising a burning platform
2. By providing resources needed for change.
   • Collaborative competence and capabilities
3. By providing a lever for knowledge flows.
   • Knowledge flows where there is social practice (mutual understanding, language, collaborative knowledge)
4. By acting as a coordination mechanism.
   • Translating project based experiences into
5. By serving as a credible symbol of the need to change.
Case analysis and discussion

- Increased differentiation => loss of sense, disintegration
- System introduced (software dev. system, finance system)
- Clash of lifeworlds => conflict
- Clash of system and lifeworld => lifeworld struggling to catch up
- Systems were developed as rules, but are used as guides.
- The systems design needs leave room for inter-lifeworld discourse and system development rather than exercise force
  - As such the system design over time came to act as a treaty for future negotiations
- Integration and differentiation are complementary processes.
Conclusion

- Emerging properties of systemic and social efforts that supply meaning to an unfolding organisation.
- Development trajectories, a little strategy may go a long way, if key attractors are used strategically and middle management is engaged in enacting these.