



## Transformation in the management of Danish public-sector

knowledge-intensive organizations and dealing with ambiguity – identity control and organizational management technology

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*Published in:*

The 8th Nordic Working Life Conference Hard Times

*Publication date:*

2016

*Document Version*

Accepted author manuscript, peer reviewed version

[Link to publication from Aalborg University](#)

*Citation for published version (APA):*

Andersen, V., & Hindhede, A. L. (2016). Transformation in the management of Danish public-sector: knowledge-intensive organizations and dealing with ambiguity – identity control and organizational management technology. In *The 8th Nordic Working Life Conference Hard Times* Nordic Working Life Conference Hard Times.

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# **Transformation in the management of Danish public-sector knowledge-intensive organizations and dealing with ambiguity – identity control and organizational management technology**

## **Abstract**

The public sector currently faces challenges from extensive transformations that have necessitated new management tools. In this context, concepts such as social capital are introduced as measurable and progressive organizational tools which have spread like mantras in the public sector in its efforts to meet these challenges. In this article, we analyse this phenomenon in the light of ambiguity as described primarily by management scholar Mats Alvesson. In his understanding, these concepts are surrounded by ambiguity, which means that in practice they can be in stark contrast to what is intended, and the claimed increase of well-being and productivity does not necessarily go hand in hand, since role conflict and role ambiguity might lead to work-related stress. Moreover, these transformations in themselves allow for consultancy and expert assistance.

**Keywords: identity regulation, role conflict, ambiguity, transformation processes, work-related stress**

## **Introduction**

In recent years, the public sector, like other sectors in Denmark, has experienced extensive transformations that have necessitated new management tools. Up until the 1980s and 1990s, the public sector was dominated by a management practice known collectively as New Public Management. Recently, the focus on results has become more predominant (Greve & Ejersbo, 2013). However, the public sector is also still characterized by many different management ideas and management instruments, making it very complex. Changes that can be seen at a societal level mean that the public sector must deal with an increasing amount of complexity. Management and decision-making in this sector can therefore be seen as very challenging. According to Greve and Ejersbo's (2013) concept *coordination and cooperation*, a newer type of leadership has emerged with an understanding that we have common challenges and that output measurements can help in managing the sector.

Included in this new type of leadership is the assumption that measurements should be carried out on the collective results of the group rather than focusing on the individual. New public management's focus on market mechanisms and liberal policies, such as outsourcing and privatization, has thus been replaced by an increased focus on the efficient use of resources. The perception within this kind of leadership is that there must be change not only in the sector's structural conditions but also in the actual execution of the work (Andersen & Jensen, 2010; Christiansen, 2012; Hagedorn-Rasmussen, 2014). In this context, concepts such as social capital are introduced as organizational management tools that have spread like mantras in the public sector in its efforts to meet the current challenges (Hagedorn-Rasmussen, 2014). The concept of social capital has its origins in the work of several scholars with widely differing understandings and epistemological paradigms, the most referred being Bourdieu and Putnam. Of interest in this paper is the way in which social capital, as suggested in Olesen et al.'s (2008) book *Virksomhedens sociale kapital* [The Company's Social Capital], is the basis of a new era in which social capital is a tool and something that can support Danish companies to ensure greater efficiency and productivity, inter alia, through higher employee satisfaction. In their book, it is argued that social capital can be the strategic response to these challenges and that the concept is important for both productivity, quality, and safety (Olesen et al., 2008). The authors construct a theoretical model based on the concepts of trust, fairness, and cooperation in order to describe and measure a desired harmonious state of the organization, which is described as "an ability" (Olesen et al., 2008, p. 10). Thus, inspired by Putnam's understanding of social capital, the authors consider social capital as a collective good that enables a given organization's members to cooperate (Olesen et al., 2008), where members "coordinate their actions in order to create common values and benefits" (p. 40). Typical for this new understanding of, for example, social capital is that it is continuously developed in close collaboration between workplaces and scientists/consultants, and that measurement tools are developed that can measure the degree of social capital in order to enable comparisons across departments and companies.

In this paper, we argue for the relevance of focusing on how transformations in the management of the public sector create an ambiguity which, according to Alvesson & Sveningsson (2003), may cause confusion and compromise the purity of management as a phenomenon. The desire to control the individual employee's identity can be interpreted as one of a series of, more or less, conscious management strategies designed to introduce, reproduce, influence, and legitimize specific

discourses that management wishes coupled to the employee's formation and reproduction of self identity (Alvesson & Willmott, 2002). We use social capital as an example of a measurable management tool which is articulated as being something that all companies have and that can be strengthened precisely through the new management mantra 'coordination and cooperation'. The aim of this article is to follow up on Alvesson and Sveningsson's (2003) arguments that ambiguity in management is a relatively unexplored area in organizational theory, which otherwise typically considers management to be something stable, consistent, and predetermined. In the following, we argue how – within the structural and managerial changes and the need for new management tools – a kind of ambiguity is formed within the workplace, which appears both in terms of the ambiguity of one's role as an employee and the ambiguity of one's identity. This type of ambiguity may itself lead to reduced productivity, stress etc. (Denis et al., 1996; Tubre & Collins, 2000).

The article is structured as follows: We start by presenting the concepts of role and role ambiguity and their links with identity and identity work conceptualized by Mats Alvesson (2000, 2004).

Secondly, we use the concept of social capital as an example of how a given direction in a knowledge-intensive company can regulate the employee's identity by introducing social capital as a measurable tool to handle ambiguity. We conclude with a discussion of how these management tools to regulate the employee's identity are bordered by an ambiguity which may lead to the individual knowledge worker feeling insecure and unsure of his/her own abilities or that his/her work may seem meaningless. Both situations require that the knowledge worker finds ways of dealing with ambiguity at work (Buch et al., 2009). We also show how these transformations in themselves help provide for consultancy and expert assistance for handling ambiguity.

### **The relation between the individual, work, and organization in postmodern working life**

As described in the introduction, more and more organizations are conducting transformations in the form of an increased level of self-directed work and a more team-based philosophy, which leads to a flatter organizational structure. We argue for the importance of an increased focus on the implicit transformations in the individual employee's identity work, since several studies have shown a link between stress, burnout, and ambiguity at work (Maslach et al., 2001; Meyerson, 1994; Papastyliaou et al., 2009; Tunc & Kutanis, 2009). In the following, we will therefore review the literature that has been central to the development of the theoretical concepts ambiguity, identity, and role ambiguity in an organizational context.

Banton (1965) defines a role as the set of expectations for a person who has a certain position, and where the expectations are related to both the individual and his role but also the expectations of other people within and outside the organization. Katz and Kahn (1978) define a role as the basic building blocks of a social system. They consider organizations as systems of roles. The issues of role ambiguity and performativity can be traced back to the Hawthorne studies from the 1930s (Roethlisberger & Dickenson, 1939). In addition, the problem first appeared in organization literature from the 1960s in the classic work of Kahn, Wolfe, Quinn, Snoek, & Rosenthal (1964), who argued that individuals and workgroups are influenced by role ambiguity, and that the individual's performance may suffer as a result. Subsequent research has also shown that role ambiguity is itself associated with many negative outcomes, such as lower job satisfaction, frustration, fear, a tendency to leave the organization prematurely, and reduced individual and group productivity (Bedian & Armenakis, 1981; Van Sell et al., 1981).

Kahn et al. (1964) define a role stressor as individually experienced pressure on the result of organizational and job-specific factors in terms of both requirements and simultaneous limitations imposed on the individual. Their studies suggest the possible effects of role ambiguity on employees' attitudes and behaviour in relation to performativity.

The point is that the various roles that each employee plays in an organization are essential components of his/her identity and ability to carry out the work. Alvesson (2000) defines identity as something multiple to be seen from the context. According to him, individual identity is constructed through comparison with colleagues and groups of colleagues (Alvesson, 2000). Thus, employees in organizations aim to achieve to look like others and build a strong self, which, according to Alvesson, is necessary to cope with the tasks. Alvesson states that: "Identities are constituted, negotiated, reproduced and threatened in social interaction, in the form of narratives, and in material practices. Identities are, at least partly, developed in the context of power relations" (Alvesson, 2000, p.1105). In this context, identity work is seen as the work that we as humans are concerned with when we continually shape, repair, maintain, strengthen, or re-evaluate the structures that seem productive in order to experience a level of comfort, togetherness, and consistency between self-definition and the work situation (Alvesson & Sveningsson, 2003). In continuation hereof, role ambiguity can be understood as a lack of clear information about the different elements in the

performance of the specific work; including what to do (expectation ambiguity), when to do it (priority ambiguity), how to do it (process ambiguity), and the behaviour that is expected (behaviour ambiguity) (Kahn et al., 1964; Sawyer, 1992; Singh et al., 1996).

### **Ambiguity as an analytical framework for understanding the failure and success of organizational transformations**

Alvesson (1993a, 2001, 2004) considers organizations as cultures that are best examined from a reflective approach, which means digging down below the immediate layer and focusing on what lies behind the thoughts and actions of both the explored and the explorer/investigator. Alvesson (1993a, 2001, 2004) sees the world as multicultural and fluctuating, creating constant ambiguity, and with multiple mutually conflicting opinions and perceptions, whereby both the human and organizational self-perception becomes fragmented. When an organization is considered ambiguous and complex, it means that concepts and meanings are constantly changing. In relation to the concept of social capital, this means that the rhetoric about creating trust, justice, and interpersonal skills is easily transformed into a management tool to regulate individual behaviour in practice.

The point is that the linguistic ambiguity legitimizes the introduction of these particular concepts, which in their translation down through the organization will often collide with everyday life work experience and at best will be the subject of meaningful negotiation. However, they just as often end up being the dictates of a particular behaviour which, by virtue of the multi-faceted significance of the concept makes it difficult to contradict. Alvesson (2001) argues that there is a great degree of ambiguity associated with: 1) what counts as knowledge, 2) how individuals create knowledge, and 3) what are the results of knowledge. Alvesson (2001) suggests, “The ambiguity of knowledge and work in knowledge-intensive companies means ‘knowledge’, ‘expertise’ and ‘solving problems’ largely becomes a matter of belief, attitude and opinion negotiation” (2001, p. 870, our translation). It is this lack of a precise definition that allows room for ambiguity, which means that experts/consultants/science can be invited into the company to help simplify and operationalize complex issues.

According to Alvesson and Willmott (2002), because social practices can be characterized as being determined by the interaction between the available subjects and discourses, identity regulation is related to the aspect of identity formation, where a company has an impact on and seeks to regulate the employee’s identity. In practice, this may occur through corporate training, education, and

promotion procedures. Via these practices, it is possible to lead the employees in a certain direction in the creation of their identity. When the company manages opinions (e.g., ‘social capital is a public good’), it also controls the employees’ identities. This can have a positive effect in the sense that it can help the individual employee handle ambiguity. In turn, the same identity control provides less opportunity to reflect critically over issues. However, identity regulation is also affected by factors outside management’s control, including what Alvesson and Willmott (2002) call “cultural-communitarian regulations” (p. 636). This form of identity is derived from regulatory, broader, historical collective norms of what is considered legitimate behaviour. In addition, the pattern of regulation of identity, which Alvesson and Willmott (2002) call “quasi-autonomous regulation” (p. 636), relates to the fact that a large amount of the available discourses in a company are only partially and temporarily regulated by management or other group-oriented regulatory processes. Therefore, the point is that it is difficult to control a team member towards a particular self-identity. Discourses are namely also conditional on the individual’s interpretation: “employees are not passive receptacles or carriers of discourses but, instead, more or less actively and critically interpret and enact them” (ibid, 2002, p.628). Thus, some employees distance themselves from the values that the company is trying to impose on them.

### **Social capital as a tool to control identity work**

Alvesson (1993b, pp. 101–102) also introduces Bourdieu’s concept of field in an organizational context as a fruitful theoretical mindset to comprehend how professional groupings of companies can be constructed as having their own distinct areas of activity and qualifications, their own rules for success and recognition, and their own structure of positions and economic and symbolic rewards. Alvesson thereby seeks to create an analytical dimension, in recognition of the fact that social structures interact with and affect *doxa* in the field. According to Alvesson (1993b), organizations must develop a certain degree of mutual understanding of how to deal with problems; for example, in order to make cooperation possible. In this context, he speaks about bounded ambiguity, meaning that even if the corporate culture does not produce clarity and consistency throughout the organization, it can provide guidelines for dealing with ambiguous meanings and provide clues about how to deal with difficult questions. Alvesson explains how bounded ambiguity can also be seen in the rapid shifts between different social circumstances in which different sets of ideas and meanings are legitimized. In other words, ambiguity is a general characteristic of

contemporary organizations and not something that only relates to knowledge-intensive kinds of organisations (Alvesson 2001, p. 869). Alvesson has an understanding of organizations as a form of social space where employees and groups of employees are constantly struggling to define the core values of what to deal with, how to talk about it, etc. According to Alvesson, what Bourdieu calls *illusio* – that is, what binds the field together – is a matter of constant negotiation. For this very reason, what happens is, according to Alvesson, that an organization's use of experts, consultants, and/or scientific knowledge can lead to the kind of legitimacy in the field that may otherwise be difficult to enforce in a context of uncertainty and unpredictability. His point is therefore that concepts such as social capital will never be understood or used as intended.

To sum up, ambiguity is a phenomenon particularly present in public enterprises (Pratchett & Wingfield, 1996; Orr & Vince, 2009; Lee et al., 2009). According to Noordegraaf and Amba (2003), this can be considered as a growing movement called Management by Measurement. When practitioners are trying to increase the transparency and efficiency of administrative systems, rational measurements such as social capital are often introduced. When problems need to be dealt with, the ambitions have to be stated explicitly, options should be evaluated, the best opportunities should be selected, and performance must be monitored and evaluated. This cycle is, according to Noordegraaf and Amba, based on assumptions that are often unsustainable. The paradox is that when problems are subject to ambiguity, a space of interpretation arises; when there is an interpretive space, strict measurement is not needed since the conditions and prerequisites therefore cannot be met.

In this article, we try to illustrate this paradox with different examples from the public sector, where social capital has been introduced as a management tool to solve management problems.

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