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Making sense in testing times : a narrative analysis of organisational change & learning

Reissner, Stefanie Constanze

MAKING SENSE IN TESTING TIMES

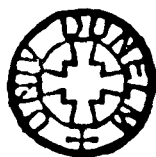*A Narrative Analysis of Organisational Change & Learning*

Stefanie Constanze Reissner

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School of Education

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MAKING SENSE IN TESTING TIMES

A Narrative Analysis of Organisational Change & Learning

Abstract

The main themes of this thesis focus on organisational change and learning in different geo-political contexts, bound together in a common moment of globalisation. These topics are explored through three case-studies from the manufacturing sector, one each from the United Kingdom, the Republic of South Africa and the Russian Federation. The project, on which this thesis is based, had a qualitative and interpretive design and took a comparative, narrative approach. It argues on the basis of this comparison, that organisational learning has to be related to the wider environment in which companies operate; individualistic models of learning are inadequate to explain the complex processes involved in learning in organisations.

The thesis demonstrates that learning is most productively viewed as a form of sense-making, which is particularly important in periods of change. This way of thinking about work-based learning subsumes all previous analytical descriptions of learning at work and all methods of promoting it, as sub-sets of a more generic process: making sense of experience. This approach of conceiving learning draws attention to the fact that learning involves the whole person, their sense of self, their understanding of the past and their grasp of the skills and relationships involved in their jobs. The concept of sense-making is explored at three levels – the macro-level with a focus on globalisation, the meso- or organisational level with an emphasis on strategic change and the micro- or personal level highlighting individual experiences of change and learning at the workplace.

Narrative analysis is a powerful tool in organisational research to recover accounts of learning because it is through stories that people construct and make sense of the world. The comparative frame to this study highlights the cultural, historical and situated nature of narratives. This thesis shows that globalisation and strategic change are not impersonal phenomena, but become real and meaningful to everybody in an organisation through stories. Comparisons help to make otherwise tacit issues explicit.

Key words: narrative, sense-making, comparative analysis, organisational learning, organisational change

Acknowledgements

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Foreword

If you want to know me, then you must know my story,
for my story defines who I am.
Dan P. McAdams (1993), 'The Stories We Live By', p. 11

'A thesis is never finished. It is a snapshot of part of your life and a new beginning.' These or similar words were used by a colleague of mine, having completed a PhD herself not long ago. In a way, I can agree with her in that my project was a new beginning, the beginning of a new chapter in my book of life. The last three years opened up new horizons for me and gave me a completely new outlook – reflexive changes in identity is the term used for that in this thesis. On the other hand, I hope that this thesis will complete the current chapter of my life story – the stage during which I was a research student, an apprentice researcher in a way – and to allow me to open a new chapter and to move on to a new stage of my life.

This thesis, being a story in itself, also tells a more personal story of discovery, learning, personal and professional development and rewriting my personal narratives. This story can be read between the lines and can only be understood if more is known about my own biography.

The story related to the choice of doing a PhD begins in the middle of my studies for an MA where I came across the concepts of knowledge management and organisational learning. I realised that this was the field in which I wanted to specialise. Having never seen myself as an academic, my work as a researcher was both a challenge and a great opportunity for learning and development. I have learned during the past three years that good theories are practical and cannot be separated from the practice, which shifted my focus more from practice to theory while retaining my practical and pragmatic focus to my work. Put differently, I have strived for a good balance between theory and practice – or rather practicability of my theories – in this project and beyond.

The choice of project in the area of organisational change and learning with a focus on successful companies probably makes sense only against the background of my

childhood. I grew up with my parents' small manufacturing business in Southern Germany, which means that I also grew up with the constant competitive pressures they experienced, the lack of time, the responsibility for the people working for and with them, the need to progress continuously – and this is not to judge. The importance of such issues in my family has to be seen in the bigger picture of (Southern) German work ethics. Being a successful entrepreneur will grant you a higher social status, but failure inevitably destroys one socially as well as economically, which typically is a terrible fate in the small, rural and close-knit communities. Therefore, the survival of the business and, more importantly, its success, has been important for us since my childhood. It constituted my lifeworld until very recently and will certainly remain a big part of my life and world view.

Coming from this background, a number of questions intrigued me at the beginning of this research: why are some companies more successful than others and is there a recipe for success? In my mind, these issues were somehow linked to the people that make up the organisation, that change and learn within the firm. It was clear to me that I would not get an answer to these questions by sending out a questionnaire and doing some statistical analysis. Instead, I would have to talk to people to get to know why they are motivated and committed, learn and develop, and thus help their firm to succeed. The acquisition of a narrative approach was born from this insight and carefully nurtured by my supervisor Professor Bill Williamson.

The last few paragraphs raised three issues, which are underlying key themes of this thesis. Firstly, everything in one's life has to be built on the past if it is to work out. Although we are living in the present and are looking towards the future, the latter has to be built on the past. This piece of wisdom might sound self-evident, but it is often neglected in the process of managing change.

Secondly, one's individual biography or life story is deeply interwoven with people's interests, projects and self-understanding. The choice of my project and my motivation can only be understood if my personal story – or part of it – is known. In addition to that, my life world, my world view and my biography are part of this project (see also Chapter 3).

Chapter 1: Introduction – A Chaotic World

There are definite moments, moments we use as references, because they break our sense of continuity, they change the direction of time.
Margaret Atwood (1994): 'The Robber Bride', p. 4

1. Introduction

The fall of the Berlin Wall in 1990, the collapse of the Soviet Regime in 1991 and the release of Nelson Mandela in 1990 are widely regarded as turning points in history (e.g. Dahrendorf 1990). These are associated with the entry into a new era and which can therefore be regarded as a key moment of change (Castells 2000a). Over the past decade, our lives have been speeding up (e.g. Beynon and Dunkerley 2001), our personal situations have been getting increasingly uncertain (e.g. Du Gay 2000), globalisation pressures have been gaining in importance over national issues (Crossley 1996) and society and personal identities keep changing (Alheit and Dausien 1999) together with the structures of employment (Usher *et al.* 1997). It seems, however, that we lack a language to describe what is going on (Giddens 1990) in today's chaotic post-modern world and to make sense of these events; in other words, we lack the narrative resources to make these experiences meaningful. Due to the complexity of and confusion about our current situation, the most commonly used terms by management discourse to describe those fundamental changes are *information age* (Castells 1997) and *knowledge society* (e.g. Nonaka 1991; Drucker 1993).

Key moments or turning points, which may be called *epiphanies* (Denzin 1989), do not only serve as a clear boundary between the past and present, but they typically provide a rich picture of the perceived defining features of change. They capture a range of issues that are important for our sense-making processes. While the fall of the Berlin Wall will be treated in history books as a political event of importance for the German nation, it has had implications for other nations and thus has become meaningful for millions of people outside of Germany, too. These meanings, however, differ in and within different countries and for different groups of people in

accordance with the narrative resources available to them. In practice, this means that one key moment of change can have a positive meaning for one group of people and a negative meaning for another. The close relationship between an event – a key moment – and its meanings is complex and fluid and has therefore to be researched empirically, contextually and comparatively to make it meaningful to those involved and for a larger audience.

Key moments of change trigger waves of new stories to make sense of the new circumstances and this process can be seen as learning. In this way, organisational change and learning cannot be separated; to use Beer *et al.'s* (1990:159) words 'change is about learning'. Organisational change and learning are bound up in processes of globalisation, as the term is typically used in management discourse. One feature of globalisation is increasing change (Beynon and Dunkerley 2001), and the ability to cope with change is usually seen as crucial for economic survival (Greenwood and Hinings 1996). Both researchers and management practitioners have long understood that learning is crucial in changing times and have developed frameworks to capture learning both at individual (e.g. Bateson 1994) and organisational level (e.g. Senge 1990a; March 1991; Argyris and Schön 1996).

Despite this increased interest in learning since the entry into the information age in the early 1990s, both individual and organisational learning remain slippery concepts with blurred boundaries (see Schein 1999 on organisational learning). In addition, prevailing models of learning generally are too narrow and simplistic to capture the complex learning processes at both individual and organisational levels adequately (e.g. Barnett 1999). They tend to be individualistic, focused on skill and competency development and rooted in theories of cognitive development (e.g. Illeris 2002). At the same time, it is often neglected that learning is a social and situated process (Wenger 1998) that is continuous and open ended (Reissner 2003a). Therefore, I sought to add new understanding to how people make sense of their world and, as a result, learn to cope with change.

Learning in this context is best viewed as sense-making, in which the learner gains new perspectives, new ways of thinking, a new identity and new meanings through interaction and dialogue with others. It is captured in stories and narratives, so that

narrative analysis proved to be an appropriate and powerful tool to reveal the learning and sense-making processes in the organisations studied in this project. Sense-making is taking place at different levels – the macro, the meso and the micro – which are deeply interwoven. Hence, learning as sense-making is a holistic way of making complex change meaningful to the individual.

This introductory chapter will give an overview of the research project which is reported upon in this thesis. It will introduce the key arguments, theories and hypotheses that informed this study. A short description of the project and the case-study companies will also be provided as well as an outline of this thesis. This chapter concludes that organisational change and learning are narrative processes bound up in key moments of change, which have to be interpreted against a specific setting. It also highlights that organisational life is characterised by complex relationships that have to be taken seriously particularly in times of increasing global pressures to secure the survival of the organisation.

2. The Study

Due to my personal background and experience in small - and medium-sized manufacturing firms (see Foreword), I have always had an interest in the complex and often unacknowledged relationships that characterise organisational life. When I came across the concepts of knowledge management and organisational learning in my postgraduate studies, I developed an interest in change and learning at the workplace. As a result, I set the focus of this research on organisational change and learning in different geo-political settings bound up in a common moment of globalisation. The context in which the organisations functioned has to be taken into consideration together with the patterns of change and different narrative frameworks of meaning. These main themes of this project are, therefore, organisational change and learning, globalisation, context, meaning and narratives, which are depicted graphically in *Figure 1.1*. The grey background area symbolises a cloud of meanings, which are created through story-telling and by making sense of complex global changes.

Figure 1.1: Themes of the Research
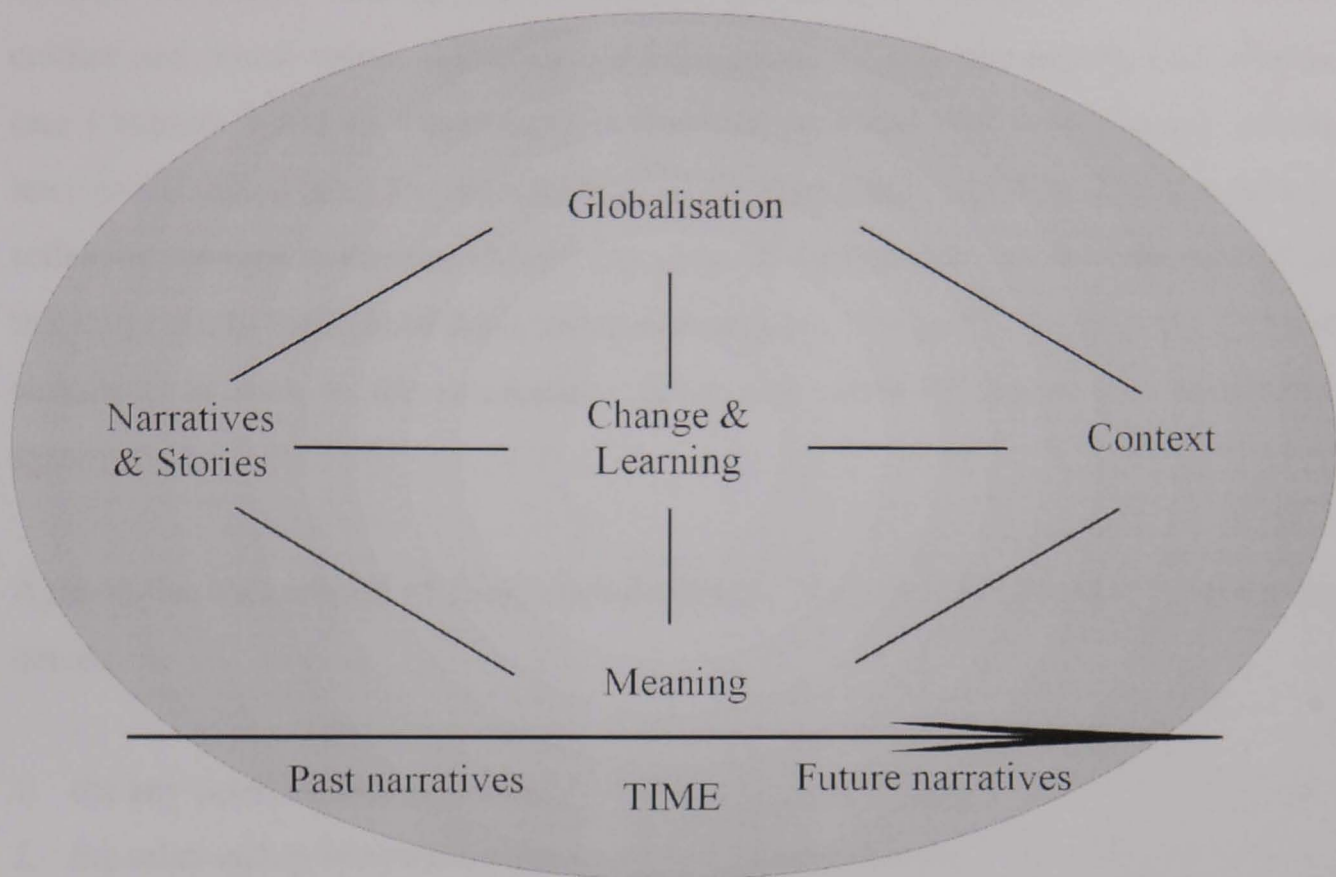
Organisational change and learning are deeply interwoven (see Chapter 2) and are therefore seen as an entity in this research. The main focus in this study was set on how people make change meaningful through dialogue and story-telling since narratives become a kind of code that transforms uncertain change into something meaningful and comprehensible. This new perspective requires analysis of narratives in organisations but extends conventional narrative analysis to take context and meaning into account. This approach invites questions about the learning functions of narrative and the narrative structure of learning and highlights the links between 'private trouble' and 'public issues' (based on Mills 1975). This complex relationship seems to be neglected by the mainstream management discourse and theory, which often resembles a Newtonian system. Such an environment is believed to function on the basis of clear cause and effect relationships that are completely under the control of management. This idea suggests that people are seen as machines that function at all times, regardless of their personal situation and their fears and hopes for the future.

However, organisations are made up by people with different interests and needs that have to be addressed (Höhler 2002). Particularly in today's global post-modern

world with a decline in grand narratives, people's sense-making has to be supported at the workplace. This implies that meso-factors like leadership, organisational culture and moral values influence our perceptions of and our coping with change (see Chapters 5 and 6). Particularly in times of profound and rapid change, people have an increased need for sense-making at the workplace, which typically results in reflexive changes in identity (Alheit and Dausien 1999 use the term *biographicity* in this context). In the light of these rather new insights, it would be narrow-minded and simplistic to stick to the mechanistic black and white picture of the Newtonian system.

Against the background of these considerations, this research sought to examine in detail:

1. the key determinants of people's making sense of change;
2. the relationship between macro, meso and micro changes;
3. the importance of organisational culture and leadership in coping with change.

Since these themes are complex, subtle and often unacknowledged, this project took a qualitative and comparative approach including three individual case studies. These were located in the geo-political contexts of the United Kingdom, the Republic of South Africa and the Russian Federation, and involved on case study each from the manufacturing sector. Comparisons are important to make our previously taken-for-granted assumptions explicit and develop generalisations (Wengraf 2000) and the specific comparison in this study included several commonalities and differences.

For example, the rate and pace of change differed considerably in these countries with the United Kingdom having a relatively stable macro-environment while the Republic of South Africa and the Russian Federation saw enormous, even revolutionary changes at that level. The degree and pace of change naturally influence the way people perceive and make sense of change (see Chapter 4), while stability in rapidly changing times seems to play a major role, too (see Chapter 5). Leadership appears to provide stability and support in people's meaning-making. While the case-study companies from the United Kingdom and the Russian Federation had a strong paternalistic leader, the South African firm adopted a more

democratic style of leadership – with different effects on people's sense-making and dealing with change (see Chapters 5 and 6). These differences in how these companies made changes over the last ten to twenty years meaningful helped me to gain an understanding of the interrelationships, for instance, between leadership and sense-making.

Before I go on with a more detailed description of this research, the three firms in which this research was carried out will be introduced. These organisations, all from the manufacturing sector, have gone successfully through enormous changes, in which they had to rethink their strategies, policies, identity and self-understanding. It is important to highlight here that I did not impose my definition of success on the participants in my research; on the contrary, I accepted and adopted their definitions of success, which may also be communicated through the press. Success can be seen as the constant awareness of new possibilities and consequently, successful organisations create space to look out into the world and to explore new ways in which they can be part of their changing environments (Garvey and Williamson 2002). Success is not only about reading the future and seeing new opportunities, but also about leading that reflexive shift in identity and self-understanding, which is a major determinant in the outcome of the process.

The British case-study company, ThyssenKrupp Automotive Tallent Chassis, is an automotive supplier based in County Durham with 1,100 employees. The firm was founded shortly after the Second World War and after several changes in ownership and strategy, the company 'took off', as my interviewees agreed, in the early 1980s when it focused its activities solely on the automotive industry (Tallent Engineering Ltd. 2000). The key moment, which determined the firm's future fate, was a major order from one of the big car manufacturers and this story is dominant in the self-understanding of this firm (see Chapter 5). Under the strong and visionary leadership of Bernard Robinson and his team, the company mastered structural changes with a product range developing from mere 'metal-bashing' activities to producing complex sub-frame components for most leading brands of passenger cars (Taylor 1994). In 1992, Tallent Engineering, as it was then, joined the larger corporate environment of ThyssenKrupp (Tallent Engineering Ltd. 2000) and currently plays a key role in the operations of the multinational's British automotive subsidiaries; this is reflected in a

narrative of pride, of which the essence is in my interviewees' words: 'we're the jewel in Thyssen's crown'.

Iscor Vanderbijlpark Steel manufactures flat steel products with approximately 7,000 employees. The corporate structure Iscor – an abbreviation of Iron and Steel Corporation – was founded as a state company in 1928 and the Vanderbijlpark Steel Works, where the research was carried out, as an integrated steel works was built shortly after the Second World War (Iscor Ltd. 1978). The organisation spent most of its life in the closed economy of Apartheid South Africa and was privatised only in 1989. After the end of the Apartheid era it had to cope with fundamental macro-changes at political, legal and societal levels within a short period of time while pursuing a rigid re-engineering programme (Iscor Ltd. 1993). The workforce had to be cut drastically to achieve the performance required to secure the survival of the organisation. Societal and cultural factors have influenced the company's way of managing and dealing with change and the restrictive character of the past's closed society (see Popper 1962) adds considerable complexity to the already difficult situation (see Chapter 7).

Joint Stock Company (JSC) Severstal is one of Russia's biggest steel manufacturers, an integrated plant with about 35,000 employees, which was planned before and built shortly after the Second World War. During Soviet times the firm was awarded several of the highest orders and after the collapse of the Soviet Union it continued to nurture its traditions and high skills base (e.g. JSC Severstal 1997). JSC Severstal had to survive in unstable conditions of economic crises and political unrest, while striving to become competitive on a global scale and securing its long-term survival. Under the strong and visionary leadership of A. A. Mordashov and his team, the company introduced strategic programmes to achieve their goals of global competitiveness and has become part of a larger group of companies in recent years – Severstal Group (Северсталь Групп), which was a strategic move to lessen the ups and downs of steel trade by integrating firms from other industry sectors. Cultural change is underway and its outcomes are difficult to determine at this stage due to the fluid nature of the organisation's macro and meso-environments.

The typical changes in these countries are different, but there seem to be basic principles in the underlying narrative processes of coping with change. As Bruner (1986) explains, people are searching for meaning when their beliefs are violated, for instance in periods of profound change at any level. One way of doing this is through collecting and sharing stories to acquire new narrative resources and to build up larger narrative frames of meaning. Stories that belong to such larger frameworks of reference only make sense if they are put into the context of the company's history, its industry context and macro-environment (see Chapter 2), which calls for historical and contextual research. There is a close relationship between change, context, sense-making and narratives, as explored theoretically in Chapter 2 and highlighted on the basis of relevant and illustrative stories from all three settings in Part II of this thesis (see Chapters 4-7).

This project sought to examine change in different contexts to reveal the key determinants in the way people cope with change and to explore the role of cultural factors in this process. In the rather stable geo-political context of Western Europe, the changes ThyssenKrupp Automotive Tallent Chassis had to face were of a structural and strategic nature. The company's employees had to deal with new technology and learn the new language of global competition (see Chapter 5). In the South African context, the changes were of political and economic nature with the transition from a closed to an open economy (see Chapter 4), which resulted in a need to renegotiate the social order (Goffman 1983) in this country. In the Russian Federation, the transition from a planned to a market economy proved to be a hard and rocky way, in which people were desperate for stability – a situation in which they found creative ways of achieving this (see Chapter 4). The latter two case studies revealed the struggle to cope with global competitive pressures in addition to the individual transitions taking place.

At first glance, the case studies seem to be disparate; however, at least three commonalities gave the project a framework. Firstly, all three story lines have one common moment of change: the beginning of the information age, which coincided with the collapse of communism in Eastern Europe (e.g. Castells 2000a) and the fall of Apartheid in the Republic of South Africa. The competitive pressures which these

organisations are subject to are similar, but the meaning of globalisation and the firms' roles in the new situation differ (see Chapter 4).

The second commonality, linked to the first one, is that the countries can be classified as first, second and third world countries (Castells 2000a), but that all companies face similar challenges with regard to globalisation and increasing competition in their respective industry sectors. In short, these three companies are bound up in a common moment of profound change, which has to be made meaningful for all individuals involved.

Thirdly, all three companies understand themselves as being successful and they do so by making their stories known to the outside world. This is done through company publications to celebrate an important anniversary or through the media. For instance, ThyssenKrupp Automotive Tallent Chassis portrayed their successes in a book on the occasion of the company's 50th anniversary (Tallent Engineering Ltd. 2000), Iscor Vanderbijlpark Steel in a presentation (Iscor Vanderbijlpark Steel 2001) and JSC Severstal's success is conveyed in newspaper and journal articles (e.g. Ostrovsky 2000; Aris 2001).

A footnote on comparisons is needed here, before I move on to the assumptions that informed this research. Critics of qualitative comparative research often claim that companies are unique and therefore not suitable for comparisons. On the one hand, I agree: the narratives and stories gathered in the three settings are unique to the time and context and deeply interwoven with the history and background of the company, as well as traditions and mentality of the people. They can only represent a snapshot of the organisation's life and a specific situation at one point in time. Due to the fluid nature of organisational life, it is vital to contextualise research to deepen our understanding of complex social phenomena.

On the other hand, as Martin *et al.* (1983:438) put it 'cultural manifestations share common elements and express common concerns.' It is these commonalities we have to focus on, not the differences, to share research findings and make them meaningful through academic debate. Commonalities can be extracted from the narratives and stories I collected in the individual case-study companies to serve as a

basis for further discussion and inquiry. Case studies provide a way to establish the limits of the generalisations we seek to make about these processes and to deepen our understanding of how people make sense of themselves and their changing world.

3. Bullet-Point Culture & Box-Thinking – Some Criticism

In a world that is informed by mechanistic thinking, clear cause and effect relationships (pre)determine daily business life, which implies a notion of total control. Such a black and white understanding of organisational reality is often depicted in bullet-point form – easy-to-follow approaches on how to conduct business (Dawson 2000, for instance, talks about *recipe approaches* in this context). This prevalent understanding of business and management as often taught in business schools leads to a crude and mechanistic view of organisational life (see Morgan (1997) for more details on the machine metaphor). As a result, the mainstream discourse of managing practitioners tends to be characterised by notions of measurement and control, a focus on extremes as well as ignorance of the importance of social relationships at the workplace and of how organisational changes are made meaningful through story-telling.

Due to the new requirements of the information age or knowledge society, the traditional mindset of the bullet-point culture has to be challenged to enrich our understanding of organisational life and the management of change. The real world is far too complex to be represented in bullet-point form (Alvesson and Willmott 1996) and, despite the need for generalisations and theories to grasp the complexities of organisational life, there is an eminent danger that generalisations are pushed too far, which limits the discovery of new ways of thinking. Overall, the current picture created by mainstream management literature tends to be over-simplistic (which Westerlund and Sjöstrand 1979:19 termed *the myth of single causation*). It often fragments organisations to cure their problems instead of looking at the company as a whole and to acknowledge the interrelationships (Kofman and Senge 1993).

The importance of measurement and control, which is an inherent feature of such a mindset, also seems to be pushed too far. Consequently, 'soft' factors like

organisational culture, leadership and story-telling in organisations are left out from mainstream management discourse in favour of hard facts and figures. Common terms like 'knowledge production' and 'knowledge management' reflect this mechanistic viewpoint and highlight the importance of control and the myth that everything in an organisation can be controlled seems to be widespread. However, certain areas of organisational life will always be beyond control (Gabriel (1995) refers to this as the *unmanaged organisation*).

Overall, business and management can be regarded as partial due to a focus on extremes. For instance, each decade of the last century had its *flavour of the month* concept, which was considered as the only right way of doing things, and managers all over the world were supposed to follow the hype (Hofstede 1999). These theories, as it is widely argued, work for every organisation in every country since they all belong to one global village. However, by doing so, the lively, complex and ambiguous nature of business was put into a mechanistic framework and organisations were attributed too many characteristics for an impersonal construct (Czarniawska 2000).

This study sought to challenge this simplistic and mechanistic understanding of organisational life that is very much a part of the current management discourse. It aimed to highlight the narrative character of organisational life and to enrich our current understanding of organisational change and learning. Here, organisational culture and leadership appear to play a key part and it seems that trust is a form of control that may be far more fruitful than the coercion of power (Höhler 2003). As Hofstede (1999:34) highlights, 'management is always about people' and it is therefore a key management task to help people make sense of their environment and to make their experience at the workplace meaningful (Höhler 2002). This is done through creating, collecting and sharing stories at different levels and among different groups of people.

Paradoxically, despite the increased need for innovation and learning in our current global and post-modern world (e.g. Cross and Israelit 2000a), there is a lack of understanding in the dominant management discourse of how people construct a meaningful world through stories. As a result, most organisations are poor places to

learn (Weick 2001) and many change initiatives fail (e.g. Kotter 1995). Hence, a basic shift in how we think and interact is required (Kofman and Senge 1993). Organisational change cannot be separated from the narrative nature of learning at the workplace.

Another area of criticism refers to a kind of 'box thinking'[1] that seems to be widespread in academia. Researchers, particularly in the social sciences, are encouraged to wear certain lenses for their work (i.e. to choose a certain paradigm) and not to overstep the boundaries of the 'box' (i.e. the paradigm) that they are in. While it is of utmost importance to be aware of one's methodological stance (see also Chapter 3), too much of a focus on one's 'box' may encourage researchers to lose their openness to alternative approaches that might complement their own work. Due to a scarcity in personal and financial resources, researchers have to work together and to be open to their colleagues' work, so that a variety of research projects into the same phenomenon can be discussed and any partial picture be complemented.

In summary, new ways of thinking have to be discovered and explored, both by academics and management practitioners, to enhance our understanding of organisational life and to help more companies deal successfully with the constantly changing requirements of today's global and post-modern world. Moral values like openness, respect, honesty and trust seem to be of utmost importance in making personal experiences meaningful. Particularly in times of uncertainty, insecurity and instability, moral values appear to support people in their sense-making and the value of open dialogue and discussion should not be underestimated here.

4. Learning by Story-Telling?

This research project took a narrative approach to researching organisational change and learning, which is not part of the current mainstream discourse. Hence, such a method is typically met with criticism and sometimes even with resistance (Allan *et*

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[1] The term 'box thinking' used here was triggered in a guest lecture on research paradigms with reference to Burrell and Morgan (1979).

al. 2002). While the value of organisational learning is widely acknowledged by management theorists and practitioners (e.g. Senge 1990a; March 1991: Garvin 1993: Argyris 1999), the question sometimes arises whether organisations as such can learn (Czarniawska 2000). If organisations are seen as impersonal structures symbolised by organisational charts, then this question is more than justified. However, organisations should be seen as dynamic structures made up of people (Schneider *et al.* 1996) that can and will learn, although the learning outcomes may not always be intended (see Chapters 6 and 7).

Put differently, there are still questions to be answered about which actions or forms of behaviour are seen as learning and how learning is manifested in organisations and at the workplace. In contrast to the narrow and simplistic models of learning focused on skills and competency development (Antonacopoulou 1999a), which is often equated with training (Antonacopoulou 1999b), this project adopts a much more comprehensive form of learning, which regards learning as sense-making – an active and continuous, social and situated narrative process that builds our identity, roles and relationship in and with our environment (see Chapter 2). Learning in that sense connects ourselves with our surroundings and enables us to cope with all the events and changes around us.

Change and learning at the workplace, which are sometimes seen as 'continuous and endemic to our society' (Argyris and Schön 1978:9), can only be achieved through the members of the organisation and their willingness to develop in the same direction. Story-telling is sometimes regarded as central to learning, which is best seen as sense-making and as turning facts into stories (Gabriel *et al.* 2000). These processes are complex and often unacknowledged and should therefore be studied at different levels – individual, group and organisational (Cross and Israelit 2000b). The analysis of stories and narratives may be an appropriate and valuable tool to do so.

Biographical research methods have gained in importance in the social sciences, but their value seems to remain underestimated in organisational research – despite some groundbreaking work (e.g. Boje 1991; 1995; Fineman and Gabriel 1996; Czarniawska 1997;1998; Gabriel 2000; 2002). The idea of story-telling does not

appear to be appealing to management practitioners and resistance against this apparently unscientific method is not uncommon (Allan *et al.* 2002).

Such concerns can be met by the following arguments. Critics of narrative approaches to organisational research should be aware the reality is socially constructed (Berger and Luckmann 1966). Therefore, social researchers using biographical methods do not search for meaning outside our constructed realities (which is sometimes regarded as factual truth). Story-telling is about meaning and not about factual truth (e.g. Gabriel 2000). In this context, truth can be more fruitfully viewed as an individual, multi-faceted, contextual and situational construct that is built by telling stories. While this understanding of reality is often similar among members of a certain group, it often does not, which usually leads to conflict. Since conflict is part of human nature that cannot be avoided, dealing with contradicting stories that reflect differences in our understanding of our constructed realities offers a valuable learning opportunity (see Chapter 7).

Another concern about the validity of biographical research concerns the subjective nature of the interpretations of our world. Stories do not speak for themselves and therefore have to be interpreted against the specific context in which they are told (e.g. Lave and Wenger 1991; Becker 1997). Stories are not only interpreted by the story-teller in the process of story-telling, but also by the researcher when listening and all readers of research reports and publications. This multitude of interpretations may raise questions of validity on the one hand, but it allows us to appreciate the complexities of the real life on the other. Stories offer an interesting and sometimes challenging way of researching the ways people make their experiences meaningful (Fineman and Gabriel 1996).

These concerns are all legitimate and have to be addressed in any biographical research project, but they should not deter social researchers from conducting them. While the subjective nature of such an approach to learning is often seen as a weakness, I consider it as a strength in that it offers fascinating insights into our daily sense-making processes – insights into what and how we learn and from whom and how this affects us as persons (see Part II – Chapters 4-7 – of this thesis). This method also adds to our understanding of how people code and express meanings

and feelings, for instance through the use of metaphors (Fineman and Gabriel 1996). It allows us to explore the richness of life – inside and outside organisations – and help us gain insights into how experience affects our identity and self-understanding.

5. Outline of the Thesis & Key Conclusions

5.1. General Considerations

This research project is innovative in that it did not look at organisational stories in isolation but linked them to their specific context, since as Dawson (2003:3) highlights, 'change does not occur in a hermetically sealed bubble'. This means that change and the stories that capture moments of change can only be interpreted meaningfully against the background of their unique and specific context. Close relationships between narrative, change and learning were established and the contextual nature of organisational change and learning was highlighted. For instance, the meaning of globalisation differs in and within different contexts, as can be expected (see Chapter 4). This study added to our understanding the complex and narrative nature of learning and that learning is inevitably bound up with moments of change (see Chapter 2). It established the reflexive links between learning and our identity and self-understanding (see Chapter 6).

This thesis consists of three parts: Part I – Setting the Scene – aims to introduce the reader to the project (Chapter 1) and, in particular, to the theoretical (Chapter 2) and methodological (Chapter 3) backbones of this study. Part II – Stories in Action – deals with issues like the meaning of globalisation (Chapter 4), organisational change (Chapter 5), accounts of individual experiences (Chapter 6) and of conflicting narratives (Chapter 7). Part III – Achieving Coherence– consists of the conclusion (Chapter 8) and seeks to place the conclusions into the wider framework and rounding up the work.

Throughout this thesis, I used diagrams of the relationships between key elements of a story. While models are often criticised because of their limited capability to depict reality (e.g. Westerlund and Sjöstrand 1979), they can also serve an important role in

generating theory from empirical research (Hatch 1993). In research, however, diagrams provide a powerful tool to aid thinking and reduce complexity.

5.2. Part I – Setting the Scene

In more detail, Chapter 2 provides an overview of literature in the fields of narrative, change and learning and explores the links between these key features of this study. These links are established through original contributions; for instance, a new theory distinguishing narratives and stories is proposed. Learning as seen in this research is defined. This chapter also puts forward a matrix classification of organisational stories, which underlies the theoretical work of this thesis. Chapter 2 concludes that organisational stories and narratives, which reflect making sense of change (i.e. learning) at different levels, are a valuable tool for researchers interested in the complex, subtle and often ambiguous nature of organisational life.

Chapter 3 explains the methodology of this research project and justifies the methods used. It gives an outline of the study and explains how the study was conducted and provides interview statistics. This chapter also explores the relationship between researcher and research and critically evaluates the project against the wider philosophical and sociological background. It concludes that the research methodology, which has to be appropriate to the nature of the study, must be a main concern to social researchers.

5.3. Part II – Stories In Action

The study of organisational change and learning is very complex and touches on a number of interrelated issues. To give this project a framework, I decided to consider organisational change, learning and story-telling at three different levels: the macro, the meso and micro, which are dealt with in Part II of this thesis (see Chapters 4, 5 and 6). However, due to the all-encompassing nature of stories, it is impossible to separate these three interconnected levels completely (Pettigrew 1990); as Fineman and Gabriel (1996:3) point out: 'it is a characteristic of stories that their themes, details, emotional content and moral messages are not neatly compartmentalized or continuous.'

As in a good ethnographic report (Van Maanen 1988), I tried to let the people talk as much as possible in their own voices. Due to the fragmented nature of the stories and narratives encountered, I chose to reconstruct the dominant, agreed and shared stories in the respective organisations as reported in Chapters 4, 5 and 6 from multiple voices. This way of story-telling may be less truthful than treating each partial account in its own right, but it was the only possibility to use people's voices in telling their stories. The different accounts are separated by three asterisks to make clear that different parts of the bigger story belong to different people (see also Chapters 3 and 4). The stories reported upon in Chapters 4 – 7 have been selected carefully. They had to say something in an illustrative and engaging manner (see also Fineman and Gabriel 1996), but provided only a snapshot of the situation at a specific point in time due to the changing nature of stories (Sims 1999).

In this part of the thesis, the case-study accounts are presented in accordance with the order in which the data were collected there. ThyssenKrupp Automotive Tallent Chassis was the first case study and the fieldwork took place in spring of 2002. The second case study was Iscor Vanderbijlpark Steel with the primary research conducted in the autumn of 2002. JSC Severstal was the third case study, which took place in the spring of 2003 (for more details, please refer to Chapter 3).

More specifically, Chapter 4 focuses on the way in which people make the phenomenon of globalisation meaningful and comprehensible. It gives background information on the country settings in which the case-study organisations operate and against which the stories collected there have to be interpreted. The main part of this chapter is dedicated to the stories and narratives that explain the macro-changes taking place at ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal against the background of globalisation. Towards the end of this chapter, these issues are linked to learning in the organisation. This chapter concludes that big structural changes like globalisation are made meaningful to everybody in the organisation and that the meanings of such turning points in history differ in and within different settings.

The focus of Chapter 5 is set on organisational responses to macro-environmental change and highlights the different strategies the three case-study companies adopted.

The responses with which ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal reacted to these macro-changes are highly specific to the respective setting and can be seen as forms of learning. The chapter links strategic change to organisational culture and leadership and explores these close relationships in the management of change. It concludes that knowing a culture means to understand the conversations among the key people. This suggests that researchers have to get inside the mental world of the culture, which is best done through biographical research.

Chapter 6 reports upon learning and sense-making at an individual level on the basis of individual interviewees' accounts of their experiences with change both at macro and meso levels. It seems the learning and sense-making affects people's identities and outlook for the future reflexively (Alheit and Dausien 1999). While learning is often associated with personal growth and development, one story by a white member of staff from the South African case study highlights that learning (i.e. sense-making) at the micro-level may result in a shattered self-image. This chapter concludes that our identities are to a large extent shaped through changes both in the macro-environment and at the workplace, which are made meaningful through story-telling.

Chapter 7 is devoted to the shadow side of the organisation by focusing on covert, contested, residual and emerging stories in the three case-study organisations. It explores a selection of patterns of stories and contradictions together with possible reactions on conflicting and contradicting stories. This chapter concludes that narratives provide a powerful way not only to research conflict and power relationships at the workplace, but also to negotiate a shared understanding of change and learning in organisations. This is not a mere consensual model, but it acknowledges differences of interest and perception, which are a normal part of organisational life.

5.4. Part III – Achieving Coherence

Chapter 8 summarises the key themes of this thesis and relates them to the wider background of the study. It reflects upon the contributions of this particular project to

the wider academic literature in the field of organisational change and learning as well as narrative analysis. This chapter also looks into the future by suggesting five key areas where further research is necessary and how narrative methods might be used fruitfully in management consulting. It concludes that learning at the workplace has to be defined more widely to take into account the complex global dimension that is prevalent in today's post-modern world.

6. Summary & Conclusions

The current global and post-modern world requires new ways of thinking and working. Traditional models of change and learning do not match the increasingly complex requirements of this environment. Learning is best seen as a narrative process of sense-making at different levels. This research project sought to 'go "beyond the limits" of what is known' (Usher *et al.* 1997:212) by approaching organisational change and learning in a new and innovative way.

This introductory chapter aimed to introduce the reader to the study and to the underlying assumptions that informed this project. The empirical research, on which this thesis is based, linked organisational stories to their context, which is seen as a multi-layered and multi-dimensional construct (see Chapter 2). It sought to address not only the dominant, agreed and widely shared stories prevalent in the three case-study organisations (see Chapters 4, 5 and 6), but also the ambiguities, complexities and conflicts of interest and perception (see Chapter 7), that are a normal feature of organisational life.

Chapter 2: Narrative, Change & Making Sense

*We can learn from stories by reflecting, sharing, and
using them in organisations as resources and learning
experiences. Stories help people become more equipped
to face the challenges before them.*
Roger Lewin & Birute Regine (1999): 'The Soul at Work',
p. 264

1. Introduction

Narrative analysis has a long tradition in social research, mainly in anthropology, life
history and psychology. In recent years, narrative approaches have been gaining
increasing popularity in organisational research (Czarniawska 1998; Boje 2002), but
the method still appears to be a stepchild in this field. Mainstream business and
management literature continues to emphasise the logical and controllable nature of
business life (which I refer to as 'bullet-point culture', see Chapter 1), so that story-
telling is not an issue managers in general would like to think of. According to Allan
et al. (2002), the resistance to story-telling has a number of reasons, including time
pressures as well as the idealisation of objectivity and quantification in the
mainstream discourse. Another reason might be that the term 'story' reminds many
of their childhood and evokes the idea of fairy tales, which, in turn, would violate
their self-image of a competent adult and – in the case of managers – a
businessperson. Against the background of these reasons, most of my interview
partners were at first sceptical of the use of a narrative method in this study, but one
manager-engineer told me during the presentation meeting at the end of the primary
research period: 'At first I thought this approach was absolutely unscientific. But
when I thought about it, I found that this is the only way to research change and
learning in organisations.' Even a staunch engineer, it seems, discovered the value of
story-telling in organisational research!

So why is narrative analysis so fruitful an approach? I would like to let McAdams
(1993:27) answer this question: 'Human beings are storytellers by nature. ... The
story is a natural package for organizing many different kinds of information.
Storytelling appears to be a fundamental way of expressing ourselves and our world

to others'. He adds: 'Stories are less about facts and more about meanings' (p. 28) and Polkinghorne (1988) even talks about the activity of 'narrative meaning'. Gabriel (2000:4-5) raises a similar point by arguing that 'the truth of a story lies not in the facts, but in the meaning.' This is of particular importance since people have a universal need for meaning (Berger and Luckmann 1966) and the lack of meaning can lead to frustration and even depression (e.g. Höhler 2002). Establishing or discovering meaning is a mainly unconscious process and, as a result, story-telling in daily communication and sense-making is widely banned from our consciousness. In other words, the way in which we seek a coherent framework for our experiences and make them meaningful remains excluded from our (conscious) thinking. However, the stories that capture our coping with change and that help us to adapt to changing circumstances (i.e. to learn) can give a rich picture of the complexities and ambiguities of our daily routines at the workplace, as Part II of this thesis will show.

There are numerous functions of stories and narratives in our daily sense-making processes and in this chapter I will focus on those related to my project, which include the case for story-telling; the distinction between narratives and stories; the importance of context in the interpretation of organisational narratives; the links between change, learning and narratives; and the essence of organisational learning. The relationship between these issues will be highlighted on the basis of academic literature and of the stories collected at ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal. In other words, this chapter aims to explore the narrative nature of organisational life and the links between stories/narratives, change and learning. It concludes that narrative analysis is a powerful tool to examine change and learning and to enrich the mainstream management discourse with a deeper understanding of organisational change and learning.

2. The Case for Story-Telling

2.1. General Considerations

'... narrative is present in every age, in every place, in every society' (Barthes 1977:79). This quote suggests that story-telling is part of our daily lives – both at home and at the workplace, no matter whether we are conscious of it – for a good number of reasons. The psychologist Jerome Bruner (1986), for instance, distinguishes between the paradigmatic and narrative mode of thought. Narrative, as opposed to hard facts, establishes verisimilitude and emphasises likely connections between two events full of emotion. A sequential order, a means for emphasising human intention and action and something that approximates a narrator's perspective (Bruner 1990) is also required. It seems, however, that we mainly communicate in the narrative mode (Riessman 1993) because story-telling is user-friendly for the human brain (Allan *et al.* 2002) and a way of constructing shared meanings (Boyce 1995), which acts as a glue to hold groups of people together (Bohm 1996). To follow on from these considerations, it can be argued that identities, work organisations and society are social constructs that are held together and changed by stories.

Narratives represent an individual's identity through the speech-act itself, the actions taken and the person's involvement with the world (Funkenstein 1993). In addition, stories tell people something about themselves, reflect their experiences (Becker 1997), which is part of people's selves, and help them to make sense of the events around them (Denzin 1989). Stories are not told, but lived in the first instance and, hence, people strive to make the story become true (Kundera 1988). A strong story is like a vision and has the ability to bring about enthusiasm for the future and the importance of the individual's contributions (Shaw 2000). West (2001:29) argues that stories 'are no isolated, individual affairs but reflect and constitute the dialectics of power relations and competing truths within the wider society.' In other words, narratives contain numerous facets of our complex lives and are therefore a valuable research tool by allowing us to understand and track changes in coherence over time (Becker 1997). The analysis of narratives can either reconstruct biographical meaning on the basis of experienced life history, or reconstruct present meanings and temporal order (Rosenthal 1993). By putting the stories in a context, narrative

analysis leads to what Geertz (1973) labels 'thick description'. I understand this term as the incorporation of the largest possible number of facets of social life into research and the linking of research to a specific context. Indeed, the question arises if stories can be interpreted meaningfully out of their original context.

One major reason for the popularity of narrative in everyday life is that people construct meaning by telling stories. Thus, narrative enables us to make sense of what is going on around us and to construct social reality (Berger and Luckmann 1966). Story-telling helps to make the tacit explicit and to put thoughts, feelings and personal views into a real context. If we are talking about a problem or writing our thoughts down, a solution often seems to appear automatically and links to other areas can be established; Bohm (1996:6) therefore calls dialogue a 'stream of meaning'. Since the situation has changed by letting the thoughts out of one's mind, this is a reflexive process (e.g. Giddens 1990; Soros 1998); to put differently, as soon as we have made sense of the changes around us, the world has changed as a result and, accordingly, the process of sense-making starts anew. (Eco 1990:27 speaks in this context of a 'continuous shifting from meaning to meaning'.) Story-telling is not only a reflexive, but also a retrospective process: 'remembering and looking back are a primary source of meaning' (Weick 2001:11). In this context, 'experience is reshaped in the narrative process, and narratives are subject to change with subsequent experiences' (Becker 1997:25) and as a result a story told a second time is a different story because its meanings have changed.

2.2. Story-Telling in Organisations

The notion of story-telling in an organisational context is unfamiliar to most of us, since mainstream management literature puts a strong emphasis on logical thinking, measurement and control (see Chapter 1). This tradition, which is too simple to grasp and explain the complexities of modern organisational life against the background of globalisation, started off in the late 19th century with Taylor's *scientific management* (1947) and continues to determine the dominant management discourse until today. Thus, as Kofman and Senge (1993) point out, a basic shift in how we think and interact is required in our increasingly complex world to reflect the changes of the last decade. This means that we have to look at organisations as a whole and not

fragment them to cure their problems; the analysis of organisational stories assists this process. According to Taylor *et al.* (2002) organisational stories tell the researcher about the company's strategy, power relationships, degree of success, expectations and the quality of fantasy, which allows us deep insights into the culture of firms. Hence, stories and narratives are the basis for both organisational realities (Ng and de Cock 2002) and organisational culture (Gabriel 2000) and the culture of a firm may even be defined as the stock of stories (Reissner 2002). Narrative data is well suited for organisational research because it is not only particularly rich and nearly universally available, but allows the researcher to analyse the same kind of data as the members of the organisations use in their daily sense-making processes (Pentland 1999). As a result, narrative studies can bridge the gap between researcher and practitioner (Ng and de Cock 2002) since managers are used to telling stories in their daily routines (Weick 1995). Most managers are not aware that they typically communicate through stories; however, the attentive researcher can draw out these tacit stories and make them explicit. The awareness of the stories told in the organisation enables management practitioners to focus their activities on the needs of their employees and provide, for instance, targeted training measures to help the workforce cope with change (see Chapter 6).

Companies can be seen as complex and fluid structures of narratives (Czarniawska 1997) and the stock of stories in an organisation reflects this plurality (Washbourne and Dicke 2001). It is therefore insufficient to look only at the story; the researcher has to look for the plots, meanings, glosses (Boje 1991;1995), tone and use other means of literary analysis (Bruner 1986). Plots seem to be of particular importance, as Becker (1997) explains, because they add coherence and order. Stories have a fragmentary, intertextual, situated and strategic nature (Pentland 1999) and frequently possess internal contradictions. Additionally, story-telling is not value neutral, but can have different purposes depending on its context and background (Boyce 1996) and do not represent an ultimate truth, but individual truths. As Heugens (2002) points out, stories can be adapted, retold, altered and manipulated to suit the needs of different situations and audiences. Hence, the researcher is not to assume that there is only one coherent story and is therefore advised to take an 'ironic distance' (see writer Thomas Mann's *Tonio Kröger*) to the project. These

complexities and ambiguities of biographical research can enrich our understanding of human nature and relationships (see Chapter 7).

Story-telling at the workplace has a number of functions and include, as summarised by Boyce (1996), the socialisation of new employees (see also Shaw 2000); generating commitment; adaptive processes to the organisational culture; social control; and the generation of meaning. Narratives gives organisational life a framework that explains the past and serves as a basis on which in return the future can be built (e.g. Jordan 1996; Shaw 2000). Patriotta (2000:351) puts this as follows: 'Narratives provide a fundamental medium for capturing the common-sensical, everyday character of organizational knowledge.' In that way, biographical research in organisations can help to make the tacit knowledge explicit and grant deep insights into the culture of the organisation and its members. This understanding of organisational narratives allows both researchers and management practitioners to built new strategies on the basis of this tacit and formerly wasted knowledge.

In addition, stories are a means of organising in themselves (Czarniawska 1997); i.e. they help to put a logical sequence into what is happening. Employees can also keep track of their behaviour through story-telling (Lave and Wenger 1991). Organisational stories and narratives tell us a lot about the identity of the company as a whole and its members (Czarniawska 1997) and may be seen as a carrier of tacit knowledge and as a means of storing knowledge (Patriotta 2003). Furthermore, various functional areas of the organisation can be brought together by one powerful story and can thus help to overcome structural problems (Shaw 2000). In that way, story-telling can allow the negotiation of meaning among certain groups in the organisation (Linde 1993) and create a shared identity.

Narratives can also provide the boundary between the organisation and its environment (Seidman 1994) and narrative analysis may help to overcome these, whether they be cultural, temporal or organisational (Gabriel 2000). For instance, organisational stories can be a powerful tool for a company to differentiate its products and services from its competitors' (Holten Larsen 2000). To put it differently, organisational stories can both unite groups of people and differentiate them from others and it is our task to find out which role they take. In any case, an

understanding of the coded meanings inherent in organisational stories and narratives enables both researchers and managers to communicate the organisation's official stories to attract new employees from outside, for instance, more effectively. In the case of restructuring and acquisition exercises, insights into the cultures (i.e. the stocks of organisational stories) may help to overcome the boundaries between them and to create one strong identity and self-understanding.

3. Stories & Narratives – Towards New Theories

3.1. Classification of Organisational Stories

Due to the infinite number of organisational stories and their wide range of different functions, it may be helpful to classify them and in that way provide a framework for narrative analysis. This allows the researcher to reflect upon the stories and narratives collected in a more detached way and to gain insights into their role and purpose. A helpful distinction of stories in this research project was a classification of organisational stories on the basis of their availability to outsiders (overt / covert), of the extent to which they are shared among both management and the workforce (agreed / contested) (Reissner 2002) as well as on the basis of their importance – dominant, emergent or residual stories (based on Williams 1985). This classification matrix is graphically depicted in *Figure 2.1*:

Figure 2.1: The Organisational Story Matrix

	Overt & Agreed	Covert & Agreed	Overt & Contested	Covert & Contested
Dominant	Autobiography	Business Secrets	Legitimate Disagreement	Subversive
Emergent	New Identity	Self-Criticism	Campaigning	Rebellious
Residual	Legends	Confidential Record	Old Dispute	Golden Age

Overt stories are communicated openly to outsiders whereas covert stories are typically circulated only within the organisation. Agreed stories are shared among the vast majority of members of the organisation – both among management and workforce – while contested ones typically circulate among smaller groups, contradict the official stories and often hint at conflict. Dominant stories convey the mainstream opinion (or story) in the organisation, while emergent stories testify to change, and residual stories hint at issues of the past that will continue to lose in importance and disappear over time (see also Ochberg 1994). In this respect, power seems to have a vital role (Boje *et al.* 1999) in determining if a story has the potential to become dominant or if it can only move from emergent to residual, since stories are never static (Sims 1999). In other words, the power of the story-teller to create a *springboard story* (Denning 2001), which is a story that can spark people's imagination, is likely to play a determining role here. As Weick (2001:26-27) puts it: 'The content of sensemaking consists of justifications that are plausible to, advocated by, sanctioned within, and salient for important reference groups with which the actors identify'. Hence, researchers have to take into account the power relationships in writing the script for the story (Van Riel 2000), which gives an insight in organisational structure and culture.

In more detail, overt, agreed and dominant stories that are widely shared among all groups of the organisation and communicated openly to the wider public convey the official image of the members of the organisation through brochures, company profiles, job adverts and annual reports to name but a few. In that way, such stories express the identity and self-understanding of the organisation. These stories are also used to integrate new employees by telling them how the organisation ticks; in other words, they tell the story of 'how it is done here'. Overt, agreed and emergent stories are a testimony of change at different levels or in different parts of the organisation and are a means of recreating a new self-understanding and of reinventing the organisation. Such stories would serve as a basis for turnaround in an organisation, for the discovery of new possibilities in times of change and for the creation of a new identity. Leadership and communication play a key role in this process of dealing with change (see also Chapter 5). In contrast to that, overt, agreed and residual stories tell us something positive about the past that will disappear over time. Such stories may refer to an important incident in the company's history that is losing in

importance due to change and new requirements; to put it differently, they have been replaced by new stories that are dominant. Stories from this quadrant usually take the genre of a moral tale.

Covert, agreed and dominant stories are stories about trade and other secrets, the content and importance of which is widely shared within the organisation, but by definition not communicated to outsiders. They may contain new strategies and initiatives with which the company attempts to outperform its competitors. Covert, agreed and emergent stories typically reflect a self-critical gloss on the dominant story and may direct attention to possible improvements in the organisation. They are important in the modern business environment in that they tend to open new horizons and explore new possibilities of conducting business in the future. Covert, agreed and residual stories contain sensitive information from the past, which is still not communicated to the wider public, but which is losing in importance. These stories can be seen as insider stories and are by definition difficult to research by the open approach taken in this study (see Chapter 3). This implies, however, that covert research is necessary in the future to capture such stories, which are a major part of organisational stories and thus the company's culture (see Chapter 8).

Overt, contested and dominant stories are typically told by trade unions in times of conflict, when the majority of members back them; for example, on the basis of these stories, the unions and their members fight for better working conditions. Stories of this type typically contradict the official stories, but are used to put pressure on management or the organisation as a whole. Thus, they have the potential to damage the overt, agreed and dominant stories. It has to be taken into consideration, however, that these stories may be influenced by other sources of oppositional thinking like political parties. Overt, contested and emergent stories may be sparked off by whistle blowing, and power-relationships usually determine if they become residual and disappear or if they can become dominant and cause major damage to the organisation. Overt, contested and residual stories often contain the organisation's past sins that are used to damage its reputation and public image or that of key personnel in that way. These stories usually take the form of a satire or malicious tale. While such stories are often regarded as negative, conflict does not necessarily have to be something negative. Conflict allows us to broaden our understanding of the

complexities of organisational life and such stories may therefore have the potential to negotiate new meanings and discover new and alternative approaches out of conflict (see also Chapter 7).

Covert, contested and dominant stories can be seen as time-bombs that are waiting to explode and, due to their dominant nature, may have the potential to overthrow management. Covert, contested and emergent stories are of rebellious character and may become dominant over time. Such stories are about increasing dissatisfaction with a certain area of organisational life and may trigger further waves of negative and destructive organisational stories. Covert, contested and residual stories convey a picture of the good old days of the past, i.e. that they have a golden age trope. This means that certain groups of employees (typically those with long-standing service) think back with a certain melancholy about the past. Such stories often paint a distorted picture of the past by focusing too much on the sunny side of things. Stories of this category are often of fantastical or nostalgic nature and can be linked to low morale at the workplace. They tend to be dangerous to management because they are only circulated among some groups of employees and therefore they are not known to management. This means that management cannot respond to them and that conflict cannot be constructively resolved.

In summary, such a classification of organisational stories allows researchers to gain deeper insights into organisational change, the identity and self-understanding of an organisation and its members. It also enables researchers to judge the potential and level of conflict through the analysis of the genre the typical organisational story has. In other words, the in-depth analysis of organisational stories is a powerful way to gain insight into the culture and identity of the firm and it may serve as an audit tool to detect and resolve conflicts. On the basis of this understanding, new meanings and ways out of conflict can be discovered, explored and negotiated – or alternatively power can be reasserted through the complex processes of communication in organisations. The first approach is not a mere consensual model, but acknowledges conflicts of interest and interpretation that are one important feature of organisational reality. Through story-telling, however, these can be acknowledged, articulated, challenged and in the course of doing so new ways of thinking can emerge. The latter way of dealing with conflict, involves listening to contested and emerging stories in

particular, which are likely to be covert, and also to look for non-verbal forms of communication, which include symbols, myths and behaviour.

Before I go on to the next section, a footnote is needed here on possible reactions to conflicting stories. Conflict is an inherent feature of human relationships and, consequently, we encounter contradicting stories all the time. There are several possible reactions to such a situation, which include disbelief, neutralisation, denial, cognitive dissonance (see Festinger 1957), lethargy or open conflict (see Chapter 7). It seems that personal relationships, trust, power and other situational factors decide in what way people react to conflicting accounts. The question arises, however, if patterns can be detected and if so, under which circumstances and how.

3.2. Narratives & Stories – A Distinction

The terms 'story' and 'narrative' are most often used interchangeably (e.g. Polkinghorne 1988) and in simple terms have the same meaning; according to The New Oxford Dictionary of English a narrative is 'a spoken or written account of connected events; a story' (Pearsall 2001:1231). However, some authors (e.g. Genette 1980; Gabriel 2000) contend that these terms indeed have different meanings and that therefore a distinction between them has to be made. So for example, stories are often said to have a clear beginning and end (e.g. Czarniawska 1997), while narratives are seen as having a focus on connecting events in a temporal and causal manner (e.g. Onega and Garcia Landa 1996; Mushin 2001). This distinction bore only little relevance to the stories I encountered and collected in the three case-study organisations, which were partial, fragmented and typically not finished, but retold and altered constantly to give them new meanings in new situations. Hence, it was difficult and at times impossible to judge whether an account would fit in one or the other category. This fragmentation and partiality I came across may have many explanations, but the most plausible ones are that we cannot expect people to tell everything there is to tell and that if the story is well known to the actors, many elements are taken for granted, so that it tends not to be told over and over again in full (Becker 1997). I had to find a way to deal with these complexities and ambiguities posed by the multiple versions of stories (Denzin 1989) and found that

there seemed indeed to be two broad kinds of stories/narratives in my research material.

This data suggested the following distinction between stories and narratives. For the purpose of this thesis, the term 'story' refers to reflexive and often highly fragmented accounts of a contextual and continuous sense-making process, in which people reframe their experiences and make these meaningful. In the course of action people create and develop their self and their relationships with their environment. In other words, stories are the building blocks of both individual and organisational identity and form beliefs of what is true and real. In practical terms, this means that stories are the infinite number of personal accounts to explain important events. These accounts are usually collected and shared in times of fundamental change when previous frames of meaning have lost both meaning and relevance. Through story-telling, which is an interpersonal process that is taking place through conversations, people can create and manage meaning (see Pettigrew 1979) at a personal and organisational level.

It is important to bear in mind that, due to their fragmented nature, stories usually do not provide the listener with all the details. Although it might be possible to learn about all the incidents that informed the story and all its facets, in practical terms researchers do not have enough time to extract all those details. This means that researchers have to deal with fragments of stories, which may be reconstructed using several voices. The more fragmented a story is, the more voices are needed to reconstruct it and make it meaningful to the audience. This way of reconstructing stories, which has been employed in this thesis, may be less truthful than reporting the individual fragments, but gives an impression of how a more complete version of the story may look like. Additionally, the more fragmented a story is, the more background information and interpretation is needed to make it meaningful to outsiders.

On the other hand, the term 'narrative' as used in this study refers to the larger frameworks of meaning, which combine an infinite number of stories with the same message. For instance, in the struggle of many small and medium-sized enterprises (SMEs) against their multinational competitors the narrative frame of meaning

typically has the plot of the famous bible story 'David versus Goliath'[1] (see also Hunger 2002). The central message of this narrative is that, if they face the challenge, SMEs can defeat their multinational competitors in winning an order, for example, like David defeated Goliath. The central message of this narrative is relevant to a wide range of situations and contexts and, consequently, an infinite number of stories told in organisations around the world can be brought together under this larger frame of meaning.

The ability to create new stories depends on the availability of new narrative resources. The term 'narrative resources' refers to new vocabulary and theoretical concepts, which, bound up in stories, can inform the larger frameworks of meanings (i.e. narratives) and help people to make sense of new circumstances. Generally speaking, there is only a limited number of narrative resources available in one specific context, which, in turn, can only create a certain amount of narrative frames of meaning. (However, this limited number of frames of meanings serves as a basis for an infinite number of stories). In times of change these narrative frameworks of meaning often lose their capacity to explain the circumstances with which people may be confronted. The frames of meanings of a different context may provide the linguistic means to create stories and thus attach meaning to the event. Generally speaking, there seems to be a decline of the grand narratives in today's post-modern world, which makes it more difficult for people to come to terms with change. As a result, people have to discover, explore and often negotiate new meanings to make sense of their environment, since we cannot live in a meaningless world for a longer period of time. In a way, the concept of meaninglessness is meaningless; people always seek to impose meaningful order on their experience.

4. The Importance of Context

Narratives are shaped by the context, in which they are created, told and retold (see Barthes 1977), and by the narrative resources available in that context. Since the term *context* can be used differently, I will address what is meant by context in this thesis

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[1] See 1 Samuel 17:1-58.

– a multi-layered and multi-dimensional construct (see *Figure 2.2*). In this research project, which was set in the context of work (as opposed to a context of family, school or leisure, for example), the three major contexts of work, industry and company were distinguished as layers and the dimensions refer to the historical, political, economic, societal and cultural features of both country and company settings (Reissner 2004a).

Figure 2.2: Context – Layers and Dimensions

WORK

INDUSTRY

COMPANY

Country: *History, Politics, Economy, Society, Culture*
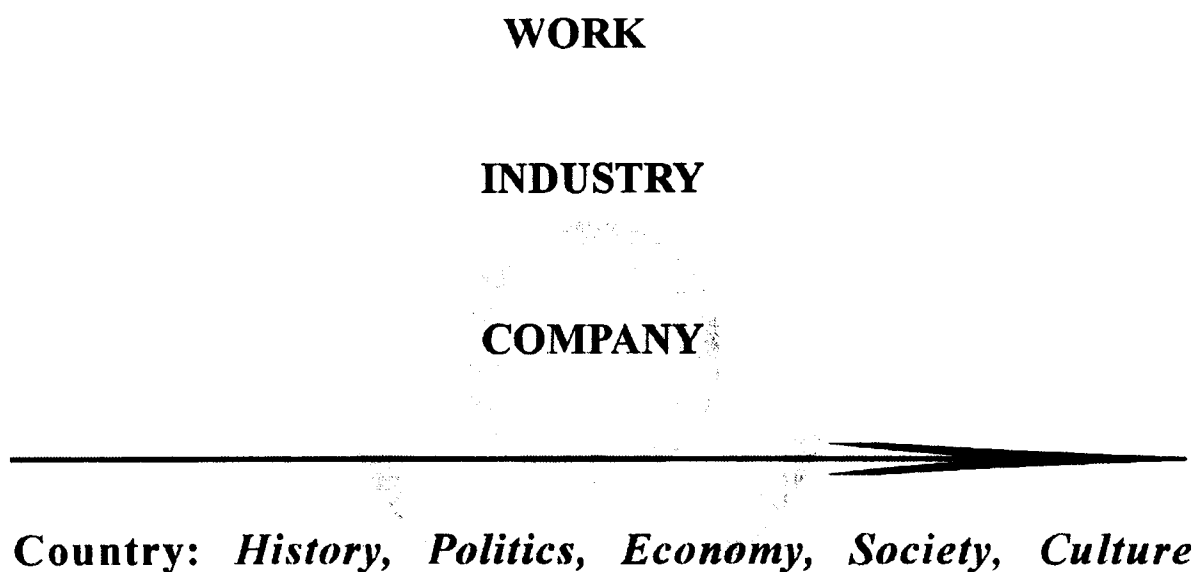
Figure 2.2 depicts graphically the relationships between context and identity, stories and meaning, and that these processes are reflexive (e.g. Giddens 1990; Soros 1998). The element of reflexivity in this model is worth drawing attention to, since sense-making and establishing meaning are narrative processes that are shaped by the context and shape the context in return. This model is to be understood as open with none of its elements being fixed to allow for changes at any point.

The idea of context as a multi-layered construct was informed by the assumption that the meaning of stories can differ in different context. So for instance, the relocation of production from the United Kingdom to a developing country can have different meanings (and is thus bound up in different stories) in the context of the organisation and a manager's family setting. Or employees in manufacturing firms have a

different understanding of change than members of a service organisation (see Marshak 1993). And at an organisational level, organisational change may be seen as negative in one organisation and positive in another depending on how well management supports their employees' sense-making (see also Chapter 5). In short, the different layers of a specific context potentially influence the stories told to make sense of both the environment and any changes in this setting.

The element of dimensions in this model was informed by a similar assumption, namely that the historical, political, economic, societal and cultural features of both country and company settings influence the way in which people make their experiences meaningful. These dimensions determine to a large extent what kinds of narrative resources are available in that context. This means that people can only adapt to and make sense of their unique environment on the basis of the narrative resources available there and how people can frame their experience with, for instance, organisational change.

In more practical terms, this means that the stories collected in the three settings of ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal were not only shaped by the three layers of context, but also by the country-specific dimensions of history, politics, economy, society and culture. The stories told in these three organisations were based on the narrative resources available and mirrored the underlying assumptions (e.g. work ethic, role models and expectations) of life in the respective context. With the opening up of the latter two country settings, new narrative resources were made available that helped people to make sense of the new circumstances and to rewrite their biographies in the course of environmental and organisational change.

5. Narrative, Change & Learning

5.1. Narrative & Change

Change, and an increasing pace of change in particular, is a key feature of the *information age* (Castells 1997) or *knowledge society* (Nonaka 1991) and,

consequently, affects businesses around the world. This means that, in order to stay in business, companies have to deal with the enormous developments in the area of information and communication technology (ICT), the emergence of a new world order and a shift towards knowledge value and innovation in management discourse (Kiernan 1995). Change processes are typically complex and often contradictory and have political, cultural, environmental and structural dimensions to them (Pettigrew 1990). Business and management literature proposes a wide variety of metaphors and theories to organisational change, but due to the complexity of change any one perspective will only offer a partial account of change (Van de Ven and Poole 1995). This may be the reason why people continue to struggle to cope with change (e.g. Wilson 1992) and why a high rate of change programmes all over the world fails (e.g. Beer *et al.* 1993; Kotter 1995). However, the high failure rate of change programmes may also be due to a simplistic understanding of organisational change and to a lack of understanding how people make change meaningful through stories.

Since this study was concerned with meanings and since the term 'change' can take different forms and meanings, I chose a fairly general definition of change, which can be regarded as 'an act or process through which something becomes different' (Pearsall 2001:304). This allowed my interview partners to talk freely about the changes they encountered over the last one or two decades without being pressed into a certain definition of change. This enabled me to gain a deeper understanding of what people mean by change and what forms it can take in their daily lives. Due to this complex nature of change, a classification may enhance our understanding of this phenomenon prevalent in the modern-day business environment. The material collected in this study suggested a model of change with three levels – the macro, meso and micro-level (Reissner 2003b), which is an underlying theme of this thesis and which is reflected in its structure. Macro-level changes include phenomena like globalisation, political, legal, economic and societal changes (see Chapter 4). The meso-level captures changes at organisational level, for instance, strategic change and other responses to macro-environmental changes (see Chapter 5). Micro-level changes refer to changes at individual level, particularly changes in identity and roles (see Chapter 6). At all three levels, change cannot be seen in isolation, but against the dimension of the context of the respective country setting.

Figure 2.3 presents this model of change graphically and the element of time is included here on the basis of its importance in the sense-making process; Shaw (2002:121) explains that as follows: 'the paradoxical nature of narrative is that it makes sense of what we can draw on (the past) in such a way that it shapes our experience of a meaningful present (now) which includes where the story can go from here (the future)' and Pettigrew (1979:570) adds that 'an organizational or any other social system may profitably be explored as a continuing system with a past, a present, and a future'. But time is also important in another way: some incidents that arouse people's temper and resistance can lose their importance over time (see Chapter 6), which means that a once dominant story may become residual over time. However, it has to be stressed that time in this context is not an independent structure, but that it is deeply linked to social relations, experiences and conversations that create and discover new meanings.

Figure 2.3: Levels of Change

MACRO

Political   *Economic*

MESO

MICRO

Time

Organisational

Social
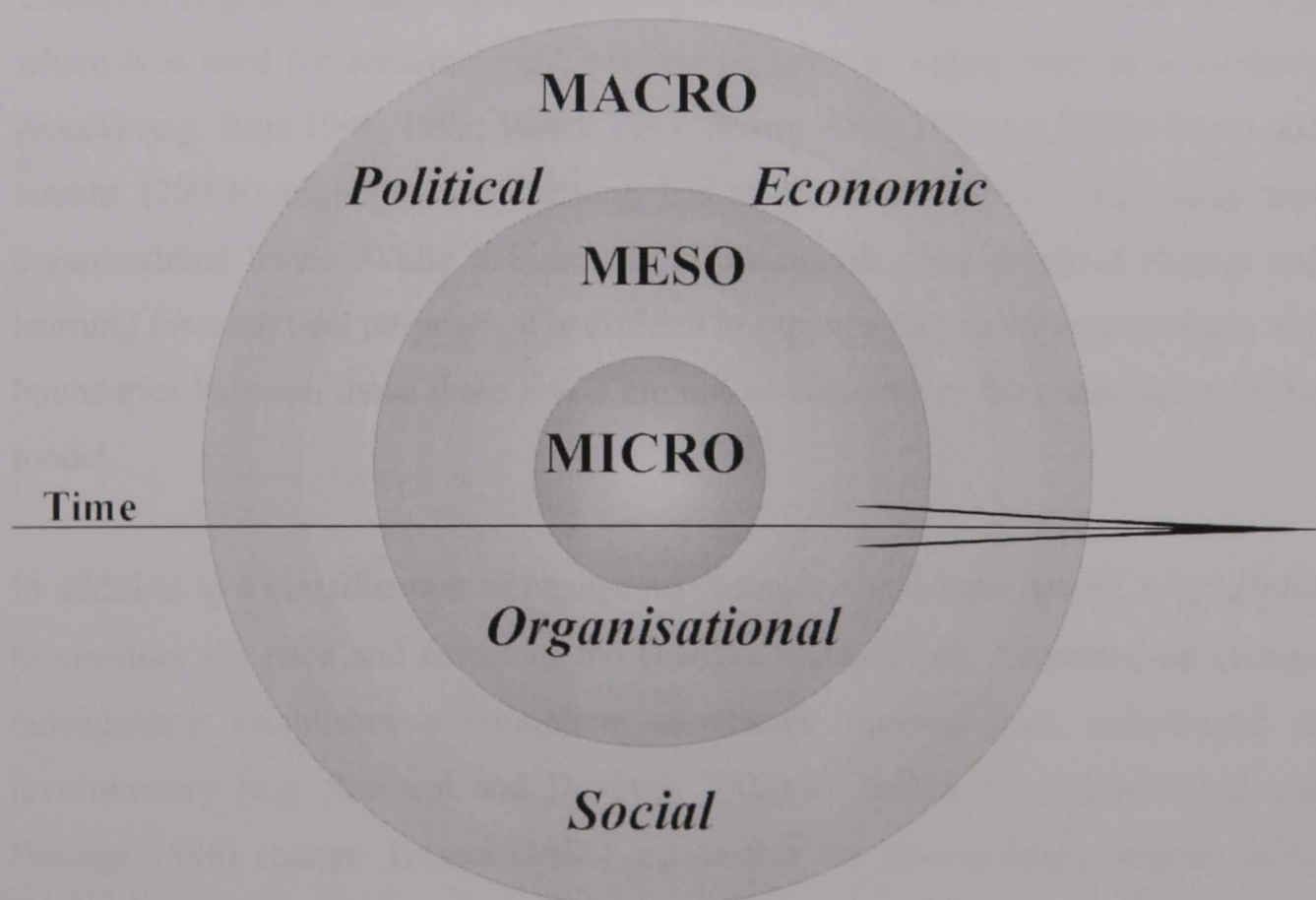
The elements and dimensions pictured in this model can be seen as held together by conversations. As will be shown later in this thesis, macro-changes may have major consequences for both the organisational or meso-level (see Chapter 5) and the

personal or micro-level (see Chapter 6). In other words, an understanding of the macro-level is the basis for an understanding of the way change is experienced at organisational and individual level. The latter link is important since, as Schneider *et al.* (1996:7, italics original) argue 'organizations ... *are* the people in them; if the people do not change, there is no organizational change.' In other words, organisational change is impossible without individual change and this has major implications on our understanding of learning, as will be shown later in this chapter.

In accordance with these three deeply interrelated levels of change, story-telling takes place at each level since narratives are a means to manage change (Morgan 1993). On the one hand, narratives can be changed deliberately by management to direct a change in culture (Jordan 1996) and make the story become true (Kundera 1988). On the other hand, the degree to which changes have been mastered successfully is mirrored in the stories people tell. Gephart (1991:42) argues that 'organisational change is embedded in and constructed through storytelling. ... Change is ongoing because the organisation is uniquely constructed on each occasion where it is used for sensemaking,' whereas he latter is widely seen as a narrative process (e.g. Boje 1991; 1995; Weick 1995; Brown 2000; Heugens 2002). Cross and Israelit (2000b) highlight that learning has to be seen at individual, group and organisational levels. While it is helpful to distinguish three levels of change and learning for analytical purposes, it is difficult to separate them completely; hence, the boundaries between those three levels are not as clear-cut as they may seem in the model.

In addition to a classification of change according to those three levels, it is helpful to consider the pace and extent of the changes taking place. Literature on change management establishes a continuum of change ranging from incremental to revolutionary (e.g. Szamosi and Duxbury 2002) or radical (e.g. Greenwood and Hinings 1996) change. Bruner (1986) argues that the story-creating activity in an organisation differs in accordance with the degree of certainty: people tend to construct stories when their beliefs are violated in order to make sense of the new circumstances. In this context, Schein (1999:166) points out that people experience a 'sense of frustration and puzzlement' when their environment or personal situation changes, which confirms Bruner's argument on the increased need for story-telling in

times of fundamental change. In some instances, like in the South African and Russian case studies, the changes at macro and meso level required the acquisition of new narrative resources to make them meaningful. Under such circumstances, narratives are of particular interest to researchers and management practitioners who are interested in the way people make sense of change and reframe their experiences.

The use of language plays a key role in organisational change stories – in Hofstede's (1980:34) words: 'language is not a neutral vehicle', but a vehicle to convey meaning. This meaning is on the one hand communicated through the words, but also through symbols and metaphors. Hence, metaphors can be used to analyse how meaning is established and managed (Alvesson and Willmott 1996). Certain descriptions and images of change may even inhibit changes at an organisational level (see Marshak 1993). The metaphors used in a specific organisational context typically depend on the industry and widely shared perceptions, which confirms the close link between context and meaning. It is, therefore, not surprising that engineers in a manufacturing are more likely to use technical metaphors than administrative staff in a service firm. The popular machine metaphor in particular leads to a negative image of change (Marshak 1993) and therefore complicates its realisation in organisations; in Weick's (2001:11) words: 'presumptions about patterns that underlie concrete actions constrain interpretation' and, following from that, constrain sense-making and thus learning.

5.2. Narrative & Learning

In the information age characterised by rapid change, learning is of utmost importance, and particularly learning by adults – be it in the form of adult education, continuing professional development (CPD), or work-based learning (Coffield 1998). As Beer *et al.* (1990:159) argue: 'change is about learning'. In addition to that, there is a whole body of knowledge constituting the theories of the *learning organisation* (Senge 1990a) and *knowledge management* (Nonaka 1991), which reflect learning at an organisational level. As Van Witteloostuijn (1998) explains, learning is one of the major causes for cost differences in companies, which implies that learning can indirectly determine the fate of the company.

The question sometimes arises if organisations can learn (e.g. Czarniawska 2000) and the answer to this question depends on one's perceptions of organisations. To me, organisations are made up of people and if the members of the organisation learn and pull in the same direction, then the people throughout the organisation will most certainly learn, too. This implies, however, that there must be a certain atmosphere in the organisation, which is sometimes referred to as *learning culture* (Hemmington 1999), that not only enables but stimulates learning and the sharing of stories. The prerequisite for this is that employees feel safe (Schein 1993) in order to learn and develop, to innovate and be creative. Such a culture is typically based on moral values like respect and trust, which ultimately may determine how successful the organisation can cope with change and thus learn (see also Chapter 5).

The term 'learning' comprises a number of meanings (Illeris 2002). It does not only refer to what has been learned, but also to individual psychological processes and the linkages between the learner and his/her environment. The currently dominant models of learning, however, have a rather restricted view and tend to focus mainly on the transfer of knowledge or skills (formal learning, mentoring) and on the discovery of new skills or knowledge (accidental learning). Without question, these forms of learning are important for the professional development of the individual and the development of the organisation as a whole, but individual psychological processes and the integration of learning into a wider context are neglected in these concepts. The focus on internalisation of knowledge, as often emphasised by mainstream theories, do not see learning in its context (Lave and Wenger 1991). Olesen's (2001:290) words: 'To understand what happens in the workplace you need to look outside' reflect the idea that learning has to be seen contextually. Therefore, current models of learning are not very likely to match the increasingly complex requirements of learning in the current time (Barnett 1999). Indeed, the value of learning in this narrow sense is questionable if a person cannot make sense of how the newly acquired skills or knowledge affects his/her identity and role in the organisation. Particularly in times of rapid and/or fundamental change, people do not only have to acquire new knowledge and skills to stay up to date; more importantly they have to learn something about themselves and their role in the new system (see also Chapter 6). In the course of this type of learning, which is most fruitfully seen as

sense-making, people rewrite their biographies reflexively, which Alheit and Dausien (1999) define as the concept of *biographicity*.

Mainstream models of learning also seem to neglect that, as Wenger (1998:227) puts it, 'learning is ... fundamentally social', which means that learning involves constantly looking for meaning by sharing stories, and thus integrating the whole person into the learning process (Lave and Wenger 1991). As Berger and Luckmann (1966) contend we have a universal need for meaning, and meaning is established through dialogue (e.g. Schein 1993; Lewin and Regine 1999). Collecting and sharing stories helps people to understand the constant changes in the present time and to find their role in the new circumstances. Isaacs (1993:25) highlights that 'human beings operate most often within shared, living fields of assumptions and constructed embodied meaning, and that these fields tend to be unstable, fragmented, and incoherent.' Through sharing stories, differences can be explored and joint meaning can be established; as a result people can learn together in groups and organisations.

The form of learning that is the main focus in this project involves new insights into one's identity – or 'change of persons' (Lave and Wenger 1991:51) – and may be best described as sense-making. It is captured in the infinite number of stories that are told in any organisation every day and bound up with the organisational culture and environmental changes. Based on the above assumptions, learning in this thesis is defined as:

> An active and continuous, social and situated process that
> explains what is going on around us (sense-making), establishes
> our identity, roles and relationship in and with our environment
> and gives us the ability to do things differently.

This definition of learning, which includes all elements of this study, is depicted graphically in *Figure 2.4* and this model consists of change, new stories, new experiences/learning and new knowledge. These elements are reflexive, which is represented by the two-pointed arrows, and they are also located in a specific context, which is depicted as the grey background area. This model is open to allow for change at any stage and in that way to capture the complexities of organisational change and learning, which enable each other.

Figure 2.4: Learning as Sense-Making

New Knowledge

**Experience /
Learning**
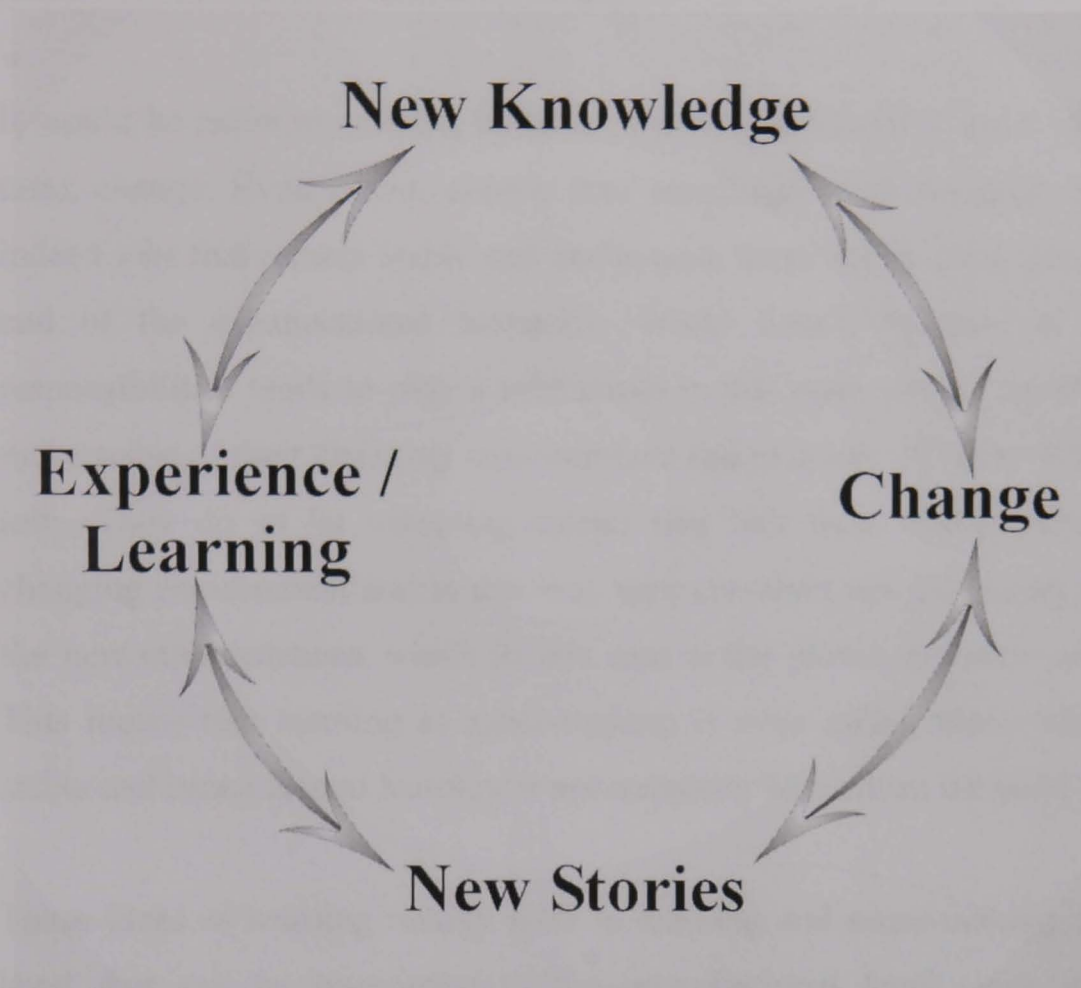
Change

New Stories

This model shows the close and reflexive links between change, experience and learning, new knowledge and new stories against a specific background. In more detail, change results in new experiences, new learning and new knowledge, which are bound up in new stories and key moments of change. New experiences, new learning and new knowledge often lead to new narrative resources that inform the new stories and narrative frames of meaning. Dialogue and personal contacts are key instruments in creating, collecting and sharing stories.

The ability to do things differently, which is a key part of the above situation, has to be tested. In simple terms, this means that somebody has learnt something when he or she does things differently. While this is relatively easy to observe and also to measure in the case of formal learning like learning a foreign language or a computer programme, the more subtle and complex form of learning as sense-making, as defined above, is different. This kind of learning, which affects our identity and self-understanding, is inherent in conversations and, more specifically, in the stories

people tell. In most cases, it is linked to a boost in self-confidence, but in other instances it may be associated with feelings of frustration and hopelessness. These issues will be explored further in Chapter 6.

It would be naïve to assume, however, that employees only learn when their actual tasks change. Even in our chaotic and seemingly ever-changing world, there are indeed jobs that remain stable and unchanged; these are situated mainly at the lower end of the organisational hierarchy. While formal learning to adapt to new responsibilities tends to play a minor role in this case, people nevertheless have to make sense of their changing environments and to create different meanings for their jobs. They do so by inventing stories that link their unchanging jobs with the changing environment and in that way they construct new roles and contributions to the new circumstances, which in this case is the global economy and its demands. This means that learning as sense-making is even taking place when jobs remain stable and hence formal learning is not necessary to perform the tasks.

These ideas of learning mainly refer to learning and sense-making at an individual level, but can be transferred to the organisational level since these levels are interdependent (Cross and Israelit 2000b). Argyis and Schön (1978) highlight that individual learning constitutes organisational learning, but that organisational learning cannot be reduced to individual learning. In simple terms, organisational learning is sense-making at the organisational or meso level and in that way the development, alteration and management of the organisation's stock of stories, biography and identity. The concept of organisational identity, which is created through stories (and thus has narrative character) refers to 'how organizational members perceive and understand "who we are" and/or "what we stand for" as an organization.' (Hatch and Schultz 2000:15). This definition links organisational identity closely to organisational culture, both of which are at the core of the organisation's activities and sense-making processes. This suggests that it may determine the effectiveness of learning at an organisational level, i.e. to enhance learning on the basis of a widely shared culture and identity or to reduce the possibilities for learning in case of a weak culture with a large share of contested stories.

However, organisational learning and story-telling are by definition more complex than individual learning because of the larger number of actors involved. This complexity is mainly due to conflicts of interest and barriers that prevent members of the organisation from sharing new stories and thus new knowledge (Cross and Israelit 2000b). This is where organisational culture, vision and leadership play an important role; these functions in an organisation can negotiate shared meanings and thus unite different groups of employees for a culture, in which open and effective knowledge-sharing is possible. In an ideal case, such a culture may serve as a basis not only for communities of practice but also for communities of discovery[2]. These are, by definition, groups of employees that not only share existing knowledge, but that also discover and explore new ideas and meanings. Communities of discovery take place in think-tanks, research laboratories, committees of enquiry etc. and they are organisations structured to discern something new. Work organisations can be led to function in such a way to retain the largest possible amount of knowledge created and shared in the organisation.

However, it will not be enough to discuss knowledge within the organisation, but it is also necessary to debate knowledge, discovery and exploration with other outsiders, for instance, with the academic community (Barnett 2000 talks of *structural reflexivity* in this context). Some work organisations develop such a way of working (and of discovering new meanings), others do not. The difference then is the quality of different types of organisational leadership, i.e. a meso-level factor, and the link is provided by management, which holds together leadership, communication and learning. This learning is not taken for granted, but arrangements are taken to find the best possible way for each organisation to work with new knowledge and discovery and to test it. In other words, communities of discovery and learning organisations do not lose knowledge, but refine it and incorporate into their daily routines.

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[2] I would like to thank my supervisor Professor Bill Williamson for letting me use this idea.

6. Summary & Conclusions

This chapter provided an introduction to and overview of the current discourse of narrative theory and it developed a case for narrative methods in social science research. Although such biographical approaches are often regarded with scepticism and criticism due to their subjectivity (see Chapter 3), they are a fruitful way to research the fabric of organisational culture. Organisational stories are a key feature of organisational life in that they build the company's culture and determine the identity and ability to learn of the organisation. The central character of organisational stories thus influences the firm's ability to change and learn, which is of prime importance in today's chaotic world of global capitalism. A sound knowledge of organisational narratives allows both researchers and management practitioners to gain deep insights into the organisational culture and the way in which people make their work meaningful. Gabriel (2000:2) summarises these issues as follows:

> ... stories open valuable windows into the emotional, political, and symbolic lives of organizations, offering researchers a powerful instrument for carrying out research. By collecting stories in different organizations, by listening and comparing different accounts, by investigating how narratives are constructed around specific events, by examining which events in an organization's history generate stories and which ones fail to do so, we gain access to deeper organizational realities, closely linked to their members' experiences. In this way, stories enable us to study organizational politics, culture, and change in uniquely illuminating ways, revealing how wider organizational issues are viewed, commented upon, and worked upon by their members.

In addition to the value of narrative research as depicted by above quote, a new classification of organisational stories in the form of a matrix and a new distinction between stories and narratives could be added to the discourse of narrative analysis in organisational research. The organisational story matrix may serve as a basis for an audit tool to understand the way an organisation ticks and to resolve conflicts through the negotiation of new meanings, particularly in times of rapid and fundamental change. Consequently, thorough knowledge of organisational stories and narratives is likely to help leaders and managers in different parts of the organisation to address their employees' needs and to communicate new meanings to them. The new distinction between stories and narratives may be more relevant to

academics interested in narrative theory and to management practitioners, but it may be a helpful tool for new researchers to classify narratives and thus gain a deeper understanding of the narrative structure of an organisation.

This chapter also suggested a range of new theories that link the key themes of this study – namely narratives and organisational change and learning – and to give these a framework. Organisational change and learning cannot be separated from each other and additionally both phenomena depend on each other: there is no learning without change and no change without learning. Both organisational change and learning have narrative character, which means that people use stories to come to terms with change and to learn and develop. However, this learning takes place at different levels, which are deeply interwoven, as the stories in Part II of this thesis will show. While some stories emphasise the macro-level, others focus on the meso- or micro-levels, but they still contain elements of the respective other levels. To put this differently, organisational stories and narratives can be separated neither from the context in which they are told nor from the narrative resources that are available in that particular context.

Finally, organisational stories and narratives are deeply bound up with organisational issues like culture, identity, leadership and power (see Part II). Particularly in our chaotic post-modern world, there is an increased need to map the future and to support people's sense-making. In other words, it is the role of leadership and management to read the future and see new possibilities for the organisation in that setting, but more importantly to lead that shift through the creation of strong and convincing stories – and consequently to lead their organisation successfully into the future.

Chapter 3: Methodological Framework

*Research is always and inevitably a work of fiction,
a representation of experience rather than in some way
constituting the experience itself.*
Linden West (2001): 'Doctors On the Edge', p. 39

1. Introduction

Research has to be put into a framework, the research methodology, to allow researchers and the wider academic community to reflect on the rules of research practice (Habermas 1988) and to guide it in achieving its aims. This enables both academics and practitioners of the respective field of interest to see how the conclusions of a project have been reached and if modifications in terms of methodology can help to increase the understanding of the phenomena under investigation. Furthermore, this reflection on the research framework allows other researchers to undertake similar studies to gain new insights into the phenomena of interest. On the basis of comparable research methodologies, the interpretations and conclusions of a number of different projects can be discussed and generalisations can be developed (Hammersley 1998), which adds new understanding to the academic dialogue in a certain discipline. New experiences, new knowledge and the in-depth discussion of different yet comparable research projects typically raise new questions and provide a basis for further research to advance our understanding of the respective academic discipline and the links to the real world.

As Scott (1990) highlights, all research involves the systematic and disciplined search for knowledge existing outside of the researcher's immediate field of experience. The appropriateness of the methods employed, however, depends on the nature of the project itself. For example, while the natural sciences are typically informed by a positivistic understanding of research, rich and complex social phenomena can best be captured by qualitative and interpretive methods since they are not actually observable, but inferred from structural evidence (Denzin 1994). This means that social phenomena have to be interpreted against the background of the relevant context (Hodder 1994), with the concept of context having different

layers and dimensions (see Chapter 2). In this study, the contexts of the three country and company settings with their multitude of facets, ambiguities and complexities played a crucial role in making the narrative accounts gathered meaningful.

This chapter aims to justify the research methods of this study. It provides a project outline and a rationale for the choice of companies. This chapter also gives a detailed description of the research process from the preparation work (including the negotiation of access to the organisations) to the final analysis of the data gathered. Furthermore, this chapter refers to the wider sociological and philosophical framework, in which this project was located, and also to the ethical concerns, which informed the project. A critical evaluation of the chosen methodology and a discussion of the criteria of trustworthiness together with a discussion of how these limitations can be overcome will also be provided.

2. Project Outline

This research project was located in the social sciences in the interdisciplinary field of studies of organisational change and learning with a focus on business and management. Due to the complex, subtle, unacknowledged and certainly multi-faceted nature of these phenomena, the research took a qualitative (e.g. Dey 1993; Denzin and Lincoln 1994) approach with a narrative focus (e.g. Czarniawska 1998; 2004; Boje 2002) and included three individual case studies (see Robson 1993; Yin 1994) from different geo-political contexts, which were placed in the larger framework of globalisation (see Chapters 1 and 4). These features characterise the project as having an interpretivist epistemology that respects the differences between the social and natural sciences: 'In the social sciences, thinking forms part of the subject matter whereas the natural sciences deal with phenomena that occur independently of what anybody thinks' (Soros 1998:x). Interpretivism, which is informed by methods like interpretive understanding, symbolic interactionism and grounded theory (e.g. Burrell and Morgan 1979; Maykut and Morehouse 1994), comprises the constructivist (Greene 1990) and naturalistic (Lincoln and Guba 1985) paradigms.

The project was comparative across countries, which is a somewhat unique and innovative approach in the field of narrative studies; in any case comparisons allow researchers to become aware of previously taken-for-granted assumptions and to make generalisations (e.g. Stake 1994; Wengraf 2000). The narratives collected in the different country settings had to be interpreted against the background of the respective context to make them meaningful and comprehensible to outsiders (Reissner 2003b). On the one hand, case studies allow for generalisations and deepen our understanding of organisational change and learning, but on the other hand they provide a way to establish the limits of the generalisations we seek to make (Reissner 2004a). Only through the research of a larger number of similar projects and an in-depth discussion of their results can reliable generalisations and theories be developed. However, such a generalisation and theory can be disproved by one single case that does not fit the description (see Popper 1962), which highlights the limitations of our ability to generalise and theorise.

In more detail, this study sought to examine the complex relationship between organisational change and learning bound up in the common moment of globalisation. The challenge is to explore how people in different contexts make sense of their experience of change and to do so through narrative analysis (see also Chapter 1). A special focus was set on the way of how people make sense of change, and it seems that meso-level factors like organisational culture, leadership and communication play a key role in people's sense-making processes (see Chapters 2 and 5).

Another area of interest included the relationship between the three levels of change – the macro, the meso and the micro – as reflected in organisational stories and narratives and the learning that is taking place there (see Chapters 4, 5 and 6). These levels are deeply interwoven and influence each other in a multitude of complex ways. For instance, while macro-environmental events are likely to influence the situation at organisational and also individual levels, changes at the micro-level (i.e. changes in personal identity) may have an impact on organisational and, possibly to a lesser extent, on macro-level events (one example would be the silent revolution in Eastern Europe and also in the Republic of South Africa in the 1990s). It is vital to understand these complex relationships because they seem to determine our dealing with change, which has become a number one priority in today's global business

environment. Since the links between these different levels seem to have been overlooked in the mainstream literature on learning and change management, this new perspective can enhance our understanding of these issues.

After these basic themes and the broad design of the research were established, the next task was to select the companies for case studies and to give the project a framework. On the basis of personal contacts with business organisations in the United Kingdom, the Republic of South Africa and the Russian Federation, the case-study companies could be selected and, consequently, the project was based on the following pillars. Firstly, all three organisations were located in the context of the manufacturing industry (as opposed to the service industry) and they were all founded shortly after the Second World War. This industry sector seemed particularly interesting to me due to links to my own background in the automotive industry (see Foreword).

Secondly, the geo-political settings of the case-study companies could be characterised as first (United Kingdom), third (Republic of South Africa) and second (Russian Federation) world countries (Castells 2000a), which gave the project another frame. Furthermore, all three firms were successful on the basis of the usual financial data of turnover, profit and other improvement and development indicators. This is another commonality and, as a result, the study focused on comparing successful companies (as opposed to comparing successful with unsuccessful firms) and therefore reports upon narratives of success.

Finally, all three organisations were bound up in a common moment of change and time – globalisation – and the changes and forces associated with it. In other words, all three organisations were subject to global competitive pressures and both the South African and Russian companies had to deal with them in addition to their country-specific macro-environmental changes of moving from a closed to an open economy (see Chapter 4). Although globalisation is a contested concept and rooted in a capitalist understanding of economics and business, it is real and meaningful to people in a wide range of geo-political settings, even if these meanings can differ considerably in accordance with the situation in the respective country.

The next step was to contact the top management teams in writing and ask for their permission to do my fieldwork in their firms. I informed them about the purpose of the project and the resources needed from them to be able and conduct the research in the companies. The only resources required from the organisations were support in choosing long-standing employees from all departments and hierarchical levels, the time of the interviewees (typically between 30 and 90 minutes) and an empty room to conduct the interviews. All three firms granted me permission to do research in their organisation and seemed interested in learning more about themselves and the other two companies.

After this stage was completed, I could start with the more detailed planning of the fieldwork. In retrospect I have to say that I should have discussed the expectations the companies had towards me and determined the way in which the reporting of results should take place. This would have defined my role as a researcher more clearly at the beginning of the project and may have resolved some role conflicts I was caught up in during the primary research, analysis and feed-back stages.

This study with its focus on the subjective meaning of social action is clearly a social research project, which has several implications, as Maykut and Morehouse (1994:21) explain:

> The goal of qualitative research is to discover patterns which emerge after close observation, careful documentation, and thoughtful analysis of the research topic. What can be discovered by qualitative research are not sweeping generalizations but contextual findings. This process of discovery is basic to the philosophic underpinning of the qualitative approach.

This implies that there is no such thing as one objective reality outside our constructed understanding; instead I went out to discover the subtle, complex and often hidden learning processes in organisations in order to add to our understanding of them. Based on the academic value of truthfulness, I took a professional and open approach towards my study. In practice, this meant that I informed both companies and interview partners about the purposes of my research and the further data interpretation procedure. Such a joint and respectful approach also involved taking into account the needs of the case-study companies, most importantly with regard to

the availability of interviewees. In practice this meant that the case-study organisations were free to choose potential interview partners (although I stressed that my interviewees should not be forced, but take part in the research voluntarily) and that the time allocated for the interview was sometimes determined by the interview partners' schedules (particularly those from top management and production areas). Such an open approach also involved reflecting constantly on the ethical issues involved during the interview, interpretation and analysis stages, which will be discussed later in this chapter (see page 73).

Another element of such a professional approach involved feeding back the results of my work in several stages, which can be seen as a human inquiry (e.g. Reason and Rowan 1981). First of all, all my interview partners received a copy of the interview transcript, on which they were welcome to comment. In the British case-study company, I was able to give a short presentation followed by a discussion at the end of my fieldwork, which allowed a select team of interviewees to reflect upon and discuss the outcome of the first stages of analysis. Unfortunately, I did not have this opportunity in the South African and Russian companies, but all three firms received a preliminary report of findings to comment upon. Thirdly, the case-study organisations received a modified report after I had received their comments on the preliminary report, which were fed back into the analysis stage (the grounded theory approach, which this method resembles, will be explained on page 66). They will also receive a copy of the thesis after submission with more detailed information on the comparison.

In addition to the discovery of meaning as depicted in the above quote from Maykut and Morehouse (1994), there was a double or even multiple interpretation (Bryman 2001) of the stories collected. They were first of all interpreted by the story-teller in the process of telling them and then by myself as the researcher while listening and later while transcribing and interpreting the interviews. Furthermore, the readers of this thesis will interpret the stories according to their own understanding and world view, which does not necessarily match the original intent. Story-tellers typically adapt their stories to the needs of their audiences, which may lead to minor variations in the retelling of an account (see Sims 1993). This means that all stories are biased in one way or another because they are based on a multitude of human interactions

and interpretations (Denzin 1989). Not only the interviewees, but also I constantly reconstructed the past, which Alheit and Dausien (1999) refer to as *biographicity*, and this issue raises questions about the subjectivity of qualitative and particularly biographical research, which will be discussed later in this chapter (see page 69). Finally, as is common in social research, there was a mutual influence between the researcher and the project, which will be discussed further under the next heading.

3. Researcher & Research

The traditional view of conducting research, which is informed by the natural scientific stance of positivism, contends that scientific research should strive for value-free judgements. Judgements, however, are dependent on personal beliefs and experiences in everyday life and, hence, cannot be strictly separated from the social world (May 1997). Social researchers are engaged in interpreting the research findings (Denzin 1994) and social research is influenced by the researchers' world view and values (May 1997). The notion of reflexivity (e.g. Giddens 1990; Soros 1998) is important in social research in general since scientific practice and societal beliefs affect research practice, which in turn affects scientific practice and social beliefs. This close relationship between research and society implies that research is always informed by both the context and its narrative resources (see Chapter 2), which in turn informs research. This link also suggests that our ability to do research and produce new findings, interpretations, knowledge and understanding depends upon fresh insights, which can, for example, be derived from comparative work.

In my role as a researcher, I could not and cannot be separated from my study, taking a collaborative and reflexive role (Roberts 2002); in Reason's (1988a:15) words 'research is a personal process' and to me this includes a close link between researcher and the research project. The reasons for this close relationship between researcher and research are manifold. First of all, I was interested in the topic of my project, which I chose myself on the basis of my biography, my personal background and experiences. This means that I had a positive attitude towards the study and that I was fully motivated and committed to it, which suggests that I was able to engage

more deeply with the research and interpret my findings more fully than a researcher with only average interest, motivation and commitment.

Secondly, as a researcher I played a key role in the research process through contacting the companies, planning the research, conducting the interviews and, finally, living a minimum of two months in the individual settings, so that the study can be characterised as ethnographic (e.g. Van Maanen 1988; Atkinson and Hammersley 1994). During that time I became part of daily life there and I was talking to a wide range of employees in the case-study companies – both formally and informally – and also to various members of the wider community. Observing people both in the company and the community played another important role in the study, which characterises my role as a participant observer (e.g. Burgess 1982a; Goffman 1989). Being so close a part of the study, I can also be seen as a post-modernist researcher (Hatch 1996) since interpretive and particularly post-modernist research positions the researcher within the research itself.

The choice of field research seemed particularly appropriate for a study in organisational learning because 'field research is a learning situation in which researchers have to understand their own actions and activities as well as those of the people they are studying' (Burgess 1982b:1). To put it differently, there are typically several learning processes going on during the primary research period: a mutual learning relationship between the researcher and the research participants through exchanging world views and ideas (i.e. stories), but also between the researcher and the data in the interpretation stage and between the findings and the research participants in the feedback stage. In my experience, fieldwork does not end with the return to the native country, but is a life-changing experience that influenced my outlook and thus the interpretations of the stories collected in these settings and stories to be collected in future research.

In my role as a participant observer and listener to the people's narratives, I took on a very special and privileged role (Van Maanen 1988); I was in the lucky position to gather accounts of my interview partners' experience from various points of view and the opinions of certain groups and finally to get a much wider understanding of what was going on than the people involved had. My interviewees, without exception,

only knew part of this larger story, depending on their role and status in the organisation, as well as group membership in both company and community. By definition nobody in any organisation will ever be able to know everything that is going on. Although many issues were hidden from me as an outside researcher. I still gained a more complete picture of the complex processes going on than any member of the company will ever be able to have. Consequently, I was able to hold up the mirror to my case-study companies and make previously tacit and taken-for-granted behaviour, assumptions and perceptions explicit and in that way offer them new ways of creating stories on which to built the future.

I was both insider and outsider, which can be referred to as the role of a 'stranger' in Simmel's sense (Levine 1971). On the one hand, I was an insider: growing up in/with my parents' manufacturing business, having a degree in business administration and work experience in a manufacturing firm, I could understand what people were talking about when they told me about their daily working lives. In a way, I could see the world through their eyes and understand many terms and procedures somebody with less knowledge and experience would not have understood to the same degree. On the other hand, I was not part of the company or even certain groups of the organisation – I was an outsider, a foreigner and a stranger in the more literal sense of the word. Thus, I was able to grasp incidents which were taken for granted by members of the organisation from a more detached point of view. It also gave me the opportunity to make those tacit assumptions explicit to the companies by feeding back my observations. In that sense, I was a *co-operative researcher* (Reason 1988b), focusing on joint interpretation, learning and understanding. This joint learning process between me and the case-study organisations was important to me because my research and the interpretations deriving from it provided a good learning opportunity for the firms.

As Wengraf (2000) points out, another role of the (narrative) researcher is to give voice to people who are usually not heard. I took this role mainly in connection with front-line workers who are often not listened to as much as administrative staff and managers are. In this study, this issue also referred to black workers in the South African case study, who were discriminated against and regarded as second-class people during Apartheid. Prior to the 1990s, these people were not heard and many

still think of themselves as inferior, which became clear in the interviews. For instance, several young black workers addressed me with 'Madam', which I felt uncomfortable about, but which reflects their respect for somebody with white skin. Generally speaking, many interviewees from lower ranks in particular seemed to enjoy the opportunity to talk about their daily experiences and working life. At the end of the interviews, they thanked me for listening to them and for the nice time. While the interview appears to have had a positive effect on these people in that they felt valued, this issue also raises some ethical questions, for instance with regard to the expectations people had prior to the interview and whether I was able to fulfil them. These expectations were not voiced, i.e. they remain tacit, but they are nevertheless there and may confirm a low self esteem in certain people (see also Chapter 6).

In my role as a reporter – feeding back my interpretations to the case-study companies – there was a certain tension: was I merely a researcher, feeding back my results as objectively as possible? Or did I take more the role of a consultant by giving certain recommendations? Was it ethical to feed back certain things while leaving out others? While I could find an answer to some of these questions, others remain unanswered. It became clear that I had to tailor my report to the needs of the respective company (see Brecht 1972) while not conflicting my role as a researcher, which was truly a balancing act at times. After long and careful considerations I opted for a 'holding up the mirror' approach, which means merely reporting my findings to the companies without giving recommendations, but nevertheless making tacit issues explicit and thus offering a learning opportunity to the organisations through the reflection of those issues (Maykut and Morehouse 1994). In a small number of carefully selected incidences, however, I chose to point out areas of potential conflict for the benefit of the organisations, but without taking on the role of a consultant. In any case, the case-study companies had to work with my findings to detect areas of potential conflict, change or improvement and to find ways to make it happen.

On the basis of the vital role of my person in the research, I chose to write this thesis, which is a mixture of re-creation and reflection on the stories I heard (e.g. Reason and Hawkins 1988), in the first person. There is a personal thrust in this story and

there is what Max Weber calls *value relevance* (Weber 1978). An inherent feature of the study itself is the telling of narratives – and stories are told to people. In other words, people and personal relationships are vital in this study and it therefore seemed appropriate to put my accounts as personally as possible by using the first person. This enables the reader to distinguish my interpretations from my interviewees' accounts and it allowed me to find my place in the research. As Usher *et al.* (1997:213) explain 'research as a writing of the self and the world has a biographical and temporal dimension' with the aim of linking voice and time and of creating the research account as a plausible narrative in itself.

4. Field Work

In my research project I took a Popperian approach, which asserts that scientific observations have to take place within a theoretical framework. In other words, I started off with a clear idea of what I wanted to know, some background reading and with nothing but curiosity as to what the outcomes of my fieldwork would be. This meant that I was open to all kinds of new experiences and discoveries, so that my thinking was not limited by set questions and hypotheses prior to the primary research. As a typical qualitative study, I chose to use several methods of data collection (Hamilton 1994), which were documentary research, unstructured interviewing and participant observation. I used documentary research (see Scott 1990) to establish a context (Hoder 1994) and to gain an understanding of the important events in the settings (i.e. the key moments of change). Materials to be analysed were previous case studies, newspaper and journal articles as well as documents from within the organisations in any form (for instance books produced by the firms to celebrate anniversaries, company newspapers and newsletters, presentations given by members of the organisation to various audiences, financial and personnel statistics). Case studies, newspaper and journal articles were mainly accessed electronically, while the companies' archives provided internal documents for analysis. I could take away some materials, while I noted the key issues of the company-bound documents in memoranda, which all formed part of the analysis.

The core method of gathering data was mainly unstructured in-depth interviewing – the most common qualitative research method (Hollway and Jefferson 2000), in which the interviewees were encouraged to give their accounts of the events: they can therefore be characterised as 'narrative interviews' (Czarniawska 1998). Reason and Hawkins (1988) highlight that narrative interviews tend to lead to more expressive accounts of experience, which I regard as a strength rather than a weakness since they reflect the richness and ambiguity of social life. To keep myself on track during the interview and if necessary to support my interviewees with the odd question, I had a list with keywords in front of me, which served more as an aide-memoire than as a structure to the interviews. This respected the differences between people and allowed for a certain flexibility in the research process (Denzin 1970) and is part of an interactionist understanding of research (Silverman 1993). More information on the interview process and content will be provided in the next section (see page 63).

Finally, observations and field notes rounded up the picture and allowed me to capture even more stories and symbols and in that way to gain a deep understanding of the other cultures (Silverman 1993). Observations were helpful to get a less biased picture of cultural issues in the organisations because behaviour is likely to remain unchanged in the presence of the researcher (Adler and Adler 1994). They also enabled me to come to a thick description (Geertz 1973), which, although this term is frequently used with an incoherent meaning (Wolcott 1994), to me can be compared to a painter adding different layers of paint to a painting. In the context of social research, this means incorporating the largest possible number of facets of the phenomenon under investigation (and thus adding different layers of meaning) and linking the research to its respective context. Particularly in this project, the context played a major role in the interpretation of organisational stories and narratives (see also Chapter 2) and consequently the description of the change and learning processes in the three case-study companies are rich in detail, complexity and ambiguity (see Chapter 7 for more detailed information).

During the fieldwork, I tried to capture as many conversations as I overheard on the corridors, in the canteen and after the official working hours in the form of memoranda to include them in the analysis stage and interpret them later. I also

attempted to catch as many symbols as possible, but this proved to be a difficult task due to the multitude of symbols in each setting. Symbols, which often express strong emotions (Funkenstein 1993), can be stories, posters, the design and language of internal communication and even everyday household goods. Even the absence of obvious symbols is significant (see also Jones 1991)! I learned to keep my eyes and ears open at any time and my camera and notepad ready to put them down on the memory stick of my digital camera or on paper.

Becoming a participant observer may involve certain difficulties like anxiety, guilt or over-identification (Gans 1982). I did not experience any of them in a conscious way and generally speaking I think that the role of a participant observer suited my personality: I thoroughly enjoyed being not only close to my 'data', but in the middle of them, discovering new things and interacting with people from other backgrounds and cultures. My work never became boring or mutated into routine; although I gained more and more experience on the way, it was a real learning process.

As a social researcher with the aim of collecting narratives, I had to be close to my participants (Goffman 1989) and also to be trustworthy, discreet and diplomatic to get the chance to hear people's stories in the first place (Travers 2001). Personhood and my personal voice are important in this context. The necessity to report my findings and conclusions in an academic and objective voice provided a tension with the personal element. As C. Wright Mills (1975) points out all researchers have to find their own voice when reporting research and to try and use clear, simple and intelligible language. This way of reporting can be characterised as the *fictional-historical view* of story-telling (Denzin 1989).

5. Interviews

5.1. Interview Statistics

At the beginning of the first case study, it seemed feasible to interview thirty employees per company, taking into account the limitations of time, human and financial resources. In retrospect, I would argue that twenty to twenty-five interviews

per case study would have been sufficient for the scope of this study. However, the analysis of organisational narratives can be taken to infinite depths, which would mean more time to be spent in the settings and more interviews to be conducted. As a consequence, more human and financial resources as well as time would be required and a larger study would only be possible with generous funding and a team of researchers.

Due to my personal experience that the opinions of managers and workers can differ considerably, I chose deliberately to interview members of the organisation from all hierarchical levels. To be able and compare the three case studies, I tried to match up the number of interviewees in each category, but allowed for minor variations. In summary, I interviewed 6-7 senior managers, 6-8 middle managers; 4-6 lower managers (mainly from production); 5-8 staff and 5-9 workers (see *Figure 3.1*).

Figure 3.1: Interviewee Profile – Position
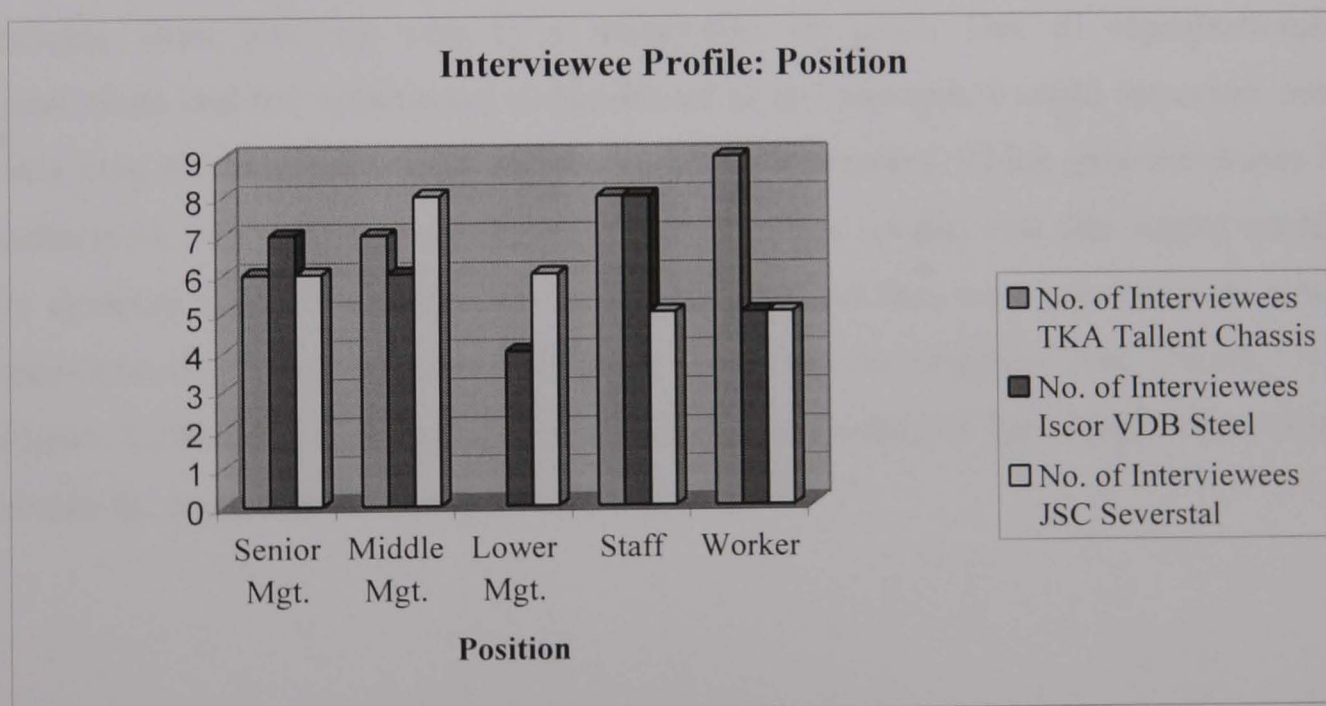
In accordance with the definitions of the case-study companies themselves, the managing director, directors and other members of the top management team were classified as senior managers. Middle managers in this classification included managing positions reporting to a member of the top management team (for instance business unit managers, heads of plant, departmental managers). Due to its comparatively small size with about 1,100 employees, ThyssenKrupp Automotive

Tallent Chassis did not have a lower management level, so that this category only exists for Iscor Vanderbijlpark Steel (approximately 7,000 employees) and JSC Severstal (about 35,000 employees). Nevertheless, the number of lower managers and workers add up to roughly the same amount of interviewees from a production background as interviewed at ThyssenKrupp Automotive Tallent Chassis. Lower managers were mainly foremen and other front-line managers, while workers were the people at the coal face from a number of production areas. Staff included production controllers, technicians in support functions, administrative and marketing personnel, internal consultants etc. Due to the limited number of interviews possible, I could not talk to members from all parts of the organisations, but that should be aimed at in a larger scale study, which would allow researchers to detect sub-cultures among and within different parts of the organisation.

Long-standing employees were a particularly rich source of information about the company's past and present and therefore I tried to focus my interviews on them. Despite this attempt, the length of service of the interviewees differed considerably, ranging from just one year to a remarkable 46 years. Due to organisational constraints and the willingness to participate in my research, I could interview not only long-standing employees, but also spoke to newcomers, which gave the stories I collected a rich variety. An interesting feature in this context was that stories could be detected that featured incidents from the past, but that were passed on to new members of the organisation to integrate them into the company (see Chapter 5). *Figure 3.2* shows the spread of the interviewees according to their length of service within the companies in question.

Figure 3.2: Interviewee Profile – Service

Interviewee Profile: Service
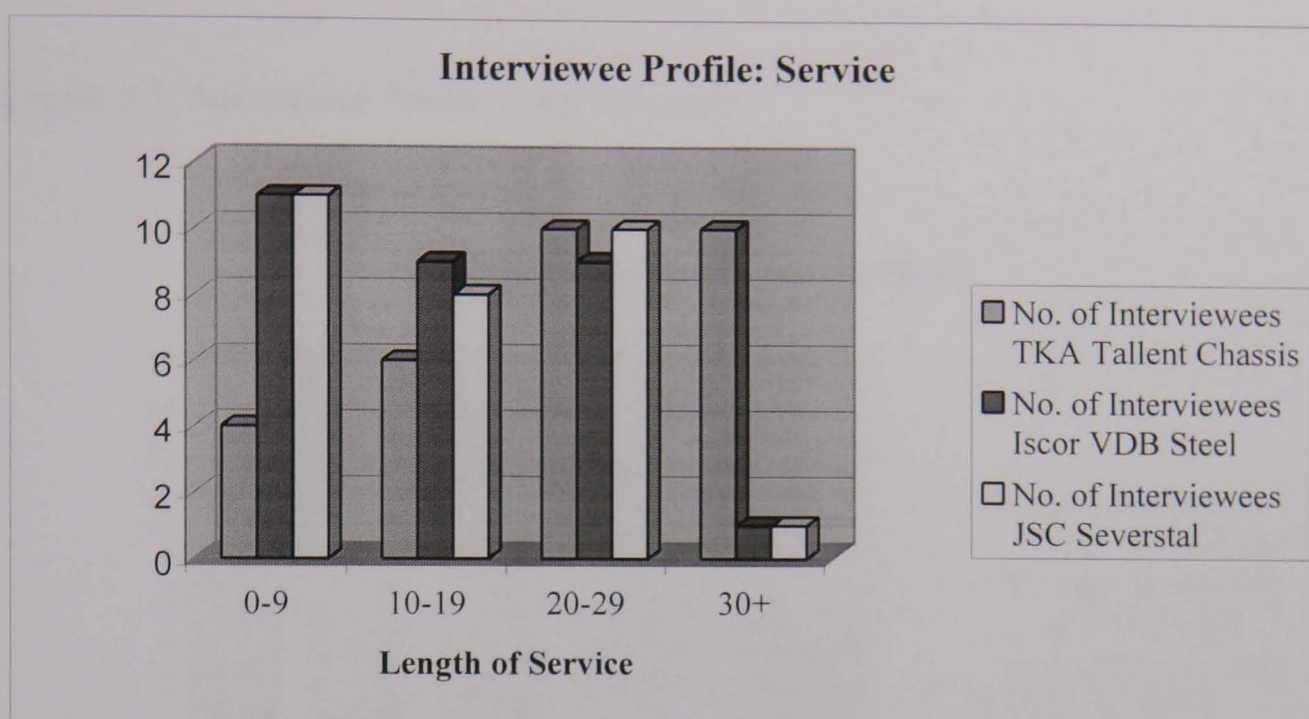
The interviewees at ThyssenKrupp Automotive Tallent Chassis have a combined length of service of 716 years (which is an average of nearly 24 years), at Iscor Vanderbijlpark Steel 427 years (making an average of more than 14 years), and at JSC Severstal 467 years (averaging at nearly 16 years). These differences may be explained as follows: ThyssenKrupp Automotive Tallent Chassis has a particularly large share of long-standing employees, who seem to be loyal to the company because many of them feel at home (see Chapter 5). The comparatively low length of service at Iscor Vanderbijlpark Steel may be due to early retirement offers to old-timers in order to meet the government's employment equity targets (see Chapters 4 and 5). As a result of many older employees with long service leaving, the average age decreased accordingly. The top and middle management team of JSC Severstal were in their thirties and early forties; by bringing in managers from 'the new generation' who were energetic, innovative and not set in the old communist ways, was the company's way of dealing with the fundamental changes taking place in the Russian Federation (see Chapters 6 and 7).

In accordance with the length of service of the interviewees, there is a wide spread with regard to the interviewees' age, which ranges from the mid-twenties to the mid-sixties. Against the background of the interviewees' length of service, it is not

surprising that the majority of my interview partners were in their thirties and forties (see *Figure 3.3*).

Figure 3.3: Interviewee Profile – Age Structure

Interviewee Profile: Age Structure

Age Groups

Legend:
- No. of Interviewees TKA Tallent Chassis
- No. of Interviewees Iscor VDB Steel
- No. of Interviewees JSC Severstal
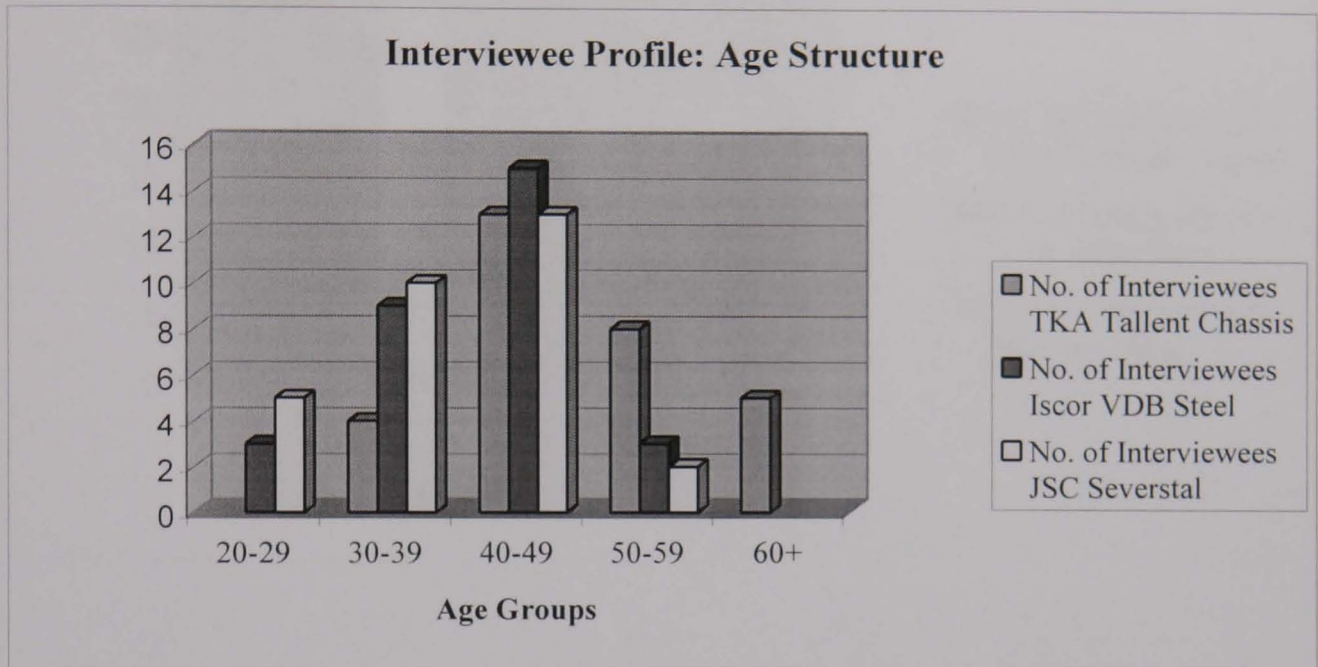
The spread of interviewees also reflects that manufacturing companies continue to be a male sphere: Among the 90 interviewees were only 14 women, averaging about 15% of the total number of interview partners. My female interviewees were mainly from administration areas (for example, pay roll department, corporate communications, information and telecommunication services, human resources department and secretaries), although some of them were trained engineers by background (see *Figure 3.4*).

Figure 3.4: Interviewee Profile – Gender Structure

Interviewee Profile: Gender Structure

Chart showing bars for Male and Female across Gender, with legend: No. of Interviewees TKA Tallent Chassis; No. of Interviewees Iscor VDB Steel; No. of Interviewees JSC Severstal. Y-axis from 0 to 30.
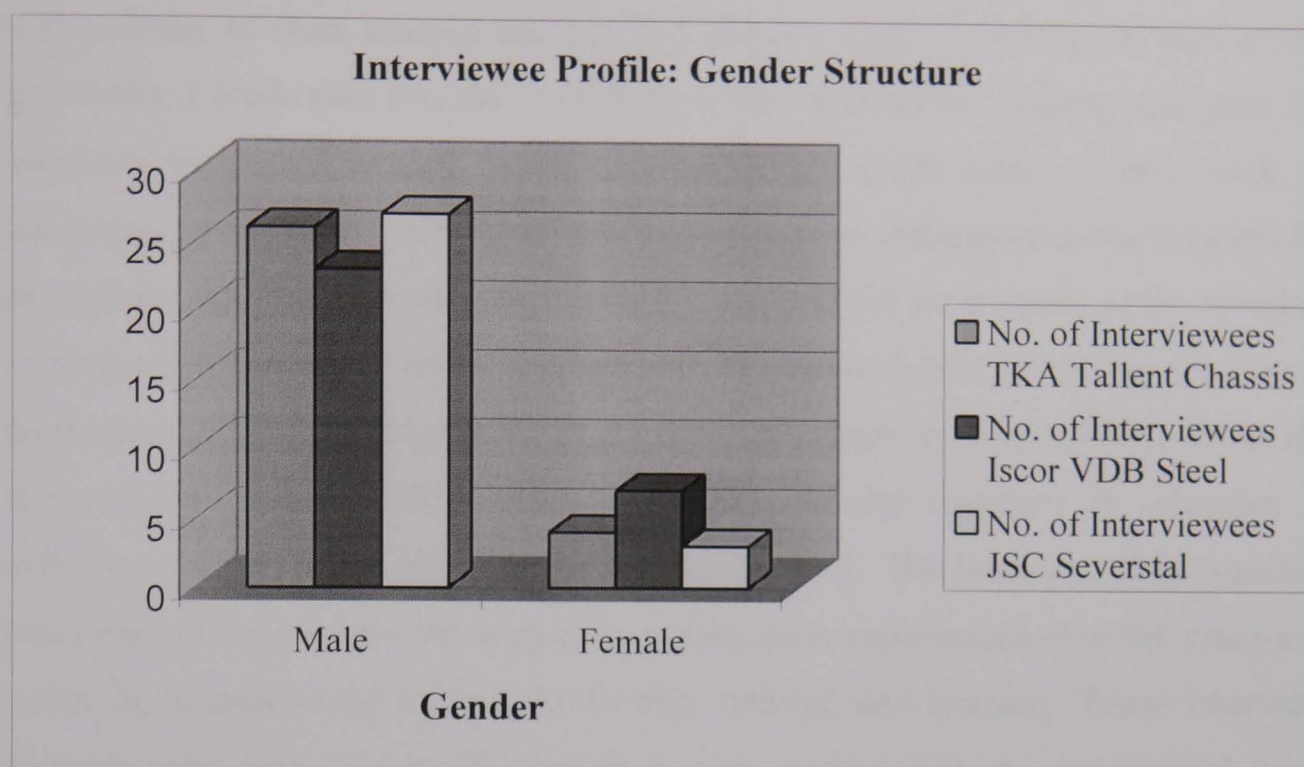
An important footnote has to be added here before I go on to describe the interview procedure. It is of utmost importance to acknowledge that all interviewees were on the 'winning side' in that they were able to stay in employment even in testing times. This suggests that conceivably similar research methods could be employed to document the stories of those who lost out in times of fundamental change (i.e. people who have been made redundant). While the winners' accounts collected in this study are important for researchers, managing practitioners and educators, stories of those losing out may be of more importance to a wider audience of historians. Put differently, this study only viewed a small slice of reality in times of profound change from a certain angle, but the final truth of history is far more complex. To grasp and understand the latter, accounts of both winners and losers have to be taken into account.

5.2. Interview Procedure

In order to give the interactions with my interviewees a framework or in Silverman's (1993:94) words 'creating [the] interview context', the interview partners received a written briefing about the nature of the research and its procedures. The interviews, which were a face-to-face verbal interchange (Fontana and Frey 1994), lasted

between thirty and ninety minutes and were tape-recorded. Generally speaking, my interview partners did not seem to be much influenced by the tape recorder and the vast majority of them assured me that they did not mind it. Before the start of the interviews, I made sure that the interviewees had received the briefing and gave the interview partners a chance to ask any questions, which some of them took. If necessary, for instance when the interviewees agreed to participate in the research for an impeded colleague on very short notice, I summarised the purpose of the research to ensure that they knew who I was and what the research was about. The interviews themselves typically started with an introductory question (Kvale 1996) about the interviewees' personal background and career in the company in question to overcome the interview partners' natural nervousness. The interview then typically proceeded to the changes the respective organisation experienced over the years and issues of organisational culture, leadership, training and learning. Some interview partners were very unsure of what they were supposed to do and needed more guidance in terms of questions, so that a small number of interviews were rather a dialogue than a narrative interview. Although not always beneficial, this helped inexperienced and insecure participants to feel more comfortable and engage in the research.

Then I transcribed the interviews, typically on the same day, to have the interview fresh in my mind, which enhanced the completeness of the transcription. The transcript was not a word-by-word transcript since I did not use discourse or conversation analysis, but summarised the interviewees' accounts in direct speech, if possible. In the case of partial and fragmented sentences I tried to summarise their content in my own words. I handed the transcripts back as quickly as possible to the interviewees – either by email or confidentially through the internal mail system – for them to check and comment to achieve a *human enquiry* and a joint analysis (Reason and Rowan 1981). Such an approach honours the experience of the individuals and seeks practical knowledge (Reason 1988a). The interviews gave the interviewees time for reflection and helped them to make tacit knowledge explicit by talking about their experiences. In that way many of them learned something about themselves and their identity, as Byram (1996) suggests. For instance, some interviewees stopped in the middle of the sentence because a new thought had just entered their mind in the process of talking about their work. In other words, the

process of talking about their experiences with change triggered new ideas and opened up new ways of thinking for these interview partners. This implies that the power of conversation, dialogue and story-telling should not be underestimated in our learning and development!

An important issue in the majority of social research projects is the involvement and detachment of the researcher (Burgess 1982a) as well as the relative status between researcher and participants (Denzin 1970). The interviewees showed different reactions to me as a researcher, which can be classified into the following categories. Firstly, many interviewees showed that they took me seriously, seeing me as a *professional researcher*, from abroad and ignoring features like age and gender. They asked detailed questions and were keen to get to know the results of my work. Secondly, a few interviewees showed a rather dismissive reaction towards me. Their behaviour implied that they saw me only as a young woman and, consequently, did not take my work seriously. Accordingly, they seemed to see the interview as a *waste of time*. Thirdly, some interview partners, particularly older employees, took the role of a *father* (see also Easterday *et al.* 1982) and explaining everything in great detail to me. Their behaviour was kind and patient and they seemed to be very pleased to being able and tell me episodes of their lives. Fourthly, other interviewees did not show a particularly positive or negative behaviour towards me, but they seemed to be *indifferent*. They gave the impression of just having participated in the research because they had been asked by their superior to do so and did not want to say no. Fifthly, a small number of interview partners took the chance to complain about their company and, it appeared at times, to take *revenge* on management by distorting the official picture drawn by the company. Finally, very few interviewees showed clear signs of *appreciation* of the opportunity to talk to a young woman in a male environment.

6. Interpretation of Data

Stories typically consist of a multitude of layers of meaning and link a range of issues that appear to play a role in the event in question, which confirms what Westerlund and Sjöstrand (1979:19) call *the myth of single causation*. To put it

differently, at first glance, a story seems to tell us something particular and its key features appear to be clear cut. However, when we engage more deeply with a story, usually a number of questions about the contents or details of certain actions are being raised. In practical terms this means that narrative researchers have to go beyond this first and obvious layer of a story's meaning to discover other, more hidden meanings. This implies that stories do not speak for themselves, but they have to be interpreted against their specific and often unique context (see also Chapter 2). Qualitative data are not being analysed, but interpreted (Wolcott 1994) and interpretation in this context can be seen as '[a reaction] to the text of the world or to the world of a text by producing other texts' (Eco 1990:23). Any publication that arose from this study and also this thesis can be seen as such a text.

One fruitful method in inductive qualitative research is the grounded theory approach, which is defined as 'the systematic generation of theory from data acquired by a rigorous research method. Grounded theory is not findings, but rather is an integrated set of conceptual hypotheses' (Glaser 1998:3). In other words, grounded theory is an active process of moving constantly between theory and practice, in which both aspects are intertwined. In the process, researchers adapt their theories to their research findings and develop categories to deepen our understanding of social life, which again is a reflexive process (e.g. Giddens 1990; Soros 1998). The constant reflection is likely to lead to critical subjectivity (Reason 1988a) and is a criterion for validity (Heron 1988). Being the only researcher in this project, I could not discuss my findings with a partner. Therefore, in-depth discussions with my supervisor, presentations at departmental seminars and giving conference papers played an important role in making sense of the data and developing viable theories. Since the theories were developed for the empirical field of organisational learning, they can be called substantive (Glaser 1982).

Grounded theory involves three categories of transforming qualitative data into research reports: description, analysis and interpretation (Wolcott 1994). Hence, I tried to use as much interview material directly to let the people speak for themselves (description), in that way reporting people's *authentic experiences* (Silverman 1993:91). As Boje (1991) highlights, organisational stories are multi-authored and thus usually not told in their entirety by each individual; in accordance with that

observation, most stories and narratives I gathered were so partial and fragmented that they had to be reconstructed using multiple voices. Although this way of reporting stories may be less truthful than treating the excerpts in their own right, it is one way of letting people speak in their own voice instead of me retelling their story in my voice. Additionally, this reconstruction from multiple voices was a powerful way of highlighting agreement and consensus over a certain issue and in the instances quoted in this thesis, the interviewees are very likely to agree to the reconstructed version of their story. Despite the value of this descriptive element, I had to interpret the stories since they do not speak for themselves. I did so using a grounded theory approach and with the help of the qualitative data analysis programme *QSR NVivo* (for more information see next paragraph). By combining description with interpretation, this thesis provides an analytical account of what I discovered in the case-study companies.

Researchers using a grounded theory approach tend to end up with enormous amounts of data to be analysed and I was no exception. The transcripts of the ninety interviews I conducted sum up to 665 pages alone. Several hundred pages of other material like memoranda, newspaper articles, case studies, company newsletters etc. rounded up the picture. This situation highlights the need to organise, manage and be able to retrieve the most meaningful bits of my material (Coffey and Atkinson 1996). To assist me in the handling of my data, I chose to use the qualitative data analysis programme *QSR NVivo*. The term 'analysis programme' may be misleading since the coding of information on paper and on the computer does not differ too much and researchers still have to do the coding, thinking and theorising by themselves. Coding in this context refers to the categorisation of the interview and other materials, which aids a different organisation of the data and, through establishing new links between certain key elements, a new or maybe more thorough understanding of the phenomena under investigation (Roberts 2002). Having said this, I found the programme nevertheless to be a most valuable tool for the management of my data, particularly in respect of its various search functions, and its flexibility accommodated the characteristics of my project and way of working.

The use of a grounded theory approach allowed me to explore the different layers of meaning in the stories collected in different stages. The first step of analysis focused

on revealing the sharedness and patterns of narratives and was fed back to the companies in a preliminary report. At ThyssenKrupp Automotive Tallent Chassis the report was complemented by a presentation meeting, which was not possible in the other two cases due to the geographical distance. The top management teams and interviewees were welcomed to comment on my interpretations as featured in the report. The next step of analysis and interpretation included the overall tone and direction of the organisational stories in accordance with Browning's (1991) classification of ascending and descending storylines. Features from literary analysis had to be taken into consideration: figures of speech or tropes (Bruner 1990), sad or comic elements, believable historical accounts, action and consciousness to come to viable interpretations of the data collected (Bruner 1986). Dandridge *et al.* (1980) add myths, ceremonies, rituals, anecdotes and jokes to that list. I also chose to look at certain language elements like the use of metaphors because they play an important role in the way people deal with change (Marshak 1993). While these issues cannot be dealt with in great detail in this thesis, I hope that these different perspectives help the reader to discover and explore the richness of meaning in organisational stories and to come to their interpretation of the cases. The final step of analysis involved creating 'literary, narrative, accounts and representations of lived experiences' (Denzin 1989:11) by singling out the most important storylines to present them on a more abstract level to a wider audience in this thesis. My writing style including elements like textual organisation, use of metaphors and illustrations is likely to shape this project and the meanings the readers attach to it may differ from mine (Van Maanen 1988), which reflects the natural complexities and ambiguities.

Another question that is closely linked to the interpretation stage of the stories and narratives collected concerns the way of reporting. Wolcott (1994:17), for instance, claims that 'qualitative researchers need to be storytellers' and this quote matches my own understanding. Since I was collecting stories in the fieldwork, interpreting them in the analysis stage and reporting many of them in this thesis, I am both a listener and a story-teller myself. It has to be emphasised that listening is not a passive process, but one where the listener has to engage actively with the story (see also Sims 2004). This act of active listening constitutes an act of interpretation of the story by the listener.

However, this thesis does not only report stories, it also tells a story, which is the story of my research and both my personal and professional development. While the latter may be a more tacit storyline, it is nevertheless there. In the reporting of the stories collected in the case-study organisations, I took an external narrative perspective, which means that I was a minor character telling the main character's story or an observer telling somebody else's story (Genette 1980). This is another reason why my own story, which cannot be separated completely from the interview partners' stories, is not an explicit one, but reflects its minor position in this research.

7. Critical Evaluation of the Project

Positivist and quantitative research is still surprisingly widely considered to be the only correct way of doing research in the social sciences, in which researchers typically focus on truth and evidence – even though quantitative methods cannot answer questions about the 'why' and issues of meaning (Hollway and Jefferson 2000). Despite the need for qualitative approaches to social research to answer the deeper questions, the limitations of these methods are often fiercely discussed (Bryman 2001) and their subjectivity referred to as a key weakness. However, we should be aware that our reality is socially constructed (Berger and Luckmann 1966) and that our world views and other aspects of our personality cannot be separated from the research. In other words, social researchers do indeed influence the interpretation of the data collected, which on the other hand raises the question of transparency. For instance, could somebody with less knowledge and experience in manufacturing and with a background in a non-business subject have come to the same conclusions than me? Or, put differently, how can I distinguish clearly the meanings conveyed by my interview partners' accounts and the meanings I attach to the data? A clear-cut answer, I would argue, is not possible here and it cannot be established, which interpretation would be the only correct one. However, these are questions that have to be borne in mind during the whole of the research process.

Due to the unique character of the case-study organisations and to the influences of the researcher on the study, qualitative research tends to be difficult to replicate. The personality of the researcher, as highlighted above, tends to impact upon the way

people react to him or her and ultimately on the stories told. For instance, those interviewees who were delighted to see a young woman in their male-dominated workplace are likely to have reacted differently to a male researcher. Vice versa, those interview partners, who did not take me seriously on the basis of my age and gender, may well have told a different story to a male colleague. These mainly tacit and complex issues cannot be ruled out in social research and anybody reading this thesis has to take them into consideration. The open-ended character of the narrative interviews raises the question of relevance in that many interviewees may be uncertain about what is relevant to the research (e.g. Hammersley and Atkinson 1995). Hence, some of my interview partners needed guidance on what was the focus of my research and interviews, which was provided through the interviewee briefing and also questions during the otherwise narrative interview.

Furthermore, social phenomena are difficult to measure because measurement standards tend to adapt to the situation arising (Habermas 1988). As Denzin (1989) highlights, narrative studies are particularly challenging for researchers because stories come in multiple versions and are often fragmented, ambiguous and contradictory. They are also rooted in the respective culture and in the group's understanding of truthfulness and are subject to ideological pressures. In other words, since personal accounts are not unproblematic in this respect (Hollway and Jefferson 2000), the central question in this discussion is about what truth is and how one can know it. Another, similarly important question, concerns the potentially different meanings of words and the sometimes tacit relationships between a word and its connotation to a certain person (Hollway and Jefferson 2000). As will be shown in Chapter 4, the term globalisation has different meanings in and within different context and this principle applies to an infinite range of notions and concepts. In practice, this means that we cannot be sure that we are talking about the same thing even when using the same word and implies that even with the use of the same language there is a possibility of misunderstanding.

In my project the question of how personal experience, symbols and reactions of people can be recorded and transcribed was important. Although I tape-recorded the interviews, I still feel that many aspects of the personal interaction were left out. These included the overall atmosphere during the interview, body language, facial

expressions, undertones in my interviewees' voice, etc. It was not possible to video-record the interviews due to unavailability of equipment and it would not have solved the problem of how to record the above-mentioned features on paper or digitally for further analysis. To capture these non-verbal features of the interviews nevertheless, I tried to remember as many of those issues and to write them down in the form of a memorandum, but this, obviously, is only a partial account and any interpretation has to take into account that some possibly vital information has been lost in the process of transcription, interpretation, feedback and reporting.

The language of conducting research, both for the written briefings and the interviews, at Thyssen-Krupp Automotive Tallent Chassis and Iscor Vanderbijlpark Steel was English, while it was Russian at JSC Severstal (with the exception of three interviews). The following possible distortions have to taken into account. Firstly, English and Russian are both not my first language, which makes misunderstanding and missing out of information very likely. I tried to counteract this by handing back the interview transcripts to the interview partners to make any changes they felt were necessary. However, not all interviewees took this opportunity to point out any potential misunderstandings. Secondly, some interviewees at Iscor Vanderbijlpark Steel did not seem very comfortable about talking in English with Afrikaans being their mother tongue and usual language of communication. They might have left out information which they did not feel comfortable expressing in English and this information has been lost. Thirdly, changes in tone and word order play an important role in expression of opinion in Russian language due to its history under a dictatorial regime. It is likely that I missed out these tiny variations of voice, which are extremely hard to detect for an outsider, difficult to record and interpret. Fourthly, I translated the interviews from Russian into English, which meant translating from a foreign language into a foreign language. Generally, specific ways of expressing certain ideas and meanings are lost in the translation process and distortions in meaning may also occur. Finally, as Hofstede (1980) points out, I may have different expectations about the use of the language I use than my interview partners. For example, being polite may be more important to the people than telling the truth. This issue, which is often referred to in literature (e.g. Hollway and Jefferson 2000), raises the question to what extent I could trust my interviewees.

To sum up these considerations and reflections on the weaknesses of social research in general and my project in particular, I would like to emphasise that there is no such thing as perfect research. Due to the complexities of social life, social researchers have to be especially aware of both the strengths and weaknesses of their research and try to find ways to compensate for the latter. One way of doing so is to be conscious of the criteria of trustworthiness in the project and discuss the research among colleagues in the academic community, for instance in seminars and at conferences. Due to the nature of the research methodology taken in this project (see page 47), which differs considerably from natural scientific and positivistic understanding of research from which the usual criteria for trustworthiness like validity, reliability and objectivity derive, I did not find them particularly helpful. Hence, as Lincoln and Guba (1985) suggest, I defined substitute criteria for trustworthiness, on which this study is based. It seems that the interpretations I have come to are logical, credible, thoughtful, informed and contextualised against the background of both the research settings and academic literature. These issues can be summarised as the *soundness* (Reason 1988c) or *well-foundedness* (Heron 1988) of the interpretations, which is a criterion for the validity of qualitative research. In practice, this means that the interpretations and conclusions of this study can be transferred to other settings (Lincoln and Guba 1985), but have to be contextualised there.

Furthermore, I was committed to the academic value of truthfulness, which means that I reported upon my interpretations honestly and without pretences. This also included my taking a professional and open approach by informing the interviewees in advance about the purpose of the research. In a sense, I had the moral right to expect openness and honesty from the interviewees in return. This is particularly important because my interviewees could choose to either give me a true account of their experiences or to lie to me and because I as the researcher have hardly any chance to judge this (see also Denzin 1989). My openness, however, reduced the risk of their lying to me because they did not have any good reason to do so; it cannot, however, be completely ruled out.

In addition, the data was triangulated (Denzin 1970) by examining the sharedness of the stories, and the interpretations were double fed back and shared with the

interviewees. As a result, the conclusions were not reached by me alone, but in cooperation with the employees from the case study companies. In other words, there was a double feedback loop leading to joint/shared interpretations. I saw my role as a pilgrim, asking new questions and discovering new meanings in the process (Bauman 1995). This idea of pilgrimage implies that it is an open-ended process and that pilgrims never really arrive where they want to arrive: 'the true place is always some distance, some time away' (p. 83). For the interviewees the process of commenting on their experiences was a transformative process, a process of discovery. My presence as an outside researcher altered their perception of the events and their way of dealing with them: it was a reflexive process (e.g. Giddens 1990; Soros 1998). In a way, my interpretations are confirmable (Lincoln and Guba 1985) since my interview partners agreed with my interpretations during the feedback stages of the project.

8. Ethical Considerations

Due to the close interaction of researchers and social actors, ethics play a key role in the design of social research (Guba and Lincoln 1994). Since I did not want to harm the participants in my research (for example in the form of jeopardy to professional development, loss of self-esteem and stress), I paid close attention to any potentially harmful factors. Consequently, I designed the research process in a way that was of an unintrusive nature, as the following outline shows:

1. The case-study companies were given broad guidelines about the interviewee profile with regard to gender, position and length of service. The interview partners were selected by the respective firm on the basis of their willingness to participate in the research; organisational constraints had also to be taken into consideration, however.

2. The interview partners were given a written or oral briefing (depending on the business customs in the individual settings and the interview situation) about the purpose and process of the research. This sheet also stated the contact details of both researcher and her supervisor in case of any questions prior to the interview. In this way, the interviewees knew about the researcher's role beforehand and

could prepare for the interview. This can be seen as an open and professional approach to organisational research and enhances the veracity of the personal accounts collected.

3. The interviews took place in the workplace during office hours in order not to disturb people's private lives and not to occupy them in their leisure time. However, I have to acknowledge here, that a very small number of interviewees agreed to talk to me after having just finished their night shifts.

4. The face-to-face interviews were tape-recorded and transcribed accordingly. Both tapes and transcripts were handled completely anonymously and confidentially and names for any publications were disguised with the exception of senior managers' accounts that represented the official stories.

5. The interviewees received a copy of the transcript to check for the veracity of the data and to comment on the research and their initial statements. They were welcome to make any changes necessary, if they wished to.

6. The research findings were fed back to all interview partners and top management teams of the case-study companies and comments on them were welcomed.

As mentioned earlier, a certain tension developed between my role as a researcher and the role of a consultant to make people aware of possibly arising difficulties. Additionally, it was a balancing act to raise top management's awareness while keeping an objective and diplomatic tone. Both issues raise ethical concerns in the sense that I might not have met one group's needs by not emphasising their viewpoints or problems.

9. Summary & Conclusions

To sum up this chapter, I would like to emphasise the key features of my study's research framework. The study has been a qualitative and interpretive project that was comparative across countries and comprised three individual case studies. As a researcher I played an important part in the research and took on many roles to different people and for different purposes: the role of a stranger (Levine 1971), of an ethnographer (Van Maanen 1988), of a participant observer (Burgess 1982c), of a

listener to unheard voices (Wengraf 2001) and finally of a post-modernist reporter (Hatch 1996). This variety of different roles naturally led to role confusion and role conflict, which had to be resolved.

This project has taken interpretivist, constructivist and naturalistic approaches and was informed by a constructivist and naturalist paradigm, which differ considerably from the positivistic paradigm, but were certainly more appropriate to the nature of the subject area. This implies a different understanding of research and different criteria of trustworthiness and judgement. Bearing in mind the limitations of qualitative and interpretive social research and ethical concerns, I carefully constructed an open and professional research process, which focused on a human enquiry and joint interpretations (Reason 1988b). I did not only recover stories of the past, but also created them by interpreting the accounts gathered. I sought not to pre-judge anything in the research since I did not feel that I had the right to do so. Despite the weaknesses of the study, my interpretations are logical, credible, thoughtful, informed, contextualised and triangulated. This suggests that other researchers would come up with similar observations and interpretations on the basis of the same philosophical and ethical underpinning since the observations depended on the situation and not on my interpretations. Overall, my judgement and interpretations are in accordance with academic tradition.

The research methodology is rightly a main concern in research activities and of particular importance in social research with its absence of quantifiable, provable data. Only constant individual reflection and academic discussion of both methodology and findings can guarantee the quality of social research. Any social researcher has to be constantly aware of the weaknesses and limitations of the chosen methodology as well of one's own biases and try to find a way to overcome them. In short, social researchers should be pilgrims en route to new discoveries and meanings not only in their academic field, but also in terms of research methodologies.

Chapter 4: Frontiers of Change

No knowledge can be assessed outside the context of culture, tradition, language game etc. which makes it possible and endows it with meaning.
Zygmunt Bauman (1992): 'Intimations of Postmodernity', p. 102

1. Introduction

The political events of the early 1990s – often symbolised by the fall of the Berlin Wall – were a turning point in history (Dahrendorf 1990); however, we seem to lack the language to describe what happened (Giddens 1990). The most common term to sum up increasing speed, shrinking space, permeable borders and a centralisation of capital (Beynon and Dunkerley 2001) together with changes in consumer behaviour and individual identity (Klein 2000) is globalisation. Although the process of globalisation started in the 15th century (Robertson 1992), the term itself has become one of the biggest buzzwords of the last decade. In accordance with the popularity of the concept, there are numerous definitions with different emphasises available: some highlight the importance of power, identities and networks (e.g. Beck 2001) or the effect on businesses (e.g. Ali 2000), while others focus more on social aspects of what is happening (e.g. Waters 2001). Whatever the definition and focus, our times are uncertain (Du Gay 2000) and our future unpredictable (Beynon and Dunkerley 2001).

What we refer to as globalisation is a world-wide, all-encompassing and often contested phenomenon (see Klein 2000; 2002; Hertz 2001) by which we are all affected as individuals: at a personal and societal level we have to make sense of what is going on and of how our identities may change in the process. To put it differently, globalisation has different meanings between and within different contexts, which will be highlighted in this chapter on the basis of the case-study companies. Context, as I use it in this chapter, refers to what Pettigrew (1990) defines as outer context: the socio-political and – economic environments of the three case-study organisations.

In the geo-political setting of the United Kingdom, globalisation means competitive pressures from countries with low labour costs and, ultimately, loss of jobs (Castells 2000b). Tallent Engineering – as it was then – responded to those challenges by providing high-quality products to a niche market and by joining the larger corporate environment of ThyssenKrupp. The latter move enabled the company to spread the risks arising from the increasing interconnectedness (Held *et al.* 2000) onto different shoulders. In the Republic of South Africa, the opening up of its market meant new opportunities: manufacturers, particularly from the automotive industry, relocated their assembly facilities to the country (Degli Innocenti 2000) and enabled local suppliers to deliver the required goods. This move also provided new opportunities to Iscor Vanderbijlpark Steel to supply those newly-built car factories with their products. The company responded to the high demands in that particular industry by re-engineering the business and introducing a continuous improvement programme. Steel producers from the Russian Federation seem to remain excluded from the US and EU-markets (e.g. Aris 2001). JSC Severstal responded to that challenge with partnerships and increased training to improve quality and customer service.

Against this background, this chapter will highlight the differences in perception of the phenomenon of globalisation. It will present case material from the three organisations, illustrating the meaning of globalisation to the employees of ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal. Towards the end of this chapter, I will discuss issues of sense-making and learning against the background of globalisation and its meaning in the three geo-political contexts in question. This chapter concludes that globalisation may be an impersonal economic and political mechanism, but that it becomes nevertheless real and meaningful to people from all organisational levels. The meaning depends on the context and the narrative resources available there and is deeply embedded in organisational stories. Hence, narrative analysis may provide a method to explore simultaneously complex processes of globalisation and organisational learning.

2. Context of Globalisation

The significant macro-environmental changes of the early 1990s had a different impact on the three case-study companies in the geo-political contexts of the United Kingdom, the Republic of South Africa and the Russian Federation. While the macro-environment of the United Kingdom – together with other Western European countries – remained relatively stable, democratic and liberal, there were major changes in the Republic of South Africa and the Russian Federation at this level, which triggered organisational change at both Iscor Vanderbijlpark Steel and JSC Severstal (see Chapter 5).

The macro-environmental changes in the Republic of South Africa involved the move from an exclusive society under Apartheid to an inclusive democratic one and, from an economic point of view, the transition from a closed to a market economy. These events coincided with a strong increase in global pressures (Castells 2000a). The subsequent changes in society, labour laws and individual identities were characterised by confusion and often experienced as personal trauma. The key task was and continues to be the renegotiation of the *rainbow nation's* social order (Goffman 1983), which means that people have to redefine their own role in society and rethink politically correct behaviour. These processes, however, are influenced by the new global pressures the Republic of South Africa is experiencing.

In the Russian Federation, the macro-environmental changes were characterised by collapse (e.g. Castells 2000a): the Soviet Union and its empire disintegrated, accompanied by a loss of power at the international level. All the symbols Soviet people were proud of lost their meaning overnight. The subsequent economic crises of 1991 and 1998 shook the whole nation and, consequently, stability gained in importance for individuals. Popular Soviet terms acquired a new meanings and many Soviet traditions were revived. One striking example of the latter during my visit was an inter-generational day called 'generational melting' (*плавка поколений*) to which both retired employees and school children from the region were invited. This annual ritual provided those who attended with a sense of community and continuity in a setting where both were seriously threatened by change and uncertainty. In front of one plant to which the visitors had access, marching-type hymns celebrating the

company were played from a recorder. These do not stem from Soviet times because the company was referred to by its current name and the organisation was only renamed in the 1990s.

Despite the country-specific changes, the common issue in all three settings is increasing global pressure, i.e. competition from developing countries and the constant pressure to cut cost – an issue, which was alien in both the Republic of South Africa and the Russian Federation with their societies being closed to foreign competition. As a result of all those fundamental events, people's beliefs were violated and the world around them had lost its previous meaning. A natural way of dealing with such a situation is to share and collect stories in order to find a meaningful explanation of what is going on and what the implications are for each individual and groups they belong to (e.g. Bruner 1990). These stories can fall into each of the categories identified in Chapter 2, but those reported upon here are overt, agreed and dominant.

The following heading will provide a select number of stories that illustrate the different meanings of country-specific macro-changes against the background of globalisation. It is a deliberate move to let my interviewee partners speak in their own voices instead of my retelling the stories in my own words. A more truthful way of doing so would be to quote the fragments people were talking about during the interview one by one. However, it is much more powerful to reconstruct the underlying story from a multitude of voices, which will be separated by three asterisks in the following excerpts. This way of reporting will give the reader an idea of the kind of stories people tell (see Chapter 3). There is no doubt that the interview partners would fully agree with the stories reported upon here since they belong to the category of dominant, overt and agreed stories. This highlights the extent to which those stories and their meanings are shared among members of all hierarchical levels and parts of the organisation.

3. Meaning of Globalisation

3.1. Under Pressure – The British Case

ThyssenKrupp Automotive Tallent Chassis experiences the changes of globalisation in the democratic and stable macro-environment of the United Kingdom. The political and economic framework has not changed much over the last few decades, but the company developed its product and skill base over time, so that the major changes took place at organisational and individual levels. Nevertheless, ThyssenKrupp Automotive Tallent Chassis is exposed to the global forces of the automotive industry, which is a truly global one: there are only few big players left, encompassing a range of brands from all market segments (Verband der Automobilindustrie (VDA) 2000). All these issues influenced the company's globalisation story, which is reconstructed from several interviews. These interviews took place in spring 2002 (February to May) and offer a deep insight into the unique explanation of what globalisation meant for my interviewees at that time. I divided the globalisation story into a top management account and into an employee account because, as we will see, they convey a slightly different view on the issue. Although treated individually in this context, both perspectives are deeply interwoven and dependent on each other.

The top management's account reads as follows:

> About in 1989/1990 ... globalisation really started to come into focus and we believed strategically that if we were going to be a major player globally – you see, Tallent, if you look at the market of the company, it's been sort of local, national, European, global. And we had moved through the European [market] because we were supplying Europe, but we weren't supplying anywhere else. But the customers started to focus on global [and so we followed]. *** We'd owned the company and we could see the march of globalisation. All the money that we made went back into the company, none of it came from outside. But we were competing then against some of the large players around the world. ... There was a lot of talk [about common platforms and world cars and] ... that this would be happening. So we couldn't see how we could move quickly enough to actually achieve that globalisation. We had achieved some very, very important joint ventures ... but we couldn't see how we could get big enough quick enough. *** The problem at that time was that the UK economy wasn't very strong and there was a need to make further investments. And so the importance of the Thyssen group at the time was they had the

financial support we were looking for. So again that's part of the global strategy of going from a combination of customers to the automotive industry, which is very investment-orientated and we needed to continue the investment activity. And obviously going to Thyssen enabled us to have larger, more available funds that we would have had as [an] independent [company].

Top managers built their account on the phenomenon of globalisation in the automotive industry and explained that they believed that their survival would depend on their ability to be part of that game. In an industry with powerful customers, automotive suppliers depend to a very high extent on them (Burt 1989). Top management established the close link between their customers' and their own fate, which has become part of the company's philosophy and self-understanding. The essence of this account can be summarised as 'we have to follow our customers into going global if we are to survive'. This story, which is the official globalisation story, also incorporates the firm's understanding of customer focus, which is a distinct part in ThyssenKrupp Automotive Tallent Chassis' culture.

Like most small and medium-sized (SME) manufacturing companies, Tallent Engineering, as it was at that time, could not finance the growth required for achieving global presence from its own funds. That is where the issue of partnership in the form of joint ventures (JV) or in the form of mergers and acquisitions (M&A) comes in: 'we are stronger together' seems to be the motto here. In 1992, Tallent Engineering joined the larger environment of Thyssen, which became even larger after the merger with Krupp in 1999 (Tallent Engineering Ltd. 2000). ThyssenKrupp Automotive Tallent Chassis plays now a major role in this new corporate environment, having achieved their goal of becoming a global player.

To conclude this section, I would like to summarise the four key strategies of change ThyssenKrupp Automotive Tallent Chassis' top management established: customer-focus, globalisation, finance, and consolidation. This is the typical explanation in the plant for the changes in terms of ownership and strategy over the last fifteen years, and it is perfectly tailored to the company's history and context. In other words, to the top management team playing the game of globalisation is a mixture of customer-focus, good finance, consolidation and finally success.

The account of employee-interviewees has a slightly different focus, although the key elements of customer focus, globalisation and finance remain the same.

> I think ... that [our] future depends on the company being successful, reliable and continuing to trade. ... Now in that global market, you know – take Black & Decker down there, a successful company: ... they send their stuff out to Malaysia and Czechoslovakia, [where there are] low wages and unit costs, [or to] China. [We] can't compete [with them]. *** If it gets on the shop floor and it doesn't work, we don't make money. All the technology, no matter what technology you've got, at the end of the day you're selling a part and if ... that part's not good enough to sell, it's no good. And if you're not selling it at the right price, it's no good, because if it's costing you more to make the part than you're selling it for, it's no good, [because] we're not making money. It's as simple as that.

This account reveals also the pressures perceived at the coal face to cut costs and have top quality to satisfy their customers. These interviewees were generally very well aware of the dangers that come with globalisation: closing down plants and moving the work to countries with lower labour costs. The North-East of England has been an area of high unemployment since after World War II and every factory closure aggravates the problems in the region (One North East 1999). So globalisation for the employees of ThyssenKrupp Automotive Tallent Chassis has not only the global dimension to it, but also a very personal one, which can be summarised as: 'if we're not good enough, we'll lose our job. Who is going to pay the bills then?' On the basis of a unique organisational culture and strong leadership, ThyssenKrupp Automotive Tallent Chassis is battling together as a team for the company's future – an issue that will be highlighted in Chapter 5 on organisational matters.

There is a remarkable unanimity in those two perspectives of the ThyssenKrupp Automotive Tallent Chassis globalisation story, which can be seen in the common key elements of the ThyssenKrupp Automotive Tallent Chassis globalisation story (see *Figure 4.1*) and in the way the different accounts seem to elide seamlessly into one another. The slight differences in the two accounts are likely to stem from the different backgrounds, roles and responsibilities of the members of the respective groups. In summary, both the top management and the workforce version of this

story are dominant, overt and agreed and form part of the organisation's culture and self-understanding.

Figure 4.1: ThyssenKrupp Automotive Tallent Chassis Globalisation Story
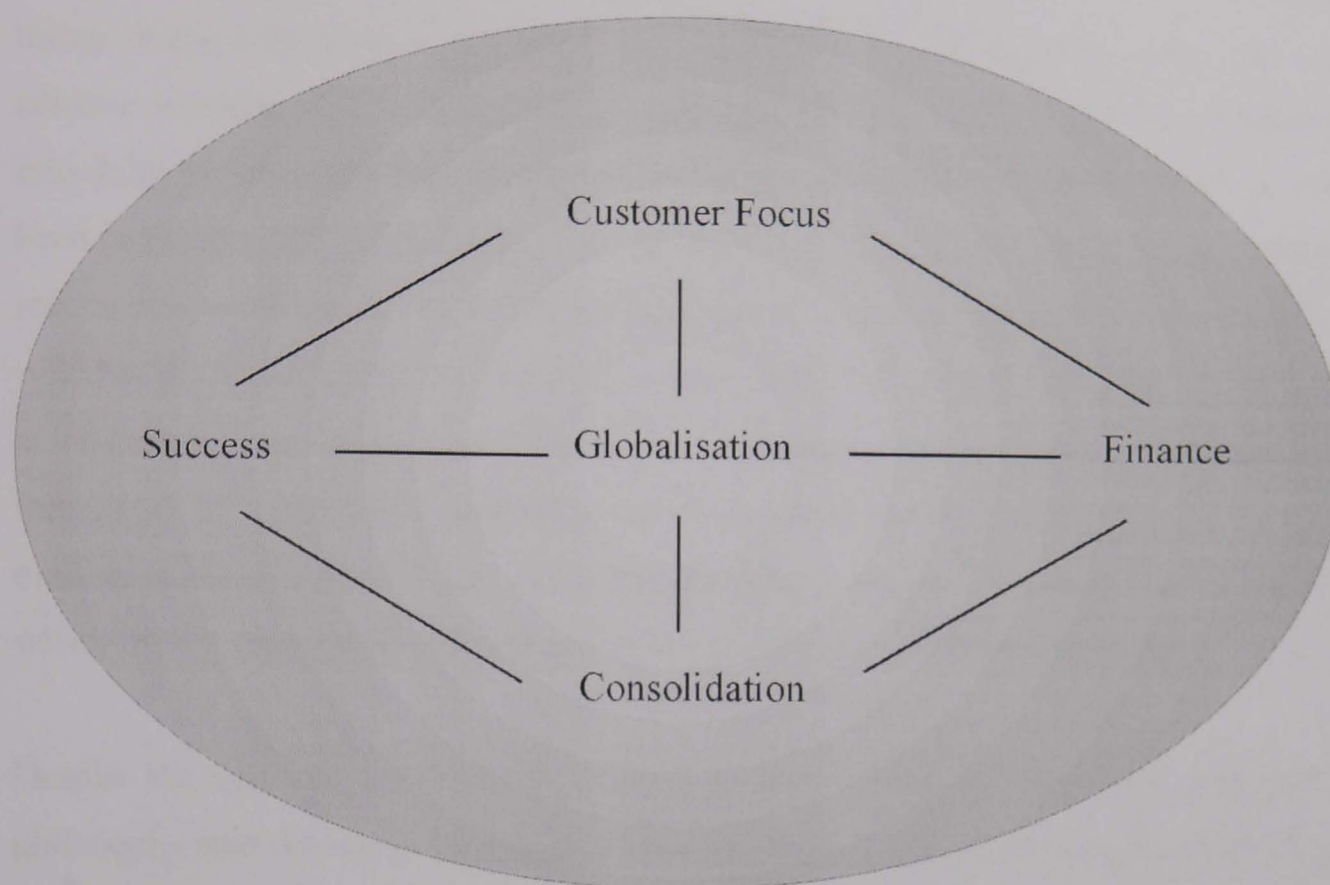
This unanimity is likely to be due to the sound information and communication policy at ThyssenKrupp Automotive Tallent Chassis, which was praised by a vast majority of interview partners, since information is crucial for establishing meaning (Höhler 2002). This may be one reason why employees have made sense of the phenomenon of globalisation and have found their own solution to the challenges, which seems to be: 'work hard and get better every day'. This slogan builds the core of the 'Tallent work ethic', which will be dealt with further in Chapter 5. Open information and communication cannot occur in any circumstances, but are deeply rooted in our liberal and democratic system and understanding: open discussion of problems and the suggestion of ways forward can only take place in a democratic environment (Popper 1962). The relatively low power distance in the United Kingdom (Hofstede 1980) and the good working climate (see also Chapter 5) at ThyssenKrupp Automotive Tallent Chassis are likely to have assisted the process of making globalisation comprehensible and meaningful.

Those two perspectives both individually and combined reveal an ascending storyline (Browning 1991) and a rather positive tone, taking into consideration the difficulties the company once faced. The genre of this ThyssenKrupp Automotive Tallent Chassis globalisation story is the one of a moral tale: 'if you do the right things at the right time, if you work hard and know where you are going, you can achieve anything' seems to be the core message here. This story has been embedded into daily routines and the company's philosophy and self-understanding; it has also been communicated both verbally and through symbols and in that way has become real to the employees. To put differently, globalisation has ceased to be merely a world-wide phenomenon, but has become part of the life of each and every employee at ThyssenKrupp Automotive Tallent Chassis in one way or another. The narrative framework of a moral tale appears to have supported this reflexive process of sense-making in that the meaning of globalisation changes people's outlook for the future, which in turn impacts upon the meaning of globalisation in their reasoning.

Despite the fact that interviewees referred to past events, in which the company's philosophy and success is rooted, and their importance, this is not a story of the past. It is built on the foundations of the past, but situated in the present with a strong focus on the future. In other words, this story mirrors a certain confidence in what is to come: 'we have overcome so many challenges in the past and we will do so in the future'. This belief in the capabilities of each and every individual in the firm is a key part of the company's self-understanding and impacts upon the individual's identities (see Chapter 6). Being part of this positive and pragmatic environment helped many an employee to rewrite their biographies and roles within the organisation.

This globalisation story is unique to ThyssenKrupp Automotive Tallent Chassis, and influenced by the company's history, industry, culture and management decisions. Nevertheless, it deals with issues that other companies in the UK or Western Europe in general have to deal with: competitive pressures from developing countries and thus the need to reduce costs and to focus more on customers' needs than in the past. Other issues from the macro-environment are the increasing power of multi-national companies and decreasing power of local governments and societies (e.g. Mann 2000; Hertz 2001). The British government's response to the early signs of plant closures

was to set up regional development plans to attract inward investment and to create jobs in that way (One North East 1999). Tallent Engineering, as it was then, was not only a beneficiary both of those and also European funds, but part of this system through close links between the company with regional bodies. The agendas of both government and company seemed to coincide in this matter and to contribute to the development of the North East.

3.2. Freedom at a High Price – The South African Case

In the early 1990s the Apartheid government of South Africa took its last breath and the *rainbow nation* was born – a democratic state offering equal rights and opportunities to everybody (cf. Policy and Law Online News 1996). As a consequence, the life-world of South Africans from all spheres of life was turned upside down all of a sudden. The economic and societal consequences of this abrupt change of direction were enormous: one day the economy was sheltered by sanctions and import barriers from the rest of the world (Coupe 1995) and almost overnight it was open to competitors from throughout the world (see interview data below); one day the society was regulated by the written and unwritten laws of racial segregation and everybody knew his/her place in that system and like overnight everybody had the same rights and opportunities according to law (cf. Policy and Law Online News 1996). What may sound like liberation to the innocent observer was more of a trauma to many of those involved at the economic and societal, organisational and individual levels as we will see.

The unique globalisation story of Iscor Vanderbijlpark Steel has a different plot and tone to that of the globalisation story of ThyssenKrupp Automotive Tallent Chassis. It is more fragmented, complex and multi-faceted than the one above in accordance with the more fundamental and complex changes in the macro-environment. This globalisation story is also reconstructed from various interviews with employees from all backgrounds and hierarchical levels, recorded in September and October 2002.

> The end of the Apartheid era ... saw major changes in terms of sanctions being lifted, all the borders and boundaries being opened for us to the rest of the world. That had another

implication in that the rest of the world was also allowed to enter into South Africa. And that was a major, major change, a major event in the life in the company. *** Iscor is in ... world-wide competition. ... So now it's very difficult in that Iscor is competing with international companies. *** If you look at other advanced companies in the world, their manpower is not as big as Iscor's manpower. And they were producing better products, better quality and they had better customer satisfaction. We were a lot of people and still the product wasn't [of] good quality. We didn't have on-time delivery, our customers were always complaining and machinery was breaking [down]. It wasn't actually cost effective. So I think we're moving into another limelight now in that we know where we're focusing. Our current situation is very dependent on the throughput and the costs. *** That's why there are changes like restructuring and people lose [their] jobs. We're all freezing now and ask ourselves who is going to do this job? *** It doesn't matter how well we perform, there's a company outside there that can do it quicker, cheaper and with the right quality. *** The next big target to stay here ... is merging. We call it "merge & survive". ... Iscor used to have a good ... research and technology department; Iscor closed that down. So I think to be a global player we need some technical partners. *** With [group x] being the single biggest shareholder and the [group y] agreement we see further cost optimisation opportunities amongst others. And whether we will be wholly owned [by a global company] remains to be seen. However, we're now a global player. *** And I think that'll probably be the next phase, that management has to go through ... changes of international globalisation and so on, where they do not have control. One where they would have control about is developing these skills in the management process over time. ... Because all of these pressures are to some extent going to come from global imperatives and these guys [on the shop floor] are left to deal with them. ... The second area of coaching would have to be to understand that whatever we do in this plant is really impacted upon by world-scale events. *** In South Africa we're quite lucky to have – maybe that's the problem: we have too many manufacturers. All the German guys are here: BMW and Mercedes, [the] Japanese: Toyota, Nissan, Mazda – whatever runs around here is built here. Now we're making three-series BMW for the world, Toyota's doing it for the Corollas, it's international manufacturing.

The key elements of this story – in accordance with the macro-environmental changes – are the opening of the South African economy and the subsequently emerging competitive pressures, which led to a sharp focus on cost efficiency and cutting jobs at Iscor Vanderbijlpark Steel. These events are inseparable from the company's past in a closed economy and the then predominant attitude towards doing business (see *Figure 4.2*). This story takes place in the present with elements of the past being extremely rare. It seems that the past is completely rejected and not currently used as the foundation for present and future narratives. There is a danger

of confusion in present and future stories when the point of reference – i.e. past stories and narrative frames of meaning – is missing. The focus of activities is set on the future: consolidation or, in the words of one interviewee, 'merge & survive', which represents the largest shareholder's philosophy.

Figure 4.2: Iscor Vanderbijlpark Steel Globalisation Story
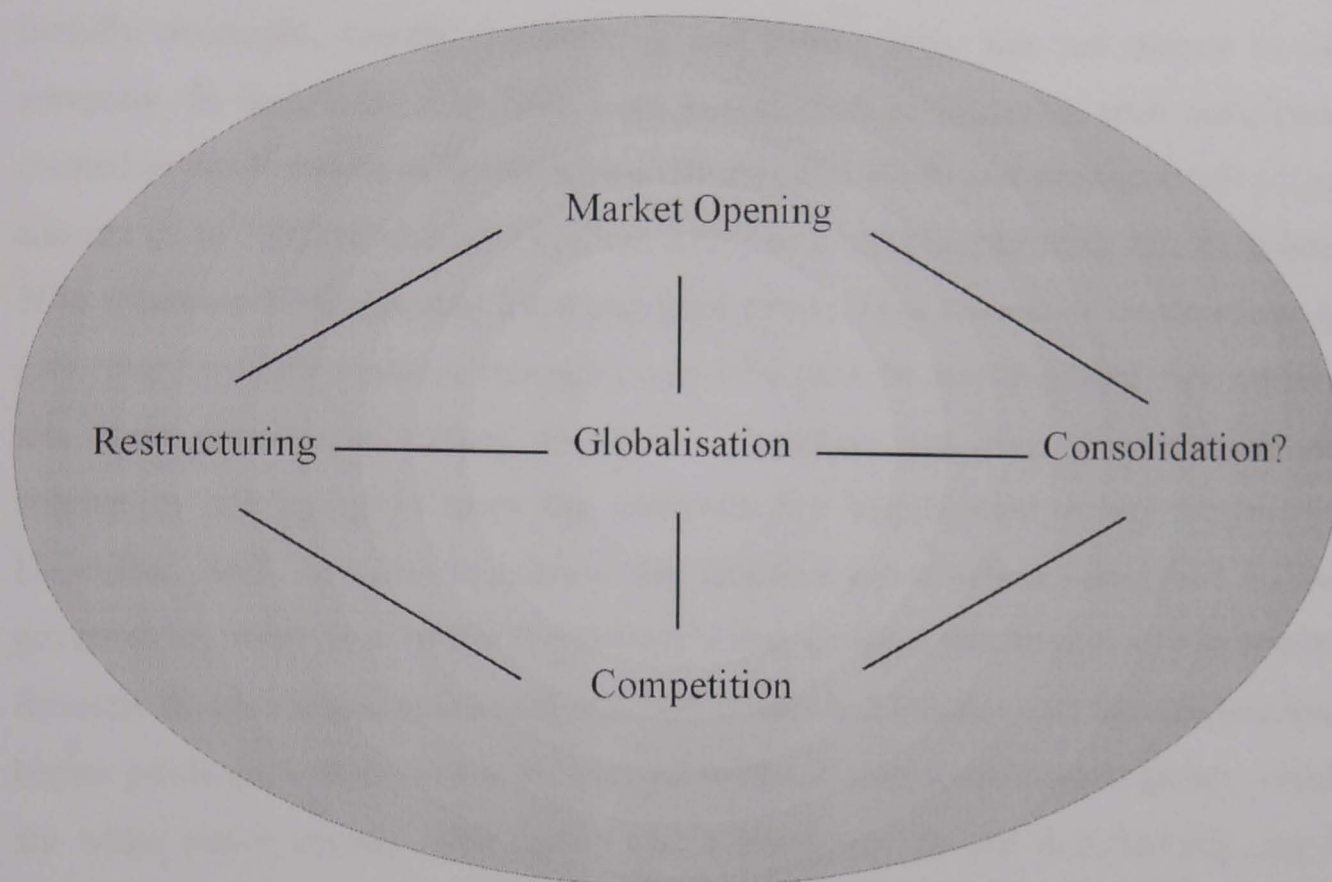
The overall tone of this dominant, overt and agreed story is not particularly enthusiastic about the newly gained freedom for many, but characterised by loss and fear (what Mallet 2000:1 calls *crisis of confidence*), conveying the shift from a plateau to a descending story-line (Browning 1991). Only few interviewees spoke about their new opportunities in the 'new South Africa', while the majority remembered 'the good old days'. With the massive redundancies (more than 60% of the company's workforce was laid off), employees' belief in a secure future – which was core in the Apartheid South Africa – was shattered – in the words of one interviewee: 'We're all freezing now and ask ourselves who is going to do this job?' (see page 86). Many interviewees had a relative or friend who had worked at Iscor Vanderbijlpark Steel and had been laid off, which aggravated the situation for the individuals. Those people show signs of survivor guilt – 'why him and not me?' –

and also fear for their future, which can be paraphrased as: 'will I be next and if so, what will happen to my loved ones?' A good metaphor to describe this process is the 'digestion metaphor': the changes have been swallowed, but not been digested and they cause heartburn to many of the people involved. Those issues are more obvious at an organisational level and will be discussed in more detail in Chapter 5.

Iscor Vanderbijlpark Steel's solution to become competitive on a global scale literally overnight, namely restructuring and cutting jobs, was not unique to the company. In fact, more jobs have been lost through restructuring than have been created in the Republic of South Africa (Blumenfeld 1999) and estimated job losses amount up to 500,000 since 1993 (Klein 2002) with an unemployment rate of around 50% (Slabbert 1996, quoting Financial Mail 1994). This has major implications in particular for white males of the age group forty plus. In case they lose their current job, their chances of finding a position elsewhere are very slim because all companies are trying to meet the government's employment equity targets by December 2005. In order to achieve the employment structure prescribed by the government, which is to mirror the country's demographic structure in all hierarchies, formerly disadvantaged employees (i.e. non-whites and females) are fast-tracked into higher positions, which have to be vacated by the formerly advantaged group, which are white males usually with family and a mortgage. To put it differently, these massive retrenchments have left many South Africans shaken and worried about their future. In addition to that, people do not feel valued as employees, but only as a cost-creating factor that has to be removed – with negative effects to self consciousness and morale at work (see also Chapter 6). It is therefore not surprising that many interviewees contended 'I would say the old days were much better', which is part of a covert and contested residual story. Accounts like that suggest that for many people the stories told both in the plant and the local community have the genre of a drama.

Another key feature seems to be the importance of control – controlling costs, controlling throughput, controlling finances, controlling people. This may by a legacy of the Apartheid past; as one interviewee explained, Iscor Vanderbijlpark Steel was built after World War II to provide employment for white citizens: 'Iscor Works was basically a plant from the government after the world war to ... give [people] a job because after the war there was no work for the people. Actually it was

a charity.' As an industrial plant owned by the government, one of its tasks was to keep the workers under control (e.g. Tutu 1986; Rissik 1999) and this distrust of the other has not been overcome yet. On the other hand, this focus on control – part of the current management discourse (see Chapter 1) – may also be brought into the company by Western consultants. The resulting distrust appears to be a major problem in the company (see Chapter 7).

Although this story contains excerpts from interviews with employees from all hierarchical levels (from the top manager to shop-floor workers) and the individual interview excerpts elide into one another, there are hints towards a divide between 'them & us' (see also Chapter 7). This may stem from the past with its strict racial segregation on the workplace: management positions were reserved for white males, while workers' positions were the domain of black males (women were largely excluded from the workplace) (Castells 2000a). Overall, it seems that management seems to be able to shift the major effects of globalisation pressures on to the workers at the coal face who have to bear its consequences, as one top manager pointed that out during the interview: 'these guys [on the shop floor] are left to deal with them' (see page 86). Another issue that does not facilitate the overcoming of the sharp divide between white and non-white are the big differences in skill base, which are also a legacy from the past (e.g. Gavin 1986; Spence 1999). While virtually all employees from a white ethnic background have had either sound skills training or have graduated from university, many employees from the other ethnic groups are unskilled or had only basic training. However, with the government's employment equity programme this situation is likely to change considerably (Randall 1996). Young people from all ethnic backgrounds are trained and educated together and at Iscor Vanderbijlpark Steel formerly disadvantaged employees are being fast-tracked into higher positions that bear more responsibility. Many young employees from a non-white background I spoke to are highly motivated (see Chapter 6) and have undertaken part-time study to improve their qualifications and in that way enhance their career prospects. Progress is under way, but nevertheless, at the moment, the differences in skill base remain problematic.

Generally speaking, it seems that that the *rainbow nation* is struggling with the fact that the end of the Apartheid regime was negotiated (e.g. Tutu 1999; Welsh 2000)

and not achieved by means of a revolution. There is no question that the consequences of the regime change were revolutionary, but there was no revolution as such – no clear dividing line between past and present. One reason for this confusion of the state of the art is that elements of the old and the new system continue to coexist (e.g. Glaser 1997; Lanegran 2001) and the Republic of South Africa has not yet become a fully liberal society (Macdonald 1992). As a result of this coexistence of systems, there is not a shared sense of what society means (Mallet 2000) for the South Africans I spoke to and a society without a certain degree of sharedness does not deserve to be called society (Bohm 1996). The Truth and Reconciliation Commission has attempted and to a certain extent succeeded in helping people to come to terms with the past (Judson 2001), but publicly expressed racial bitterness at sharply rising inequality within racial groups is resurging (Mallet 2000). With the benefit of hindsight, we can only speculate as to whether a revolution may have helped people to come to terms with the past more easily (what in German is called *Vergangenheitsbewältigung*) and simultaneously get involved in building the present and future.

3.3. Law, Order & Stability – The Russian Case

The collapse of the Soviet Union was quite a surprise to the world (Castells 2000a), although it did not come totally unexpectedly. After the putsch and unrest of August 1991, the Soviet empire finally disintegrated within four months (Pankin 1996). From a political and economic point of view, the independence of Russia was not an easy task. Until late 1991, economic activities were spread over the whole territory of the Soviet Union and the state-owned factories (which were very inefficient compared to their foreign competitors) were totally dependent on one another (Millinship 1991).

From a societal perspective, the world of millions of Soviet citizens turned upside down. Not only did they lose superpower status, which they were very proud of, but the economic crisis following the collapse with galloping inflation meant financial ruin for many. Lucky were those who had a lot somewhere in the countryside where they could plant vegetables for their own use, as many Russians will contend in personal conversations. Linked to the sharp decrease in people's living standards,

their self-esteem suffered tremendously due to the loss of Soviet symbolism as 'the only source of meaning' (Castells 2000b:24). This hit many Russian particularly hard because generally the Russians are a proud people (Kappeler 1990).

The events of the early 1990s, as is often argued, were indeed a revolution being 'a significant shift in power and property relations, accompanied by the use of extra-constitutional measures and involved a degree of mass mobilisation' (Sakwa 1996:25). Bauman (1992) refers to these changes as a systemic revolution and the outcomes of the process are still largely unknown (Gregory and Stuart 1999). What has become clear, however, is that Russia is establishing a political and economic system that is deeply rooted in Russian culture and traditions and, consequently, is difficult to classify according to established conceptual frameworks (Gitelman 1997).

From 1992 onwards, all of a sudden people were in the position of learners again: What is that 'freedom'? 'Market economy'? How does all of that work and why are we doing it in the first place? One interviewee put this as follows:

> All those laws of market economy were completely new to me.
> I didn't know what this was all about. I didn't know all those
> laws, all those names – everyday terms, which determine our
> lives today.

In other words, people had to make sense of those world-shaking events their country was involved in and to learn the rules of a new game – the game of globalisation. To the vast majority of my interviewees, this was a very steep learning curve and everything unknown has become part of their lives (this story will be interpreted in more detail in Chapter 6).

The unique JSC Severstal globalisation story differs from the two mentioned above in plot and tone again. My interviewees are dealing with the situation in a typically Russian way: 'we can't change the situation, so let's make the best out of it.' As a consequence from this attitude, people tended to focus not on the negative elements, but on what had improved in their lives. This story is less fragmented than the Iscor Vanderbijlpark Steel one, but it nevertheless shows the various facets and complexities of the current situation. The following globalisation story is also

reconstructed from a number of interviews, which were recorded in April and May 2003.

We participate in the process of globalisation and – whether we wish to or not – we really participate in this process and we are a player on the world steel market and other markets. This means that we must understand the rules of the game, we must be able to use the rules and be effective. *** People understand that everything in life is interrelated and that they're only a small part in the big system of the organisation. And the organisation's only a small part in another big system and that's why everything that happens around has got an impact. Furthermore, they see perfectly well that at the moment there's a very strong link that the company's obliged to adjust their salaries [to inflation] at regular intervals, they believe in this stability. They see that nobody wants to cheat on them. But they also see that if the company's in a very difficult situation, administration will obviously postpone payment as much as they can. This means that if we don't have money, the collective agreement won't help. ... That's why people follow the market development very closely. In the information conferences [we hold regularly in each plant] there are people without higher education that work at the conveyors and listen with great interest particularly what's happening on the steel markets in Russia and the world. *** Nowadays we're looking at how much rolled steel [competitor A] produced, how much [competitor B] produced and how much steel in the whole country, what the [external] influences are – like globalisation. *** And it's understandable that we have, overall, to catch up with Western companies on the basis of nearly all indicators. *** Nevertheless, there's a world market; i.e. certification according to international standards – that gives us entry to the world market. In other words, that gives us our share. On the world market there's a broader way of trading ... and making profits. Why are we working anyway? We work to make money in order to live well, to eat well, to sleep well. ... There's a lot of exchange in experience taking place, imitating experience, imitating certain methods. ... In other words, it's important not to lose oneself and not to let go. *** Russian companies find it difficult to enter the markets in the West where all niches have already been filled, but integration's absolutely necessary. In the Soviet Union, we were living behind the iron curtain maybe and now we could live on those gigantic resources – both natural and intellectual. But being in isolation, we cannot close the technological gap. ... The prime cost of production of JSC Severstal is 1.5 - 2 times lower than with the analogous production of Western European enterprises and I don't think that the users of rolled steel, for example in Germany, could not benefit from buying it in Russia. ... But couldn't maybe certain market niches be opened for the products of Russian companies? Mutual benefit could be achieved, for instance, by the exchange of advanced technologies from Western Europe or by investments.

This story includes the voices of employees from all hierarchical levels of the organisation and the seamless way in which these individual accounts elide into one another mirrors the unanimity of opinions; it can therefore be characterised without doubt as a dominant, open and agreed story. The key elements of this globalisation story are the influences of the world steel market on JSC Severstal and on the individual employees (see *Figure 4.3*), mirroring the increasing interconnectedness of globalisation (Held *et al.* 2000). These characteristics of the phenomenon of globalisation have become real and meaningful for people even from the lower hierarchical levels. As one interview partner pointed out, the workforce has understood the links between the situation on the world steel market and their personal financial wealth.

Figure 4.3: JSC Severstal Globalisation Story
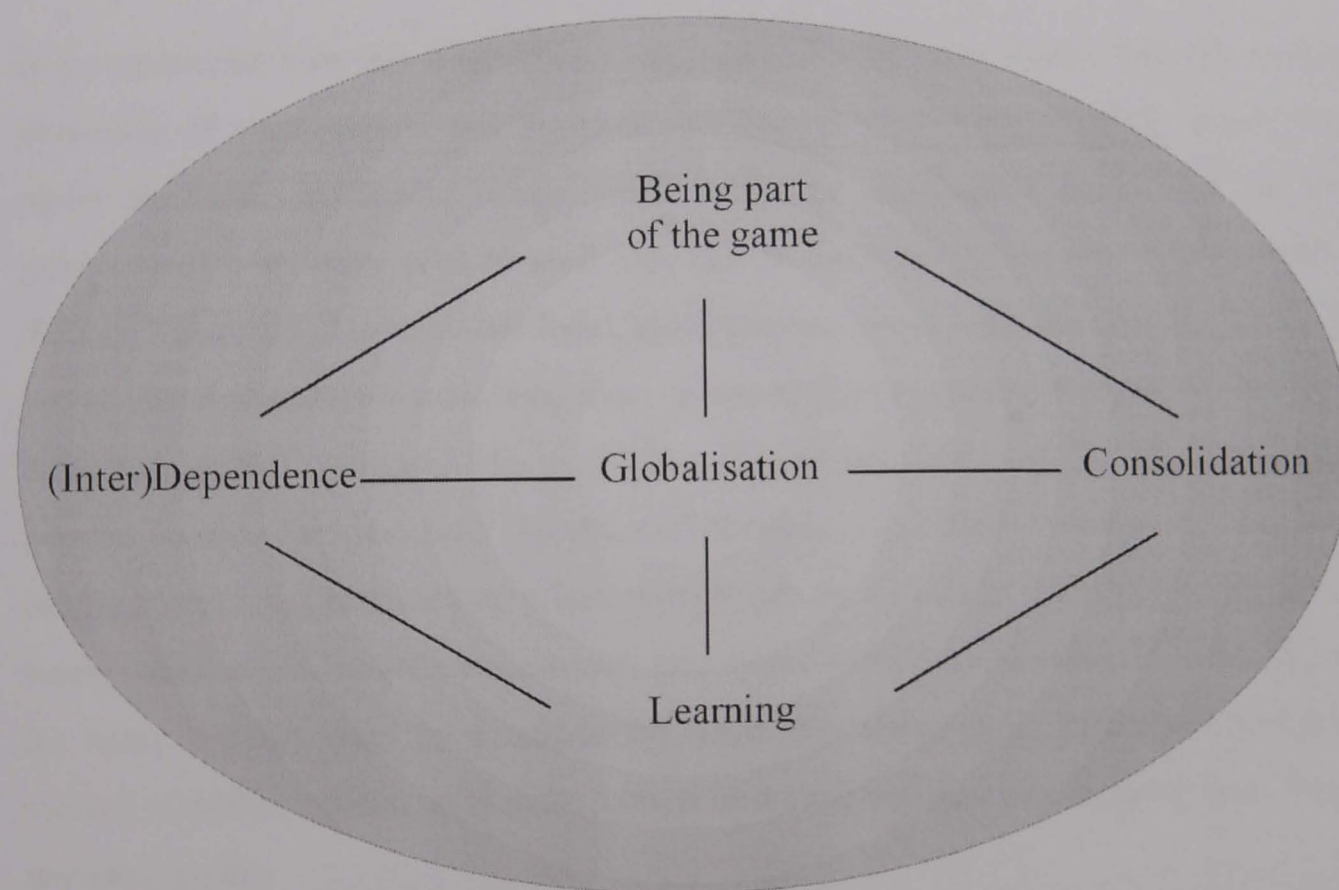
To survive in the difficult environment of the steel industry, JSC Severstal closely monitors its competitors' activities to find their own place in the market – a move that is partly restricted by trade barriers (e.g. Aris 2001). To resolve this additional strain, JSC Severstal put a series of strategic programmes (*стратегические программы*) in place, which were aimed to improve effectiveness and to cut costs.

These improvement programmes seem to have been accepted very positively – if not to say embraced – by the people I spoke to. For many, particularly younger employees, progress meant success, which, on the other hand, results in higher and better living standards for them and their families. However, although they did not question the value of improvement and progress, some older employees who had lived through the ups and downs of Soviet economic development, were a bit more sceptical; in the words of one interviewee:

> You know, we've been going and going in one direction, and then we turned 180 degrees and went in the opposite direction. Obviously, that's how it was there ... and mistakes and miscalculations [happened] and going in this direction [means that] now we're having the same [situation]. That's why we need time to judge the results. Maybe we came here at the right time and everything was fine. It's not good to change the course frequently, that's no good for anybody in any case; you won't get anywhere and you won't achieve any goal.

It is remarkable how this interviewee – despite his scepticism – buys into the current discourse of management and business and talks of 'achieving a goal', which was never an issue in Soviet times. Back then, the companies were told by the government how many tons of steel they had to produce; if they did – fine, if they did not – also fine. On the other hand, this short excerpt mirrors the abrupt change in focus. But it also shows something else – a theme that is running through the stories I collected at JSC Severstal like a red thread: the need for stability. It seems that people feel that they had their fair share of changes – with both positive and negative implications – and that they now just want to get on with their life without having to worry what mind-blowing events will take place tomorrow. However, those hopes for more stability may be disappointed since capitalism is an inherently unstable system (Giddens 1990), so that the notion of a secure future can at most be a well-nurtured myth.

Overall, the tone of this globalisation story is positive – more enthusiastic among the younger generation and more careful among employees with long-standing service, to whom the outcome of the process is less clear. Nevertheless, this story has an ascending story-line (Browning 1991) with a strong focus on the present and future. On the other hand, it is deeply rooted in Russian tradition and culture and the past is

not as fully rejected as in the case of Iscor Vanderbijlpark Steel. It seems, though, that this story is built on the past in a more tacit way than in the case of ThyssenKrupp Automotive Tallent Chassis, most probably due to the achievements of the Soviet system, which are now perceived in a more equivocal manner.

Overall, my interviewees were very selective in their opinions: for instance, they were proud of certain elements of the Soviet system (e.g. the huge technological investments in the plant, which serve as a foundation now or the sound education provided by the state). On the other hand, they have rejected the economic procedures of the planned economy and rewritten their stories – and thus changed their understanding – of today's requirements in a global industry (see Chapter 6). Such an eclectic approach to deal with the past as well as to take on new concepts and ideas appears to be typical in Russia and has been evident in many interview accounts.

The ideas of market economy that my interviewees had in mind, with its focus on rules and laws, was informed by Taylor's Scientific Management (1947), Weber's bureaucracy (1983) and the machine metaphor (Morgan 1997), as the following interview excerpt shows:

> If I take the right decisions then obviously we'll be successful on the market. The quality of production and quality of services and the cost of production are among the most important things ... on the market. In order to have ... low costs of production, then it's absolutely necessary to cut expenses. And cutting expenses - that's optimising production, improving production, the effectiveness of production. ... If you do this without coordination ... that's not correct, one's got to do that all the time. There's got to be a continuous programme of cutting expenses, cutting costs.

Due to its mechanistic and therefore restrictive character it may also be a naïve understanding of the complexities of market economy, democracy and globalisation. This understanding may be summarised as follows: 'if we take the right decision we'll be successful'; this implies a mere cause and effect relationship and shows a certain emphasis on control. On the other hand, the Western understanding of market economy, democracy and globalisation reflects the ambiguities of these systems and acknowledges influences from a wider environment. Another potential danger in this

restricted idea of market economy is the continuation of excessive bureaucratic procedures and consequently a restriction of creativity and innovation, which might be necessary to outperform their competitors and secure long-term survival of the organisation.

To sum up this section, the changes both in the Russian Federation and at JSC Severstal are fundamental and complex and Bauman (1992) even talks about a revolution (see page 91). As in the case of Iscor Vanderbijlpark Steel, people at JSC Severstal associated globalisation with the changes in the respective macro-environment; in other words, these macro-changes serve as a key moment, as a turning point in history both for society and individuals. While these events as such are meaningless, people had to make them comprehensible by attaching meanings to them (see Popper 1962). These meanings, however, differ among the case studies and among groups of people within one setting. The overall genre of the stories collected at JSC Severstal is rather difficult to determine; it resembles a moral tale in some ways (for instance with regard to the company's recent successes), but also an adventure story in which people buzz with excitement about what is still to come. Particularly younger employees can see their role in the new Russia and many cannot wait to put their abilities to the test. While at Iscor Vanderbijlpark Steel certain groups of people seem nearly paralysed by fear and uncertainty, this seems to make the majority of interviewees at JSC Severstal even more determined to face the challenges lying ahead and to win their share in the game of globalisation.

4. Globalisation, Learning & Making Sense

The last section on the meaning of globalisation in the three case-study settings can be concluded by one simple statement: people's world changed and in the case of the South African and Russian country settings was turned upside down and their beliefs were violated. As a consequence, they were forced to make sense of the new realities and rewrite their stories in accordance with the new circumstances (Bruner 1990). While the acquisition of skills and formal training played a role in all three settings, a far more important element seemed to be *learning by story-telling* (see Reissner

2003a; 2004b). Before we go on to this point, I would like to give a few examples from the three companies in question regarding the more formal aspect of learning.

At ThyssenKrupp Automotive Tallent Chassis skills development and formal training were closely linked to advancements in robot technology and workplace organisation. In addition to an open learning centre and sponsorships for courses, the company has formalised its training procedures to have a highly qualified labour force, which they came to perceive as a competitive advantage. At Iscor Vanderbijlpark Steel, training shifts, a learning resource centre and grants for further education are targeted at securing a good skill base for the future on the basis of which the company can compete globally. At JSC Severstal, strong training traditions are maintained and developed further at all hierarchical levels with one key element being management training according to Western models both in Russia and abroad. This helps employees in this company to get new ideas and to stay up to date with the ever-changing management discourse. Without a doubt, those skills help the members of all three organisations to deal with many new requirements and demands and my interviewees praised their employers for their far-sighted attitude to professional development, as the following interview excerpt shows.

> [Our company] puts a lot of effort into training. ... That's actually what helps you to cope with all changes. As you know and as I mentioned before, we were about sixteen thousand [employees] when I started working here. And we're about six point eight thousand today. Three times reduced the staff ... and the workload is actually the same. Our service is more professional. [Our company] had to train us; otherwise it would be impossible to do your work.

Despite this need for skill development to help people accomplish new tasks and despite the importance of skills development and formal training in coping with change, it is not enough; in addition, people had to make sense of the new circumstances and to make them comprehensible and meaningful. As I have argued in Chapter 2, making sense and establishing meaning are narrative processes and the employees at ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal created these meanings by telling stories. To take this discussion to a more practical level, people in those companies are likely to have shared their stories and their views of what was going on, particularly in the first days, weeks and

months after the upheaval when nobody could be sure of what was going on. They discussed issues like 'what is this, market economy?', 'what is globalisation?' and how the new ways of doing things prescribed by their management teams would fit into their view of the world. One interviewee offered an interesting metaphor for this process.

> As soon as we start talking [among each other], a picture's being painted because I see the problem in this way and the other person sees it differently. I look at him [and say] 'oh, that's an interesting way of looking at it' and he looks at me and say 'listen, I haven't thought of it in that way.' Roughly speaking, a completely different picture's painted in that way. Then a third and fourth person come [and get involved in the discussion]. When 15 people come it's already a crowd and we won't paint a picture.

This quote highlights the importance of dialogue in small groups and illustrates how meaning can be established. In other words, such narrative processes, based on dialogue and a trust relationship, are crucial for establishing meaning. Leadership and power in their most natural and innocent form seem to be an interesting feature in this context: power relationships define whose stories are more important and become dominant (Boje *et al.* 1999). On the basis of von Cube's (1998) work, we can assume that people tend to believe people whom they trust and whom they respect more than people whom they do not think highly of. In other words, if I believe that a colleague is trustworthy, competent and well-informed I am likely to believe him/her more than my boss whom I might not consider as having such qualities. This process results in the kind of stories I have presented under the last heading; my interviewees gave an explanation – why they are doing what they are doing and why they have stopped doing things like before (or not). I will come back to this issue in Chapter 5, when discussing organisational culture, power and leadership at an organisational level.

If people have made sense of the events that happened around them and have established a meaning of what was going on, they will have rewritten their biographies and the stories which capture their core beliefs, which will be dealt with in Chapter 6. To borrow the language of my Russian interviewees, they have learned the rules of the new game and have also determined their place in it. As a result, they

can make a choice whether to fully buy into the new system or to reject and leave it. As interviewees from all three companies have pointed out, people of the latter category tend to leave the organisation within months after the changes and those who stay tend to pull in the same direction. This has major consequences for the societies of the respective country and also for the organisational culture.

In summary, it seems that macro-environmental changes like globalisation, story-telling and organisational learning are deeply interwoven processes, which in turn are influenced by features of national culture and organisational issues like leadership (see Chapter 5). The coming to terms with change is learning at different levels, involving skill development but also more subtle yet drastic changes in people's identity (see Chapter 6), which in turn influences their behaviour at work and outlook for the future. Nevertheless, stories that capture the latter learning have to be interpreted against their context to make the meanings attached to certain key moments of change comprehensible and meaningful to the outsider.

5. Summary & Conclusions

The key point to highlight at the end of this chapter is that globalisation may be an impersonal economic mechanism. However, it is real and meaningful to everybody in an organisation – whether a senior manager or a worker at the very bottom of the hierarchy – when put into a specific context and tied up in stories and narratives. This meaning naturally differs from context to context, as the case-study material has shown, and often is a double-edged sword. On the one hand, people want their freedom and a better life, but they are reluctant to give up other, dear aspects of their life for that. This may be more obvious in the South African and Russian case studies, where major macro-environmental changes have taken place in a short period of time. Nevertheless, this issue is also prevalent in the United Kingdom, with globalisation proving to be a threat even to established and successful companies. These ambiguities and complexities will be dealt with in Chapter 7 to acknowledge the shadow side of organisations and to report upon more contested, emerging and residual stories.

All three firms have found their unique way to deal with the large structural changes that are typically referred to as globalisation, which is deeply embedded in organisational stories. Although this chapter focused on the macro-environment, all stories contain elements of the specific organisational and personal background. It is therefore not surprising that these stories with expression of emotions, symbols and myths are manifestations of not only of the individual person, but also the national and the organisational cultures. In other words, individuals are part of organisations and organisations part of societies and cultures and their stories are an invaluable source of information for researchers interested in making sense and establishing meaning at those three levels.

Despite the different contexts in which the three case-study companies operate and the different meanings of the phenomenon of 'globalisation' in those settings, there is one common answer to the increasing global pressures ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal are experiencing: consolidation. All three companies have sought trustworthy partners to share the risks involved in increasing speed, change and competition (see also Chapter 5). This is often seen as a defensive strategy aimed to protect the firm's current position (Chandler as quoted in Pugh and Hickson 1989:29). It seems that not only those three firms are building larger entities to achieve synergies, to spread risks and ultimately to become more powerful: a new merger mania has started (Hertz 2001), which is likely to result in more macro-changes at a global scale for which new learning will be required.

Chapter 5: The World of Organisational Stories

> *... during periods of stability, people take their realities for granted, and are therefore unable to reveal their construction to themselves and to others. In times of change, old practices are destroyed and new ones are constructed, which invites the questioning and de-construction of the previous social order.*
> Barbara Czarniawska & Guy Sevon (1996): 'Translating Organizational Change', p. 1

1. Introduction

The world-changing events of the early 1990s – the fall of the Berlin Wall, the collapse of Soviet communism and the end of Apartheid in South Africa – together with the simultaneous entry into the information age had a major impact on businesses around the world. Consequently organisational policies and structures had to be adapted to the new global requirements. It is therefore not surprising that re-engineering, continuous improvement and quality programmes have been gaining in importance to facilitate organisational change (Dawson 2003). Although many of those programmes were successful and led to the desired outcomes, the failure rate of such initiatives is estimated to be at around 70% (Beer and Nohria 2000). But what is going wrong?

The reasons for such a high failure rate among change programmes are manifold and include too strong a focus on formal structural change (Beer *et al.* 1990), a lack of urgency, vision, empowerment and planning (Kotter 1995), rushed change initiatives and the loss of sight of the bigger picture (Beer and Nohria 2000). All these reasons have an issue in common, however, which is command and control. To put it differently, widespread change programmes like business process re-engineering (BPR), just in time (JIT) or total productive maintenance (TPM) are based on this idea (see also Chapter 1), which resembles Max Weber's (1983) ideas of bureaucracy and the machine metaphor (Morgan 1997); to use Gergen's (1992) words, we are absorbed in the machine metaphor. This rather widespread paradigm of change, however, is simplistic and neglects fundamental principles of human nature, like the
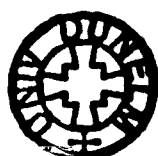
importance of social relationships and the need for respect and trust at the workplace. In our endless quest for competitive advantage, efficiency and effectiveness, we appear to have overlooked that organisations are not impersonal structures, but that they are made up by humans with emotions and other social needs that have to be addressed. Thus, it seems that mainstream literature on business and management is missing a trick: there is a lack of understanding that organisational change has to be negotiated and communicated through stories. This helps people to make sense of their experience with change and in that process they rewrite their biography, their identities change (Alheit and Dausien 1999) and people learn and develop (see also Chapter 2). This reflexive process enables them constantly to reconstruct the meaning of their lives through story-telling (Becker 1997). It seems that once a certain incident has become meaningful and comprehensible it loses its priority status and other events get priority status (see Chapter 6).

Organisational change, learning and sense-making cannot be separated from the prevailing culture in the firm. Organisational culture is often difficult to grasp due to its complexity, but it seems to be of utmost importance in organisational sense-making. Social relationships, strong moral values and leadership appear to determine the way people deal with change. This chapter aims to highlight sense-making and learning processes to come to terms with our testing times at an organisational level and will focus on issues like strategy, learning, culture and leadership under conditions of macro-environmental change. However, the meso-level events reported upon in this chapter have to be seen against the background of the specific macro-changes in the country settings dealt with in the previous chapter. This chapter on organisational change will show how the meanings of strategic and structural change differ from organisation to organisation. The main conclusion is that while macro-environmental changes determine the kind and pace of change, management's key task is to provide stability in times of turmoil (March 1981) and to support people in their meaning-making processes (Höhler 2002).

2. Strategic Change – Changing the Direction

2.1. From Metal-Basher to World-Class Supplier – The British Case

The increasing competitive pressures, which globalisation and the information age brought with them, led to strategic changes within business organisations all over the world. In some organisations, this only meant fine-tuning the company, a term with which Greendwood and Hinings (1996) describe convergent change. At ThyssenKrupp Automotive Tallent Chassis, the strategic and structural changes that have been taking place since the early 1980s, though enormous in retrospect, can be seen as such fine-tuning activities. Prior to the 1980s, the company was – in the words of one interviewee – 'jack of all trades and master of none' due to a lack of strategy. The major turning point in the firm's development was in 1981, when the firm received its first major order – the 'Sierra order' as it is called at Tallent – for the then new Ford Sierra rear suspension trailing arms (Tallent Engineering Ltd. 2000). This is unanimously regarded as the most important moment in the company's history and has influenced the subsequent developments and also the self-understanding of employees at all levels. This story has slightly different meanings to different members of this organisation, but there is nevertheless a dominant, open, agreed and shared account, which has been reconstructed from multiple voices:

A big change was when Ford came on the scene, together with the whole of the motor car industry. You see, in the early days Tallent ... manufactured fancy goods, such as cigarette boxes, powder compacts, etc. Those items weren't really an essential product for people – not like car parts which the likes of Ford and British Leyland ordered from the company. Once that change occurred, the work was a more guaranteed type of thing for the employees and so workers at Tallent started to stay for a long time. *** That was when the first robots came into the factory. It was like a new baby for the factory if you like. They worked well. *** I think most people could see the speed with which we could produce parts. Everybody sort of grew with that and realised that they start this new technology and we were able to compete for jobs. It took a bit of time for the shop floor people to really grasp that, I think. But once it became evident and ... the [production of the] Sierra body was up to two thousand a day ... and then shipping them to Europe and the UK. ... But it's all been progressive and people have come along with it and have been encouraged as well all along. *** That was probably one of the key moments of this company's history – moving to automotive, getting clear direction. *** Obviously the Sierra order ... was a big moment for us. *** From there on we never looked back. *** Then the factory

started to get bigger and more people were employed. When I started there was only one building and the building itself was an ex-munitions factory, so the offices were very, very basic. We had cracked and torn linoleum on the floors. We had painted brick walls with little windows with small panes in them ... two-thirds the way up the wall so you couldn't look out. Then the factory started to change. There were extensions to the factory and then we got another building and so you had No. 1 Factory and No. 2 Factory. Then you had an extension to No. 2 Factory and the whole place got bigger and bigger.

The Sierra order story has several key elements, which are improved stability and security, which in turn increased the loyalty among the workforce; technological change and increasing speed with the introduction of robot technology; a change in strategic direction with a clear vision to follow; physical growth of the plant and an enhanced self-confidence in the company's abilities. It also looks back at the humble beginnings of the firm and its at times insecure future (see also Harrison and Taylor 1996) and takes the form of a moral tale, which can be summarised as 'if you are trustworthy and work hard, you can make it'. This positive attitude helps employees at ThyssenKrupp Automotive Tallent Chassis to deal with change in a relaxed manner and to discover and explore alternative ways of dealing with new challenges.

The Sierra order, which, in other words, marked the take-off of Tallent's development, is closely linked with two unusual and rather brave moves by a small manufacturing company in the early 1980s: giving it clear direction by focusing the business activities on the automotive industry and introducing robot technology. This risk-taking, however, allowed the organisation to outperform its competitors at a crucial stage. Additionally, the above Sierra order story conveys pride in the firm's achievements and confidence in the organisation's abilities. These features of the organisational culture at ThyssenKrupp Automotive Tallent Chassis are mirrored by a detailed explanation of the company's development in the above stories. The hard-working and reliable attitude of employees from all hierarchical levels, in turn, led to being recognised as a trustworthy partner by the main automobile manufacturers. The efforts of ThyssenKrupp Automotive Tallent to establish the company as such are reflected by a series of awards by the big car manufacturers, which are displayed in the reception area of the premises. In that way, this story of success that began with the famous Sierra order is displayed with pride and lived in that way.

The statement 'we never looked back' also suggests that the Sierra order wrote history and can be described by the metaphor of a foundation. My interview partners mentioned the growth of and improvements in the plant, which are seen as a further symbol of the firm's development and success. The ThyssenKrupp Automotive Tallent Chassis Sierra Order Story, which is used as an example for strategic change here, is summarised and depicted graphically in *Figure 5.1*.

Figure 5.1: ThyssenKrupp Automotive Tallent Chassis Sierra Order Story
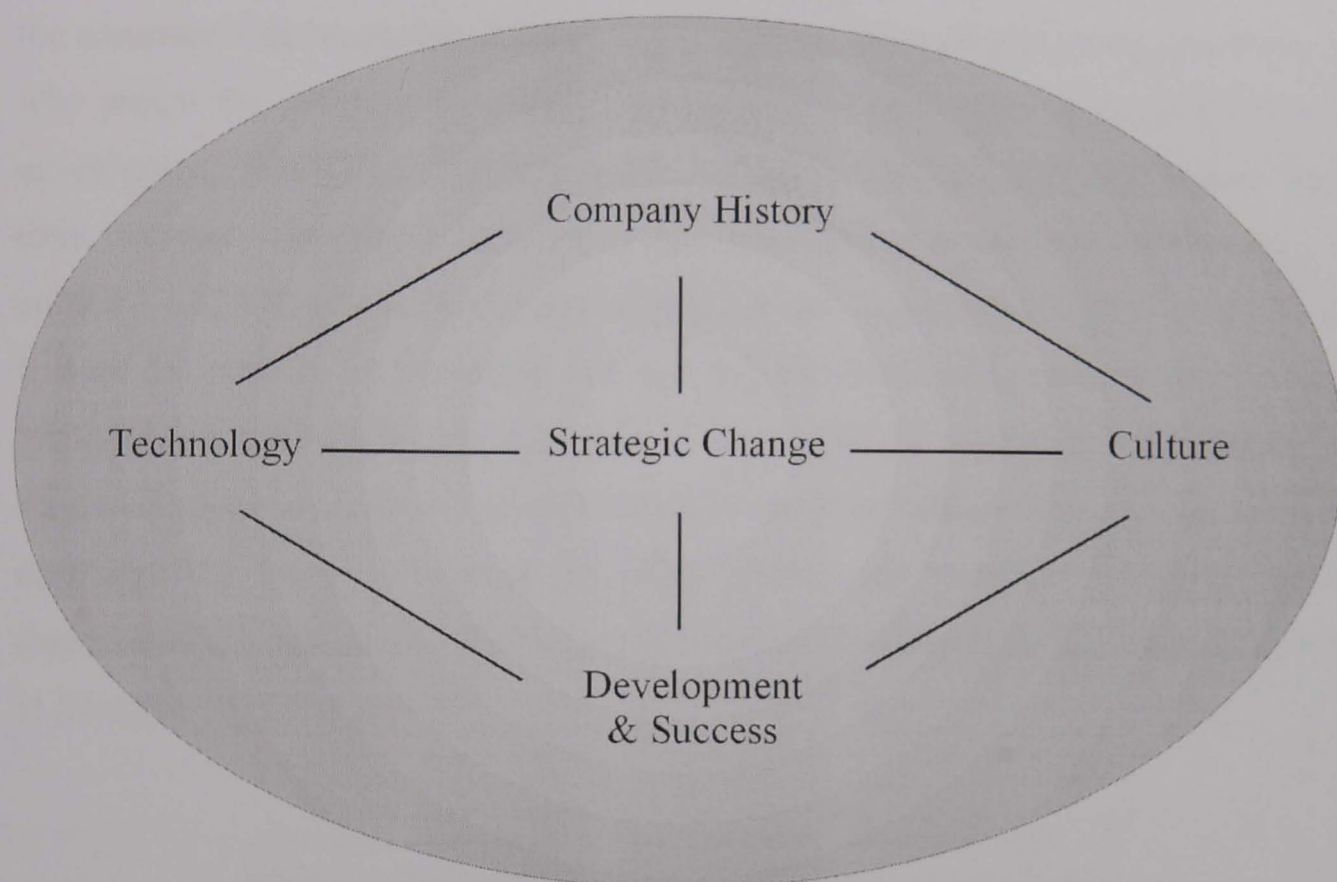
As the above ThyssenKrupp Automotive Tallent Chassis Sierra Order Story also highlights, strategic change often involves a change in the daily routines and ways of working. At ThyssenKrupp Automotive Tallent Chassis issues like risk-taking, experimenting with production, exploring new possibilities and innovation played a major role in the firm's development (see March 1991). In an increasingly competitive global environment, the ability to outperform competitors and to find market niches is widely regarded as vital for the economic survival of companies around the world (e.g. Porter 1985). At ThyssenKrupp Automotive Tallent Chassis increasing competitiveness meant the introduction of team work, just-in-time (JIT) and quality management procedures. On the basis of top management's motto 'I

abhor waste', the company introduced Japanese manufacturing techniques like kaizen (small-step improvements), genbakan (workshop management) and tanban (the delivery of the right materials at the right workplace at the right time), mainly on the basis of Schonberger's (1982) work[1]. These are can bee seen as major elements in the firm's development and are taken for granted by management and the workforce.

The importance of the Sierra order as a key moment of change is mirrored in the fact that new employees are told the Sierra order story – a story that is regarded as vital to the company's development and self-understanding. Interestingly, many interviewees who joined the company in recent years referred to this major event of the firm's development, while being quick to point out that it had happened long before their time. In short, the Sierra order story has been incorporated into the company's culture – and is thus known to every member of the organisation – which means that it does not have to be re-told in full and that the details do not have to be made explicit. Just mentioning the key word 'Sierra order' is enough for employees at ThyssenKrupp Automotive Tallent Chassis to recall the whole story and its attached meanings for every individual. In other words, this story is not only highly fragmented (i.e. reduced to the two main words), but also coded. As Bernstein (cited in Douglas 1973:77) puts it:

> Any restricted group ... will develop its special form of restricted code which shortens the process of communication by condensing units into pre-arranged code forms. The code enables a given pattern of values to be enforced and allows members to internalize the structure of the group and its norms in the very process of interaction.

In other words, a story so highly fragmented and full of coded meaning cannot be understood by an outsider. Hence, it marks the boundary between the inside and the outside and defines a sense of being part of the organisation. While some stories are used deliberately to mark the boundaries between the firm and its environment through coding (for instance covert and agreed stories that may contain business secrets), others do not intend to separate the outsider from the firm (for example,

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[1] Several interviewees referred to this book during the interview and emphasised how it influenced their thinking.

autobiographical stories about what the firm stands for to communicate with prospective employees). While organisational stories are used to mark the boundaries between the inside and the outside of the firm, they are also used to integrate new employees (see also Chapter 2). It seems that at ThyssenKrupp Automotive Tallent Chassis the Sierra order story performs such a role and grants newly recruited personnel a deep insight into the company's history, strategy, culture and self-understanding. By cracking the code of past organisational stories, new employees learn the company-specific language and in that way become part of the organisation.

2.2. From 'Charity' to 'Business'[2] – The South African Case

More radical or frame bending changes took place at Iscor Vanderbijlpark Steel, which means that the firm's orientation as such changed (Greenwood and Hinings 1996). In accordance with the radical macro-environmental changes, such rather revolutionary organisational change took place in this firm to respond to the demands of an open global economy. It appears that not only the degree of change played an important role in the strategic reorientation of Iscor Vanderbijlpark Steel, but also the speed of change. As highlighted in Chapter 4, the macro-economic changes in the Republic of South Africa required businesses all over the country to react to them literally overnight in order to secure their immediate survival. The motto of the organisational changes taking place can be summarised as 'achieving the most possible change within the shortest period of time'. This created a sense of urgency and a strong focus on measures that have 'a direct causal relationship to the balance sheet' (Van der Colff 2003:257). In other words, radical and focused change initiatives were needed to respond to the fundamental macro-environmental changes taking place in the Republic of South Africa and to turn around the organisation.

The approach Iscor Vanderbijlpark Steel adopted to become more efficient and profitable was planned and programmatic to achieve short-term results at balance-sheet level (see Beer and Nohria 2000). It can be concluded from the interview material (see also 'old Iscor' story on page 108) that mismanagement based on ignorance, lax control systems and tolerance of misbehaviour at work was widespread and had to be removed by means of the re-engineering to make the

organisation fit for the new realities of market economy. In practice, change at Iscor Vanderbijlpark Steel involved comprehensive re-engineering, restructuring and improvement programmes that were partly supported by an internationally accredited management consultancy to keep the change management activities focused and on target. Although top management tried hard to involve all employees in the restructuring process, the approach taken was rather top-down due to the urgency of change and the strong position of management and external consultants.

The change initiatives at Iscor Vanderbijlpark Steel included strategic planning and emphasised structure and systems. This can be seen as a 'hard' approach to change management (see Beer and Nohria 2000), which produces good results in the short-term. Consequently, Iscor Vanderbijlpark Steel became a low-cost producer and could improve its position in the international ranking of steel producers from rank 17 in 1996 to rank 8 in 2000 (Iscor 2001). The downside of this way of dealing with change is downsizing and lay-offs, which often provoke conflict and resistance, which will be dealt with in more detail in Chapter 7.

In order to highlight the differences in both company philosophy and strategy between the 'old Iscor' under Apartheid and the 'new Iscor' in a democratic South Africa, I will take the same approach as my interviewees, which is comparing the 'then' and the 'now'. This is what my interview partners told me about the 'old Iscor' under Apartheid:

> Iscor in the old days was very conservative. ... By being subsidised by the Government, Iscor could afford to employ so many people and keep them even if there was not enough work for everyone. *** People could produce steel at whatever cost because your customers could not buy anywhere else, they had to buy here. So costs weren't very cheap at that time, we were just producing and the guys were doing whatever they liked. *** We started off with a paternalistic management style, which says "we will give you everything, we will provide you with a club, we will provide you with sporting facilities, we will provide you with meals, we will provide you with whatever it is. We will decide for you." From cradle to grave, you work here from cradle to grave, your kids will come and work here. *** This was a real parastatal: ... this company was owned by the government and the government was white. So obviously all the senior positions were given to a certain group

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[2] Both terms were used by my interviewees to describe the company under Apartheid and now.

of people. *** We were in a culture of excuses. Every time you didn't [reach your target], you made an excuse. And as long as you made an excuse it was fine. You know, the fact that you hadn't made it was okay. *** Being complacent in this closed economy that we were. ... I mean you had a number of people and it was red tape and paper and everybody had to approve something and it was a big lump really, a non-moveable organisation. That is where we were or very close to that. *** In the past Iscor was like when we need money the government gives it. We were a state-run company.

This picture, painted by interviewees from all backgrounds and hierarchical levels, does not match our current ideal of an efficient and transparent organisation, but it seems to be a collection of the disadvantages of bureaucracy, which are slowness, inefficiency and red tape. This way of working, however, was only feasible in the closed economy of the Apartheid era with virtually no competition since only in such an environment could the organisation afford to fulfil political instead of economic or financial goals. In other words, strategy did not have the same meaning or importance as it has today. In the Apartheid South Africa, the targets to be achieved were set at the headquarters (which is often referred to slightly derisively as 'in Pretoria') and the plant simply carried out the orders to satisfy those above. This meant that managers in the plant were not involved in (strategic) decision-making or planning and were only concerned with the tactics of daily business. In short, the key features of strategic management like environmental analysis, planning, competitive advantage and core competencies (De Wit and Meyer 1998) were neither part of the system nor of the management discourse. Consequently, not only managers, but also employees from lower hierarchical levels had to learn the new language of market economy – new narrative resources with which they can make the new realities meaningful.

While everybody involved would have found this organisational system 'normal' and, in the case of the privileged elite, 'good' fifteen years ago, people have started to distance themselves from it, to question the old practices and to be proud of their achievements in the past few years. This is a sign that this part of the company's history has been rewritten successfully, that people have acquired new narrative resources and learned to see their world differently. However, there is a tendency to officially discard the stories of the past, which typically act as a basis on which to

build stories of the present and future, as the following account of the 'new Iscor' conveys:

> Every guy must pull his weight, there's no way that a guy can hide somewhere. That's the basic principle. Which is good, I don't have a problem with that. I think it's the right way, you know, we're a business and we're here to make money, we're not a charity. *** You are not assured of your job, we have to make money in order to survive, we have to make money in order to supply for our employees and stakeholders etc. etc.

This story contains the voices of only two interviewees, who seem to have a clear understanding of the new situation. These interview partners highlighted that every pair of hands and every brain is needed at Iscor Vanderbijlpark Steel to 'make money' and, in that way, to keep shareholders and investors happy (and ultimately keep their job). To put it differently, the strategic goal as conveyed in this account is shareholder value, which links back to Beer and Nohria's (2000) work on organisational change.

On the other hand, there seems to be general confusion about what the 'new Iscor' stands for and what the individual's role and expectations are. The following interview excerpt from a senior manager reveals self-criticism in this respect, by putting a covert gloss on the official story that the company has changed fundamentally and is a better place to work now:

> There isn't some identification in terms of what we as Iscor stand for, what's important, what type of culture we want to establish within the organisation. I think we only carried on from the previous culture. So I think it's maybe ... vital that we think what we want to be and ... start to work on that.

This interviewee appears to be aware of the problems the fundamental changes of the recent years brought with them and at the same time the basis for a new story is created, a future story about where Iscor Vanderbijlpark Steel should be going. It is easy to criticise hard approaches to change; however, given the nature, degree and pace of the macro-environmental changes in the Republic of South Africa, such a planned approach to change with a focus on the financial side of the business was probably the best way to secure the firm's immediate survival. Although progress is under way, there seems a lot of work still to be done to reduce the side effects of the

re-engineering programme, namely the confusion, uncertainty and fear that prevails among many groups of employees.

It is a paradox that such focused change management adds to the uncertainty and role confusion many employees were already experiencing. The re-engineering programme Iscor Vanderbijlpark Steel embarked on did not only involve massive redundancies (with about 60% of the workforce being retrenched), but the company has had to rethink its human resource strategy to fulfil the government's employment equity targets. In practice, this means reducing the proportion of white males in the workforce in favour of formerly disadvantaged employees. Consequently, members of the targeted age groups tend to keep a low profile to be able to stay as long as possible in their position, which is acknowledged by management, as the following senior manager explained:

> There's still a very big group of people that stick to the past and who think "that's a threat for us." And we're trying to educate the guys that there's no need to fear. "That doesn't mean you're kicked out of your job now and that kind of thing." It doesn't work like that, it has to be done through natural evolution. I mean if a guy resigns, you're putting a black guy there if you can find one. And you can give guys space creation packages when they're fifty years old ... to create space and you give him a better package than you've given to anybody who gets retrenched ... as an incentive to let the guys go and create space to address our targets because we've got specific targets that we have to achieve by the end of 2005.

The uncertainty and fear about the future, which many employees have, is reinforced by the prevailing uncertainty and role confusion because many are unclear as to what is expected from them. As a result, the majority of stories collected at Iscor Vanderbijlpark Steel talk about the current situation and provide also an outlook for the future typically have a descending story-line (Browning 1991) and take the genre of a drama or tragedy for many. This results in a low morale and a working climate characterised by negativity and fear. It is not surprising that uncertainty is together with retrenchments and profitability targets a key element of the Iscor Vanderbijlpark Steel Restructuring Story, which is depicted graphically in *Figure 5.2*.

Figure 5.2: Iscor Vanderbijlpark Steel Restructuring Story
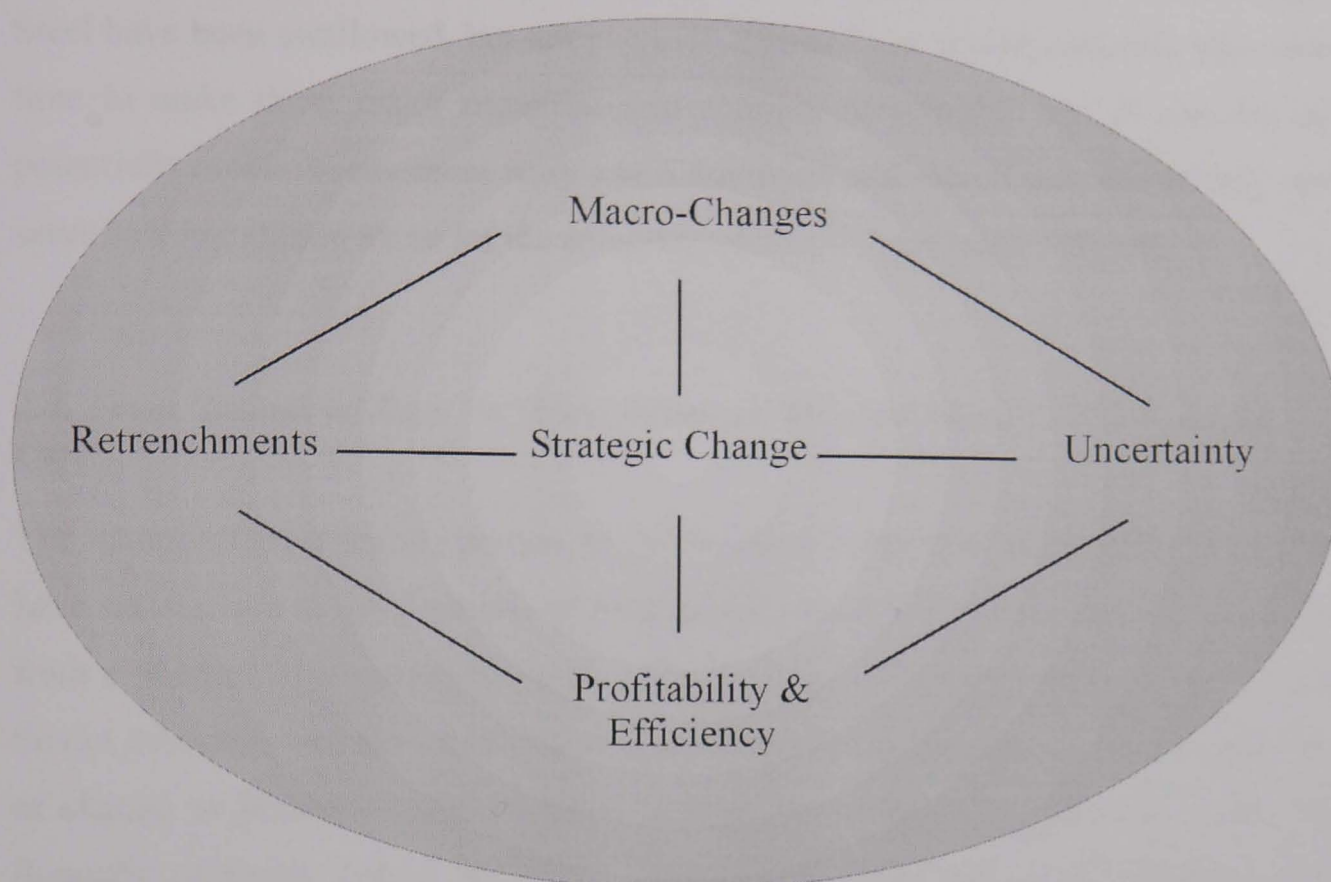
This diagram highlights that strategic change at Iscor Vanderbijlpark Steel is a direct result from the macro-environmental changes that took place in the Republic of South Africa and that the two levels of change cannot be separated. In other words, while some stories focus on the environmental aspect of change and others emphasise the organisational elements, those two levels of change are deeply interwoven in the narrative frame of meanings of many interviewees. It appears that people still feel 'on the way' in terms of managing organisational change and making it meaningful. This fluid nature of change may also explain the multitude of posters displayed in the corridors and training room, through which this story of a flexible workforce, which is regarded as good in these uncertain times, is lived.

The key moment that in a way separates the 'old Iscor story' from the 'new Iscor story' is the embarking on the restructuring programme, the key stage of which was called OP-EX (an abbreviation for operational excellence). This major and decisive moment of change appears to incorporate the infinite number of stories created and shared during the whole re-engineering phase. However, this sea of OP-EX stories has not yet been put together into one big and agreed narrative and therefore, it is less

clear-cut than at ThyssenKrupp Automotive Tallent Chassis, for example. This may suggest that the enormous macro - and meso-level changes at Iscor Vanderbijlpark Steel have been swallowed, but not properly digested yet. It will certainly take more time to make these major organisational changes meaningful and to convert this potentially powerful emergent story into a dominant and shared one, which may well serve as a foundation stone for the construction of the 'new Iscor's' future.

2.3. From 'Industrial Ruin' to 'Most Advanced Russian Firm'[3] – The Russian Case

The macro-environmental changes in the Russian Federation differ from those that have taken place in the Republic of South Africa in that they involved the transition from a planned to a market economy only. Taking into consideration, however, the Soviet economy was also closed to foreign competition, the nature, degree and pace of change in both countries are fairly similar. In the Russian Federation as in the Republic of South Africa, the world changed overnight and all companies had to react quickly to guarantee immediate survival. Hence, the motto 'achieving the most possible change within the shortest period of time' applies also for the management of change at JSC Severstal. It is therefore not surprising that the firm responded in a similar manner to the challenges ahead in a similar manner to Iscor Vanderbijlpark Steel: by restructuring and help from the same international management consultancy based on their expertise in the steel industry. Consequently, the situation at JSC Severstal and at Iscor Vanderbijlpark Steel in terms of coping with fundamental macro - and meso-changes is comparable. For instance, my interviewees at JSC Severstal also contrasted stories of the past with stories of something new – in this case, however, the focus was set on the changes rather than the current situation. Also in terms of key moments of change, the stories are similar in that this turning point of history was determined by the macro-environment.

From a different angle, however, employees at JSC Severstal tended to perceive change more positively than interviewees at Iscor Vanderbijlpark Steel. More specifically, the overall storyline of the JSC Severstal strategic stories was ascending (Browning 1991) and the tone more positive. The genre of these stories, however, is

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[3] This is a widely shared perception of the company among employees and outside commentators.

difficult to determine, but resembles an adventure story in many respects. Particularly interviewees in their twenties and thirties seemed to embrace the political and economic changes and all the opportunities that arose for them (see also Chapter 6).

As above in the case of Iscor Vanderbijlpark Steel, it might be helpful to use the categories of my interviewees to highlight the differences between the previous and the current state of affairs. I will like to start with the situation of the 'Cherepovets Metallurgical Works' (*Череповецкий Металлургический Комбинат*) as the organisation was called before 1992 and then contrast this with the organisational changes at JSC Severstal.

> Back then it was a normal Soviet organisation, which had a strict system of planned economy, given by the top from the government. There were your limits, there were your plans, there were the [number of] tons you had to produce. Nobody would then in Soviet times calculate things like: where their products would be sold to, who your customers were – nobody thought of that. We knew that we had to produce the amount we were told to and ship them there, there and there. Everything was clear and strict – the planned economy. ... We only worried about production, i.e. how to organise what in order to produce more. *** In former times there was a very hierarchical, vertical structure. The transmission of information was distorted and it took a long time to resolve problems. *** While the effectiveness of, for instance, systems, regulations and so on didn't play a role, taking on ... relatives and friends and so on to work for the company was widespread. [In other words] people weren't employed because they were the right people for the job, but because he could sit there and get a salary. The effectiveness of work didn't matter. *** In former times people tended to procrastinate their tasks and sometimes didn't perform them at all. *** In former times we could simply go into the plant, there wasn't a guard. ... Obviously there were certain guys who brought alcohol with them, for example. Or they brought something with them to do during working hours, like ... a TV to watch or they brought something to repair, whatever. *** In Soviet times ... there was certainty for the future. *** It was a stable life and the country was closed to the outside world for about 80%. We guessed that we lived stably ... [and] happily. Everything was accessible more easily and cheaply.

This story focuses on three main issues, which seem to be deeply interwoven: the planned economy and the implications on the company; individual (mis-) behaviour at work; and stability and certainty in people's personal lives. As in any closed

economy, organisational structures at JSC Severstal were bureaucratic with vertical hierarchies and long chains of command. The long-term direction was determined by the state and several interviewees emphasised that the works was expected to produce as much steel as possible without questioning.

In other words, strategic planning and environmental analysis were alien to Soviet managers. This inefficient working system, which lacked incentives, frustrated many employees (Zhuplev 1993). As a result, misbehaviour at work was both widespread among workers and tolerated by management, mainly because of a lack of ownership (e.g. Pearce 1993; Puffer and McCarthy 1993; Silverman and Yanowitch 1997). Issues like the weaknesses of the centralised system (Levada 1973) with its inherent inefficiencies (Rutland 1997), waste of resources and lack of innovation (Schroeder 1989) are not mentioned in this story explicitly. There are two possible reasons for this: either, these issues are being taken for granted here (i.e. embedded in the phrase 'normal Soviet organisation') or people prefer not to talk about it because those issues do not comply with the picture the interviewees wanted to convey, which is a way of reducing cognitive dissonance (Festinger 1957). Both reasons are valid and it is impossible to determine which one is the most likely; in reality, it may even be a mixture of both.

The voice of the last interviewee in the story quoted above appears to regret the loss of certainty. Under Communism, security in life and certainty for the future was guaranteed by the Party and was an inherent part of Soviet ideology. The company, acting as a mediator for the state, provided social services like housing, medical care and cultural activities for its employees. After the disintegration of the Soviet Union and changes in the legal base, companies are not forced any more to spend a certain amount of their profits on social services; as a result, their provision has been strapped considerably by most of the plants. Although JSC Severstal has cut down its expenditures on the social sphere, as it is called here, it nevertheless provides a range of social services, which is seen as a crucial part of the firm's philosophy, as Chairman and CEO Alexey Mordashov (JSC Severstal 2002:3) highlighted:

> If our employees have the feeling that they can't go anywhere
> after the shift, if he does not have the opportunity to bring his

child to childcare, with what kind of mood and thoughts will he
come to the shift then? ... Severstal does not exist in isolation.[4]

On the basis of this self-understanding and philosophy, JSC Severstal provides medical care with a poly-clinic, a hospital, rehabilitation and recreation centres. Children also benefit from various programmes like holiday camps and creative education. The local hockey team, which plays in the Russian Top League and which Severstal employees are generally very proud of, is also sponsored by the company (Severstal 2002). Housing is only provided by the company to a limited extent, i.e. the official dominant story conflicts with emerging ones at the coal face, which leads to dissatisfaction in the organisation. These differences in perception and potential conflicts arising from them will be dealt with in more detail in Chapter 7.

With regard to the current state of affairs at JSC Severstal, my interviewees focused more on the changes that have happened over the last ten years than the actual situation. This may be due to the fact that the company's environment is in a state of constant change and that its structures remain fluid. It seems that in this respect the situation at JSC Severstal is similar to the one at Iscor Vanderbijlpark Steel: both macro- and meso-environmental changes have been swallowed, but not digested yet. Many interviewees seemed to lack an in-depth understanding of the current state, which suggests that not all changes have become meaningful yet. More time will be needed to make sense of the current situation and to create a shared and dominant narrative frame of meaning that provides the basis for future stories.

The key changes at an organisational level at JSC Severstal were introduced in a gradual fashion, partly supported by external consultants. Hence, some strategic programmes that aimed to facilitate organisational change have been running for several years, while others are being introduced one at a time to further improve the company's market position and make it competitive on a global scale. The following JSC strategic change story captures the gist of my interviewees' perceptions of change:

The improvement we have at Severstal is continuous
improvement in all fields – in leadership, in working climate.

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[4] This translation from the Russian original, as all the others provided in this thesis, is mine.

Our top management pay a lot of attention, for example, to forming a corporate culture. That's very important, I think. ... We have the Six Strategic Programmes [Шесть Стратегические Программы] here at Severstal ... [and] I think there's some progress from these programmes. ... As for me, all changes that I saw were changes for the better; they improve the position of the company. *** Overall I would say that also the [organisational] structure changed: it became flatter with less hierarchical layers; it became more flexible, more adaptable. *** We were reducing the levels of management here, so that the specialists became much closer to [the manager]. ... It's very important to have direct contact. *** The restructuring hit us badly [because] it wouldn't let us work calmly. But the work goes well and we're working successfully, which means that it must be good. Nevertheless, not everybody's satisfied, it's very difficult. *** We built a strict control system for violations of the labour discipline. *** We are expanding our business, as Mr Mordashov [the CEO and Chairman] puts it, and don't only invest money in steel-making. That's because steel-making isn't a stable industry. Basically we do have perspectives in the holding, we don't only walk into one direction. *** If you'd come to the shop, let's say four years ago, and had walked through the territory of the shop, then you'd have had a different impression than now. We saw a big difference. For example, we have the programme production consulting (производственный консалтинг). ... [As a result of that] cleanliness and orderliness is visible. Formerly people used to smoke on the territory of the plant and drop the stubs when they'd finished. Now they're simply embarrassed to drop paper, stubs or whatever else at their work place because you understand ... the pressures on you. *** We here [in the sales department] are now introducing key account management for the first time in Russia – well, maybe in the steel industry in Russia, maybe in Russia at all. I haven't heard ... at least of any declared key account management programmes in Russia at all.

This JSC Severstal change story emphasises the actions being taken by management to secure the company's future and improve the company's position in the global market place. The key elements are structural changes, expansion, success and management, which are graphically depicted in *Figure 5.3*. Despite some words of regret in this story, the tone is positive and people take pride in their successes, which have been acknowledged by a series of international awards, which are displayed in the company's museum; in that way the story is lived. It seems that management concepts and ideologies that originated in North America and Western Europe are widely regarded as state-of-the art and that they serve as a role model for JSC Severstal.

Figure 5.3: JSC Severstal Change Story
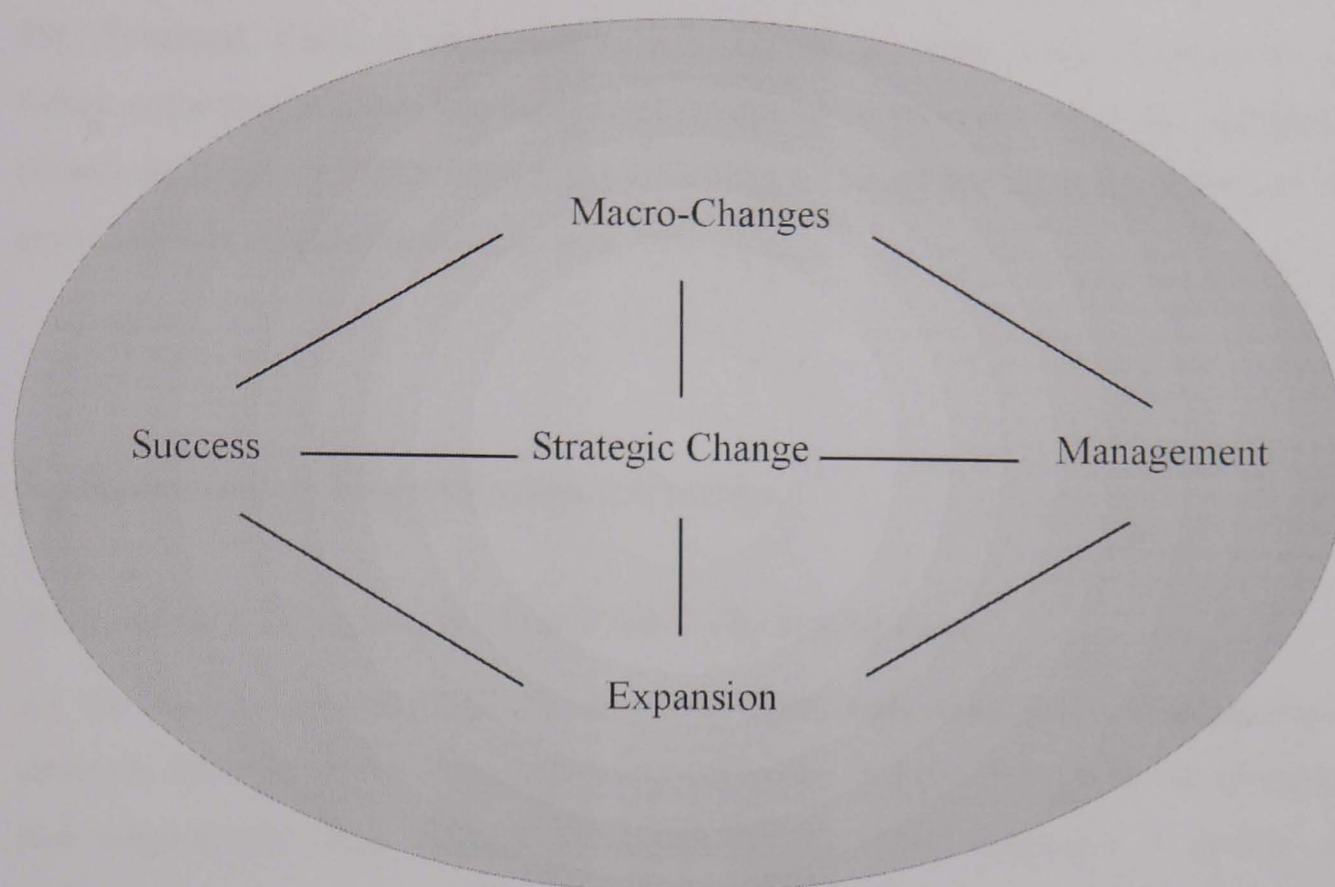
The strategic change at JSC Severstal is twofold: on the one hand, exploring new possibilities (taking risks, for instance, through the implementation of strategic change programmes) and, on the other hand, exploiting old certainties (for example by sticking to its past as an integrated steel plant and by continuing to provide social services for the employees) (see also March 1991). The current strategy is summarised on the company's website as openness (*открытость*), responsibility (*ответственность*), development (*развитие*) and business (*бизнес*), which in essence cover the core elements of this story (JSC Severstal 2003). In addition, it seems that the change efforts as such were a mixture of the approaches taken by ThyssenKrupp Automotive Tallent Chassis and Iscor Vanderbijlpark Steel (according to Beer and Nohria 2000 Theory E and Theory O). While profitability, efficiency and other performance indicators were one focus of the change programmes, other initiatives targeted the softer side of the organisation and corporate culture and learning in particular. Overall, these changes appear to be strategically planned and their rationale is openly communicated to all members of the organisation through a range of media. In that way, the new discourse of market economy has become known to a large number of employees and consequently, they

can use these new narrative resources to make sense of their new situation. In that way, strategic leadership seems to play a key role in the management of change at JSC Severstal, which is supported by a comparatively high power distance in the rather collective Russian society where discipline is expected from the individual (based on Hofstede 1980; 1994). More discussion on leadership and culture will be provided later in this chapter (see page 139 *et sqq.*).

3. Reactions to Organisational Change

3.1. Learning, Mentoring & Hard Work – The British Case

As the last section highlighted, the three case-study companies changed their strategic direction in the course of macro-environmental and organisational changes. Not surprisingly, they reacted differently to them and displayed a variety of behaviours. One reaction that is shared by all three organisations is learning (see March 1981), which seems to be natural since change is learning (Beer *et al.* 1990). For instance, ThyssenKrupp Automotive Tallent Chassis reacted to the increasingly sophisticated demands and requirements of their customers by improving procedures and management structures on the one hand, and by integrating learning into daily routines and through forming partnerships (strategic alliances and joint ventures) with other companies on the other (Tallent Engineering Ltd. 2000). With the introduction of robot technology and sophisticated manufacturing techniques the necessity of formal training has increased and a solid training system has been put in place. Learning and training is widely considered as one reason for the company's success, as the following interviewee pointed out:

> I would say honestly that training has been a big [success] factor. ... The quality of the training [is good] and some of the ... younger people ... can see a good career opportunity in this company.

This interviewee together with a majority of his colleagues is convinced that learning – both at individual and organisational levels – is a key ingredient to success. While formal training, particularly with regard to technological and management skills is an

important part of the ThyssenKrupp Automotive Tallent Chassis learning culture. management acknowledge the limitations of formal training, for instance when personality traits or behaviour is concerned. In this context, one interviewee, a senior manager, gave the example of compassion and that the best seminar on compassion would not automatically make a person more compassionate. Based on this understanding, informal learning and mentoring appear to play a key role at ThyssenKrupp Automotive Tallent Chassis, which is highlighted by the following mentoring story:

> There's like four of us [in my team] and one of us will probably know what the other ones don't. So it's quite good that way [to learn]. There're thousand of things to pick up ... it takes a lot of learning but you get there. The other lads show you things. ... There're thousands of things to pick up on it, you can't learn that in a week or a fortnight, it takes years. ... There's always somebody who knows a thing that you don't. So it seems to work that way. *** I did [formal training]. [My learning is] actually mostly with experience. It's nothing better than actually learning on hand the whole situation.

These two workers describe the way in which members of a team learn from each other and how this learning is bound up with their daily experiences at the workplace. While informal learning and mentoring are wide-spread forms of learning within the company, they are difficult to introduce, formalise and control. The characteristics of British mentality, namely a low power distance and weak uncertainty avoidance (Hofstede 1980), are likely to be an enabling factor for this to happen. It seems that the unique learning culture at ThyssenKrupp Automotive Tallent Chassis, based on long-term relationships, trust, respect and team spirit is a key requirement in the successful use of mentoring and other informal learning activities. These issues will be dealt with later in this chapter in more detail.

Another important reaction to change displayed ThyssenKrupp Automotive Tallent Chassis is what March (1981) calls *contagion*. In this case it refers to building strategic partnerships in the 1980s and finally joining the larger corporate environment of ThyssenKrupp in 1992. This move, which can be seen as a response to global competitive pressures, was backed by the top management team and seems to have paid off in that the company retained its senior executives and large parts of its independence. This was a major element of stability in times of uncertainty and

change and allowed people to continue with their work in the familiar way. Beyond that, ThyssenKrupp Automotive Tallent Chassis is now a key player in the automotive section of the multinational organisation in the United Kingdom, which confirms for members of the organisation that their way of working is right (i.e. the story has become dominant, overt and agreed). On the other hand, many employees were and some continue to be a bit weary about the trustworthiness of the German giant (for more details about the residual version of this narrative see Chapter 7).

The analysis of the interview material revealed that the Tallent work ethic – 'work hard and get better every day' – enabled the company to adapt to strategic and structural change and it can therefore be seen as a key determinant in the firm's current success. This unique way of working allows for exploration and discovery (March 1991) and has an in-built continuous improvement process, which is taken for granted and made real every day anew, as the following work ethic story shows:

> We're always keeping pace with the developments and I think we're prepared to try things. ... Again, that comes from the top. Because if the top doesn't see it that way, the top aren't giving the belief in this goal, it won't happen all the way down. *** We're very much based on Japanese methods of production. Where there's not much space ... you have to minimise the amount of products ... and obviously a high throughput in product has to be organised, managed. We can't have large stocks of items ... and the whole business of just-in-time manufacture is key to the organisation. *** We're always busy. When we have lots of work, we're busy. When we don't have lots of work, we're busy: reducing costs, improving things ... something's always ready for change in the pace of the business to keep us all at a busy level. *** At the end of the day, if that's what we have to do, that's what we have to do. We just do it. *** You don't notice, but you become 'tallentised'.

This overt, agreed and dominant story highlights that my interviewees were well aware of the unique way of working, sometimes also called the 'Tallent spirit' and that they were proud of being different in a positive sense. It emphasises the dynamic culture at ThyssenKrupp Automotive Tallent Chassis and the way new employees are introduced and integrated into this unique environment: by being told the stories that capture the essence of the firm's culture and self-understanding, like the two stories reported in this chapter so far. This ThyssenKrupp Automotive Tallent Chassis work ethic story also brings out the central role of leadership. As mentioned

before, at the time of data collection, the company had a strong leader, Bernard Robinson (who retired in 2002) who was at the time the central figure of the company. It seems that his story was convincing to the people and that the employees bought into it (see also Denning 2001) – an approach that might be called *leading by story-telling*. More information on this issue will be provided later in this chapter (see page 128).

3.2. Stability, Training& Cultural Issues – The South African Case

Iscor Vanderbijlpark Steel's organisational responses to the environmental and organisational changes differ from the ones at ThyssenKrupp Automotive Tallent Chassis. The political, economic and societal changes in the Republic of South Africa led to periods of turmoil and in this environment of upheaval and uncertainty, Iscor Vanderbijlpark Steel tried to find stability in rule-following and consulting (March 1981). In addition, the firm placed its emphasis on refining production processes and achieving efficiency (March 1991), while exploration and discovery are supposedly to follow at a later and less turbulent stage. Due to the complex nature of these macro - and meso-changes the company had to face, the organisation's reactions are similarly complex and include elements of conflict (see Chapter 7), which can also be seen as a form of learning in that it can open up new horizons and deepen the understanding of certain key issues.

Particularly in times of turbulent change, when the unknown is greater than the known, procedures and rules give people a sense of stability and certainty because they are part of the public sphere in an organisation. At Iscor Vanderbijlpark Steel with its past as a bureaucratic organisation, rules and procedures were most certainly a familiar element of organisational reality and therefore may have provided an even greater feeling of control. Seeking help of an international management consultancy is likely to have had similar goals, namely increasing the known to the unknown and trying to keep control of the events. These familiar and rather stable elements of the restructuring exercise were a vital support element in the process of making sense of and coping with change. In that way, clear rules and support by external management consultants helped employees at Iscor Vanderbijlpark Steel to make change

meaningful, to define their role in the new system and to rewrite their biographies in many instances (see Chapter 6).

In addition to this informal and tacit learning, the organisation placed major emphasis on the training of their employees. Part of the new strategy at Iscor Vanderbijlpark Steel is to enhance the skill base of all employees and to help them to react more flexibly to new challenges. Overall, my interviewees acknowledged the need for constant training and learning in the plant, as the following survival story highlights:

> There's no way in the world that you'll survive all these changes, you'll survive what you need to do, if you don't see to it that you have competent, trained people. *** If you don't train your people and they're not competent in what they should be doing, you won't get your processes or your products. ... You need to train your people to develop themselves and you motivate them at the same time because as soon as you start training the people they feel "Iscor is investing in us, we can move up ... the hierarchy in the organisation"; especially in the lower ranks ... [who] are basically just surviving. ... Something small [like a one-day training course] motivates people.

This little story links change and survival with training and other human resource functions. Against the background of the massive redundancies at Iscor Vanderbijlpark Steel (see Chapter 4), which shattered many people's confidence and beliefs (see also Chapter 6), the motivational aspect of training seems to be of particular importance. As the latter interviewee pointed out, if people do not only feel valued by their employer, training also gives them an outlook for the future. It is not surprising, that in accordance with these insights, training plays a key role at Iscor Vanderbijlpark Steel, as the following 'training story' highlights:

> If you look at the illiteracy levels within Iscor at this stage ... you will find that the education levels of people are far higher [in the developed world] than what we have at Iscor, especially in Vanderbijlpark; ... we have still illiterate people working here. *** We've got a literacy training, which the guys are doing in their own time. We teach them everything from language to arithmetic, life skills and stuff like that. [These courses are] especially for the totally illiterate guys that cannot speak a word of English. ... [The programme] is free of charge, so the guy doesn't have to pay anything for it. ... If he finishes a level, we give him a thousand rand as an incentive to say

"well done, go on to the next level". ... The response rate is very high. *** I think on the skilled levels there will be continuous learning as well. You might have got your degree last year, but in the near future most people ... will have to come back to technikon or university ... to get a new qualification or upgraded qualification. *** We do have a training shift [in my plant]. It's about plant operation. We have to know material handling, operation of the plant from zero. *** What you've got to try and do is you've got to balance your resources, you've got to train them. That's what the function of the training shift is. *** I think [more general training] can be integrated into the training manuals. *** We've got the learning resource centre here where employees can go and teach themselves something. There're books, there're computers, they have access to the internet, there're newspapers, there're engineering books.

While this story reflects a rather comprehensive offer of training measures, it also shows the more formal character of the learning activities at Iscor Vanderbijlpark Steel in comparison to ThyssenKrupp Automotive Tallent Chassis. Given the huge differences in the skill base between different groups of employees (see Chapter 4), it is not surprising that training at Iscor Vanderbijlpark Steel starts at a more basic level. It seems that the company has to improve the skill base of its employees by means of formalised training – training manuals, training shifts, compulsory courses – before a stronger focus on mentoring, for instance, can gain in importance.

Differences in national culture in these two settings, however, may also influence the choice of learning media. The Republic of South Africa has a higher power distance than the United Kingdom (Hofstede 1980) and, therefore, training courses tend to be regarded more highly than mentoring, for example. These cultural differences may also impact upon the sharing of knowledge, which is regarded as a key ingredient for organisational success in the current management discourse (e.g. Nonaka 1991). This may both enable and inhibit sense-making since people tend to respect their superiors to a larger extent in a society with a higher power distance. This means that they may trust their judgement more readily. However, knowledge-sharing is limited due to the formality that prevails in communication. In addition, objection or approval is likely to be voiced less frequently, with the result that there is a wealth of untapped knowledge at the lower levels of organisation. To put it differently, informal learning activities like mentoring and knowledge sharing tend to be counter-cultural and therefore difficult to instigate. This may mean a lot more financial effort and

personal commitment to change the culture and reduce the relatively high levels of distrust in the firm.

3.3. Tradition, Openness & Hands On Attitude – The Russian Case

JSC Severstal displayed similar yet different reactions to organisational change than the other two case-study companies. Due to the at times chaotic circumstances in the Russian Federation in both political and economic terms, stability played an important role in the organisation and therefore, *rule-following* (March 1981) was one important response to change. In addition, JSC Severstal adopted a similarly hands-on approach than ThyssenKrupp Automotive Tallent Chassis by implementing team-based problem-solving initiatives (for instance quality teams – команды качества – at plant level). Another important reaction of JSC Severstal to the environmental challenges of the last decade, was what March (1981) calls contagion, namely making use of consultancy services and learning initiatives abroad (most importantly, management training in the United Kingdom). While these reactions and measures reflect the current understanding of change management and, consequently, the mainstream management discourse, they were carefully adapted to Russian cultural norms and tailored to the organisation's philosophy and needs.

In the chaotic environment during the periods of most fundamental change, rules and regulations were of the same importance at JSC Severstal as at Iscor Vanderbijlpark Steel by providing elements of stability and certainty. Additionally, the bureaucratic system of the Soviet planned economy was based on a similar system of rules and procedures as South African businesses under Apartheid. The new procedures at JSC Severstal, however, were maybe of a more pragmatic and hands-on nature, as the following story, which seems to be residual, covert and agreed among management, shows:

> In 1998 the employment system [at JSC Severstal] had to be reorganised and a new system of disciplinary control introduced. At that time a number of changes in our organisational processes took place. ... In the two years I was working there we had a number of successes. ... Firstly, the formulation of strict control procedures for people being newly employed and of criteria people had to fulfil for a specific position. ... For instance, I was responsible for the formal

requirements [needed for a certain position] and the scheme applied to everybody: from the lowest worker to the highest manager. ... Basically we were only controlling [whether the applicants had the necessary requirements]. ... We [also] built a strict control system for violations of the labour discipline. ... [The personnel department] built a system of what is to happen in the case of violation ... to avoid that no actions are being taken ... [and] that in any case a reprimand follows. ... Regulations and processes were prescribed in accordance. ... In 1998 the situation was fairly critical [because we had to meet government requirements] and nobody was bothered about it. While our management understood that this was now a private business and the effectiveness of the organisation as a whole depends on the effectiveness of any processes, then the picture was different further down. [The guy on the floor] had worked in the Soviet system in a state company. ... While effectiveness of, for instance, systems, regulations etc. didn't play a role, ... documents were handled in an illegal way ... [for example] they didn't bear the signature of the required person.

This rather practical approach to managing change (and at times chaos) is likely to have its roots in the Soviet culture of deficiencies (e.g. Castells 2000a) where managers had to focus their means to keep the company going. While some strategies will have been introduced by outside management consultants, many will have come from inside the company. This is because top management received business training in Western Europe and initiated an MBA-programme adapted to Russian culture and the firm's needs, which was and remains compulsory for all senior managers. In addition to that, junior managers were sent on MBA-programmes in the United Kingdom to learn about market economy and to get to know a different mindset and new ideas. People, who received the chance to study in those courses, perceived that as a privilege and highlighted during the interview how much their outlook into the future changed. Issues of micro-level changes, i.e. issues of redefining one's identity and sense of self, will be dealt with in more detail in Chapter 6.

Maybe the greatest focus in the management of environmental and strategic change was the element of *contagion* (March 1981) with a range of measures. The training programmes in the United Kingdom, the use of management consulting services mentioned above were complemented by joint ventures with Western steel makers in the areas of rolled steel and galvanisation. Additionally, business trips to other organisations competing in the same industry, which were perceived as having a higher standard. The main aim of these trips was to broaden people's horizons by

letting them see the differences in the way of working and labour discipline that is among my interviewees widely perceived as being underdeveloped at JSC Severstal. This is highlighted by the following contagion story taken from an interview:

> In one meeting Mr Mordashov asked us the following question: "why do you think I send people abroad on business?" There were many ideas like knowledge and so on. He said "nothing like that. I send people abroad so that they can see people's attitudes towards their work, towards their work place [there and] to make them realise their own deficiencies." i.e. he already then said that we had to change our attitude towards work.

Overall, all these measures focus on changing people's identity and sense of self to create a 'new workforce' in a certain sense. In the case of new rules, non-compliant employees had to learn that their behaviour is not considered acceptable any more and that they would be punished for further violating the labour discipline. Workers were sent abroad to have a look at factories of world-class standard in more developed countries to see differences in cleanliness and employee behaviour. Managers were trained either in Russia by foreign tutors or abroad to get insights into a different culture, which is often perceived as more advanced than the Russian culture. Obviously, there are big differences among different age groups in their willingness to rewrite their biographies (see Chapter 6).

Generally speaking, JSC Severstal appears to be taking eclectic approaches to the management of strategic and structural change. While the implemented change initiatives focused on the improvement of efficiency and profitability of production, top management left space for discovering and exploring new meanings and ways of working. To use March's (1991) framework again, this was a mixture of exploitation and exploration. In short, A. A. Mordashov and his team of directors were careful to adapt Western management concepts to the Russian way of working and cultural norms in order not to act in a counter-cultural way. This added stability in turbulent times and kept levels of trust and morale comparatively high. Many interviewees regarded this balance as vital in the successful management of fundamental and rapid change at JSC Severstal.

3.4. Organisational Change & Learning

To sum up this section, it may be helpful to link organisational change and learning on the basis of the above considerations. Organisational change equals learning (Beer *et al.* 1990) as the stories collected at ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal and reported upon above have shown. Learning in this context has to be defined widely as sense-making (which is a narrative process) and to take into consideration a range of forms of learning (see March 1981; 1991) to understand the subtle and often unacknowledged learning processes that are taking place in organisations under conditions of change.

While both formal training and mentoring played a key role in the management of change in the three case-study organisations, learning took place in other ways, for instance through strategic partnerships, the employment of management consultants and business trips to other countries. These measures, which are traditionally not seen as learning, however, allowed members of the respective organisation to acquire new narrative resources and frames of meaning to understand the changes in their own environment and to make them meaningful and comprehensible. They also helped to shape the management discourse and widespread understanding of organisational change in the respective context. Reflexive changes in people's identities are a key part of this sense-making process (see Chapter 6) and allow organisations as a whole to learn and develop (see Chapter 2). Therefore, these forms of learning, which happen through dialogue and story-telling, have to be taken very seriously for the successful management of change and organisational learning.

4. Culture, Leadership & Change

4.1. Strategic Change, Culture, Leadership & Making Sense

The above illustrations of strategic and structural change on the basis of the different macro-changes experienced by ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal suggest that leadership and cultural issues – both at national and organisational levels – are major determinants of the way in which people make their experiences of change meaningful. In each case, however,

different issues seem to influence the dominant organisational stories about strategic and structural change, which is typically in accordance with the events at the macro-level. For instance, at ThyssenKrupp Automotive Tallent Chassis, the leadership of Bernard Robinson and the unique organisational culture that has developed over the years appear to be the key to the organisation's self-understanding and, consequently, success. In contrast to that, issues of national and organisational culture seem to influence the way in which people at Iscor Vanderbijlpark Steel make sense of revolutionary change and renegotiate the social order both at organisational and national levels. At JSC Severstal the apparently right balance between progress, change and innovation on the one hand and stability and tradition on the other seem to have helped people there to come to terms with the fundamental changes around them. This was supported by a strong leadership and the collective nature of Russian society.

In other words, strategic and structural organisational change cannot be separated from corporate culture. As Hofstede (1980) points out, culture is an important feature of organisational life: 'culture is to a human collectivity what personality is to an individual' (p. 25). This suggests that organisational culture is as multi-faceted and complex as an individual's personality; culture 'consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values' (Kluckhohn 1951:86). This definition of culture contains several key elements, which have also been drawn out from the organisational narratives collected in the three case-study organisations and reported upon earlier in this chapter: emotions, thinking, symbols, achievements and values. At ThyssenKrupp Automotive Tallent Chassis and JSC Severstal, the emotions typically involved in the sense-making processes of my interviewees were pride and a positive outlook into the future; the stories capturing these processes were dominant, overt and agreed).

In contrast, fear and uncertainty tended to dominate many stories at Iscor Vanderbijlpark Steel, although, as will be shown in Chapter 6, there is an emerging discourse of pride and excitement gaining in importance. Thinking in this context

refers mainly to the self-understanding the three case-study companies conveyed and is therefore closely linked to their achievements over the last ten to twenty years. Values, which are a key part of organisational culture and social relations at the workplace, are communicated through stories (e.g. Schneider *et al.* 1994), artefacts (see also Schein 1985) and symbols (see also Hatch 1993). In short, organisational culture and its elements are central to sense-making and coping with change and are bound up deeply with learning in organisations and at the workplace.

This point is made by Schein (1985) and his definition of culture: 'the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to these problems' (p. 9). Culture as defined here is discovered by a group of people, has a very practical purpose – coping with problems – and is communicated through stories. In other words, it is owned by and meaningful to the members of the group (in our context, the organisation). The relationship between organisational culture and the group of people is reflexive, as Pettigrew (1979:577) highlights: 'man creates culture and culture creates man'. To put it differently, our culture is part of us and we are part of a number of cultures. This suggests that culture is meaningful to us, that it is a way to define who we are and what we stand for and consequently to define what is legitimate and unacceptable within the group (Pettigrew 1979).

Following from these considerations, organisational culture cannot be forced onto a group and therefore the concept is counter-cultural to our current understanding of business and management, based on command and control (see Chapter 1). Since organisational culture and value statements in particular are often regarded as a vital contributor to organisational success, many managers are tempted to influence it from the outside. Due to the nature of organisational culture and meaning-making, these attempts are doomed to fail. For example, several sets of values, which exist in many firms both on paper and in reality, typically lead to resistance and conflict because people's meanings and perceptions differ and common ground can often not be found (see also Chapter 7).

To translate this into narrative terms, organisational culture should be bound up in the dominant and agreed stories and narratives. However, in situations when different sets of values and subcultures compete against each other, contested and subversive stories set the tone, which is adverse to the overall climate within the company.

This is not to say, however, that managers cannot influence their organisation's culture at all – their actions do as Schneider *et al.* (1994:18-19, italics original) explain: 'by observing and interpreting these actions, employees are able to explain *why* things are the way they are, and *why* the organization focuses on certain priorities'. To put it differently, managers stimulate and support people's sense-making. In this kind of *leading-learning* (Argyris 1993) coherent action to build up trust is of crucial importance (e.g. Bennis 1999; Child 2001), which suggests that leaders have to be personally committed to the values they expect to be respected by their employees (Van der Colff 2003). In addition to acting as a role model, managers should create an enabling working climate for all employees (Van der Colff 2003), which can also be called *learning culture* (Hemmington 1999). To develop this thought further, such an enabling working climate or learning culture is also the basis for fruitful sense-making processes at both organisational and individual level. In other words, leadership's task is to support people in their sense-making processes and in making their work meaningful (Höhler 2002). In the management-workforce relationship trust seems to play a key role because, as Child (2001:277) suggests, 'trust is a fundamental component of human relationship throughout the world' and helps people to deal with ignorance and uncertainty. In addition, trust in social relationships at the workplace is a form of control (e.g. Weick 1969; Höhler 2003) that has to evolve over time.

While these considerations sound great in theory, there seems to be something wrong with the leadership – culture link in practice. As Pettigrew (1979:574) expresses so aptly, 'in the pursuit of our everyday tasks and objectives, it is all too easy to forget the less rational and instrumental, the more expressive social tissue around us that gives those tasks meaning'. In addition to this 'busy-ness', the pervasive Newtonian understanding of management (see Chapter 1) does not help either. For instance, the idea of management has been reduced to forcing people to deliver short-term results in order to satisfy shareholders, and if they do not deliver they are replaced by

somebody else. In contrast to this simplistic notion of management, building trusting relationships with different groups in an organisation takes time, which modern managers in many instances do not have due to external pressures. This, in turn, makes managers appear unpredictable (Sako 1992) and inhibits sense-making and learning and results in stress and low morale (Höhler 2002). In addition, top managers are not necessarily leaders (see von Cube 1998) in that they are usually not chosen by their subordinates on the basis of their suitability for the job. Consequently, they are often neither trusted nor respected and cannot give employees the necessary support in constructing a meaningful world (Höhler 2002); it seems that overall the importance of trust is not recognised in business dealings.

Particularly in times of rapid and fundamental change, this sense-making role of leadership seems to be greatly underestimated because people have an increased need for discovering new meanings (Bruner 1990). In a constantly changing environment, good leaders are the stabilising element in any organisation. In order to be able and take this role, they have to focus on a long-term relationship with their subordinates, on which trust can be based. Only in a trusting environment, sense-making and learning can flourish; however, this cannot be forced or formalised, but has to grow over time. Sako (1984) puts this as follows: 'trust is a cultural norm which can rarely be created intentionally because attempt[s] to create trust in a calculated manner would destroy the affective basis' (cited in Höhler 2003:176). In summary, the key task of any leader in times of turmoil is to enable people to make sense of the events and create meaning in daily routines.

After these theoretical considerations on the relationship between change, culture, leadership and sense-making, I would like to elaborate on the supporting factors in the dealing with change at ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal. The account will focus on the respective key themes of leadership in the British case, culture in the South African case and the balance between innovation and tradition in the Russian case. These issues are unique to the respective organisation and cannot be generalised across the respective country setting. The differences in the way these firms deal with change reflect the individuality of companies and their unique ways of managing change. This is very much in contrast to the universality of management concepts often idealised by

management theorists, which suggests that theories can be employed in any organisational setting without adapting them to the specific circumstances (see also Hofstede 1999).

4.2. A 'One-Man Company'[5] – The British Case

The central figure of Tallent was at the time of data collection the then managing director Bernard Robinson, who led the company with a strong hand and charisma (for charismatic leadership see Weber 1968). He was perceived as 'Mr Tallent' in the interviews and the organisation seen as a 'one man company' in a very positive sense. Bernard Robinson seemed to have led with a paternalistic style (Handy 1993) and was widely regarded as a father figure by my interviewees. As a result, a whole range of epic and heroic stories have been created around his person, that are overt, agreed and dominant. He appeared to have been a leader chosen by his subordinates – the ideal case according to von Cube (1998). The centrality of his person to a wide range of stories may stem from the fact that his becoming managing director was followed by the major turning point of the organisation – the Sierra order. Bernard Robinson, it appears, played a crucial role in triggering the company's most important development process on the basis of his commitment to the matter and in helping people to rewrite their biographies together to reinvent the firm.

Additionally, it seems that he successfully communicated this vision and his philosophies within the company, both verbally and through action. Many interviewees remembered incidents when Bernard Robinson himself worked on the shop floor to get an order ready in time. This hands-on approach symbolised top management's support at a practical level and the awareness that people can rely upon and trust their leaders is likely to have provided the necessary stability through rough times. Through his personal commitment, Bernard Robinson motivated the workforce and helped to build a unique organisational culture in which everybody is not only encouraged, but also expected, to contribute his/her part. To put this in the language of management, this means that people had ownership of the changes at organisational level and that these were meaningful to them. The following story illustrates this give and take (see also Weick 1969) within the organisation, which

has become the core of the company's culture and which is taken for granted at Tallent:

> There was a big presentation going on and Bernard Robinson was going to ... present Tallent [to a big motor company] to achieve that new order. And it involved a lot of work from a lot of people and a lot of people were working very, very hard doing this, there were late nights. ... When it comes to ... preparing presentations ... I'm a little bit of a perfectionist. I like to make sure that everything is just right. ... One night ... it was about nine o'clock at night and I was preparing this presentation for Mr Robinson who was going to give it the following day. He was working late as well and most people had gone home. ... He came into the office and he asked how I was going on. I said I had two or three more hours to work. He asked me ... "you had nothing to eat, haven't you?" "Well, no, I haven't, but ..." "Never mind that, what do you want?" "Pizza." So he went out and got a pizza for me and a couple of cans of coke. And I'd finished this presentation and printed it out on that printer - it was a fantastic quality printer, but it was so slow, it'd take about five minutes for every slide to be produced. And I sat there and just waited for this printer ... and occasionally it would jam up, so you had to be there, you couldn't just leave and come in the following day ... And I had a pile of overheads, about an inch high ... and there were about three left to do. ... Mr Robinson was walking in: "how are you going on?" "Well, there's about fifteen, twenty minutes left." And he leaned over and he knocked the can of coke over and it went over the overheads I'd already printed out. So I just grabbed to top couple, threw them to one side, moved the others to one side, checked them - they were all okay. And I turned round and he's on his hands and knees with a handkerchief mopping up the coke - and this is the MD of the company! I said it's okay, there's a couple ... it'd take another ten minutes. And he was apologising. Another two days later after he'd given the presentation he walked into the department. ... He's probably one of the few people in the company who seem to have this aura around him. And we all respect him for what he's done, I mean, it's basically his company, he built it up, he pulled it up by the shirt collar into what it is - and everybody stopped talking when he walked into the office. And he said "can I have your attention please?" And I sat there, sat by my computer, "I'd just like to thank Albert[6] for the work he did the other day. I appreciate the amount of time and effort he put in. And I'm not saying it made a difference in the presentation but actually I want to say thank you, Albert." And that ... sort of thing means more to me than having another two thousand pounds in my salary, or something like that. Just getting recognition of someone you respect. That's one of the moments that will stick in my mind. I think it was very nice, it didn't have to be done but it showed a good management style of Mr Robinson.

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[5] This phrase was used by my interview partners.
[6] The name has been changed for reasons for confidentiality.

This 'give and take story' gives us deep insight into the organisational culture at ThyssenKrupp Automotive Tallent Chassis and the relationship between top management and subordinates in particular. This is not a singular story, but one that is told and retold in many forms and shapes. For example, interviewees from the coal face remembered incidents when Bernard Robinson would get fish and chips for people working late hours or when he would muck in just 'to get the job done'. The crucial issue, however, is that – as one interviewee expressed it – 'those stories are still recalled, although that [happened] a lot of years ago'. In other words, these stories are essentially about the identity (i.e. culture) and self-understanding of the organisation and capture the way 'things are done here'. This myriad of give and take stories, of which one is cited here, captures the core elements of the unique work ethics (see Chapter 4). It brings together hard work, the willingness to work late hours, the hands-on approach to everyday tasks with a concern for each other and thankfulness. One interviewee compared the atmosphere at ThyssenKrupp Automotive Tallent Chassis with a family spirit and explained that he would feel as if he had let down the family if something did not work out alright. In this family, Bernard Robinson is regarded by many as the caring father who knows what is best for everybody.

To link these observations back to organisational change and learning, it seems that these underlying principles of how to deal with each other provided a stable, reliable and predictable basis in testing times for all employees. This unique work ethic, however, was moulded by Bernard Robinson as a strong founder (Schneider *et al.* 1996), who may also be seen as a *New Leader* according to Bennis's (1999) definition. In this way, leadership can not only support but to a large extent influence change and learning at individual and organisational levels; it serves as a basis for creativity, innovation (Schneider *et al.* 1996), exploration and discovery. However, it has to be taken into consideration that this influence is subtle and cannot be forced upon the workforce. It has, as the above story highlighted, to be based on give and take, integrity and respect for each other.

4.3. The Cultural Connection – The South African Case

In contrast to the British case, leadership did not seem to have a major influence on people's coping with change at Iscor Vanderbijlpark Steel. Indeed, the management team did not take as central a position as Mr Robinson at ThyssenKrupp Automotive Tallent Chassis at the time of data collection, which may have several reasons. One possible explanation may be different conditions under which top management operated in both contexts. To make this clear, however, we have to step back in history and look at management under Apartheid at Iscor Vanderbijlpark Steel. The style of management then can be defined as paternalistic (see Weber 1968), autocratic and telling (Handy 1993), as many interviewees pointed out in our conversations. With the political and societal changes in the Republic of South Africa, the firm introduced a management team to reflect the country's newly gained democracy. This means that the organisation's new top managers have been in service for a relatively short period of time only and it is entirely possible that this time-span has not been long enough to build up trusting relationships with the workforce. As a result of this uncertainty to what extent the new management can be trusted, the workforce relies upon perceptions and issues they are sure about in their sense-making and story-telling, which would explain the under-representation of stories about management in the interview material.

Another reason may be differences in how people perceive individuals and teams as leaders. Based on the above considerations of the importance of long-term relationships in the management of change, it appears that trust is built more easily with one person rather than a group of people at the same time. Matters become increasingly complicated when some members of a group are trusted but not others. In addition to these complexities of social relationships at the workplace, individual behaviour, achievements and successes may be attributed more easily to one person than to a group. This may lead to recognition of this person's capabilities within a shorter period of time and consequently, the creation of stories around this person.

Probably the strongest influence, as the interview material reported upon in Section 3.2 suggests, is exercised by cultural factors. In order to overcome the legacy of the past with a working climate characterised by distrust, the new management team at

Iscor Vanderbijlpark Steel is trying hard to move towards a more consultative and participative form of leadership (see also Handy 1993), in which individual employees have both ownership and responsibility. One manager put this as follows: 'And that's been a major shift from paternalistic [leadership] to where we now say "do your own thing".' This statement reflects mainstream management discourse, which, on the other hand, neglects the importance of leadership in its purest sense as a stabilising, reliable and predictable basis for decision-making. In other words, many South Africans I spoke to seemed to consider the expectations of top management that they should be responsible for their own lives as a scary prospect, since under Apartheid the company provided jobs for life and social security. These employees cannot understand the new realities and expectations.

In the process of coming to terms with these fundamental changes, people have an increased need for stability provided by social relations at the workplace. Iscor Vanderbijlpark Steel addressed this need by a range of supportive programmes to help their employees to think differently about themselves and their role in the new South Africa and in that way to become more independent from their employer. However good the intention, the idea seemed to have backfired because many stories collected at the plant conveyed strong feelings of being let down and of deep-seeded distrust. For instance, many of the people I spoke to interpreted these programmes as the first step to further redundancies, although management contended that this was not the rationale behind the initiatives. It seems that the distrust of the past based on status differences still characterises the relationship between management and the workforce, which is perceived as a 'them and us' divide (see Chapter 7). The question is why perceptions have not changed over the last decade.

Again, there are several possible answers here. One may be that the changes were simply too big for people to swallow while providing not enough stability (see March 1981), so that people will need more time to come to terms with the events. Another reason may be the organisational changes introduced by Iscor Vanderbijlpark Steel to secure the organisation's survival, which are the restructuring of the organisation with a reduction of headcount and the introduction of Western management concepts. These initiatives, however, are partly counter-cultural to South African national and

the company's corporate culture and disprove the myth that management concepts have universal usage and meaning.

In more detail, the relatively high power distance (Hofstede 1980) prevalent in the Republic of South Africa that was carefully nurtured during Apartheid is not compatible to many elements and desired improvements of the re-engineering programme. This restructuring exercise aimed to turn around the organisation from a financial point of view and changing the underlying culture to reflect the ideals of mainstream management discourse with its focus on responsibility, flexibility and democratic management (e.g. Bennis 1999). However, the rather formal character of social relationships at the workplace tends to limit communication and does not support building trusting relationships between hierarchical levels. In addition, knowledge-sharing between groups is also limited, which results in a wealth of untapped knowledge. This, in return, inhibits organisational learning and continuous improvement, both of which are key elements of the strategy at Iscor Vanderbijlpark Steel. From this point of view, top management was right to attempt a change in organisational culture. It may have overlooked, however, that too much change at a time may increase rather than reduce distrust and potential conflict, which may be one reason for the rather negative overall tone and outlook of stories collected in this setting.

This is not to judge and not to say, however, that everything is lost. These considerations based on interview material simply highlight the complexities of organisational change and the fallacies of mainstream management discourse and understanding. It has to be emphasised that both management and workforce at Iscor Vanderbijlpark Steel act to the best of their knowledge, but that in some instances their cultural norms and baggage inhibits open communication and active resolution of conflict. There is progress under way and many stories have the potential to serve as a foundation for the future of the organisation. It is now in the hands of all members of the organisation to create a shared story about the future and to make it become true.

4.4. Innovation & Tradition – The Russian Case

The management of change at JSC Severstal, in contrast to the other two cases, has been highly influenced by the right balance of innovation and tradition, in which leadership played a major role. In a way, this case can be seen as combining features of the British and the South African case. Similarities with the British case study include a strong leader who provided stability, a culture in which trust plays a key role and a hands-on attitude to work. The Russian case is similar to the South African case-study company in terms of fundamental and rapid macro-changes, an organisational history in a closed and non-democratic environment and a similar agenda to survival and future success. Despite these similarities, this case is as unique as the other two cases. It has to be pointed out that JSC Severstal is not a typically Russian firm because if it was it would not have qualified for this study of organisational change and learning in successful companies (Ostrovsky 2000). However, one decisive element that distinguishes JSC Severstal from the average Russian organisation seems to be leadership and, based on management philosophies, an eclectic approach to restructuring and performance improvements.

To understand the differences in leadership styles, we have to go back a step and look at management in Soviet enterprises. The management at JSC Severstal, in accordance with Soviet ideology, could also be characterised as *legal domination* (Weber 1968) during the years of Communist rule, in which managers were to fulfil political roles. However, the current Chief Executive Officer (CEO) and Chairman A. A. Mordashov, who took over in 1996 (see Ostrovsky 2000), can be seen as a charismatic leader (Weber 1968). He is highly respected, trusted and valued among employees and widely regarded as local hero (Dejevsky 2003). The following JSC Severstal success story links the company's superior performance to its leader:

> Above all, [our success is due to] our good management. That is, beginning with Mr Mordashov and the good choice of his deputies. *** [Mr Mordashov] didn't try ... to implement all these changes from the top, but he tried to carry out changes in each and every procedure, each process in order to be able to really evaluate if this would make our life easier. This, of course, is very difficult and it is necessary to possess the professional knowledge of each of these areas. ... He tried to pass by practically every worker and check if there was such an effect. ... This took very much of his time, but those who could ensure the real implementation of the plans liked his

> approach. ... Basically I liked him for that he is endlessly particular and then, after very serious consideration ... takes the final decision, formalising the structure of the system and entrust somebody else with the affair. In that way he taught everybody. I like that he is quite democratic, although it cannot be said that he's an absolute democrat; no, but there's the opportunity to speak out one's view.

The key elements of this story are the clear link between success and leadership, the inclusion of the workforce in the re-engineering of the business, the professional knowledge of the top management team and the social skills of Mr Mordashov. The picture created is that of a paternalistic leader (see Handy 1993) – a kind of father figure. Top management around Mr Mordashov seems to have been aware of the most common internal and external barriers to change, such as reluctance to take responsibility (Ostrovsky 2000) and confusion over privatisation issues (Penrice 1995). On the basis of this understanding, they have supported the re-engineering of the organisation with measures to change people's attitude to their work. These included, as mentioned above, professional development both in Russia and abroad, open communication and information policies and business trips as well as recruiting Western managers and implementing a performance related pay system (Ostrovsky 2000). Considerable progress has been made, as the interview excerpts cited in Section 3.3 show, but there is still a critical covert gloss to many of these stories that contend that more is yet to be done.

The adaptation of Western management models to Russian customs and traditions may be the crucial element of the re-engineering exercise, which means that a new perception and understanding of a familiar frame of reference was created. To put this in narrative terminology, the same story is looked at through a different lens (Denning 2001), the lens of market economy. This, in turn, provided stability in very unstable times. Some measures were directed by management, like the reinstitution of honour boards for outstanding performance and competitions for young professionals in the workshops. These initiatives were coupled with financial and non-financial incentives (e.g. housing, studies abroad) and being honoured for outstanding performance means an increase in status, as many interviewees pointed out.

In addition to these directed initiatives, people have attached new meanings to familiar terms like 'brigade' (*бригада*) and 'team' (*команда*). These terms and concepts, which are deeply rooted in Soviet ideology and mirror the collectivist nature of Russian culture, have been transferred to post-Communist times and have become part of the new Western management discourse as used at JSC Severstal. In other words, while new vocabulary was imported into the Russian management discourse, many familiar terms were included and led to a mix of old and new terminology.

5. Summary & Conclusions

Stability within change is important and the three case-study companies have found their unique ways of dealing with uncertainty and change successfully. At ThyssenKrupp Automotive Tallent Chassis, stability was provided through strong leadership and a trusting culture, while at Iscor Vanderbijlpark Steel the emphasis was put on rules and regulations as a stabilising element in tumultuous times. At JSC Severstal, management provided stability with directed initiatives to soften the blows of revolutionary change and people attached new meanings to familiar language. In short, while macro-environmental changes, which are out of our control, determine the kind and pace of change, it seems that the key task of management is to provide stability and maintain trusting relationships.

Despite the different approaches to changes in structures and routines, all three firms employed similar techniques to improve their operations in accordance with the developments in management theory. All events – both positive and negative – that have been taking place at ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal provided a learning opportunity in their own right and all three firms have developed in their own ways in the dealing with change. This learning turned out to be crucial for the organisations' survival and success both in the past and also in the future since stories about the future, which are closely linked to the corporate vision, are built on stories about the past.

It is important to bear in mind that learning as it is taking place in organisations all over the world does not necessarily contribute to the company's performance in the way management desired; people can learn how to distrust their managers and how to cheat on their bosses, for instance. Since management cannot control this kind of learning, it is vital to establish a learning culture in the organisation through open and honest dialogue that is based on trust and respect. In that way, employees tend to appreciate the give and take in the company and to feel guilty if they do not meet their superiors' expectations. These issues are uncertain and tacit, which displays the limitations of our understanding of organisations as portrayed by mainstream literature.

This learning as experienced in the three case-study companies is bound up in key moments of change and communicated through stories. The key moment of change at ThyssenKrupp Automotive Tallent Chassis – the Sierra order – is clearly established and has become infused with meanings over the last twenty years. It incorporates the company's unique culture and self-understanding of all employees; hence, it may be summarised as the 'Tallent saga' (see Wilkins and Thomspon 1991). In contrast to this clear definition, the turning points of history at both Iscor Vanderbijlpark Steel and JSC Severstal coincide with the macro-environmental key moments when the political system collapsed. Due to the nature of change both at macro-environmental and organisational levels in these contexts, this is not surprising. In the course of history, however, organisational key moments in their own right are likely to emerge, as the OP-EX story at Iscor Vanderbijlpark Steel has already begun to be developed. The overall gist of the stories collected in the South African case-study company may be seen as the 'Iscor Vanderbijlpark Steel drama', whereas the genre may change as history unfolds. At JSC Severstal the spirit in the stories collected is one of an adventure story with not yet completely known outcomes.

Chapter 6: Experience of Change

Those who do not have the power of the story that dominates their lives — power to retell it, rethink it, deconstruct it, joke about it, and change it as times change — truly are powerless because they cannot think new thoughts.
Salman Rushdie (1991): 'One man in a doomed balloon'

1. Introduction

Globalisation and strategic organisational change are not impersonal phenomena that exist in isolation, but they have a real impact on people's lives and alter people's identity and sense of self (e.g. Galpin and Sims 1999). This suggests that the context of work is still a crucial, though changing domain for the development of personal identities (Reissner 2004a). Put differently, the macro and meso-level changes reported upon in Chapters 4 and 5 are bound up in stories at a personal level, which are shared among family, friends and colleagues and often also with the wider community. For example, somebody may come home from work and tell his/her spouse a story beginning with the words 'imagine what happened at work today', followed by the detail of this apparently strange incident. If they rate this event as important, then the two of them typically discuss what this mysterious episode might mean and are likely to tell this story to other people to get their views and opinions. When larger groups have reached a coherent and meaningful explanation of this moment of change, then the stories are shared at a societal level and become part of the national identity.

In short, these sense-making processes, with which people typically explain both macro and meso changes and are linked back to one's personal situation. They typically start at an individual level and are spread to group, organisational and finally societal level. In the course of this process, people make change meaningful through story-telling, which alters their perceptions of the situation and, consequently, their mindset — they learn through change (Lave and Wenger 1991). While formal learning focuses on the acquisition of knowledge and the development

of skills in a rather controlled manner, sense-making is learning in a subtle. complex and open-ended way of discovering and exploring new meanings (see Chapter 2).

For instance, at ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal, this sense-making involved learning how to deal with pressures, uncertainty and new responsibilities and lead to a change in the employees' identity (Alheit and Dausien (1999) use the term *biographicity* here). Questions like 'what is my role in this?' or 'how do those newly acquired skills affect my future outlook?' are typically answered in this process. In the case of the three case-study companies, there have been many positive changes in identity, resulting in an increase in self-confidence and assertiveness because their members have learned to overcome difficulties and to have incorporated new ways of thinking and working into their daily routines. As a result, people tend to feel comfortable in once strange situations and take them for granted; this means that they have not only swallowed, but fully digested the changes around them, which have become meaningful to them.

This chapter aims to highlight these personal experiences of change and the accompanying sense-making processes with exemplary stories from all three settings. As in Chapters 4 and 5, these stories – accounts of individual learning – are being put in the organisational and cultural context to make them meaningful. The conclusion reached is that sense-making and learning at individual level leads to reflexive changes in identity, which have to be studied comparatively and under conditions of change.

2. Shedding Light on the Sense-Making Process

In times of change, story-telling plays a vital role in people's lives to come to terms with the breach in stability. Bruner (1986) suggests that people tend to rewrite their stories when their beliefs are violated and Becker (1997) adds that story-telling supports people in creating cohesion in times of disruption. Sense-making and story-telling in particular in an organisational context is often perceived as very abstract and of little practical use (see also Chapter 2). One reason for this may be that

people's perceptions and identities change gradually over time and that such slight differences in perception are therefore difficult to detect. In addition, constituting a 'soft factor' in business and management, sense-making cannot be controlled and therefore may not get the attention it deserves (see also Chapter 1 on bullet-point culture). The receptive and observant manager who listens to his/her subordinates, however, can detect these subtle changes in people's mindsets in retrospect, as the following story from a Russian top manager highlights:

> I'd say this process [of making sense of change] has several steps. The first step can be called 'what rubbish did they think of this time?' ... Although today there are still some critics and there's still a certain negative perception, this first step has now been completed. Now we're at a level, which can be called in Russian 'there's something in it'; i.e. there's something valuable/beneficial in [the idea]; i.e. the people saw – not all of them, but very many – that in [this change programme] was a big benefit and an opportunity for self development, ... for changing oneself and they saw a real result. Overall, we're now somewhere between the second and third step, which may be called 'is there anybody who doesn't know that?'; i.e. [this is the step] when everybody accepts [the novelty] and it's made a routine. Part of the people is already there, another part of the people's still on the way and another part takes it still as negatively as before. But the big part [of our employees] is on the second step. The success of this [change] programme will depend on how well the basic group of people will go on to the third step, make the changes and accept this programme as usual, correct practice.

This is a sense-making story in a double sense: on the one hand, it is about sense-making – its contents or plot is sense-making. On the other hand, this story includes the story-teller's own sense-making: after hours of observation, listening to people's conversations and private reflection, he has made the once strange observations meaningful by bringing them into a coherent order. The key elements of this sense-making story are change, time, results and group behaviour, which are bound up in story-telling, as depicted graphically in *Figure 6.1*.

Figure 6.1: Sense-Making Story
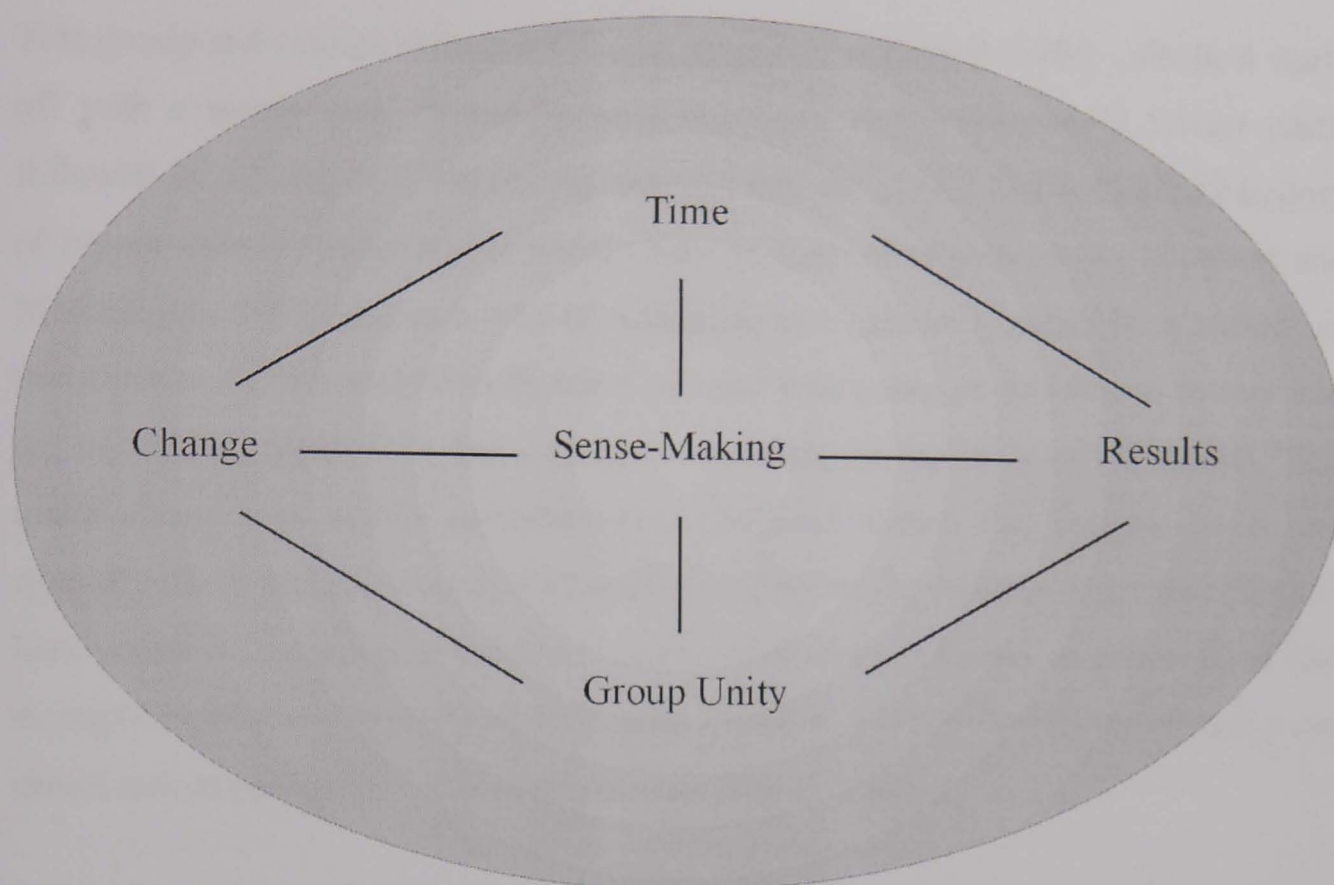
The element of results seems to be of particular importance here. Results, it appears, are the living proof that the management story about the necessity and benefits of change is correct. To put it differently, results remove the last remaining distrust in management and convince people of the sincerity and (subjective) truth (Denzin 1989) of the change story on the basis of new experiences, as the following quote from the same senior executive highlights:

> Of course there's gossip. There's various kinds of gossip and, I guess, enough. There are those who think that it's not right what we're [management] are doing. Sometimes even humorous verses appear ... on the internet. ... Well, but what I'd like to say is that they're decreasing. The people more and more understand that improvement is always useful; i.e. at first they might not want [changes because] it seems that we don't need them. But from my point of view there are more supporters of the changes that are going on here than people who are against them. There's probably only a tiny share of people against [change], there's rather the group of people who are somehow indifferent. It's like "change if you like, don't change if you don't. We'll continue [to work] as [we've] always [done]." But this group [of people] is getting smaller. And those against [change] are getting less. ... And the amount of supporters is increasing: the people against [change] and those indifferent [to change] are changing their minds because

they see the results. Our results [and sociological research] show that everything's right [what we've done so far].

This gossip and change story is a life-like narrative, as Bruner (1986) calls it; it starts off with a steady state (found between the lines as the company's Soviet past), followed by a point of crisis (gossip belongs into the covert and contested category of organisational stories and is widely seen as form of resistance (e.g. Tebbutt and Marchington 1997) and as a way of ridiculing management), ended by a redress of the situation in that people made sense of what was going on and began to buy into the top management story that change is necessary on the basis of the results. This quote shows how covert and contested rebellious stories can become overt and agreed, reflecting a growing new identity (see Chapter 2). Another important element here seems to be group dynamics; it seems that sharing stories at group level (for example work team, project team, *brigade* (*бригада*) in the Russian case study) can create new meanings and a shared understanding of change.

Overall, the issue of time seems to play a crucial role in the sense-making process. As highlighted in Chapter 2, time is not an independent structure, but bound up with social relations at the workplace (i.e. relationships among certain groups of employees both at the same hierarchical level and between levels), experiences and meanings. People seem to need time to talk about changes with others, reflect on different opinions in private – digest these changes slowly – and create coherent and meaningful explanations. Such a long and thoughtful process is very contrary to the ever-increasing pace in today's world and the typical 'busy-ness' in organisations. Interesting phenomena are incidents, which involved a lot of emotions. For instance, it appears, the situations, which aroused the temper of many employees when they happened, lose in importance over time. The following interview excerpt by a Russian worker makes this issue explicit:

[Guards were introduced at the various entrances, who searched our bags] at first only when entering, then also when leaving the premises. We had to show what we had in our bags. That made people very angry because they were forced to explain [why they brought to work what they did]. To be honest, I was a bit cross myself, but now everybody's used to it.

To rephrase this little story: at first the guards were perceived as intruders and spies – most probably because many people did not stick to the organisational code of conduct (as Puffer and McCarthy 1993 suggest, misbehaviour in Soviet state enterprises was widespread). People were likely to feel distrusted and maybe even betrayed by management at first after years of tolerating organisational misbehaviour (see also Gouldner 1955), which Schein 1999 calls *reframing* or *cognitive redefinition*. But after some time they must have realised that the guards were only doing their jobs, that their anger would not change the situation and that those who adhered to the rules did not have anything to fear. In other words, the presence of guards at the entrance to the works has finally become part of the routine and the sense-making process of this incident completed – it has lost its importance (i.e. the stories become residual). Told now, the numerous stories surrounding this incident take the form of a moral tale and are only used to bring one's own silly behaviour into view again to learn from it. Although these accounts are typically covert and often contested, they are not destructive. On the contrary, they were constructive in that they helped people to deal with difficult situations in their daily lives.

In summary, these two interview excerpts shed a bit of light on the subtle, complex and often unacknowledged processes of sense-making that are taking place in people's minds when their environment changes. Although the changes that have taken place in these two situations – the introduction of change programmes in the first story and of gate control in the second instance – are neither rapid nor fundamental, they reveal how people cope with new and unfamiliar situations, which emotions they show and with what kind of explanations people come up to describe why those things happened and how they may affect a person's life. When those considerations are put into a learning and teaching context, two basic questions arise: what are the firms' employees taught about change and what do they discover themselves? Teaching involves actions taken by management to alter people's perceptions about a certain situation, while people may discover something new without help of management.

Sense-making contains both elements: on the one hand, organisational narratives created by management and the subsequent programmes and procedures constitute the teaching element, while sharing narratives, reflecting about the new

circumstances and the exploration of new meanings form the discovery part. Due to its nature, the outcomes of sense-making are open-ended and therefore they are difficult to make explicit or even to control. To implement strategic and structural changes successfully in organisations, the top management story must be strong and coherent enough for employees to believe that this is the only logical solution to the problem; this enables the organisation to pull into one direction and achieve their goals more easily. Since the message management conveys is often not clear and the arguments not convincing enough (and it seems that meso-factors like leadership and culture play a role here, too), there is a wide-spread perception that changing people's perceptions and attitudes is difficult.

Rating the positive outcomes of change higher than the challenges on the way, ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal have introduced measures to promote the teaching side of the sense-making process. In other words, they have introduced initiatives to help their employees change their mental programmes and to find their role in the new environment. The following change story collected at JSC Severstal and reconstructed from several voices highlights some additional elements, which seem to play a role in people's sense-making processes, which are people's involvement and ownership of the changes linked with the desired outcomes of the change programmes.

> We're having lots of [change] programmes here. ... For example, we have the programme production consulting (*производственный консалтинг*). In my view [changing people's attitudes] is very difficult ... but it's the first thing we have to do. *** I'd give two goals [of these change programmes]: that's participation and responsibility. ... To involve workers in the discussion of problems in their jobs, their organisations, the company as a whole and then give them the responsibility for putting those ideas, those plans into practice; to give them the resources, give them the [necessary] authority. The result will be a defined commitment and loyalty and a high level of motivation, which is particularly needed for increasing the company's effectiveness.

This story is about change programmes, involvement, responsibility, results and new perceptions; the latter is an integral part of sense-making and changes in identity. It highlights the importance that changes in self and identity among employees have in situations of change, as one interviewee put it: '[it] is very difficult ... but it's the

first thing we've got to do'. This sentence contains an enormous insight (not to say wisdom) in that he has fully understood that the workforce has to change mentally before changes in the workplace can be achieved. This goes back to my definition of organisational learning (see Chapter 2): an organisation can only learn if people learn and develop in the same direction, i.e. if they share the *big stories* (see Wilkins and Thompson 1991) of the organisation's future and try to make the story become true.

However, there seems to be a tendency that the younger generation, as they are often called, cope with change more easily than employees with long-standing service. Obviously, the individual's personality and character traits will play a key role here and many employees around retirement age may be more flexible and open than many a university graduate. Nevertheless, as the following 'age difference story', collected again at JSC Severstal and containing the voices of two employees in their late twenties and early thirties from both a technical and managerial background, highlights this issue:

> [The new motivation system based on performance-related pay] helps [to improve performance] because when you're doing a bad job, then you're earning little money. [It's pretty hard for older colleagues because] they don't understand that there's a particular goal, but only think that they have to work [no matter what and how]. But the new generation's already used to all of that. *** We've had fairly frequent restructuring exercises here. That's why I'm used to it, let's put it that way. People who are older than me find it harder to cope with those restructuring measures, but I'm fairly relaxed about it.

These two interviewees talked openly about their older colleagues, who have been working most of their lives in a Soviet state company, having more difficulties in coming to terms with the new realities. Interviewees from all three case-study companies have talked about this issue of age, flexibility and openness, although not always explicitly.

Before I present accounts of individual learning and personal growth, a footnote is needed. All interview excerpts in this section have been collected at JSC Severstal because these were the most revealing accounts into processes of sense-making. The question arises why the accounts collected at ThyssenKrupp Automotive Tallent Chassis and Iscor Vanderbijlpark Steel are not as telling. One reason is most likely

linked to the importance of learning and development in the ideology of the former Soviet Union, which still prevails in the new system. During the Cold War, both the Soviet Union and the United States of America wanted to outperform their arch-enemy and they therefore put a lot of emphasis on learning and discovery in the workplace. Due to its geographical location near Moscow and St Petersburg – both centres of technological progress (Castells 2000b) – JSC Severstal benefited from specialists coming to Cherepovets from these two centres with up-to-date knowledge. As a result, a special kind of learning culture evolved and the sharing of knowledge among colleagues went without saying. The collectivist character of Russian national culture (based on Hofstede 1980) aided this process.

A second reason for these differences is most probably due to perceptions of learning at ThyssenKrupp Automotive Tallent Chassis: learning at the workplace and a strong focus on informal learning and the sharing of knowledge is taken for granted there and deeply integrated into daily routines. Hence, it is self-evident among employees (or, to use the more common term, tacit knowledge) and consequently not part of organisational stories; there is no need for sense-making here. In other words, organisational learning constitutes the way 'things are done here' and every member of the firm understands this philosophy or work ethic (see Chapters 4 and 5).

Thirdly, the near absence of revealing stories about learning at Iscor Vanderbijlpark Steel has two main possible explanations. On the one hand, it may be due to the fact that many people are still puzzled about their roles in the 'new Iscor' (see Chapter 4). In narrative terms this means that there are only few dominant agreed and shared stories circulating in the works that are concerned with the roles and rules of the new system. Taking into account that sense-making is a retrospective process (see Chapter 2), it is logical that there are no stories featuring what is not there yet; however, progress is underway and certain trends are emerging. On the other hand, many employees are worried about their future so that keeping a low profile and surviving in the company has priority over learning and development. In a sense, these people can be described as traumatised and it is widely accepted that learning is best achieved in a relaxed atmosphere. In narrative terms, this suggests that due to fear and distrust in the organisation (see also Chapters 5 and 7) people are reluctant

to share the big stories of Iscor Vanderbijlpark Steel's future – stories of continuous improvement, success, good opportunities, learning and development.

3. Making Sense of Organisational Change

3.1. 'We Can Do It, We've Done It Before'[1] – The British Case

Organisational change in terms of strategy, structure and policies are necessary requirements for surviving in today's global environment. The kind and pace of macro-environmental change determine the responses companies show in reaction to them, as seen in the previous chapter. ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal showed a variety of reactions to big structural changes ranging from technological advances over restructuring to training and mentoring. However, these responses may not differ as much as it seems at first sight since they all involve changes in strategy, structures and policies and in addition contain a learning and sense-making element (see Chapter 5). Some structural changes in those three organisations even involved focused efforts by management to change people's perceptions and identities. In that way management attempted to support their employees' sense-making activities and to help people to deal with increasing insecurity and new responsibilities.

In the dynamic yet trusting environment of ThyssenKrupp Automotive Tallent Chassis with Bernard Robinson being like a father figure (see Chapter 5), learning and sense-making are taken for granted – it is part of working at Tallent. The leadership skills of Bernard Robinson and his overall good personal relationships with his subordinates, paired with the power and respect his personality commands (see Chapter 5), appear to have inspired Tallent employees in a way that they never thought of questioning management decisions without becoming complacent. Learning seems to have become a routine in this company and, as a consequence, stories about how people learn have often to be listened to between the lines (see also page 151).

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[1] This heading sums up the stories collected at ThyssenKrupp Automotive Tallent Chassis, most of which take the form of a moral tale.

In accordance with a relatively stable macro-environment (see Chapter 4), the determining factor for personal development and changes in identity were meso factors (see Chapter 5). The advances in technology, both in production and administration, provided the best opportunities for learning and sense-making, as the following two accounts will show. The following interview excerpt is the story of a member of staff at ThyssenKrupp Automotive Tallent Chassis, who tells about her first experiences with computers and how it changed her.

I was the first secretary in the company to get a computer - mainly because Andrew[2] [my boss] was so keen for me to have one. We started off with manual typewriters, then graduated to electric typewriters, then onto electronic typewriters. The next stage after that was one of those machines, which was a cross between an electronic typewriter and a computer. But then Andrew decided he wanted me to have a computer. I was absolutely petrified because I had never had anything to do with computers. "You'll be all right" he used to say, "you'll be all right". Well, I was used to putting a piece of paper in a typewriter and being able to see what I'd typed as I went along and then taking out the finished letter. It was a bit of a mess when you made a mistake because you had to rub it out with an ink rubber, or else put tippex over the mistake and type over it and if you were typing three or four copies, using carbons, (before photocopiers came on the scene), then that was even worse. Andrew said "you won't have any of that any more - you'll be able to make any changes on the screen before you print the document", but I just couldn't understand how this was going to be possible. George, who worked in the Computer Department at the time, gave me a little bit of insight into the whole thing, but Andrew said that I could go on a computer course. I came home each night absolutely shell-shocked because we just went through so much. I thought I would never ever be able to master it, but when I got back to work I eventually got into it and thoroughly enjoyed it afterwards. ... I made no secret of the fact later that I was so glad that Andrew had "made" me do this because if he hadn't and if I had been left to choose I would never have done it. I am on the Internet at home now and I do e-mails to various people in different parts of the world, which I would never have dared to do if I hadn't started at Tallent. I'll always be grateful to him.

This story is also a life-like story (Bruner 1986): it begins with a steady state (the use of typewriters), continues with a period of crisis (the introduction of computers) and ends in a state of redress ('I'll be always grateful to him'). In essence, this story is about how the acquisition of new skills (here how to work with a computer) is both

enabled and accompanied by changes in identity. In more detail, this interviewee found the experience of working with a computer daunting at first and one can imagine what kind of story she told her family at the time! But now, it appears, she would take on a similar challenge without turning a hair. This excerpt shows that, looking back at an experience, the perception of the situation has changed; this means that the change has not merely been swallowed, but fully digested. In other words, this interviewee's identity has changed reflexively and she can now look back and laugh about herself being so naïve at the time; she can also be thankful to her boss that he 'forced' her to work with a computer. While the original stories about this incident are likely to have been in the covert and contested category, they have been transformed into overt and agreed accounts, which reflect the company's widely shared assumptions about learning both at personal and professional levels. Put differently, this is an incident where professional learning and personal development are difficult to distinguish (see Olesen 2001), since growth processes at both levels are deeply interwoven.

The following story from a senior manager with long years of service at ThyssenKrupp Automotive Tallent Chassis is about learning from mistakes and a growing realisation of a new understanding of the situation:

> You rise, you grow, you become stronger. Wiser, hopefully. ...
> And next time when something goes wrong you act differently.
> You do it this way next time. You become more aware, you
> hopefully can see the problem coming instead of it happening.
> You see it coming now, your work is a preparation to stop
> problems happening. Okay, it doesn't happen every time, but
> you try ... you plan not to have problems. Years ago problems
> happened ... you reacted when the problem came. Now it's not
> like that. Of course ... sometimes it catches you, but you plan
> not to have problems now, you do the work early to make sure
> that when the job arrives or the work arrives that you're
> prepared. Preparation, training, coaching, shouting, working
> with, getting everybody to do the same, getting there ... in line
> with your strain of thought. Getting people to do that.

This growth story is a story of discovery, of a new mindset and of different ways of working at a rather abstract level. He talks about the past and a then more reactive way of dealing with problems. In contrast to that, this interview partner suggests that

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2 Names have been changed for reasons of confidentiality.

nowadays problems are planned for, although people are surprised by them at times. In any case, he links these processes to growth and to an increase in strength, in which personal relationships, featured towards the end of the quote, play a key role. Interestingly, he does not talk only talk about co-operation, training and mentoring, but also about (supposedly constructive) conflict. In other words, this interviewee highlights that learning and development is not an individual process, but based on social relationships and on the ability to pull in the same direction.

However, it seems that this manager cannot really couch what he wants to say and that his language and vocabulary does not help him to explain the changes going on; the rather clumsy way of describing this interesting yet slippery phenomenon he is talking about is a strong hint for that. This suggests that language is closely linked to awareness and learning (e.g. Berger and Luckmann 1966; Pettigrew 1979): only if the person has got a framework for and the vocabulary of an event taking place, he/she can be aware of it, reflect about it and finally learn from it – firstly at an individual level and then, by sharing his/her insight, at group level.

At ThyssenKrupp Automotive Tallent Chassis, a whole range of stories that are well-known to nearly all members of the company and a part of the conversational currency of the shop floor deal with the central issue of the stories quoted above: learning and growth at the workplace, changes in identity, discovery, new mindsets and new ways of working. Put differently, these stories belong to the same narrative frame of meaning (see Chapter 2): although told in completely different ways, they are about learning and personal growth at work. These differences in making sense of the same thing by two different people reflect the personal character of stories. In other words, there will always be differences in how people explain the same situation or event in a way that is logical to and suitable for them. Only by listening to a larger number of people telling their stories, can we get an idea of the complexity of organisational life and story-telling. Despite this complexity, a number of issues has been constantly coming up in the interviews, sometimes explicitly, sometimes in disguise. The most important of these is the link between change, learning/sense-making and personal growth, which are the key themes of this thesis (see also Chapter 1).

Both stories quoted above feature a positive change in identity on the basis of the two incidents they report upon and may be seen as a kind of *epiphanies* or *moments of revelation* (Denzin 1989). In more detail, both interviewees claim to have grown professionally, but we are also told that their identity and outlook for the future has changed in accordance with that. These two incidents, which can be characterised as workplace changes (i.e. meso-level changes), seem to have boosted people's confidence and subsequently led to a new self-understanding. This is a process of reflexive identity creation (Alheit and Dausien 1999), which in turn informs people's outlook for the future, and that triggered new waves of stories. More importantly in the context of organisational learning is that this new self-understanding at a personal level appears to have informed both group and organisational identities. Hence, the narrative frame of meaning, to which all these stories belong, can be summarised as 'we can do it, we've done it before'.

3.2. The Glass Ceiling Has Moved – The South African Case

In contrast to the British case study, in the South African context change is determined by the end of Apartheid and the opening of the country in economic terms (see Chapter 4). Due to the stark differences between the Apartheid and the current democratic system together with the country's rich cultural heritage (see Chapter 7), the legacy of the past can be seen in many areas. One key feature of change at an individual level is that the formerly disadvantaged groups are advantaged now against the background of the government's employment equity programme (see Chapter 4) and that the formerly privileged group is facing increasingly difficult times. More specifically, the formerly disadvantaged, non-white groups have good career prospects with the glass ceiling being removed, which increase their self-understanding and the value they attach to themselves as persons. In contrast, many white employees have to learn to cope with loss of privileges and sharply reduced career prospects; they may find that they suddenly hit a glass ceiling when striving up the hierarchy. The stories collected at Iscor Vanderbijlpark Steel suggest that many see the new situation as an attack on their selves. Indeed, they have done nothing wrong: they are working hard and serve their company, but nevertheless they are in a way punished with uncertainty and the threat of job losses. These difficult issues are dealt with in covert and highly contested stories, in which

the issue of employment equity has become a farce to them (for more details see the story of a white member of staff on page 159).

The sense-making process of the formerly disadvantaged groups typically comprises dealing with new rights, freedoms and promotion prospects. For many interviewees from this group, employment equity resulting from the macro-changes as a kind of *epiphany* (see Denzin 1989) has enabled them for the first time in their lives to think about themselves differently and, more specifically, in terms of career prospects and professional success. It seems that the end of Apartheid at macro-level and the restructuring of Iscor Vanderbijlpark Steel at meso-level unleashed new waves of potential success stories, on which these formerly disadvantaged people can build their future. These issues are featured in the following story by a black manager, who talks about how his career developed despite all odds:

I never thought I would survive at Iscor, personally. It's coming from the South African background, not the company per se. Well, because of the purely racial background, there's always been a perception that a black and an Afrikaner will never come together. And Iscor is a purely Afrikaans-dominated company. So probably [the perception was that] a black guy is inferior and useless and not going to survive. Firstly, I never thought of being at any stage a senior operator because the policies of the past were of such a nature that there was job reservation. At certain colour lines, your prospects would end – that was it. That's why I studied immediately. Firstly I hated the job I was doing because I had my own personal ambitions. I knew that I didn't work at the furnaces till I die, that would be absolutely crazy. And immediately I knew that opportunity to say "fine. With the little finance I get I have to start and look into what I want. And with that I get out into the situation and otherwise I'm not going to be stuck here and then I can start to determine my future." And as the system changes and things are changing: I was almost the first black operator, the first black supervisor and the first black manager. So it was like this first, first, first thing coming over, which is a signal of a lot of change. When the change came through your ideas also changed. I mean you influence the system and the system influences you in return. And I happened to find Iscor home. Here am I sitting thirteen and a half years! If you're asking me I won't leave Iscor for any other place. I feel I've settled here, it's very close to my place and I think I've realised my strengths toward the company. ... If you were looking at the whole organisation structure, it used to have a couple of layers before. And when you were looking into the structure you thought "I'll never become a general manager". But I think my perception has changed now to "why not?" I know what's required for becoming a general manager. ... There's often the perception of a cul-de-sac and people think "why do I waste my time here and not go

somewhere else?" But now as the de-layering takes place you see that "oh, from my position to the general manager it's only three positions left." So the longer I'm here, the more experience I acquire and the more I deliver results, which will actually count at the end of the day, the chances are there. So when you pace up with the changes you will definitely have an opportunity.

This new opportunities story has clearly an ascending story-line (Browning 1991), starting off with the statement 'I never though I would survive' and ending by 'you will definitely have an opportunity'. This story clearly conveys a positive change in identity and its moral can be summarised 'you can do it'. This manager is obviously proud of his achievements and confident of his abilities to achieve his goals. The latter part of this story highlights the change in perceptions of this interviewee: he learned that he could achieve a higher position, which seemed so unachievable before, when it was impeded by a glass ceiling. In accordance with that, his value as a person and thus identity has changed.

In narrative terms, this means that he has rewritten his biography reflexively and that he regards himself as a new person with a different outlook into the future. This story has the potential to inspire many of his colleagues and subordinates who were in the same situation during Apartheid times. In other words, the essence of this story – 'you can make it' – is an important message for young blacks and is reflected in stories by other interviewees. Many of these employees are highly motivated and often undertake self-financed part-time study to increase their prospects even further. The question 'why not?' seems to pop up when they are talking about climbing up the career ladder, which reflects a newly gained increase in confidence and self-understanding. To put it differently: these employees have rewritten their biographies from 'I am a second-class person' to 'I can do it'.

This story also highlights the issue of boundaries (see Douglas 1973) that have to be crossed in processes of change and learning. In the case of this interviewee, there were several boundaries to be crossed: the boundary between the inside and outside of the organisation; ethnic boundaries; the boundary between workforce and management; the boundary between the managed and the unmanaged organisation (see Gabriel 1995). It seems that people who have crossed those boundaries are a particularly rich source of information since they can directly compare the situation

on either side (Reissner 2003b) – and share the results of their sense-making with outsiders. Put differently, this manager did not take his current position for granted (which many a person might have done), but he could step back and look at himself from a different perspective. This interviewee could remember how he felt as an ordinary worker without any career prospects, and this time in his life can now serve as a basis for his current and future stories. These memories from the 'bad old days' form part of his philosophy to life and, as he told me during the interview, will be communicated to his children that they may not become complacent and take the current situation for granted.

In contrast to this black manager's new opportunities story, the following story from a white member of staff at Iscor Vanderbijlpark Steel conveys a different change in identity – he was downgraded in terms of status, lost his privileges and faces an uncertain future. This interviewee focused his story on how he is learning to deal with new responsibilities and uncertainties.

> All that's in my office [now] is a computer and a printer and there's email and a telephone and things like that. So when I've presented the training I also take pictures from the people. When I come back to the office, then I start processing the licenses because the photo must be on there, the ID must be there. That is now what's happening: you must do multi-tasking. There's no typist any more and I can take that paper and say: produce a license or a certificate. You have all the details, you must do it yourself. You cannot ask the photographic department: go and take a picture. They will give me a camera and they will say: you go, you take a picture, you come, you load it down onto your computer, you copy and paste it, you make it to the size you want and you put it on the license. And that's why I say, if you can't keep up with the change, then you're going to fall off the bus.

This interview partner did not talk about acquiring the technical skills to do these new daily activities, like the computer skills to produce the licences, but about a change in his identity as a worker. He was talking about the need to do all the tasks himself and thus taking responsibility for more than one area. While one might assume that these changes had a positive impact on his identity and self-understanding due to this job enrichment, the story is less optimistic than the last one and has a descending story-line (Browning 1991). In this story and rather between the lines, this interviewee spoke of the privileges he lost – the use of both

photographer and secretary, which he appears to interpret as forfeiting part of his status. The metaphor used in the last sentence of this excerpt, 'falling off the bus', hints for transitional change (Marshak 1993), which suggests that this employee seems to feel under a certain pressure: if he is not up to the new realities, he will lose his job!

In a way, this story is the outcry of an employee whose career prospects have changed over the years for the worse; the fall of Apartheid and the changes at political, legal and organisational level are therefore a problematic experience (Denzin 1989) for him and many of his colleagues. This interview partner seems to be caught up in feelings of loss, uncertainty and fear so that he is finding it very difficult to discover and explore new meanings of the situation (see also Antonacopoulou and Gabriel 2001). His identity and the value he attached to his person have suffered and stories about his future are likely to be constructed against a resigned background, which is characterised by hopelessness, apathy, despair and blame (Ford et al. 2002). In short, this interviewee cannot think new thoughts and, to use Rushdie's quote from above, is indeed powerless; he seems to be caught up in the old ways of thinking, which have lost their meaning in the course of change. While this interview partner has not learned to come to terms with the new situation creatively, he constructed an explanation of his current situation that is credible and logical to him. In that way he has learned to cope with his current situation, even though this coping mechanism may not be constructive, but destructive.

Despite being different in terms of tone and story-line, the two stories cited above have one common theme or plot: the negotiation of a new social order (Goffman 1983) in the Republic of South Africa after the end of Apartheid. Not just these two interview partners, but also their colleagues had to discover the rules of the new game and to find their place in the new system. While it may be relatively easy for those who gain in the process, it is certainly difficult to come to terms with the new realities for those who lose out. In other words, for the first group, the key moments of change – the fall of Apartheid at macro-level and restructuring and re-engineering at Iscor Vanderbijlpark Steel at meso-level – are typically seen as moments of revelation, whereas the latter group tends to interpret them as problematic experiences (Denzin 1989). The different perceptions that those two employees have

of the same situation highlight the importance of the context when interpreting change stories. In this case, the reader has to know which backgrounds the employees come from in order to understand why the issues featured in their story are important to them and why their identity has changed in a certain way. These two stories also bring to mind how strong the legacy of the past still is in the Republic of South Africa and how much sense people still have to make of the new-found freedom (see also Chapter 7).

3.3. New Outlooks for a New World – The Russian Case

The collapse of the Soviet empire and the disappearance of the iron curtain together with changes at organisational level determined the kind of changes at individual level for many employees at JSC Severstal. On the basis of Soviet traditions, learning and professional development in general and about market economy in particular is perceived very positively in the organisation (see also page 151). With the end of the Soviet Union, it appears, people went out to discover a unique way of surviving in this challenging and ever-changing new environment. Many of my interview partners seemed to welcome the adventure of exploring the world beyond the iron curtain and some even seemed enthusiastic about the journey they embarked on, although the way is sometimes hard and rocky. Nevertheless, their focus is set on the future and they apparently get new motivation from the little successes on the way.

More importantly in a project like this, they like to talk about it openly with confidence and pride, as the stories under heading 2 of this chapter (see page 144 *et sqq.*) have shown. While this attitude towards new learning may be the legacy of Soviet ideology, it seemed more like those people having a story they can believe in and make it become true. And they are giving everything for this! Consequently, people displayed a certain openness to new opportunities from which they can learn, like the change programmes, business trips abroad and training courses at JSC Severstal. They appeared to be willing to discuss their experiences and results with their colleagues and friends, which may be part of the collectivist culture in the Russian Federation. (It has to be added that this may take place after work and over beer and vodka, as one interviewee admitted). In short, my interviewees perceived

learning and personal development as very positive and not necessarily taken for granted since many of them felt privileged that they could prove their abilities.

I would like to come back to the learning story, which was already quoted in Chapter 4, from a manager at JSC Severstal. In this account, he talks about how training courses helped him to become familiar with the world of market economy and how his identity has changed in the process:

> All those laws of market economy were completely new to me. I didn't know what this was all about. I didn't know all those laws, all those names – everyday terms, which determine our lives today. For me, every understanding was new and my world outlook and my vision have changed accordingly. This development was extended in studies abroad.

This learning story highlights again how subtly people become familiar with a completely new vocabulary and, accordingly, with a completely different world. It seems that, in retrospect, this interviewee has found how much these new terms have taken over: '[they] determine our lives today'. To go a step further: this story also highlights how a new situation (the introduction of market economy in the former Soviet Union) shaped the stories people tell and how the stories in return influence the situation. While many explanations were given at the time (what is market economy all about?), these are taken for granted now since everybody knows 'the rules of the game', as my interviewees would put it.

This story also highlights the issue of language: people in the Russian Federation can only talk about market economy using the 'new' vocabulary, although this is often linked to established terms getting a new meaning. The issue of new vocabulary is interesting in that it not only refers to learning the actual terminology, but in that this new vocabulary constitutes new narrative resources, with which people can make sense of their world (see also Chapter 2). Put differently, this interview partner learnt a new language (and thus acquired new narrative resources) and since he tells us that both his outlook and vision have changed, we can conclude that he must have learned something about himself. It seems that by learning a new language and acquiring new narrative resources, this manager could reframe his experiences differently and

create new waves of stories about the company's future position and role in the world steel market.

A closer look at the language used by this manager reveals that his view of the market economy is simplistic and mechanistic and that he perceives organisations as machines (Morgan 1997). When comparing the language of this interview with the language managers from ThyssenKrupp Automotive Tallent Chassis, for example, fundamental differences in perception can be detected. While this Russian manager (and many of his colleagues) talks about laws and clear cause-effect relationships, his British counterparts were rather speaking of pressures, uncertainties and challenges. The tacit knowledge (Nonaka 1991) embedded in this story implies only a partial view of the market economy with social factors having been left out, but on the other hand, it represents some stability in the constantly changing business environment of JSC Severstal. The larger narrative frame of meaning, which the learning story above is part of, can be paraphrased as follows: 'If I know the laws, I can make the right decisions and then I will end up with the right results – nothing can go wrong'. We can only assume that this rather naïve understanding of market economy may be an intermediate step on the process of discovering what market economy is really about. It remains to be seen what other aspects of market economy will be discovered and what the future stories will look like!

The following professional development story by another Russian manager is very similar to the one quoted above. In contrast to the above story, however, there may be a stronger emphasis in the person's value as a professional than as an individual. This interviewee talks about 'broaden your horizon' by meeting people from other cultures and getting to know their way of doing things.

> [My studies in the UK] helped me in different ways. First of all, I hugely improved my English. And I have some experience – when you're living in another country, when you're meeting other people from many different countries, you ... broaden your horizon, you may see many things broadly. Also, of course, the study programme was very interesting, because at that moment in time Russian universities did not have anything comparable. Of course, MBA-programmes were offered at many universities [in Russia]. I said that I studied in Moscow, it was also an MBA, a two-year course, but there is a huge difference between the courses. In the UK it's simpler on the

one hand, but more practical on the other hand. It's more useful for you. In Russia this MBA is too theoretical. It's too theoretical and there's a lot of knowledge, which you can't use practically. But at [the British university] most of the knowledge [we gained] could be applied practically and it's possible [to apply] it right now. The most interesting for me was the method of SWOT analysis. It's really a great instrument for both marketing and strategy. ... The graduation from this university really helped me and I think it increased my value as specialist, as a manager.

In accordance with the rather pragmatic and hands-on approach with its focus on the practical value of concepts and theories taken by management of JSC Severstal (see Chapter 5), this story emphasises these issues when comparing his studies both in Russia and in the United Kingdom. This manager's professional development has been enabled by the company's openness to new ideas and approaches and a constant, self-imposed pressure to learn, develop and consequently outperform their competitors. In return, this interviewee is willing to bring in his newly-gained knowledge and self-confidence (not every employee at JSC Severstal is able to graduate from a British University with an MBA) for the benefit of the company.

In any case, this manager has rewritten his biography – not just by adding an MBA to his curriculum vitae, but also by redefining his value as a highly qualified professional and his opportunities in the future. This interview partner seems to feel valued that his employer was willing to invest a considerable amount of money in his professional development and to let him study for an MBA in the United Kingdom. His experiences both abroad and at home at the workplace led to an increase in self-confidence and a new understanding of his opportunities both within JSC Severstal and on the wider marketplace. But this phenomenon of reflexive changes in identity (Alheit and Dausien 1999) does not seem to be restricted to managers, but to refer to any group of qualified professionals, as the following quote – based on the observations of a senior manager – explains:

Highly qualified people will find easily another job ... and so can walk out from Severstal without having to worry. People developed an understanding of their value as a professional. There are people who leave Severstal in regular intervals and then come back. Because if there's a rise in, for instance, the steel market and Severstal's got money, then the company's prepared to pay this money to its employees and other services like repair and maintenance and so on [of which other firms in

> Cherepovets benefit]. ... Severstal's currently the main source of means in the town for everybody. I.e. if Severstal makes big money ... we're beginning to spend that on services in the town. A small firm that offers certain services has the opportunity to spread this money further. ... [In difficult times, people tend to come back to Severstal.] If that's a very highly qualified specialist, we're obviously more than happy to take him back. People make use of that.

This professional value story links an employee's qualification with his/her opportunities to find work outside of JSC Severstal, which is the biggest and most important employer in the area. This newly gained confidence on their abilities allows people to leave the company when better opportunities are offered elsewhere and return to JSC Severstal when there are fewer opportunities with other companies in the town. This otherwise risky behaviour does only make sense when seen against a new self-understanding of the employee's identity and outlook on the future. This story is identical to the two quoted above in terms of plot and tone and forms part of a larger narrative framework of meaning, reflecting the attitude of young high-flyers at JSC Severstal. This group of employees is confident of their abilities and open to anything that may further improve their position in the company. It may be worth highlighting the downside of this increase in self-confidence and value as a professional, which the last story hinted at. While JSC Severstal and most other business organisations around the world want confident and assertive employees and therefore support their professional development, many high-flyers take the opportunity to leave their employer when offered a better position somewhere else.

These stories also show how deeply interwoven organisational and individual learning are. Schein (1999:164) puts this as follows: 'From an organizational learning point of view, one would hope that the individual, self-motivated learning would channel into organizationally useful skills and attitudes.' Put this in the context of organisational culture and leadership, this means that people who are happy in their workplace tend to be more likely to contribute private learning outcomes to organisational learning processes, for instance in the form of knowledge sharing. Furthermore, this relationship between culture and learning is also linked to an organisation's overall philosophy and the opportunities for the discovery and exploration of new meanings and ways of working.

4. Learning, Identity & Making Sense

Learning, whether formally or informally, typically leads to changes in identity through sense-making and story-telling. This has been illustrated under the last heading on the basis of stories collected at ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal. All learning is bound up in contextual and coherent stories that are the basis for our identity and self-understanding (according to Sims 2003, the term *storying* is often used to describe the phenomenon that we tend to construct our lives as a story). The relationship between learning, identity and story-telling seems to be complex since people do not only learn or make sense of changes in their environment through stories, but they also make sense of their learning by telling stories about their learning experiences (see sense-making story on page 145). This means that people can not only learn from their learning, but also about it, which in turn affects their confidence, self-understanding and outlook into the future.

While learning is usually seen as positive in our society and associated with ideas of personal and professional development, career opportunities and success, I would argue that learning as such is an open-ended and uncontrollable phenomenon. In most instances cited above, learning has indeed led to an increase in self-confidence and in a positive outlook into the future. However, the story of a white member of staff at Iscor Vanderbijlpark Steel quoted on page 159 highlights that learning to cope with change can also lead to a shattered self-image and confidence in one's ability. Put differently, we seem to learn to doubt our abilities and value both as an individual or professionally and this phenomenon is often associated with non-learning (Illeris 2002). However, when learning is seen as sense-making, i.e. making environmental change meaningful (see Chapter 2), then there is no such thing as non-learning; but everything is being learned, no matter what the outcomes.

The stories quoted in this chapter raise our awareness that changes in identity are often linked with certain key moments (or *epiphanies*, as Denzin 1989 calls them) that trigger and facilitate processes of learning. These key moments may be prevalent at macro-level, as in the case of Iscor Vanderbijlpark Steel and JSC Severstal, or at

the meso-level, as with ThyssenKrupp Automotive Tallent Chassis. This suggests that learning and changes in identity cannot take place in a static situation, but that these phenomena depend on environmental change and on the need to redefine one's role in the new circumstances.

Since these sense-making processes are often tacit (i.e. people are not aware of them although they may be more obvious to an outside observer) and unacknowledged, letting people tell the stories of their experiences helps them to become aware of their learning and changes in identity. If people are given a chance to talk about change and learning, they can develop a language to put these often subtle experiences and associated feelings into words, thus making them explicit. Usher *et al.* (1997:212) put this as follows: 'Personal and social change which occurs through learning, as well as being brought about by natural means such as ageing, is accompanied and consolidated by discursive shifts, i.e. in the ways in which we talk and write about ourselves and others.' In short, a person's identity as an individual in general and as a learner and professional in particular changes in accordance with external change, leading to further changes in his/her identity. Story-telling can be a trigger and facilitator for such reflexive learning and personal development processes.

An issue often raised in the discussion about identity formation is to what extent our identities are shaped by our genetic inheritance and to what extent by our upbringing and social environment. Although a detailed analysis on how individual biographies influenced people's life stories was beyond the scope of this study, the language and images used in the various interviews gave insight into people's lifeworlds. I would argue that our identities depend to a very large extent on the culture, into which we become socialised (Berger and Luckmann 1966), and on the range of possible identities our culture and its narrative resources provide (Williamson 1998). For instance, the importance of learning in Soviet culture has left deep imprints in current perceptions of learning and personal and professional development among my Russian interviewees, which suggests that we are part of national and organisational cultures to a larger extent than we are typically aware of.

In more detail, from a very young age we have been going through a series of socialisation processes (Berger and Luckmann 1966) – often simultaneously; at first

only in a family context, later at school and at work. This means that we are constantly adapting to and making sense of our unique environment and the impact on our identities on the basis of the narrative resources available there. In practical terms, this suggests that we have to take people's personal and cultural background into consideration when we are looking at their learning, sense-making and professional development. Another implication of this issue for researchers is that only by listening to a larger number of people telling their stories we can get an idea of the complexities of organisational life and story-telling. On the basis of that we can tease out the key themes of people's stories, the plot and genres, which all reflect people's perceptions. It is as if the stories provide people with resources both to comprehend past experience and to make sense of all new experiences at work. Stories become a kind of code, a generative grammar that transforms uncertain change into something meaningful and comprehensible. The challenge for researchers is to discover what stories matter in particular contexts.

In addition, comparisons play a key role in establishing commonalities and differences between different groups of employees, different departments and different organisations. Stories from different settings can be compared to highlight what they tell us about the logic of particular situations for those who must work within them. They encode patterns of understanding and these in their turn shape how people react to change. Different contexts sustain different structures of meaning and understanding. Researchers have to discover what they are; they cannot be simply assumed. They have to be understood historically and contextually to produce coherent and meaningful interpretations.

5. Summary & Conclusions

Our identities are to a large extent shaped through changes both in the macro-environment and at the workplace, which are made meaningful through story-telling. In accordance with national differences, people in different countries typically make sense of their experiences and rewrite their biographies in different ways. This suggests that our identity is shaped by the cultures we are part of and the narrative resources available in them. The implication for researchers interested in issues of

identity formation therefore is that reflexive changes in identity and meaning have to be studied both historically and comparatively to reveal similarities and differences in the sense-making processes of people from different settings.

Learning and sense-making have to be studied under conditions of change, when the larger narrative frames of meaning have to be reconstructed and when the narrative resources change. Under such conditions, the vocabulary of either new hopes and possibilities or deep regrets becomes part of the larger narratives, which are the building blocks of personal and group identities (Antonacopoulou and Gabriel 2001) and which in return influence the narrative frames of meaning with which people make change meaningful.

Individual identities have the potential to influence group identities, for instance at the workplace, which in turn may form the belief system of the wider society. The balance of these future narratives is something to be discovered empirically for they are likely to be the key determinants for the success or failure of companies and maybe even nations. In narrative terms this means that if the dominant and widely shared narrative about an organisation's or country's future is negative (i.e. predicts failure), then it is likely that the actual outcome is failure since people strive to make the story become true (Kundera 1988). In such an instance, learning can indeed lead to failure and therefore, both work organisations and nations should examine carefully what they are teaching to their members and if this message is coherent with their wider goals.

Chapter 7: Competing Narratives

'...for every story there is an anti-story.'
Salman Rushdie (1990): 'Haroun and the Sea of Stories', p. 160

1. Introduction

The previous three chapters have mainly dealt with agreed narratives that are widely shared and dominant within the respective organisation. These stories are typically overt, but can sometimes have a covert, self-critical gloss. While such stories are relatively easy to collect – both from written materials and oral accounts – they are not as common-place as it may seem. The apparent harmony mirrored in the stories reported upon in the previous chapters may have been misleading and the overall picture at ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal is most certainly not as perfect as it may have appeared at first sight. Differences in perceptions, conflict and resistance are an integral part of human relationships and are therefore present in any organisational context (e.g. Jones 1991); employees from different backgrounds see and interpret the world in different ways on the basis of cultural differences (see also Chapter 6). In order to cope with change and to learn and develop together, people in organisations have to make conflict constructive and to negotiate both a common goal and the way to achieve it, which is reflected in the stock of dominant and agreed stories.

Despite being a normal feature of organisational life, conflict as reflected in contested stories taking the genre of gossip, humour and malicious tales is often perceived as negative, which may be a narrow-minded and over-simplistic view (Noon and Delbridge 1993). On the contrary, conflict is vital for any organisation's development (and ultimately success) to prevent complacency by questioning and challenging routines, procedures and regulations through open dialogue. When challenged, people typically learn to see the world through other people's eyes by acquiring new narrative resources and they are likely to gain new perspectives in their daily work, which tend to result in reflexive changes in identity (see Chapter 6). This means that conflict can be enriching for organisations and may contribute to

their learning and development. However, it is vital to keep as many contested stories as possible overt, so that a dialogue to resolve differences can take place.

The downside of conflict in organisations usually consists in distrust, resistance and misbehaviour with certain groups of employees being 'at war' with each other. A typical example in British manufacturing is the 'them and us' divide (management versus workforce), which was highly prevalent in the 1960s and 1970s (Fox 1974). This idea implies irreconcilable differences between those two groups and prevents people from working as a team, reflecting on their own and the other group's perceptions and assumptions and learning from each other. The contested stories in such a context are covert and have become part of the *unmanaged organisation*, which is 'a kind of organizational dreamworld in which desires, anxieties and emotions find expressions in highly irrational constructions' (Gabriel 1995:477). If such a state prevails (i.e. is dominant) in an organisation, it is potentially fatal for any company in today's business environment since it prevents people from resolving unconstructive differences and from working together as a team. This idea can be illustrated by the metaphor of war (James 1984), in which companies are regarded as armies and competition as war; if the army cannot function as unit, the enemy can have a walk-over.

Contested organisational stories in various forms (e.g. gossip, rumours, humour, fantasy, farce and myth) help people cope with uncertainty, discomfort and failure (Davies 1979) and explore new ideas and sensitive issues (Linstead 1985). In addition, such accounts often act as safety valves to release frustration and tension (Jones 1991). Since narrative analysis is a powerful tool 'to pick up on their minor grunts and groans as [people] respond to their situation' (Goffman 1989:125), this chapter seeks to enrich and complement the stories reported upon in the previous chapters by addressing the shadow side of the organisation. Examples of distorted and contradictory stories from the three case-study companies will be provided here to reflect and acknowledge the complexities of organisational life. The analysis of the stories reported upon here will show which narratives are dominant, emergent or residual (based on Williams 1985, see also Chapter 2). The chapter concludes that contested stories are a part of organisational life that has to be taken seriously and

that environmental influences (e.g. organisational culture and leadership) are a key determinant of the way in which people react to contradicting and conflicting stories.

2. Conflicting Stories & Possible Reactions

Conflict arises when the stories that reflect people's experiences at the workplace contradict each other. The differences in perception, on which these contradictions are based, typically occur among different groups of employees, whereof the stereotypical case would be management versus workforce (e.g. Strebel 1996). It seems that the individuals' personal and educational background plays a major role in the interaction dynamics of these groups. As will be shown later in the illustrations of the South African case, cultural differences among different ethnic groups, can also trigger feelings of 'them and us' (see also page 178). In such a situation, people from one group usually do not trust members of the other group and do not share their insights, criticism and ideas openly, which often leads to destructive conflict.

In addition to personal factors, conflicting stories are also bred by insecurity (Tebutt and Marchington 1997), uncertainty and ambiguity (Weick 1969) at the workplace. When people's beliefs are violated (Bruner 1986), they tend to create their own explanations of the events and share them among their colleagues (see also Chapter 2). Particularly in times of fundamental change, gossip, rumour, and other forms of contested stories are typically on the increase (Ribeiro and Blakely 1995 as cited in Tebbutt and Marchington 1997:716), which suggests that 'narratives might be a mirror reflecting social reality, survivals from an earlier age, or a screen onto which fantasies are projected' (Jones 1991:30). By definition, these covert, contested and emerging stories reflecting individual perceptions cannot serve as a basis for overt, agreed and dominant stories, which can be called a vision and which people can strive to make true (Kundera 1988).

Reactions to contradicting stories can differ considerably and can range from apathy and lethargy to open conflict (see also Chapter 2). These reactions are likely to be influenced by both social and power relationships at the workplace. For instance, in an organisational setting with high levels of trust and respect for other groups of

employees, contradicting stories tend to be met with disbelief and neutralisation and typically common grounds can be discovered or negotiated and explored on the basis of strong moral values employed. The negotiating of stories to which most members of the organisation can agree is not a mere consensual model, but one that acknowledges differences in perceptions and interest among different groups in the organisation (see also Chapter 2). In this sense, contradicting stories offer a learning opportunity for people and a chance to strengthen their social relationships at the workplace. This can therefore be seen as constructive conflict that counteracts complacency and challenges widespread assumptions that might have ceased to reflect new realities. As a consequence, new ways of thinking and working can emerge, which everybody in the organisation can be part of.

On the other hand, in organisational environments characterised by the quick succession of key people or political power games and, subsequently, low levels of trust and respect, people are likely to respond to conflicting stories with denial, cognitive dissonance (Festinger 1957) or open conflict and resistance. Since there are usually no strong social relationships on the basis of which agreed accounts can be negotiated, contradicting stories often lead to destructive conflict. Such accounts are typically full of negative emotions like anger, which prevent people from being open to new stories and new ways of thinking that may challenge their perceptions on the one hand, but allow them to learn and develop on the other. As a result, each group tends to create new stories to nurture their prejudices against the other group and common ground is often difficult to negotiate, which in turn is likely to result in further distrust, anger and other destructive behaviour.

3. Patterns of Stories

3.1. Different Groups, Different Perceptions – The British Case

Although the culture at ThyssenKrupp Automotive Tallent Chassis is characterised by a large part of dominant and shared stories, there is a number of contradicting stories, mainly between management/staff and workers at the coal face. This 'them and us' divide is not as pronounced as it may be in other manufacturing firms, but it

nevertheless reflects the typical view point of those two groups: management/staff tend to have the view down the hierarchy, while workers have the view up and a mutual understanding cannot always be reached. In the case of ThyssenKrupp Automotive Tallent Chassis, the then managing director Bernard Robinson, who started his career in the company as an apprentice tool maker and worked his way up the hierarchy, was said to have been able to bridge this gap because he could relate to the experiences of both parties in times of conflict. This key figure of the organisation has crossed several hierarchical boundaries – between apprentice and master, worker and engineer, engineer and manager, manager and director – and has made personal experiences at each of these levels. Not surprisingly, he was therefore a rich source in valuable information and often an inspiration for his subordinates (see also Chapter 5).

One major incident of disagreement and also fear was the 'Thyssen takeover', one of the key moments in the company's history. In 1992, the directors of then Tallent Engineering Ltd. decided to sell the company to Thyssen to finance further growth (Tallent Engineering Ltd. 2000). While management had a sound rationale for selling the company to the German multi-national (which had shown strong interest in acquiring Tallent Engineering before), employees did not buy fully into management's story because they wondered if the Germans could really be trusted. But let us start with the top management account for the deal, which was the official story at the time and which served as a basis for the vision of the firm's future:

> The problem at the time again was that the UK economy wasn't very strong and there was a need to make further investments. And so the importance of the Thyssen group at the time was they had the financial support we were looking for. So again that's part of the global strategy of going from a combination of customers to the automotive industry, which is very investment-orientated and we needed to continue the investment activity. And obviously going to Thyssen enabled us to have larger [and] more available funds than we would have had as independent [firm]. ... Certainly myself and my colleagues saw the future in Tallent and we saw the best way of proceeding with the business was to be part of a large group. *** Surely they could shut us down, but then you come to the fact why shut something down that works? ... An interesting thing [was that] we had to sign an agreement staying here for three years. ... We signed these agreements that we would stay for three years. ... Again, it's where the trust that Thyssen came

with us grew up because we kept doing what we said we'd do and they left us alone.

The reasons for selling the company to Thyssen, as this acquisition story highlights, were increasing global pressures on the firm and subsequently the need for more substantial financial resources to survive in the demanding climate of the automotive industry. Both directors quoted here contend that they believed in Tallent's future and that they thought the best way of securing it would be to get a strong partner (see also Chapter 4). But they also argued that this deal was based on trust: Thyssen trusted Tallent to continue its above-average performance, while Tallent management trusted Thyssen not to close down the company. Until now, it seems, both parties have fulfilled their promises and the deal has worked out.

In contrast to this confident view of the company's future in the larger corporate environment of Thyssen, many employees were worried at the time that the German giant may not be as trustworthy as their superiors would like to think. The following anti-story is of contested and residual character and mirrors the disbelief and worries with which people met top management plans to sell the plant.

> The atmosphere at the Thyssen take-over was like "these German people have closed companies down in the town, have bought them out, wiped them out. ... We thought what was going to happen to us? ... Will this be a clearout ... and all our machinery go to Germany?" We just didn't know. Nobody knew. *** Thyssen was a big company. Were they going to force their management practices onto Tallent? *** I think I was ... concerned when ... we sold [Tallent] to Thyssen. ... I thought Thyssen might just close us down and move [production] over to Germany, which seemed the obvious thing to do. *** When the German company took us over, I thought "have they just taken it over for the business?" Because we were rivals, we were taking the parts _from_ Germany bringing them into Tallent. ... That got us, quite a few of them, worried. The older ones, like myself and quite a few others ... we thought that ... the Germans would be going to buy us up just to close us down, you know, just to get rid of the better side. ... We don't know the Germans ... well. *** People knew that Thyssen was quite a big company and [Tallent] would probably just be a grain of sand in the sea to Thyssen.

The picture here is unanimous: people were wondering what was going to happen with their firm since Thyssen had taken over a number of companies in the area and had closed them down shortly before. Consequently, people were worried that the

same fate may meet them and that they may lose their jobs. In short, Tallent employees did not know which story to believe: the official story communicated by their superiors, whom they generally trusted, or the rumours being spread in their neighbourhoods. How could they be sure that their directors had not been lured on to destruction by the Germans?

To use Bruner's (1986) terms: this was a point of crisis when people's beliefs in a stable future were violated and people asked questions like 'why was all of this happening and where was it going to end?' The company must have been buzzing at the time with gossip, rumours and other contested stories to make sense of what was going on – and the most likely scenario apparently was that Thyssen would close Tallent Engineering down and relocate the business to Germany. Put differently, some people interpreted the events against the background of a different narrative frame of meaning with the result that several narratives competed against each other. The tone of the contested account quoted above suggests that people reacted with disbelief at first and then with doubt.

However, after nothing changed for the majority of Tallent employees with the change in ownership, people calmed down; i.e. they abandoned the contested stories and began to believe in the official story. The following account shows the reasoning of my interviewees why their worst fears have not become true:

> [At the time] a lot of worries were negated by the fact that the directors came out and told everybody ... and said that [a big motor company] had been in touch with Tallent and Thyssen and said that ... "we want the order to stay at Newton Aycliffe". And that was probably a pat on the back for everybody that works here. ... I think the main reason why the worries were swept aside was the reassurance of the board, the fact that they said "we don't intend moving, we intend to stay here, we signed a contract with Thyssen that says we have to stay for x number of years." If Thyssen just wanted to buy the company for the orders, they could have quite easily brought in a new management team and our directors could have walked away with a lot of money in their pockets. ... But they are still here now, and this is quite a few years down the line [now]. ... But the actual buy-out by Thyssen allowed the company to grow. ... I cannot see how we could be this size now if we hadn't been taken up by a larger company. We just wouldn't have had the capital to expand. *** Once Thyssen took over and then merged with Krupp, we found that certainly a lot of financial backing has been involved. ... We're the jewels in the

crown. *** [There were] no great changes, still the same management team, ... we're still run the same way. *** With Bernard, we're still here. *** But the difference [between Tallent and Thyssen] is that we were probably making more money than our sister company in Germany because we've got more experience, we're getting things right over here. And I think the only reason they didn't close us down and transfer the work over to Germany is because we were making more money than them. *** The Thyssen take-over ... from a shop floor – lower management view had no effect whatsoever. Everybody heard the announcement and expected a whole lot of changes, expected half a dozen German nationals moving into major positions within the company over night. And nothing happened. Nothing. ... And to my knowledge, we are still judged largely by our results on paper and left to get on with it.

This story again shows how people make sense of changes in their environment. These were the moments of redress (Bruner 1986): the directors retained their posts, the customers showed their continuing support and there were hardly any changes for the individual in their daily routines. The open and honest communication and information policy of top management at the time appears to have aided people in their making sense of these changes and to disperse their fears.

Another key element in this story is the element of nearly absolute trust in management; one interviewee put this as follows: '[Our directors] knew a lot more than we did. So obviously they were doing it for the right reasons.' In the end, people made sense of the development through a story, whose essence seems to be: 'why the worry? Nothing's changed.' In other words, the workforce found that the official top management story had become true in that management was retained and the company continued to grow and become stronger financially.

In addition, this account reflects what is often called the 'Tallent spirit' – a distinctive way of working and value system (see Chapters 4 and 5 for the Tallent work ethic). People are proud of their hard work and resulting growth in status in the corporate environment of ThyssenKrupp: 'we're the jewels in the crown'. This statement is, in contrary to my interviewees generally being humble in their pride, an attitude that is reflected by a covert gloss several staff and managers added to their stories: 'we're good, but must do better'. This is the Tallent work ethic – 'work hard and get better every day' (see Chapter 5) – put into different words from a different perspective. Nevertheless, there seems to be a slight hint of gloating in the stories

about the relationship between Tallent and ThyssenKrupp: 'we're better than them', which suggests that the 'them and us' divide in a range of emerging, covert and contested stories has become 'Tallent' versus 'ThyssenKrupp'.

In summary, this event has been dealt with successfully in the sense that people have come to terms with their new status in the larger corporate environment of ThyssenKrupp. The official, dominant and agreed story has become true and the contested narrative frame of meaning has been discarded and is only of residual character. The above incident is only one area of competing stories and narratives, but due to limitations of space, I will not be able to report upon other issues smouldering among the workforce that are communicated in the form of covert and contested stories. Examples include the lack of canteen, which management acknowledges, but dismisses on grounds of cost, but a canteen is expected by many workers in relation to the company's size.

Due to the covert nature of these accounts, I found it difficult as an outsider to collect stories about my interviewees' private grudges. Despite their disagreement with certain management decisions, employees at ThyssenKrupp Automotive Tallent Chassis seem to be loyal to their employer and apparently do not want to wash their dirty linen in public. Many interviewees acknowledged anger as a part of their daily routines as well as laughter. They contended that grudges were not nurtured but overcome 'to get on with our work' as a team. In other words, my interviewees tended to be aware that certain incidents (and the competing stories in which they are reflected) lose in importance over time and through the maintenance of social interactions. The overt, shared and dominant account of 'what we stand for' is not only understood, but lived and influenced people's way of dealing with contradicting stories.

3.2. The 'Them & Us' Divide – The South African Case

In accordance with the enormous changes at Iscor Vanderbijlpark Steel at all levels and the subsequent upheaval of people's lives, many competing stories and narratives are circulated within different parts of the organisation. In addition to stories about management and workforce being against each other, the ethnic

diversity of the South African society adds another dimension and increases the complexity of structures and relationships. Typically people still do not mix with people from other ethnic or class backgrounds, thus cultivating the same prejudices as in the past, which makes the promotion of a team spirit among the workforce difficult. My interviewees put this as follows:

> There're a lot of different cultures working together, ... a lot of different backgrounds, a lot of different education levels. *** You see, there's a group of white guys here, a group of black there, a group of senior guys here and a group of junior guys there. ... So those divisions are still there, you can see them. ... There's no tension as such, however, the groups just stick to themselves. *** It is a kind of cultural baggage Iscor is having. *** You've been brought up in [a certain] fashion, having all those cultural barriers and stereotypes. You do find people who would want to change, but [then] there are those who won't. *** You find it still a bit of a problem [to promote teamwork] in the sense that you may find people with different political ideologies and in the outside they will definitely not sit around the same camp fire. Suddenly they are together for eight hours or [even] ten hours of the day and they have to work together. I don't think we have ... adverse effects of that, but harmony is also a bit difficult to achieve.

This culture story highlights people's perceptions of 'them and us' – not only in terms of ethnic background, education and political views, but between the lines also with regard to the management-workforce divide. On the one hand, people were very aware of the difficulties in creating a more homogenous culture in both country (the *rainbow nation*) and company (see also Chapters 4 and 5), which may be a first step towards the creation of shared and agreed stories about the future. On the other hand, it sometimes seemed that people's stories about those cultural differences and the resulting difficulties were dominant and prevented them from overcoming the cultural divide. While some action has been taken by individual employees to get to know 'the other' better in order to find common grounds for a shared future, many others seemed to be desperately looking for a good reason not to mix with members of another group.

In terms of managing Iscor Vanderbijlpark Steel with its at the time of data collection approximately 7,000 employees, the existence of numerous groups and subgroups means that creating stories that are acceptable to (i.e. reaching decisions that are bought into by) a majority of people is difficult. There is a trend that each

group sincerely believes that their reasoning is the most logical, the most important and the most sophisticated, probably on the basis of the high degree individualism in the Republic of South Africa (Hofstede 1980); as a result their narrative frames of meaning compete and they tend pull in different directions.

In addition to these difficulties, each plant appeared to have its own subculture – a unique way of working depending on the plant manager's style of leadership. Plants with a good working climate and a strong leader appeared to have a larger share of overt, agreed and dominant stories that were often shared at the top level of the overall organisation. In contrast to that, in plants with a climate of suspicion and weak leadership covert and contested stories were dominant and conflict wide-spread. It seemed that people in the latter environment were more inclined to believe in unsubstantiated stories about other groups or management because of the absence of a convincing alternative story and a lack of support in their daily sense-making processes.

While different groups and subgroups at Iscor Vanderbijlpark Steel distinguished themselves by their background, class and education, as the culture story above highlighted, there is also a prominent divide of 'them and us' in terms of management versus workforce, as the following story shows:

> Management's quite happy to get ideas from the floor. But on the top they can make sure that everything's done the way they want it. They say everything's benchmarked with overseas – international benchmarking. ... When it suits them they refer to international standards and when it doesn't suit them, forget it. That's the way it is. *** So we are the guys [at ground level] who are struggling because we come from down and ... we have to focus at the top. But then the guys who are at the top, they have never been sweeping the floor, they have never been at the ground floor. They've just come here. It's easy for them to pinpoint "I need this and this by this time". It's as simple as that. But they don't know how hard it is for the [people at] ground level. *** There's no feeling between top management and workers on the floor. They make decisions without thinking about the guys on the floor.

This 'them and us' story accuses management rather strongly of being dishonest, ignorant and arrogant and displays feelings of resignation (Ford et al. 2002). The fact that my interviewees actually spoke so openly of their feelings hints at deep-seeded

dissatisfaction and maybe even bitterness; people seemed to vent their anger and to hope that management will get to know about their anger through the research report. The agreed story cannot be believed by these people due to a lack of strong social relationships and an agreed set of values.

The strong accusations in this story are probably not completely justified since stories do not necessarily have to be true and since contested accounts tend to be partial and simplistic. In other words, these interviewees may see their managers through pessimistic lenses without acknowledging any positive attributes or action, which highlights that people tend to see only what they expected or wanted to see, to believe and to become true.

An exemplary area of disagreement, in which the perceptions of management and workforce differed considerably, was the restructuring programme with which Iscor Vanderbijlpark Steel reacted to fundamental changes at the macro-level (see Chapters 4 and 5). This programme was supported by an international management consultancy and was aimed to make the company competitive at an international level. Two narrative frames of meaning compete in this context: management and some staff contended that all employees were involved actively in this restructuring exercise, but other staff and many workers from the coal face did not feel that they had their say. This is what the pro-involvement group (including managers and staff from all ethnic backgrounds) had to say in this context:

> What mostly happened was that management had a proposal, they went to the people and said "listen, this is the proposal. Come with counter-proposals. Come with ideas. Let us see what ... you're thinking about [it]." If the people didn't participate in this, it's their own fault because they can't actually point the finger and say "we didn't have the opportunity to be involved in this." Because I know ... [that] you can't just say "this is what we're going to do" ... because you've got the unions and you have to talk to them and they have to talk to their people or members. *** We actually had to go back to the people, we had a number of brainstorming sessions and asking people questions how are we going to become better. And the guys came up with a lot of ideas. *** So I think our re-engineering was quite successful because people were informed beforehand why it was going to be done. Management got their side of the story, management gave their side of the story. *** Management is saying "guys, you are the people that produce whatever we sell here. You're the people

that [work in] those plants out there. You're the people that maintain these plants. In fact, you could say those plants are really yours and you've got to manage them. And if you manage them you've got to be quite responsible in terms of your budget, your productivity, your cash flows and all that type of thing.

This involvement story, which reflects the official account, explains how management/staff went on involving all employees in the changes that were going to happen during the restructuring exercise. It makes any anti-story unbelievable by including the trade unions into the account and by focusing the attention on the procedures involved. This story seems to say: 'we're not as bad as the others want to make look us like. We've asked them and anyway, there are rules and procedures, so we can't do whatever we want.' This pro-involvement group bases the apparent success of the restructuring programme on the amount of input they got from their subordinates, which can be summarised 'they gave so much input – of course it was successful'.

The workforce's account (i.e. the anti-story) of people's involvement in the restructuring programme betrays the perfect world the involvement story quoted above wanted to convey. While it was impossible to determine how widely shared the following covert and contested non-involvement story is, it is essential to acknowledge both its existence and its potential to emerge into a dominant story leading to serious conflict in the future:

Iscor said, at the end of the day, after the re-engineering ... Iscor want to have fewer but better paid people. ... You do brainstorming and I ask the people what do they think what changes can be done. ... We never had an input or a say what is going to happen. ... At the end of the day there were no better paid people here, only fewer people. ... The people on the floor went to the shop stewards ... to try and solve the dispute between management and Iscor management offered them a bonus that wasn't nearly the same as what they received and the people accepted it because for an illiterate guy a few rand is a lot of money. They accepted it without thinking clearly and the dispute was resolved. *** We had no control over that [restructuring] thing. *** People are very negative. That's something we brought up to management. ... Especially when they said fewer [but] better paid people. They didn't come forward with the better money, but the people do a lot more work. In one of the ... morning management meetings [management] asked if there were any questions. We told them that people weren't happy. They basically said "if you're not

> happy, find a job elsewhere." That's the reply we got. *** If I
> can talk about the restructurings that have taken place since
> 1999, where I was involved, I think it was very stressful at that
> stage because you didn't know – I felt like the communication
> from top downwards wasn't good enough because the people
> were very uncertain of what's going to happen to them.

This 'non-involvement story' reflects the shattered hopes of many and conveys feelings of disappointment and of being let down. While the first employee acknowledges a certain involvement in terms of brainstorming, he emphasises that he and his colleagues did not really have a say, which can be paraphrased as: 'our suggestions weren't taken into consideration. They still did whatever they wanted.' This puts a completely different perspective on the issue and explains why two different narrative frameworks compete with each other here: while the pro-involvement group focused on the involvement of people in the process, workforce tended to look at their involvement with regard to the actual outcomes.

In this non-involvement story management's argument of union involvement is also dismissed. These interviewees (from various ethnic backgrounds) did not doubt the existence of procedures and the involvement of the unions, but they accused management of misusing their power and manipulating particularly their poor and often illiterate colleagues. Between the lines, this story also criticises the trade unions in that they did not support their members in a way that is expected, which corresponds with management claims that they had a good relationship with the unions.

Both accounts are true and meaningful to the respective story-tellers and each group finds arguments to support their story. It is difficult to judge which narrative is dominant or more widely shared than the other and it seems that there are multiple realities (see Beech and Cairns 2001) at Iscor Vanderbijlpark Steel. An interesting feature in these accounts is that the 'them and us' divide here is not based on ethnic background, but rather on position and class. This seems to highlight a first trend towards a mellowing of the race issue in the Republic in South Africa, in that class appears to gain in importance over ethnicity. To quote former ANC municipal council member Trevor Ngwane (as cited in Klein 2001) 'apartheid based on race has been replaced with apartheid based on class'. While these words may sound

strong in this context, they reflect the growing importance of class (linked to employment and salary) together with a decreasing significance of ethnic background.

To summarise this section, while the management/staff group would argue that employees were fully involved in the restructuring exercise (which is the ideal case, as Butcher and Atkinson 2001 point out), many workers feel excluded from this process due to their lack of education, status and power. This implies that those employees did not understand what was going on in the first place and therefore could not contribute their opinions to the extent that they may have wanted. In addition, many might have had heightened expectations of the re-engineering programme, which could not be met, and feel let down now. This issue will be difficult to resolve due to convincing arguments on both sides.

3.3. Age Matters – The Russian Case

As opposed to ThyssenKrupp Automotive Tallent Chassis and Iscor Vanderbijlpark Steel, JSC Severstal does not have a comparable 'them and us' divide. This most certainly has its roots in the rather collectivist ideology of the Soviet Union (as compared to more individualistic cultures in both the United Kingdom and the Republic of South Africa, see Hofstede 1980). The situation, at least on paper, is reflected in Orwell's (1977:120) words 'all animals are equal', even though some animals were at times more equal than others. Officially, there was common ownership of all means of production in the Soviet Union and what Hofstede (1980:217) calls 'greater emotional dependence of members on their organizations', a 'them and us' divide, paired with a rather high power distance, would be illogical.

This does not mean, however, that there are no competing stories and narratives at JSC Severstal, but patterns of stories exist in different ways. For example, group differences could be found in terms of administration/production, which may resemble a 'them and us' divide and in terms of membership of a certain plant. Furthermore, there are signs that the divide between male and female employees, which was already observed under Communism (Sakwa 1996), is widening and that women are excluded from various areas of business life at JSC Severstal (see story

on page 195). This suggests that gender differences in stories are likely and should be expected.

In addition, another important dividing factor among groups at JSC Severstal seems to be age (see also Chapter 6). Employees with long-standing service appear to find it more difficult to come to terms with the fundamental changes that have been taking place in the Russian Federation than their younger colleagues. Several interviewees argued that the younger generation showed different, mostly Western behaviour that betrays Russian culture and tradition. Put differently, a narrative frame of meaning is emerging, which features this change in behaviour (this was also called *westernisation* during the interviews) and which contradicts the overt, agreed and dominant narrative about Russian customs and traditions.

In more detail, many interviewees, who spent most of their working life in the Soviet Union, tell stories about openness, knowledge sharing and teamwork in the literal sense and praise these virtues rooted in Soviet ideology. Indeed, during the Cold War, all Soviet peoples were in the same boat and had a common arch enemy – the United States of America as the flagship of capitalism. Not surprisingly, in such an atmosphere, people stick their heads together to innovate and in that way outperform the enemy. Employees in their forties, fifties and sixties were brought up in that way and this collective way of thinking still prevails among them. Some interviewees also referred to the times of hardship during and after the Second World War when people had to help each other out to survive and keep going.

Younger employees, on the other hand, typically males in their twenties and thirties, may be described as 'wild young capitalists' (Castells 2000b:504), who appear to focus ruthlessly on their own careers. This kind of behaviour, which is sometimes called *careerism* (e.g. Yurchak 2003), reflects a shift in values towards a more individualistic culture (see Hofstede 1980). Interestingly, younger employees seemed to take this new value system for granted, which implies that they did not seem to be aware of it and therefore did not talk about it in the interview. Consequently, the following story was only told by employees for whom the collectivist value system was important:

I think that the atmosphere's changed a bit. People got tougher. ... Then there might be another thing: we, the old generation, my age, my parents and those in between, we share our knowledge. We still do that. The young people that come in now – well, I'd say maybe 40% of the young people I meet don't want to share their knowledge. That's strange for me, I don't understand that. We're somehow working for the same success. Somehow the American mentality's already reached us: "I know that, but I won't tell anybody that I'll be better than them and get more." That's emerged. *** Senior management [in this department] is represented by two different kinds of people: the first group are the people who have been working here for a long period of time, it's me and several others. Maybe they are more reasonable in their decisions, maybe more patient, maybe more grown up. The other group is a group of young people, who came here just a year / a year and a half ago. They ignore our traditions, they're trying to streamline their career ... and so on and so forth. *** People became more isolated. Formerly we were more, how to say, open to each other, shared our problems, our worries, our sadness and happiness. But now everybody tries hard in order not to go out any more. ... We've become more like Western people. Formerly people were more open. The Russian people in general was more open formerly. Now we're moving more towards an all-European standard. Everybody for himself and nothing more.

This 'westernisation story' reflects this shift in behaviour of younger employees towards a bigger role played by the individual (see Popper 1962), which was typically equated with Western culture by my interviewees and characterised by toughness and loneliness. This story mourns the breakdown of structures and patterns of behaviour that have regulated life in the Soviet Union. These interview partners appear to cherish their traditions and to take the underlying values for granted – while the younger generation's behaviour is alien and does not make sense to them. One interviewee quoted here suspects his younger colleague's apparent selfish behaviour to be a sign of immaturity.

While the anti-story, i.e. young careerists talking about the new attitude to work and career, has not been voiced in the interviews, it is incorporated in the above westernisation story and can be read between the lines. The above account suggests that an increasing number of young employees regard knowledge as power and are thus reluctant to share it. Such behaviour violates the tradition of knowledge-sharing that was being nurtured in Soviet times and that the vast majority of employees still regard as appropriate. It makes the younger professionals look selfish and unapproachable, which is likely to prevent people from building trust and respect

relationships. As a result, the theme of not socialising or avoiding taking part in social events like departmental Christmas parties was mentioned several times in the interviews, which suggests that a shift in attitude and behaviour is currently taking place.

In contrast to the examples from the other two companies given above, this contradiction in stories does not take place among hierarchical levels, but within them with top management apparently having their position somewhere in between. On the one hand, senior executives would like to maintain the spirit of knowledge-sharing and camaraderie to have a team spirit and low levels of conflict. On the other hand, however, they encourage young employees to compete against each other, for instance in professional competitions with lucrative prizes (like grants for accommodation, which is rare). Such competitive behaviour is likely to result in an attitude that knowledge is power and a tendency to isolate oneself from colleagues. In other words, the stories competing are mainly workers' accounts, whereas the top management story is likely to incorporate elements of both.

4. Contradictions, Contradictions, Contradictions

4.1. Big Change or Small Change? – The British Case

Narratives are not as clear-cut as researchers would want them to be: not only are they often fragmented (Pentland 1999), they also tend to be contradictory in themselves (Pettigrew 1990). These contradictory organisational stories are a dilemma for researchers as they raise the questions about what to believe and how to justify one's interpretation. While it is often helpful to put these narratives into a context when trying to resolve this riddle (see also Chapters 2 and 3), it sometimes does not take us any further. One way of dealing with contradictory stories is to report upon them as they are because they are likely to stand for the two opposing views of black and white, while 'the truth' or 'reality' is represented by whatever shade of grey. This means that contradicting stories are contextually coherent (i.e. they are part of one another) since they are typically informed by conflicts of interest and different personal backgrounds of those involved.

Contradictions in organisational story-telling can have several variations: sometimes people contradict themselves – typically in situations when they are not sure themselves what they really think – and in other instances there are contradicting versions of the same story. In the case of ThyssenKrupp Automotive Tallent Chassis, the rate of change within the company since the early 1980s is such an example. In retrospect, the company's development seems enormous and most interviewees highlighted the degree and variety of what has changed over the last twenty years; in this context they referred to structural and strategic changes, physical growth, changes in working practices etc. There is a myriad of change stories with various facets, which are typically bound up with the key moment of the 'Sierra order' (see Chapter 5), thus highlighting the crucial role of change and development in the firm's history and self-understanding. Whereas most interviewees acknowledged the changes that have been taking place over the years, many of them did not perceive the changes to their full degree, as the following 'no change story' shows:

> [There have been] no great changes, [it's] still the same management team ... we're still run the same way. *** They didn't alter anything. *** Bernard was still in charge. *** The factory's still the same, the work's still the same, the parts are still the same.

This story, again containing the voices of various interviewees, displays to a large extent a shared understanding of the stability within change, which is sometimes regarded as a key element of successful change management (e.g. March 1981). In this case, it seems that in those people's reasoning the element of stability – here symbolised by a stable management team – ranks higher than the element of change. Long-term social relationships built on trust and respect seem to have kept people from actually perceiving the change as big as it looks from a different perspective. In more detail, my interviewees were invited to talk about the changes that had been taking place in the organisation over a twenty-year period. While the macro-environment remained stable (see Chapter 4), the meso changes triggered by the 'Sierra order' led to a completely new and by far more sophisticated product range and production mode. In accordance with these changes, my interview partners spoke about the changes in technology, which they were typically proud of, about the

physical growth of the company mirrored by the new buildings from different eras, and also differences in working patterns, training and other routines (see Chapter 5).

Seen from a different angle, both people's jobs and their work colleagues remained largely the same and against this background the 'no change' story quoted above makes a bit more sense. My interview partners seem to focus on the stable elements of their daily routines at the workplace to being able and explain the changes around them. As highlighted in Chapter 2, even though people's jobs do not change considerably, they nevertheless have to come to terms with their changing environment and to negotiate their role within the new setting. One exemplar story from ThyssenKrupp Automotive Tallent Chassis was the secretary's computer story reported upon in Chapter 6. The introduction of new technology did not only represent a major change in her daily routines, but also in the working lives of many shop-floor workers and for some of them the introduction of a new piece of equipment is still seen as a major key moment in their working lives. But it seems that once the excitement over the new machinery has declined, people adapt their routines to the new technology and just get on with their work.

To sum up these considerations, there are two overt, agreed and dominant stories about organisational change and development at ThyssenKrupp Automotive Tallent Chassis that represent people's perceptions from two different angles. One focuses on the actual changes that have been taken place and the other emphasises the stable elements of daily working life in terms of social relationships and daily routines. Due to their complementary character these two accounts do not pose conflict, but simply represent different facets of one and the same phenomenon. These differences have to be understood and explained by putting the stories into their context to make them meaningful to a larger audience.

4.2. Public versus Private Stories – The South African Case

In the case of Iscor Vanderbijlpark Steel, there has been one key area of contradiction in the interview, which is worth highlighting here. There seems to be a great divide between overt and covert stories dealing with the ethnic differences in the *rainbow nation*. People seem to adapt their views about this topic to the context,

in which the stories are told, which I call *public* versus *private* stories here. To be more precise, the stories dealing with issues of ethnicity and employment equity that are told in public tend to reflect the politically correct view on things. However, in a private setting behind closed doors people sometimes reveal their true feelings towards those issues; hence, the term private stories.

The key issue in post-Apartheid South Africa seems to be how people come to terms with their past in terms of social interaction order (Goffman 1983). This means that a new set of rules of how to deal with each other in the rainbow nation has to be negotiated and dominant, shared and agreed accounts have to be developed. Overall, there seem to remain large misunderstandings among the different ethnic groups and opinions of how to develop a sense of unity as a workforce are as varied as the different groups within Iscor Vanderbijlpark Steel (see also page 179). While some groups of employees are very positive towards the government's employment equity (EE) programme (see also Chapters 4-6), others try to hide their opinions, which would be widely considered as politically incorrect.

A range of initiatives both at national and organisational levels seek to overcome the divisions of the past and to build a common ground on which to build relationships, which reflects the importance of equal opportunities in the New South Africa. One of the well known country-wide programmes is the Truth and Reconciliation Committee, which attempts to overcome racial boundaries (Tutu 1999). At organisational level, Iscor Vanderbijlpark Steel has promoted team work at different hierarchical levels. In addition, once a year the firm organises a social event called *SHERQ Day*[1] to give people a chance to socialise and get to know members of other groups of employees which they are unlikely to meet through work. Despite those well meant attempts to bring people closer together, their perceptions of 'the other' do not seem to have changed at the same speed; consequently, high levels of uncertainty and distrust among black and white remain.

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[1] SHERQ stands for Safety, Health, Environment, Risk and Quality and the SHERQ Day is devoted to promoting awareness towards those issues. However, this event seems to have developed into a social day out with competitions that are to cross ethnic boundaries.

These mainly unacknowledged tensions between ethnic groups are expressed mostly between the lines and only few interviewees spoke openly about them. More interesting in this context, however, are people who tell different stories in public and in private. The public stories are told to outsiders and to those who expect people to have a positive attitude towards the unity among various ethnic groups. Thus, they typically reflect the politically correct opinion – in this case affirmative feelings for their colleagues from different ethnic backgrounds. The following story, reconstructed from interviews with white employees from different backgrounds, provides an example of such a public story:

> Employment equity, I think, makes good sense; there's no doubt about in my mind about it. I just don't think there're enough white males around to fill all the vacancies. ... And the only way to do it is [through] employment equity. *** If you look at most of the people of my age at this stage, unfortunately, and my situation, it doesn't matter if you're capable, but there will not be any future prospects for you otherwise. And outside [of Iscor] you'll also not find the prospects as easy to come because it's a country-wide phenomenon. If you're over forty, you might as well be doomed in a certain sense. But the thing is you have to accept that. *** [Employment equity] has affected me already: a few jobs I applied for were equity appointments eventually. ... It didn't make me negative, except the fact that I still have to come to work every day. In a country where forty percent of the people are jobless, I think you can't complain if you have a decent job – even if you could have a better one. *** The black people are being trained to take any position that comes up ... [and] a person who's working here is being allowed to take a retirement package to make room for someone to take his job. As long as he trains someone from the previously disadvantaged groups to fill his post, he can take a package. So there're definitely no prospects for guys like myself.

This story justifies the reasons for the government's employment equity programme, which prescribes to companies all over the country that their employment structures have to reflect the country's demography in terms of ethnic background by the end of 2004. The interviewees, whose stories are reported upon here, spoke of their reduced career prospects not only within Iscor Vanderbijlpark Steel, but in the whole of the country. Their reasoning why they can be glad to have a job at all is a good example of cognitive dissonance (Festinger 1957). Since it is politically incorrect to talk negatively about black fellow workers, people neutralise their feelings of superiority (see private account on page 193) by such apparently sensible statements.

Cognitive dissonance, Festinger (1957) argues, arises in case of a mismatch between a person's behaviour or deep-seeded belief and a new situation. To reduce this tension people tend to make up new stories, which provide a link between the two mismatching elements. In the South African context, many people believe – nurtured under Apartheid – that blacks are inferior to whites (Welsh 2000). This is not to blame any South African because this was the official story of Apartheid, with which several generations grew up and in which they believed (and had to believe). But with the end of the Apartheid era the situation has changed and this story has been declared politically incorrect. People now have to make sense of the mismatch between their beliefs – that blacks are inferior to whites – and the new reality – that blacks are equal and to be promoted and even fast-tracked to higher positions, which is the essence of the employment equity programme.

In the story quoted above, there are several hints that this is only a public story and that the arguments brought up here are to reduce the tension between people's true beliefs and the new situation. For instance, the first speaker's argument that employment equity is necessary due to a shortage of whites to fill (higher) positions does not make a lot of sense in a country with increasing number of white males losing their jobs, a retirement age of 50 among white males (as argued in interviews and informal personal conversations) and an estimated unemployment rate of 37% (CIA 2003, estimates for 2001). Two other interview partners cited above confirmed this by talking about 'being doomed' after the age of forty. Put differently, if read between the lines, the choice of words people used is likely to betray the apparent positive picture these people wanted to paint and reveal their true feelings.

The other, private, dimension, to these stories contains accounts of a more distorted nature and mirror feelings of anger, jealousy, hatred and disdain. It is extremely difficult to capture those stories, but I have nevertheless come across some of them during my field work in the Republic of South Africa, in informal and private settings, far out of ear-shot of tape recorder and note pad. However, very few interviewees did not make a secret of their not particularly positive attitude to employment equity and co-workers from a different ethnic background. The

following story, reconstructed from various voices, was the closest to the kind of private stories that are told exclusively behind closed doors:

> Sometimes I think [the employment equity candidates] have got the qualifications, but they don't know how to apply it, not at all. ... I mean a guy with a BSc doesn't even know properly how to use a computer to make a presentation. Then I start to worry because [in such a case] employment equity is zero worth to you. And I think that's in most cases what happens. ... Most of your employment equity candidates have got this attitude about them: "I'm employment equity, I know best, you have to employ me" and that's it. ... The overall white guys seem to be more goal-driven. ... They make sure that the information they give is correct. ... If they're not sure they ask, but they don't just assume. You don't always get that with an EE-candidate. ... They don't understand the content [of their job] and why they're doing it. ... They don't dig into that problem and work it out for themselves. ... It's stuff like that they don't look at. *** If you apply for a job [as a white male], they rather put a black man in the job for equity. ... Sometimes they come close to you [in terms of skill and abilities], but I won't say they're a 100% the same.

This is another cognitive dissonance story (Festinger 1957) in that people cannot argue against employment equity because it is reality and widely promoted. Therefore, people find other reasons to argue that black candidates are not as good as whites. The arguments used above can be summarised as 'employment equity is potentially harmful for the company because the black EE-candidates think they're better than they actually are' (another term frequently used in this context is 'token appointment', meaning that people are only employed or promoted because they fulfil the employment equity criteria and not because they have the necessary skills); 'whites have a more business-like attitude to work' and 'blacks don't have the same skills'. In addition to that, arguments like 'I don't have the time to identify people for fast-tracking opportunities' came up in other interviews, which are not cited here due to limitations of space.

Such stories may be dominant among certain groups at the moment, but they may soon become residual, shared only by a minority. Many teenagers have a mixed circle of friends, whom they meet in schools or in their neighbourhood because many blacks have moved up the property ladder while many whites have moved down. This means that differences in education, class and belief become smaller with all children having the similar opportunities. It is probably only a small minority of

white parents that stir up negative feelings towards other groups and in that way plant prejudice in their children.

The 'race issue', as some of my interviewees called it, may not be directly related to business and management and will only play a small part in day-to-day operations. The stories quoted in this chapter so far, however, highlight the importance of ethnic groups and boundaries and their effects on many areas in organisations. Put differently, the negative feelings many people have towards the policy of employment equity – most importantly distrust and fear – impact upon morale and thus indirectly on productivity, inhibit team work and knowledge sharing. In that sense, these contradicting stories are potentially of a destructive nature.

4.3. To Learn or Not To learn? – The Russian Case

Learning and professional development has traditionally played a major role in Russian society and culture and generally speaking Russians are keen learners. It is therefore not surprising that JSC Severstal – in accordance with the current management discourse – focuses on becoming a learning organisation (e.g. Senge 1990b). While this concept is slippery in that it can have a multitude of meanings (Schein 1999), there are a lot of potential benefits in taking such an approach. Competitive advantage is sometimes linked to the concept of organisational learning (of which the outcome is the learning organisation), so that management sees this move as a rather holistic way of outperforming their competitors. The following quote from an interview with a senior manager highlights this issue:

> There's commitment from our management … to develop Severstal as a learning organisation. They want to invest a lot in learning and development and we see that changes are taking place.

Unfortunately, I have not come across a clear definition of what 'learning organisation' means at JSC Severstal and what the expected outcomes are. In any case, this interviewee talked about investing in learning and development and this is what is taking place in the company now. As highlighted in the previous chapters, there are numerous opportunities in the organisation to learn and develop, with the key areas being management training abroad, business trips, training courses and

competitions (see Chapter 5 in particular). However, it seems that the access to those programmes is restricted to certain groups of employees, as the following story with a female member of staff shows:

> But I'm of that age now that [I don't get into courses]. Over the age of forty you hardly get into the big training programmes ... like TOP-100 [a training programme for senior managers] ... or the MBA-programme ... for the higher specialists, managers and so on. ... There's more opportunity for development now, which we didn't have in our time. ... Training's important because Mr Mordashov said once that women over the age of forty couldn't do anything in the organisation. That was a long time ago, maybe ten years. Back then, obviously, I wasn't forty yet and I thought "what's that?" But now at the height of my age I think that basically he was right. Simply living your life and communicating with a small circle of people, you already miss out a lot. There's no development. I think that a reduction [in our ability] might even start because you've got experience and you don't worry about things you've got to learn.

There are contradictions both in and with this story. This non-training story contradicts the official story, part of which is quoted above, that JSC Severstal is developing as a learning organisation and is investing in professional development of their employees. While the concept of a learning organisation implies that learning and development is for everybody, it seems that certain groups of employees at JSC Severstal are excluded from professional development. It seems that this interviewee regrets the lack of opportunities to study and to move up the career ladder simply on the grounds of her age and gender. This interview partner reacted to the situation of being left out with cognitive dissonance (Festinger 1957) by contending that her boss was right in the first place and that she simply could not grasp the idea at the time and this attitude attests to a certain degree of resignation (Ford et al. 2002).

Such contradictions between the official story and people's experiences often lead to distrust among people because they cannot make sense of the official account and people often wonder whom they can trust. Due to the strong leadership at JSC Severstal paired with a rather high power distance (based on Hofstede 1980), the individual reactions to such contradictions are likely to be met with disbelief, cognitive dissonance and resignation, as this interviewee did.

5. Stories of Loss & Regret

5.1. Losing the Family Spirit – The British Case

Stories of loss and regret tend to belong to the covert category and are often of residual character. While most people embrace change for the better, they find it also difficult to give up other dear aspects of their lives (see also Chapter 4). Such stories of loss and regret are often interesting anti-stories to the dominant, agreed and shared accounts and reflect the humanness of organisational stories. This means that organisational stories mirror our fallacies and our struggles to come to terms with new realities.

A distinctive feature of the Tallent work ethic and the stories collected at ThyssenKrupp Automotive Tallent Chassis is a generally positive attitude to change and problems that arise from that. Nevertheless, there is a sense of loss and regret in several stories. Employees with a long-standing service in particular mourn the loss of a family spirit that prevailed in the early days of their employment.

> It went from a small friendly place to - still being friendly - but you didn't know the people, you couldn't say hello ... you passed people and you didn't know who they were. *** And as it got bigger and bigger and things changed it tended to lose that family feeling. *** There were some marvellous dinner dances at Christmas when everybody used to let their hair down, they still have those, they used to be significant. *** There was a big buffet and drinks, such a celebration. It was nice that because it brought everybody together and everybody was happy about it. It was a lovely time, it was really a nice evening that. And it was in the canteen over the road, but it was very, very good. Of course some people took advantage and got absolutely drunk, but that was the odd one or two.

This story clearly conveys feelings of loss and regret; these interview partners apparently look back happily on the good old days with only few employees and close personal relationships. In this context, several interviewees spoke of table tennis sessions on the desks during lunch break, day trips, nights out, Christmas parties and other social events. For them, the physical growth of the company, although welcomed in financial terms as a symbol of success, meant losing a dear part of their work in terms of social relationships, humour and other forms of personal contact.

With these changes at a personal level, people at ThyssenKrupp Automotive Tallent Chassis had to adapt their role in the social texture of the organisation and had to come to terms with the physical growth and the associated success as well. Certain behaviour that was acceptable in a small manufacturing company ceased to be acceptable with the physical growth and the increased reputation and status of the organisation. More explicitly, in the early days people's expectations towards the firm were limited due to an uncertain future. Labour turnover was high, as my interviewees agreed, and loyalty low. One interview partner remembered that Tallent had a reputation of a 'hire and fire company'. It seemed that people made the most of the uncertainty by nurturing close personal contacts. However, with the changes in size and reputation, group identities had to reflect these meso-changes based on reflexive changes in the individuals' identities (see Chapter 6).

5.2. Losing Status, Security & Freedom – The South African Case

Many of my South African interviewees appeared to mourn a loss of security and certainty in the future, which were key issues under Apartheid. Back then, people had a job for life and often many members of one family would be employed at Iscor Vanderbijlpark Steel. In addition, the state (with the firm being a mediator) provided healthcare and other services to their employees, which have been cut during the restructuring programme, although Iscor continues to provide healthcare services that the state does not provide (Hertz 2001).

Nevertheless, many people struggle to cope with the loss of privileges in addition to the new-found responsibilities (see Chapter 5).

> As supervisor when he went from the floor to supervisor he got an office and a secretary with the time. And commanded immense respect: different facilities, different toilets, different change rooms. *** In the 1970s and 1980s Iscor had cars that employees used to drive around in the plants or for trips outside the plant (e.g. training courses farther away). But they've taken all that away. When I must travel now to Johannesburg for the work of Iscor, then I go there and I fill in a form. They pay me but I must use my own car. [The same applies to] travelling inside Iscor also, I fill in a form. *** If you look, our medical aid's changed, you can pick one out of three or more, our pension fund's changed. Where the pension fund was defined

benefits it's now a defined contribution. So you must make up your mind where you invest your pension fund, you must fill a form in that says I'm having my pension fund in no risk or lots of risk. So suddenly there's a shift. *** From one to half past one is lunch. And all of us came in a big hall, the forty of us who were training officers, we sat down for half an hour and we even played pinball and table tennis and darts and so on during that half an hour. But now, you will find coming into an office, the people are working even between one and half past one. That's official lunch and you will find that they're working because the people is too less and the work is too much. Rather than taking home some of the work that they don't want you to do, you will say I rather cut my lunch and do some of the work. *** When I started here there was lots of time to just work slowly and take leave whenever you want. There was no real pressure, if you didn't want to work, you didn't work. So the lazy people just came into work, but there were always people who were willing to do the work, so they got all the work to do. Now those people have gone and I think everybody got more work to do. But still, last month I went into the engineering building. In the passage I looked into one of the offices and this lady [a secretary] was playing games on the computer. So obviously there's still room for people to go.

This 'multiple loss story' captures the three main areas of loss featured in the story collected at Iscor Vanderbijlpark Steel. A first area is the loss of status and benefits (see also Chapter 6) among white managers and staff. During Apartheid they had their own support staff and facilities and were highly respected. This has changed and employees from all hierarchical levels can use the same facilities (e.g. canteen), although this does not always happen. The restructuring exercise and the employment equity programme resulted in less clear-cut divisions of black and white in terms of their belonging to a certain hierarchical level. This led to a decrease in respect for white managers and an erosion of their status, which many find hard to come to terms with.

The second main area is a loss of freedom in terms of increasing pressures. With the re-engineering of Iscor Vanderbijlpark Steel, everybody is expected to work hard, whereas formerly there was more scope for people's own time planning. Many people I spoke to feel the increased pressure on them and skip their lunch break to catch up with their work. In addition, benefits like company cars for business trips were stripped and tight cost control is operated now. This is a big change in people's world view and they look back at the good old days with regret.

Thirdly, some people mourn a loss of security and certainty. As one of the interview partners quoted above highlighted, people now have a choice of medical aid and pension scheme. This was prescribed under Apartheid and, although people were patronised in a way, they did not have to worry about these things. As a result, many lack the knowledge of how to deal with these issues and feel under pressure now when they are asked to choose among several providers. They tend to regret this new-found freedom to take responsibility for their own affairs.

5.3. Losing Privileges & Benefits – The Russian Case

The stories of loss at JSC Severstal are in many ways similar to the ones at Iscor Vanderbijlpark Steel, most probably because people's macro and meso environments underwent similar changes. Many of my interview partners with long-standing service at JSC Severstal spoke about the perceived uncertainty about their future in the company. One interviewee put this as follows: 'I can't say that I'm a 100% convinced that I'll work here until retirement. There's no certainty.' However, this was not a major theme coming up in the stories collected.

More importantly, people mourned the loss of privileges and benefits that they enjoyed under Communism, for instance travel and housing benefits. The lack of housing in particular seemed to be a topic of fierce discussion during the time of data collection. In Soviet times, the state (and its mediator, the firm) built blocks of flats, that were distributed for free among employees. Since there was a shortage of accommodation even then, people had to queue for many years until they were able to get a flat of their own. However, since the collapse of communism and the introduction of market economy in the Russian Federation, houses are not provided for free anymore, as the following no housing story shows:

> From my point of view, what's very bad is that the company nowadays does not build any houses, strictly. They build one or two houses and nobody knows for whom and what they are building it. There is virtually no information about that. Formerly, I myself received my flat after 17 years of service in the plant. But nevertheless I knew that times would go by and some day in the future I would have my flat. Nowadays, the young people do not have any chance to get free housing. But when we talk about adequate wages for which people can afford to buy a flat [there is no such thing]. ... Even for a good

salary there is no chance of earning a flat nowadays, there are no real chances to buy a flat. We don't have proper legislation and that's why the responsible department doesn't allocate resources [to build houses]. ... Therefore housing is one of the most painful problems for all employees. Just in my shop there are 400 people queuing for a flat. Imagine how many these are for the whole plant! ... They would not queue if they did not need a flat. So this is problem No. 1 at the moment and we have to see how to solve it. *** The sharpest question from a social point of view is housing. In former times the company built a lot of houses and now it's a big problem. Maybe the problem gets bigger because there's so little housing built. ... Now people are coming here, there's lots of migration. They come from the CIS states, for instance; they're living badly there and the Russian come back – and not only the Russians. In general people find work and come here because they're not stupid. The company's interested [in them working here], but unfortunately the housing situation is very difficult. Accommodation is expensive, little is built and the housing market's non-existent. A worker, for example, can't afford to buy a flat. We're all waiting for federal legislation [to solve the issue]! We can't wait and so many questions are put forward to our general director and the trade unions.

This 'no housing story' has clearly a golden age trope and mourns the loss of free housing. These interviewees still take the right of free housing for granted, although the world around them has changed. In contrast to many other contested stories, this is not a partial account since both interview partners acknowledged the complexities of this situation by referring to an increase in immigration to Russia from other former Soviet republics and to the lack of a sound legal base on which the housing market in the Russian Federation can develop. Nevertheless, the world view of these interview partners does not match reality any more and it seems that they have not come to terms with it. In a sense, this story wants to evoke sympathy for the subject as victim (Gabriel 1995), although the victim is not the story-teller, but colleagues and children.

Interestingly, younger employees who are most affected by the lack of housing in the town, did not believe in this story. The emerging account is that everybody has to earn his own flat and that he can do so through hard work. In addition, some interviewees of this group distorted the contested and residual story above by highlighting how accommodation was distributed in practice: 'When you were close to somebody who distributed [accommodation] or had a good relationship to him in any way, then you were served first.' This suggests that they are very critical of the

past practices and that they distance themselves from what they appear to regard as a form of corruption.

In contrast, they told me about their chances to get a flat on the basis of their merits: 'we've got the opportunity at Severstal to earn ourselves accommodation. ... [We] can get a loan from a bank that nowadays gives fairly good loans to Severstal employees because it's a good company – the situation here is stable.' This interview partner seems to be proud to work at JSC Severstal and rejects the housing story told by some of his colleagues. This highlights the residual nature of the 'no housing story' told by employees with long years of service and we can assume that it will disappear with the younger generation taking over.

There is a golden age trope in the 'no housing account' quoted above: the 'good old times' were much better when accommodation was distributed for free. However, the 'good old times' seem to be idealised since we can expect that this person was not happy to wait seventeen years for a flat of his own while some of his colleagues might have received their place before him due to good connections with the right person. This story highlights the fluid character of stories and how they can be altered to suit a particular argumentation. This implies that researchers have to be careful in their interpretations (see also Chapter 2), which have to be fed back and contextualised (see Chapter 3) to increase the veracity of the data.

6. Summary & Conclusions

Conflicting and contradicting stories are part of human nature and we encounter them on a daily basis at different levels (the macro, the meso and the micro). Hence, we are daily challenged anew to react to such contested accounts and to renegotiate our world views, social interactions and personal role in the new situation. In that sense, conflict and contradictions are learning opportunities with learning being defined as sense-making that results in reflexive changes in identity (see also Chapters 2 and 6) both at individual and group levels.

It seems that the social relationships and moral values in the respective setting (here the workplace) play a key role in determining the manner in which people resolve contradictions. In other words, environmental factors may influence which stories become dominant or residual and if people tend to learn from conflict and contradiction, of if such a situation rather leads to open and destructive conflict or, similarly disadvantageous, apathy and resignation.

Times of fundamental change, when people have an increased need for stability and security, often provoke conflict and contradiction at the workplace. In their need to make sense of the new realities, people tend to collect stories, which will be of conflicting nature. In many instances, the official stories are rejected by the workforce on the basis of, for example, a lack of trust and respect or of weak leadership, which is widely seen as resistance to change. While some researchers argue that resistance is a natural reaction to change (e.g. Goldstein 1988), others believe that this is only a myth (e.g. Westerlund and Sjöstrand 1979; Denning 2001) and that people will not resist change when the story is convincing to them.

This chapter has shown that the choice of stories is dependent on context, on the interplay of power and identity, of the past and the present and, finally, on calculations about future job security. These contextual factors are clearly different for companies in different parts of the global system.

Chapter 8: Conclusion – Achieving Coherence

And there is no end to the stories which are told...
Reason and Hawkins (1988): 'Storytelling as Inquiry' (p. 101)

1. Introduction

People in organisations make sense through stories and do so in particular in times of fundamental change. Such moments of major change relevant to this study include the disintegration of the Soviet Union, the fall of Apartheid in the Republic of South Africa and the complex instabilities of globalisation and competition as these affect all the developed industrial economies. The changes they entail are the outcome of new ways of thinking and of interpreting the world. This study shows that those affected by change make sense of it through re-interpreting the narratives and stories that helped them once make sense of their lives. All change demands new learning and results in new frameworks of interpretation (i.e. narratives) that come to be shared among groups of people. Whether the new narratives and their associated stories help change to occur or encourage resistance to it is something that can only be judged on a case by case basis.

New ways of learning are central to the requirements of the current post-modern and global world to allow us to get deeper insights into the abstract global dimensions of today's business environment, which are not captured by conventional definitions of learning (see Chapter 2). The experience of change and learning at the workplace becomes real, comprehensible and meaningful for each individual through story-telling at the macro, the meso and the micro levels (see Chapters 4, 5 and 6). This means that each individual has a part in the larger narrative frameworks of meaning within the organisation, which are bound up in key moments of change; additionally, each corporate story has an individual counterpart with slightly different facets. Although many real-life stories collected in organisations are fragmented and partial, the telling of stories around the same events allows researchers to reconstruct the larger narratives with which members of the organisation would usually agree (see also Chapters 2 and 3).

Organisational change and learning are complex phenomena that are influenced by a range of external and internal factors like political and economic changes (see Chapter 4) as well as the company's culture, leadership and value base (see Chapter 5). They typically result in reflexive changes in people's identities (see Chapter 6) and may be also captured in contested stories (see Chapter 7). In order to appreciate the richness of the business world, change and learning at the workplace have to be studied historically, contextually and comparatively. This enables researchers to make previously taken for granted assumptions explicit for the members of the organisation, so that they can gain new insights into their culture, value base and self-understanding. But the historical, contextual and comparative study of organisational phenomena helps to make key moments of change meaningful to a larger audience.

This project aimed to study how organisational change and learning in the current global environment is made meaningful through story-telling. It sought to add to our understanding of how personal experience under conditions of change is made meaningful and to challenge the widespread simplistic perceptions of business and management (see Chapter 1) by appreciating the complex, subtle and often unacknowledged relationships between the macro, the meso and the micro levels, at which meanings are articulated and made legitimate.

This concluding chapter will reflect upon the key issues of this study, highlight the contributions of this research to the field of organisational change and learning and its relevance to both the academic community and management practitioners. These contributions include a new distinction between narratives and stories as well as a matrix classification of organisational stories (see Chapter 2). In addition, this chapter will provide an outlook on the future to identify potential areas of further research and practical use of biographical methods in management and related areas.

2. The Essence of This Study

This research project was concerned with change in business organisations bound up in a common moment of globalisation. It studied organisational change in the three geo-political contexts of the United Kingdom, the Republic of South Africa and the Russian Federation by taking a case-study approach. These three settings were chosen, among others, for pragmatic reasons; personal contacts in the case-study organisations enabled me to gain access to the companies and to conduct my fieldwork there. While the three case studies may be seen as disparate, ThyssenKrupp Automotive Tallent Chassis, Iscor Vanderbijlpark Steel and JSC Severstal have several commonalities on which a comparison could be based (see also Chapters 1 and 3). Firstly, they compete in the manufacturing sector and are subject to the global competitive pressures in their respective industries. Secondly, the countries in which these three organisations operate can be classified as first, third and second world countries, which gives the study another framework. Thirdly, all the firms are widely regarded as successful, so that the organisational stories collected in these three organisations were stories told against the background of success.

Particularly in times of fundamental change, when people's beliefs are violated (Bruner 1986), they tend to collect and share stories to make sense of the changes around them. The fall of the Berlin Wall, which is often seen as turning point in history, symbolises, among others, the collapse of communism in the former Soviet Union and it coincided with the end of Apartheid in the Republic of South Africa and the entry into a new era with increasing global pressures. The story-telling that helps people to make sense of these changes takes place at different levels – the macro, the meso and the micro (see Chapters 2, 4, 5 and 6). While these three levels were looked upon individually in this thesis for analytical purposes, they are deeply interwoven and cannot be separated completely in real life. The relationship between the levels is reflexive (e.g. Giddens 1990; Soros 1998) and it is reported on the basis of illustrative and relevant stories of the three case-study organisations.

Changes at political and economic level (i.e. macro changes) appear to determine the degree and pace of change in organisations (see Chapter 4). On the other hand, meso-

level factors like leadership, organisational culture and the firm's moral value base seem to affect the way in which people make sense of their changing environments (see Chapter 5) and how they react to contradicting stories (see Chapter 7). Since we encounter conflicting stories all the time, this way of dealing with conflict and contradiction is an important part of organisational life and culture. Conflict can be resolved constructively (i.e. through learning and the creation of agreed and shared stories) or destructively by rejecting dialogue with the other groups.

Stories can be regarded as individual property since people tell stories against the background of their own biography. This suggests that each story will tell the listener something about the story-teller, his/her world view and outlook into the future. While story-telling in general typically results in reflexive changes in identity (see Chapter 6), narrative interviews and other biographical research methods may also prompt reflexive changes in their minds in the interview process. The voicing of one's experiences of change at the workplace often makes people aware of their learning over time. Some interviewees stopped in the middle of the sentence during the interview because their story-telling triggered a fundamentally new idea in their minds and they contended that this idea only came to mind because they had spoken about their experiences. The power of dialogue and story-telling as a learning tool should not be underestimated in organisations, particularly not in times of increased competition when the traditional focus of management is to reduce personal interaction in favour of email and formalised meetings.

3. Relevance & Contribution

The purpose of research is to provide original work and to add new understanding to the academic knowledge and literature in the field. Due to my personal background and my experiences in both manufacturing and academia (see also Foreword), the practical relevance of my findings is very important to me. Hence, this study aimed to contribute new understanding about organisational change and learning both to the academic community and management practitioners. The contributions of this project can be seen under three broad categories – method, theory and practice, which will be dealt with in more detail in this section.

3.1. Contributions to Method

Qualitative research is often criticised and biographical research methods in particular are widely regarded as unscientific due to a high degree of subjectivity; they neither pass the validity tests used for quantitative research (Lincoln and Guba 1985) and nor do they look for facts outside our constructed realities (Popper 1962). Social researchers using narrative approaches have to be aware that such methods are subjective and that therefore biographical research is often difficult to replicate (see Chapter 3). Particularly the critics of narrative approaches sometimes wonder if such methods predetermine the results of the research. On the contrary, I would argue.

First of all, the methodology and design of any research project must be appropriate for the field in which it is located. This project was concerned with organisational change and learning – with learning seen as a process of sense-making (see Chapter 2) – which have to be seen beyond quantification, but rather in terms of meaning (see Hollway and Jefferson 2000). Dialogue and talking about the past, present and future – a key element in the management of change – seem to be vital in the process of making sense of change (see Chapter 6). Put differently, story-telling helps people to reconstruct the past meaningfully and these stories cannot be captured through questionnaires; the researcher has to build a trusting relationship with the participants and has to engage in dialogue to learn more about the stories told. This invitation to dialogue can result in reflexive changes in identity on both sides and thus enhance the learning and understanding of both researcher and participant.

The use of composite stories in this thesis, which is potentially a controversial method, can be justified through the intense participation of the researcher in the project. I conducted a large number of interviews for the scope of this project and in addition spent a minimum of two months in each of the three case-study organisations, actively listening to stories and talking to people, both formally and informally. On the basis of that intense participation I was able to judge the veracity of the stories, which were reconstructed using multiple voices on the basis of the strong moral framework underlying this study.

In this context, the veracity of the interpretation of stories is often questioned. While it is widely agreed that stories have to be interpreted, it is often regarded as difficult to get assurance that our interpretations are correct – particularly against the background of highly fragmented and partial (see Chapter 2) as well as contradicting stories (see Chapter 7). To reduce such difficulties to a minimum, it is important to have a strong foundation of moral values (e.g. truthfulness) for any social research project. Feeding back one's interpretation to the participants in the research is also a fruitful way to both enhance the veracity of data and to offer people a way to learn and develop at a personal level (Reason and Rowan 1981). Such a joint and cooperative approach implies that researchers respect the participants in their research and that they attempt not to impose their views onto them.

Furthermore, it is vital to contextualise the interpretations of the stories collected in organisations since they can only be interpreted meaningfully against the background in which they are told. External factors at the macro, meso and micro levels have to be taken into consideration when interpreting organisational stories. Any interpretation has to be credible and logical against academic literature, the findings of similar empirical research and theories resulting from it. By taking such a professional and methodical approach, the interpretation of organisational stories can be enhanced and justified.

Organisational change and learning are complex processes, influenced by many factors, which are largely beyond our control. Stories capture this multitude of issues and establish the (perceived) relationships among them. For reasons of clarity, a three-level distinction of change (the macro, the meso and the micro) was developed (see Chapter 2) and this thesis structured in accordance (see Chapters 4-6). Due to the nature of stories, these three levels of stories cannot be clearly separated; they are intertwined and build a coherent unity for the story-tellers. People tend to believe the stories they tell at the moment of story-telling. They are usually true for them and they live them out. In this way, they construct their reality socially (Berger and Luckmann 1966) and thus the search for objective facts becomes futile.

Another issue often raised is concerned with generalisations. Theory is about generalising and, naturally, this has implications on the research design and the case

method in particular. Each and every case study is unique and none of the three case-study organisations reported upon in this thesis is 'typical'. These three firms were not typical or even average because we could not learn from them if they were. We can only learn from them because they are above average, they are successful and they do something other organisations do not. On any account, case studies enable generalisations (and thus the building of theory) since certain underlying issues are shared among different case settings and provide a basis for generalisation and theory (see also Martin *et al.* 1983). On the other hand, case studies show the limits for generalisations: if one case does not fit the theory, then the generalisation is disproved. However, one way to limit this potential weakness is the examination of a large number of cases by several teams of researchers, followed by thorough discussion in the academic community to refine generalisations and theory further. In this sense, the end of a research project should always be a point of departure (see also page 215).

Stories and narratives can be seen as quicksilver due to their constantly changing nature, which reflect continuous reflexive changes in our environment and social relationships. Hence, any social and biographical research project will only be a snapshot of a particular situation at any one time, which suggests that there are no universally valid findings comparable to the laws of the natural sciences. The circumstances in any social setting can be expected to change and the research results of a repetitive project to vary in accordance with these changes. However, if the same methodology and analysis is used in other studies, the results are most likely to be meaningful against the background of this particular empirical study.

3.2. Contributions to Theory

Biographical research methods have gained in popularity with the recent paradigm change in the social sciences (Chamberlayne *et al.* 2000), which focuses on meaning instead of mere cause-effect relationships (Sztompka 1999). Despite a large number of valuable contributions to organisational story-telling (e.g. Czarniawska 1998; Boje 2002), there appeared to be a need for more practical theories – concepts that deal with 'real-life issues' like the fragmentation of stories and a comprehensive classification of organisational stories to address researchers' needs. This research

made three crucial contributions to the current debate on narrative analysis, which are firstly, a new conceptual framework distinguishing between narratives and stories; secondly, establishing links to a specific context; and thirdly, including individual and group identities into the interpretation.

In previous work, narratives were seen as having a clear beginning and end (e.g. Czarniawska 1997) and stories having a temporal and causal manner (e.g. Onega and Garcia Landa 1996; Mushin 2001). However, narratives and stories collected in real-life situations as in this project hardly ever match these criteria: they are typically fragmented (often highly fragmented), contradictory and lacking a chronological order (see Chapter 2). The distinction developed in the course of this project and used throughout this thesis may suit a wider group of researchers using biographical research methods. In this new definition, stories are seen as means to make experience meaningful and are used by everybody all the time to make sense of change. They are individual accounts that are typically part of a larger narrative frame of meaning; the latter often reflects the underlying analytical themes of an infinite number of individual stories.

Stories are not impersonal or neutral constructs, but they often convey strong feelings for or against something (or somebody) and organisational stories in particular reflect the company's culture and power relationships. To get deeper insights into the patterns of stories, which are prevalent in any social setting (see Chapter 7), it may be helpful to classify organisational stories in terms of agreement, openness and dominance (see Chapter 2). Such a matrix classification enables both researchers and practitioners to analyse an organisation's culture in more detail than previously and to detect changes in the power and dominance of certain stories and narratives. In addition, such a classification has the potential to be developed into an audit tool for organisations that are facing difficulties.

The second main contribution of this research is that narratives and stories have to be interpreted against the context in which they are told. Narratives do not exist in isolation, but can only make sense if seen in the context in which they are told and through the eyes of the story-tellers. If narratives and stories are not increasingly interpreted against this specific setting – a process that raises new questions –

biographical research will be facing the danger of paradigm closure. In contrast to current practice, which is influenced by literary analysis and psychoanalysis, contextual and comparative research opens up new questions about the meaning of organisational stories in a particular setting, their creation and manipulation and also the nature of power and conflict.

Another issue, which is connected with the importance of context in the interpretation of organisational stories and narratives, is change. Narratives are also only interesting in moments of change since they reveal the underlying processes of making experience meaningful and of making sense of new situations. Change is embedded in a specific context with interconnected levels of analysis and time (the past, the present and the future) influence our dealing with it as well (Pettigrew 1990). People in any setting only have a limited amount of narrative resources available for their sense-making processes, although some might be more limited than others. With new narrative resources, however, people can discover and construct new meanings to make sense of their experiences with rapid change.

The third main contribution of this project refers to the role of a person's identity in the sense-making and learning processes (see Chapter 6). Sense-making and learning are personal processes that affect our identity reflexively – both on an individual basis and at group level. Sense-making through story-telling is only possible through social relationships and within a specific cultural framework. The stories we tell reflect our being socialised into a specific cultural setting (Berger and Luckmann 1966) and the range of narrative resources we have available. This suggests that individual people's biographies affect the stories they tell in an organisational setting, which in turn affects their identity and self-understanding. While these reflexive links between a person's biography and the story he/she tells was beyond the scope of this study, they have to be taken into consideration and studied further.

3.3. Contributions to Practice

This research was not only relevant to the wider academic field of organisational change and learning, but also added new understanding on more practical matters. It helped clarifying the role of leadership, organisational culture and values in the

successful management of organisational change (see Chapter 5). While big structural changes at macro-level usually affect the degree and pace of change (for instance in the case of the Republic of South Africa and the Russian Federation), it seems that leadership and an organisational culture based on openness, respect and trust can cushion some of the negative effects of fundamental change (e.g. suspicion, fear and temporary meaninglessness) and support people in their sense-making processes. This suggests that managers should be coherent, honest and fair in their behaviour and their actions should be more focused on the long-term instead of short-term financial results.

While the general management discourse emphasises the importance of hard factors like planning, monitoring and control (see Chapter 1), the softer skills of top managers (e.g. the relationship with their subordinates and the way their vision is communicated) appear to play at least an equally important role. Social relationships underlie any organisation, which is by definition made up of people. The quality of these personal links in all probability determines the feelings of membership and belonging, loyalty, responsibility and other moral values. These determine the way conflict is resolved and also have an indirect influence on results at balance-sheet level.

More emphasis may also be laid on the power of stories in communicating strategic issues (Denning 2001). In simple terms, leadership and vision means formulating and effectively communicating stories that are convincing for people and supported by them. Based on an open, trusting and respecting relationship (or culture) – which is a legitimate power relationship in people's view – people want these stories to become true (Kundera 1988). This process is reflexive (e.g. Giddens 1990; Soroa 1998) – vision shapes behaviour, which in turn shapes vision. In this context, narrative analysis is not only a tool for the analysis of organisations, but also for managing change. Stories and narratives shape a discourse that helps us understand new realities and learn about ourselves and our roles in life. However, these processes are unconscious, which suggests that they have to be made explicit.

Narrative analysis can help management practitioners or external consultants to make these processes explicit. Since narrative frames of meaning can be altered

deliberately by management (Jordan 1996) to manage change in the organisation (Morgan 1993), such an approach must be embedded in a wider debate about moral values. It is of utmost importance to distinguish this deliberate alteration of stories from manipulating them. The key distinguishing factor between those two acts is dialogue in the former based on a sound moral framework, which is characterised by openness and a chance for people to challenge the arguments and underlying assumptions. In many instances, however, it suffices to plant 'the raw material for storytelling' (Sims 2004:157) in an organisation that undergoes periods of fundamental change.

While story-telling allows people in times of fundamental change and uncertainty to make these events meaningful, not all stories we tell ourselves actually help us cope with change. A distinction may be drawn between helpful and unhelpful stories. Helpful stories have a strong outlook towards the future and allow people to rewrite them under conditions of change. These stories support people's sense-making actively in that they make change meaningful to them. Unhelpful stories, on the other hand, tend to be contested and deeply rooted the past. They typically support people's resistance to change and do not contribute to the overall sense-making and learning in the organisation.

Nevertheless, a sound knowledge of organisational narratives allows managers to engage with them and to convince people of necessary changes by securing commitment through visionary leadership and thoughtful debate (Denning 2001). This seems to be crucial for successful, sustainable and supported management of change based on discussion and search for a shared understanding and joint meanings (which, however, cannot always be achieved because conflicts of interpretation can be of structural nature and therefore unavoidable). Managers from a wide range of disciplines will have to take a leadership role to assist people in their daily sense-making (Höhler 2002). Story-telling is inevitably at the heart of such an approach to change management, but the challenge is to make the stories and narratives of the organisation explicit.

Management practitioners from all areas and hierarchical levels are wise to listen to the stories of their organisation and pay great attention to contested and subversive

ones, which are a source of potential conflict (Habermas, see Bernstein 1995). By doing so, they can learn about power relations and competing truths (West 2001), the company's degree of success and people's expectations (Taylor *et al.* 2002). In addition, listening to organisational stories enables managers to learn about employees' values and perceptions and the kinds of stories circulating – be it rumours, myth or fantasy (McAdams 1993). Typically, those narratives are not controlled by management and therefore part of what Gabriel (1995) terms the *unmanaged organisation*. However, when made explicit, managers can react to them with convincing anti-stories to address people's needs and in that way bring them back productively into the 'managed' organisation.

A sound knowledge of organisational narratives and stories (and thus the organisational culture) is a powerful tool for human resource specialists in particular (Reissner 2004c). For instance, they can analyse the training needs in a specific situation on the basis of the dominant and emergent stories and provide both appropriate training and new organisational responses to the needs identified. In addition, managers can also actively improve internal public relations by listening to and telling of stories (see Denning 2001). This enables them to build new understanding among different groups and allay fear by focusing on commonalities rather than differences through dialogue (Allan *et al.* 2002). It has to be stressed that such an approach is not aimed to avoid conflict; on the other hand, it acknowledges the prevailing nature of conflicts of interest and interpretation within organisations. Through story-telling, however, these can be acknowledged, articulated and challenged, which promotes the emergence of new ways of thinking.

In conclusion, narrative analysis is a powerful tool for anybody to make experience meaningful and control the stories that control our lives. Narratives are a process of discovering new meanings. They are also important for managers, consultants and other stakeholders interested in the management of change and organisational learning. The practical relevance of story-telling in organisations has been neglected so far; however, with the shift in perspective from learning through narratives to the discovery of new meanings managers have an instrument to release creativity at the workplace (Williamson 1998). They can help work colleagues to discover new meanings in their work – new possibilities for the future – to experiment, reflect and

discover. These are all enacted elements of the successful organisation in the global, informational economy.

4. Further Research & Beyond

The end of this thesis is also a point of new departure – a new journey of discovery and exploration to add new understanding to other aspects of change management and organisational learning. This project has contributed to current academic literature and debate in these fields and raises new questions due to its innovative character. New layers and levels of (constructed) reality and meaning have to be peeled back to get deeper insights into the nature of organisational life and into complex and subtle processes of change and learning at the workplace. Further issues that need to be explored include other contexts and moments of change, research into organisational failure and turnaround, and research into the future of organisations.

First of all, it is essential to conduct more comparative, contextual and historical research to gain a deeper understanding of organisational change and learning in other organisations than the three studied in this project. Context here has to be seen both in terms of geo-political settings and in terms of industry settings (see also Chapter 2). Such research will give new insights into the narrative resources of a particular setting and their influences on people's sense-making and reflexive changes in identity.

While the research, on which this thesis is based, collected the narratives and stories of those at the winning side (see also Chapter 3), it is vital to look at those people who have lost out – those, who have been made redundant, who have lost their livelihoods and who have little chance of finding new employment. Their stories will be of utmost importance to a wider audience who seek historical truth and who attempt to understand the fundamental and global moments of change that have been taking place over the last decade.

In more detail, questions to be addressed include how people in other countries and other industries (for example the service industry or the public sector) make sense of

their experience under similar conditions of change. It is also essential to find out more about differences and commonalities among different organisations have; in this context, the impact of leadership, organisational culture and moral values on the management of change have to be examined further.

Secondly, it is vital to investigate how the notion of organisational failure is constructed among different groups within an organisation and how it becomes meaningful and comprehensible to them. Particularly in the geo-political setting of Western Europe, where globalisation puts many organisations under pressure (see also Chapter 4), the impact of organisational decline and failure both at individual and economic levels have to be explored further. It will also be necessary to investigate the influence of the media and the public discourse on the way people make failure meaningful.

More importantly, it has to be researched how people learn from organisational failure and decline. This may apply mainly to company owners and top-level managers and to what they should do differently. But we can expect people from lower hierarchical levels to learn from failure, too, although this kind of learning (i.e. reflexive changes in identity) may not always match the usually positive notion of learning (see also Chapter 6).

In this context, the use of language, symbols and different forms of stories must be examined further. It is vital for our understanding of organisational change, learning, success and failure to have more empirical research into language issues. In this way, narrative analysis has the potential to be developed into an audit tool to discover the fine dividing line between organisational success and failure on the basis of different types of stories (see matrix classification in Chapter 2) and the use of language and symbols.

Thirdly, more research on stories about the future is needed. This project focused on stories about past changes, but stories about the future of the organisation are of utmost importance. While the past is reinvented and reconstructed in stories and narratives, the future is constructed as well. There may be a link between the lack of an overt, dominant and agreed story (which may also be called the vision) of an

organisation and its risk of failure. This potential relationship between *grand narratives* and the future has to be examined in more detail to get a deeper understanding of the importance of visionary stories.

Fourthly, more research is needed to add to our understanding of key moments of change. These turning points in history seem to play a crucial role in people's sense-making. However, the same situation may be interpreted as negative or positive by the different social actors and the question is raised on what basis people build their perceptions of such *epiphanies* (Denzin 1989). It seems that the context plays a major role here, which suggests that the complex and reflexive relationship between the story and the context has to be researched empirically to understand more about how we come to terms with change and rewrite our biographies.

Fifthly, covert research will be needed in addition to overt research to capture contested, distorted and subversive accounts of people's experiences with change and learning at the workplace. Such accounts of the organisation's shadow side are a major part of the organisational culture, identity and self-understanding (see Chapters 2 and 7). Due to their mainly covert nature, such stories are difficult to come by overtly and therefore covert research may offer additional insights. However, covert research has to be conducted in a strong moral framework and ethical considerations (see also Chapter 3) have to be taken into account at all stages of the research process.

Beyond the need for further research to add to our understanding of the complexities and ambiguities of organisational life under conditions of change, it is essential to develop narrative analysis as a method for consultancy services. While narrative analysis is potentially a powerful and valuable tool to management practitioners (see also page 211), 'it is often outsiders who see a problem first' (Popper 1999:101). This suggests that consultants can see organisational realities with fresh eyes and can help introducing new ideas. This, in return, enables members of the organisation to acquire new narrative resources and to discover new frames of meaning that help them to reinterpret their surroundings, to cope with change and learn at the workplace.

5. Summary & Conclusions

Big structural changes like globalisation become real, understandable and meaningful to everybody in an organisation – from the CEO to the cleaner, from people with PhDs to unskilled labour – through story-telling. This process of sense-making is typically linked to reflexive changes in identity and self-understanding, which have to be seen as learning to enhance our understanding of the new abstract and global dimensions of change in today's post-modern environment. Both stories and narrative frames of meaning are not static, but they keep changing in accordance with our environment. This is what makes biographical research both interesting and valuable: as history changes new ways of thinking become possible.

Learning as sense-making is not just relevant to industrial organisations, but to (organisational) change in all settings. This means that we should not limit our thinking and our ability to discover and explore new meanings by restricting our focus on too narrow an area or discipline. Biographical research is an ideal tool for interdisciplinary and exploratory research and both researchers and management practitioners have to understand the dynamics of organisational stories to get deeper insights into organisational life and to help people to manage change.

Management discourse has to be complemented by adding a deeper understanding of how organisational change and learning is made meaningful through story-telling. To do so, more research is needed, particularly into the links between individual and group identities and into the learning from failure. Both the academic community and management practitioners have to be equipped with new knowledge and new ways of thinking to create powerful stories about the future in order to be able to compete in today's global, post-modern and chaotic world.

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