

# **Merging and demerging in Organisations: Transforming identities**

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## **Abstract**

Around eighty percent of cross-border mergers do not succeed. Despite a substantial body of literature offering guidance on how to make them work, success remains elusive. Regardless of strategic direction, involving macro-level planning, restructuring of positions and improved remuneration, repeated failure indicates there is clearly a gap in our understanding.

It is proposed that mergers and acquisitions (M&A) constitute a threat to social identity by disrupting longstanding patterns of relating between people. This is experienced as emotional anxiety, which is personally felt and collectively shared. In response, social defences are invoked that alleviate this distress but simultaneously inhibit the processes of recognition and conflict necessary to effect identity transformation. New relationships and connections do not therefore form and, consequently, new identity does not emerge. Hence, M&A fail.

Attending to complex responsive processes of relating, particularly pertaining to the preservation and transformation of identity is crucial to the successful outcome of any M&A project. Using reflexive narrative, I have shown how anxiety and protective processes arise and offer insight into executive interventions that may be helpful. This research offers a new approach and an advance in our understanding of the social processes at work during M&A.

## Acknowledgements

In a poem by Derek Walcott '*The time will come*' there is a line that reads, 'you will love again the Stranger who was your self.' This could have been written as a summation of my doctoral learning experience.

It has been a steady process of re-introduction, a gradual recognition of who I am by taking my experience seriously and in so doing bringing a unique and worthwhile contribution to the ongoing story of life between people. This has been and remains the greatest education.

I have been fortunate in the wealth of support I have received to help me achieve this task. I would like to acknowledge:

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Ulrike Encke for her clinical insight and ongoing belief in me,

Walcott's poem ends with the injunction 'feast on life' and that is what I now intend to do!

# Chapter 1

## Introduction

The main themes of this thesis have emerged over a three year period on the Doctor of management programme. This programme requires reflections on my own experiences of the work I have been doing in my organisation during this time. The thesis has been gradually built up through writing four projects which are to be found in Chapters 2 to 5. The structure of the thesis is thus very much dictated by the structure and requirements of the program and reflects the central place the concept of emergence has in the organisational theories students on the program are invited to take up. So the structure of this thesis shows pieces of work that were contemporaneously written and then bound together into one document. These were presented over time as narratives which in the methodology of the course were subject to critical discussion with learning set members. Consequently they each have undergone several iterations. Over time then they become more and more polished. In this sense whilst they have the quality of case study they are not in fact case studies which are full and refined descriptions that wholly argue a point. This process of ongoing iteration is not described in the papers themselves as it would be in ethno-methodological processes (Garfinkel, 1967). Rather they stand alone as expressions of a 'conversational truth' that has emerged over time from my community of practice (Gadamer, 1975). Nonetheless there are recurrent themes and I have returned to each paper to draw out the strands that run throughout this thesis. After talking about methodology in Chapter 6, Chapter 7 provides a synopsis bringing together themes that were present shaping the whole process from the outset without plan or blueprint (Stacey 2003).

I am employed as the employee assistance regional leader for EMEA and APac for a large multinational chemical business called Advance. Ostensibly, my role is to establish and develop psychological support services for the 30,000 or so employees through out these regions. Advance as will unfold is concerned about safety. This is

part of a long historical development over two centuries but also very practically connected to continuing business success<sup>1</sup>.

Extensive safety systems and procedures designed to prevent lethal incidents have been developed and adherence to these strict processes is a condition of employment. Safe behaviours are reinforced by tying salary and rewards directly to safe practices as a recent e mail message shows

We are three weeks away from achieving our second safety award for all those who report to the... site. As we go into the Easter break remember that safety is no accident...

The belief is that the only remaining risks involve possible human error and that the likelihood of error increases in proportion to the level of mental distress people are experiencing. Hence I am employed as a psychotherapist to create programmes that will lower distress and minimise risk. Whilst individual approaches to support are important, an ethical dilemma I have faced is that people often become distressed because of the nature of how their work is organised. Programmes that therefore build resilience or help people cope without considering this wider organisational context come to resemble 'trench psychology' where practice is simply about getting the troops back into the fray. Consequently, I have been involved in developing practices that look at this broader organisational context. My role as a practitioner in organisations is supporting leaders and employees with the very human emotional impacts of their work environment. Typically, I have used my psychotherapy background and some knowledge borrowed from management theory to address these issues. Increasingly, I came to feel this was not sufficient to meet the demands of my role and hence I embarked on this course of study. I intend to share here my experience of dealing with emotional distress arising in organisational life using a different practice that emerged over time. In particular, I intend to look at the distresses that emerged during M&A processes and how I and others responded with efficient and safe business practice in mind.

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<sup>1</sup> The operations of any chemical company are fraught with potentially lethal risk as the monumental and tragic loss of 3787 lives in Bhopal showed. Twenty four years later tens of thousands of people still sadly require on going medical assistance and the image of union carbide, whilst not so significant as these human impacts, is indelibly tarnished.

One of the main ways in which companies seek to expand and become more competitive involves Mergers and Acquisitions (M&A) (Dunphy & Staace, 1990, Nahavandi & Malekzadeh, 1988). With developing economic globalisation, M&A have recently been occurring at increasing rates and at unparalleled levels (Galpin and Herndon 2005, Carleton and Lineberry 2004, Cartwright & Cooper, 1993; Shrivastava, 1986). Given the frequency with which they are occurring one would assume that they must constitute a highly beneficial business strategy but there is some indication that most of them do not achieve the successful outcomes, financial or otherwise, anticipated at their outset (Carey 2000; Cartwright and Schoenberg 2006; Song and Pettit 2000; Pritchett *et al* 1997), amounting to an estimated 'failure rate' of between fifty and eighty percent (Galpin and Herndon 2005, Carleton J.R. and Lineberry 2004, Cartwright & Cooper, 1992a; Porter, 1987; Ellis & Pekar, 1978; Kitching 1967; M.L. Marks 1988). M&A remain a somewhat lucrative and well worn path to rapid expansion. They are however, complex and risky ventures in which 'something frequently goes awry' (Gaernter, Bachman, Dovidio, Banker, in Hogg and Terry 2001, Galpin 2005 p3). It is because of the significant economic consequences of this high failure rate that it becomes a matter of very practical importance to understand more fully the causes of M&A breakdown and also the potential sources of their success.

However, the meaning of 'success' and 'failure' in M&A is not clearly defined. Indeed measures of success are often based on variables that are arbitrarily defined (Rosenzweig, 2008 FT.com). M&A are intended to bring about business growth through economies of scale, increased share holder value and shared or expanded knowledge base (Galpin and Herndon, 2005). This always involves two organisations entering into a new relationship and the hope is that this 'marriage' will persist over time in ways that enhance economic success. Such unions are generally regarded as successful if they result in harmonious intercultural or intergroup bonding (Morosini *et al*; 1998, Hogg and Terry 2001) and unified structural connections (Pritchett, 1997). Success is here being defined in macro organisational terms. Whether it is through re-configuration of the mechanisms of governance, or the development of shared culture, the idea of M&A is principally that two organisations should come to operate as one. In this sense M&A are about a change in organisational identity (Gaertner *et al*; 2001). Success may therefore be best understood in terms of achieving some kind of



identity transformation and in this thesis I argue that such identity transformation processes need to be understood in terms of micro organisational interactions.

What I am describing as organisational identity is repetitive patterns of micro interaction between people locally in an everyday kind of way (Stacey 2003a). To become a single organisation there must be a shift in identifiable patterns of relating which define organisations separately as 'us' and 'them', to shared patterns of relating that enable people to talk of themselves and the organisation as 'we'. This is how two organisations may be described as becoming one. Unified and integrated working, to whatever degree, is the goal of M&A in terms of reduced cost and increased performance, thus I take achievement of identity transformation criterion of success.

It is not economic factors alone which are of consideration here. There is also the psychological impact of M&A (Hogg and Terry, 2001). The Human dimension is increasingly recognised as perhaps the principal de-railer in any corporate integration scheme (Cartwright & Cooper, 1993) and specifically, it is argued that group membership is a significant influence on peoples' sense of well being, so that alterations in group membership can have a sizeable impact on individual behaviour (Allport, 1954). Organisational membership is thus likened to any other group membership in that it 'engenders a sense of oneness or belonging' and therefore a tendency to think of one's self in terms of one's group membership (Terry, 2001; Ashforth and Mael, 1989). It is attachment to organisational identity that is said to be affected by M&A because by the very nature of the M&A process, group identity and hence personal identity are being altered to some extent. What is particularly problematic is that merging or separating groups in established social networks, proves more difficult because people draw on these very associations to maintain their social position and are therefore likely to defend against any change in these arrangements. Any interdependent group is thus unlikely to be interested in maximising outcomes that do not directly support their position and where identity conflicts do emerge they have a tendency to be highly 'disruptive and intractable' (Haunschild et al;1994; Schoper & Insko 1992; Terry, 2001).

The conundrum presented to practitioners is how to separate or bring two organisations together in such a way that individuals release previously held

attachments and form new connections so that co-operation, improved performance, and support for the new organisation are produced; and all without loss of knowledge and experience through staff turnover and undue conflict (Kramer, 1992; Tyler, 1999; Dutton et al; 1994 van Leeuwen & van Knippenberg 1999). In short, the problem simply stated is how to make M&A work.

The solutions traditionally proposed are attempts to address not only the financial and strategic fit between organisations but also the cultural fit between them, that is, whether or not two groups of people are well enough matched and supported to form lasting relationships with one another. Primarily, it has been the structural aspect of organisational integration that has been targeted as the domain through which a successful fit can be achieved. Orthodox practice has focused on forming clear plans and structures, creating a winning vision, mission and goals and communicating through retained and highly motivated individuals and teams (Pritchett et al; 1997, Cartwright & Cooper 1992b). However, Cartwright and Schoenberg (2006) present extensive evidence that this strategic management approach is still not always successful. In part they argue that this may be related to the macro level nature of the interventions proposed. They also suggest that attention to micro processes or interactional relationships occurring within organisations may be a fruitful area for further research.

Whilst acknowledged as an important aspect the M&A process (Cartwright & Cooper, 1993), the attention paid to this relational and micro level aspect of cultural fit has been largely atheoretical (Nahavandi & Malekzadeh, 1988). One body of knowledge that is suggested as useful in M&A practice focuses on intergroup relationships. Despite its apparent relevance, the social psychology of intergroup relating has only of late been taken up in this field (Hogg and Terry, 2001). M&A are understood by psychologists from the social identity school as an imperious process whereby one group is imposing its identity on another. Naturally, it is suggested, this provokes competitive conflict because each group will automatically seek to secure there own groups dominance (Haunschild, Moreland and Murrell, 1994). The resulting discord has the capacity to disrupt any merger or demerger process and therefore these intergroup rivalries must be attended to (Haunschild et al, 1994). In particular, research in this area has been concerned with how continuity of organisational

identification is preserved and how organisational attachment can be enhanced (Hogg & Terry 2001).

### **Social identity theory**

Social identity theory therefore produces strong evidence for the ‘consideration of an intergroup perspective’ (Haunschild, 1994) and points also to a number of deficiencies in our understanding of the intergroup processes occurring in organisations during M&A. They say that ‘despite empirical evidence of the existence of bias there has been little development of the understanding of what variables shape these biases’ (Muller et al 1992). In other words, what holds these prejudices in place intensifies or diminishes them in such a way as to allow a new identification to emerge or not. Indeed, much of current research in the social identity forum confirms that conflict occurs and shows this is a defensive response designed to prevent loss of established identity. It is this fear of loss of organisational identification that may place any M&A at risk (Gaertner et al in Hogg & Terry, 2001 p246). Importantly, the research recognises that where size and allocation of resources highly favours the dominant group, continuity of identity in that group is not such a crucial issue (van Knippenberg and van Leeuwen in Hogg and Terry). There is however no such lucidity around how a continuous sense of identity is preserved in a dominated group and particularly how the instability that this engenders is best managed. Moreover, how old and new identities might co-exist and be fundamentally transformed is not yet clear.

Suggestions of practices to address the challenges of intergroup rivalry have been tentative. The proposals are largely ‘counter intuitive’ (Hogg & Terry 2001) and advocate that organisational culture should not be imposed and in some instances the development of separate subcultures might be encouraged (Gaertner et al; in Hogg & Terry, 2001 p246). These suggestions are recognised as inherently problematic, especially in the business world where having distinct subcultures may evoke problems of their own. Allowing separate organisations may have the effect of creating ghettos where crucial corporate policies and values are not implemented. Indeed, M&A often involve cost reduction through smaller integrated sales teams and HR services for instance. Preserving a separation may defeat the purpose of merging

or demerging and quickly come to appear idealistic in the face of cost analysis and falling profit margins.

The gaps in research and practice presented above have formed the direction of my research since I seek to address these very issues about the nature of bias, subordinate group identity preservation and most importantly transformation to new loyalties. I suggest this is possible by paying particular attention to micro processes between people. In doing so, I am seeking to answer the very practical and relevant question as to how the continuity of identity of dominated groups is not *ensured* but *transformed* and how is this achieved without threatening the business effectiveness of the corporation since this in itself could create discontinuity for the dominant group.

I seek to answer this question about transforming identity by paying attention to the micro processes occurring between people in their communicative interaction with one another. I do so by using reflexive narrative methodology. This is because I am taking up something of the pragmatic and hermeneutic phenomenological tradition. I am acting wholly as a meaning making participant in these processes and deeply affected by them. I am by no means certain of outcome or response to actions and as such am actively involved in a 'double hermeneutic' (Gadamer, 1989) whereby, I am taking up the interpretation of my actions in the ensuing actions, as a process of finding a way forward together with others. I am doing so because I do not find use in creating idealised models of how it should be. Whilst I am uncertain and anxious about outcome I am sure that this experience is not uncommon and uncovering this highly emotional, personal and intersubjective process is of immense practical value to practitioners. I explore all these aspects more fully in the Chapter 6 on methodology.

I also study this way because I am taking up a very particular notion of what organisations are and this is distinct from mainstream thinking. It is a view that organisations are continuous repetitions of patterns of relationships occurring between people which are shaped around themes of power relating (Stacey 2003). This methodology allows detailed access to the nature and content of these interactions.

This view is also based on a particular notion of social identity whereby people are themselves in a continuous process of interdependent interaction with the world around them, forming and being formed in a perpetual construction of both self and the world at the same time. In both organisational and individual life, which is never separate, we are involved in habitual themes of interaction or complex responsive processes between one another that make us recognisably who we are. This is what I understand as identity (Stacey 2003).

This thinking provides an understanding of the paradoxical nature of identity formation applicable in M&A where identity is both unchanged and changed at the same time. It makes it possible to understand how changes in patterns of relating create shifts in personal identification and attachments. By drawing on this perspective through the narrative accounts presented, I am exploring for instance, how intergroup biases are being formed and sustained in the communicative interaction between people, how people are holding and shifting the paradox of changing group membership and how this may be facilitated in a way that provides a greater possibility of transformation. Considering micro processes of communicative interaction in M&A as group and individual processes occurring simultaneously, leads to a view that we cannot so clearly talk about identification in the traditional sense because this implies some degree of choice and reason. I have taken up a different notion of identity and consider how identity is formed and transformed in organisational life so that the very self is changed in the sense of felt belonging to the organisation. Consequently how one behaves in the world is altered (Stacey 2003).

Whilst drawing heavily on the work of others, I am offering a small but unique contribution to the field of M&A. I am doing so by considering micro processes as an area which has only begun to be explored in the search for understanding why M&A succeed or fail. I look particularly at the importance of identity transformation as crucial to success. Distinctively, I am taking up exploring identity change as a process of communicative interaction in the sort of social process way I describe above. As such, I am taking a perspective that engages in a critical dialogue with mainstream views on identity taken from cognitive science. In practical terms this requires a different way of working with M&A that is about engaging in the conversational processes of human organising rather than altering mental models or individual

perceptions, through visioning or enhanced compensation and benefit packages. I give particular attention to two areas that are little considered in the field: the responses of subordinate groups in the M&A process and the study of the processual micro affects of de-merging in the form of outsourcing. There is increasing interest in these areas and I trust this work will help contribute to the development of greater knowledge in these areas (Hogg and Terry 2001, Schoenberg 2005).

In the synopsis as a result of ongoing reflection on the narratives in Chapters 2 to 5, I present a number of conclusions that may be of assistance to practitioners in this field. These include the importance of paying attention to processes communicative interaction as a way of facilitating<sup>2</sup> identity transformation. I look at actions that can be taken by those involved in M&A before and during in the process such as considering the nature of the communities being merged, who is being excluded and included, what this means emotionally to the individuals, consideration of all actions as gestures and the importance of tracking responses to these in the conversations and gossip that is occurring between people. This is not a matter of taking control but of participating in a conflictual process of recognition about what this all means. These actions are therefore not about leverage but about where to put attention and are understood as embedded fundamentally in what is going on between people rather than what is going on within them.

In conclusion, success in M&A has been measured in terms of continuity either in sustained business performance or cultural integration. Success is therefore implicitly more than the result of two structural organisations becoming one to produce or sell more (Gaertner et al; 2001). It is about transformation of identity. I have argued success is therefore best measured in terms of transformed identity. To achieve success we must better understand how identity transforms or for that matter remains the same. Leaders of M&A projects often ignore or give only shallow consideration to the nature of transforming group and individual identities, which are inevitable aspects of M&A processes. These identity transformations occur through shifts in allegiances, loyalties and histories at the micro-level, which I contend may have

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<sup>2</sup> This is facilitation in the sense I describe in chapter two as attending to communicative interaction rather than moving people toward a pre-determined outcome such as a unified vision of themselves as a single entity. This may be a hope or intention but is not an objective that can be achieved by taking people through a series of sequential steps.

consequences for successful outcomes, including financial, at the macro-level of the whole organisation (Cartwright and Schoenberg 2006). I contend that the rich complexity of the *inter-subjective* and *social nature* of identity is not fully considered in management literature at the present time and this may be a significant contribution to M&A research. In particular, I stress in my later work that the process of identity formation is a conflictual one; whereby, individuals in their collective being together contend with one another for recognition, and that this necessarily discordant process creates grist for the mill in personal and collective identity transformation. In other words, I am looking to the unique diversity of each individual's participation as the dynamic for change. At present, the paucity of thinking in this area leads to ways of addressing identity that are counterproductive because they work to suppress this essential transformative interaction. Instead of finding cultural fit as in 'matching' we might use diversity as a source of transformative conflict for changes in identification.

In the next section: chapter 2, I describe how I begin to recognise the models of organisational life I am unconsciously using and how through encountering a theory of complex responsive processes I become aware of their limitations. It shows also how some of my research questions begin to emerge.

**Chapter 2** introduces concern about the nature of Identity in organisational life right at the outset. This theme remains a constant through out this work. I begin to recognise the traditional models of organisational life I am using without being consciously aware of doing so. As I encounter a theory of complex responsive processes I become aware of the limitations of the mainstream ways of thinking and how I do not consider at all the impact of organisational change on identity. In doing this I trace the early emergence of my research question.

**Chapter 3** looks at two key issues, the disturbance of identity through altered patterns of power relating evoked by organisational change and the type of facilitative practice required to work with this. I describe the differences between systems and complex responsive processes approaches to organizational work looking in particular at a move from understanding my practice from a perspective of analytic observer to one of active participant. I contrast facilitation of group experiments exploring themes of

planning for chaos and the paradoxical nature of facilitation as ‘orderly disorder’. I also begin to examine the personal impact of change.

**Chapter 4** explores the impact on employees of acquisition of their small family business. I assert that part of what is occurring can be understood as disrupted identity through alterations in habitual patterns of relating that cause distress. I offer a critique of rational management approaches to merger and acquisition because they focus on largely cognitive based solutions that seek to eliminate difference between groups. I offer up a different view of a wholly social identity in line with Mead’s approach (1934) to identity emerging in the process of communicative interaction. I look at the importance of threatened identity in these processes and seek to offer an alternative approach to working with M, D&A that seeks to attend to rather than remove in any idealised way this conflictual interaction. I look at intergroup relations and specifically at the responses of the subordinate acquired group to this experience of change.

**Chapter 5** elaborates on the theme of imperilled identity through my involvement in an outsourcing or de-merger project. Again I offer a contrasting perspective to cognitive models of identity change proffering a social model based on Mead (1934) and Stacey’s (2003) approach that sees identity under perpetual construction through communicative interaction. I pay attention to anxiety raised by organisational change of this type and consider more deeply the social defences evoked in communicative interaction in response to this threat to identity. I specifically consider how these might inhibit the processes of identity transformation necessary to effect changed identity.

**Chapter 6** explores the methodology used in this thesis. I examine the broad spectrum of methodology from objective/ realist/ empiricist/ positivist pole to idealist/ relativist/ sceptical pole. I trace my move toward this latter polarity but explore how I avoid the relativist sceptical position by arguing for the social nature of human communicative interaction and knowledge. I also recognise and explore how this shift alters notions of evidence, reality and truth.



**Chapter 7** provides a synopsis and critical appraisal of the thesis. I re-examine the key themes that emerged during the course of my work. In particular I take up the matter of identity and point to the importance of considering identity transformation in M&A. I position this work in relation to rational management approaches and contrast it to cognate fields such as social identity theory, learning organisation theory, communities of practice approaches and emotional intelligence. I conclude by offering some tentative suggestions to assist practitioners in a small way to refocus their approach and finally offer a short critique by way of the personal challenge this presents.

## **Chapter 2– A reflective narrative weaving together the influences and experiences that inform my current practice in organisations**

*(completed February 15<sup>th</sup> 2005)*

### **Introduction**

I was born and grew up in Northern Ireland as a working class Protestant named Thomas Samuel Spiers. To many people this simple statement would seem to say little about the nature of who I am or about the nature of organisations but therein lies deep significance.

Religious identity and religious practice are defining characteristics in the North of Ireland. Religious identity and the interwoven political identity that comes with this are heavy with hidden meaning, expressed in the way language is used. For example, my choice to use North of Ireland as opposed to Northern Ireland has a meaning that could infer my belief that the North is part of Ireland and not a separate state under British rule.

I grew up amidst armed conflict and political violence being part of everyday life, largely unaware of religious and political rank and the superiority of attitude subtlety present in my culture. This is not to say that the Protestant community is a group of wealthy overlords oppressing poor impoverished Catholic people. What it does say is that the nature of the society constructed between the people there includes power differences that permeate the language and culture so much so that they are beyond individual awareness.

This is true even in the naming of our children. I once experienced this when I came home to visit Belfast with some English friends. As we travelled across the city we were stopped at a police checkpoint. This in itself was nothing unusual and I was asked the same standard questions, which seem innocuous: “What is your name?” and “Where do you live?” I expected as previously to be told to drive on. However, the officer decided to ask my passengers their names and where they were going. They responded Murphy, Corrigan and McCormack on their way to Donegal. We were immediately asked to leave the car and had all our belongings searched.

Here, for the first time, I was confronted with the nuances of social power. The Irish sounding surnames and the non-protestant destination<sup>3</sup> led to an interaction I had not encountered before, determined by cultural knowledge and assumptions not apparent to an outsider. Mindell wrote:

Rank is a drug. The more you have the less you are aware of how it effects others negatively...We all have some form of rank. Our behaviour shows how conscious we are of this rank. When we are heedless of rank, communications become confused and chronic relationship problems develop. (Mindell 1995, p.49)

Like Elias' placing power central in social interaction (Dalal 1998, p.90), Mindell talks of the importance of status, pointing to its anaesthetising effect on our capacity to understand the position of others; thereby, silencing points of view and conversations that might lead to creative change. This is exemplified as I write; I immediately defend myself against the notion of abusing power by ensuring my group is not seen as an over-class, disowning in part the actuality of power differentials. Rank itself is inherent in the roles we hold in communities, groups and organisations; it cannot be removed and, as shown here, is often hidden, particularly from those who hold it most (Mindell, 1995; Stacey 2003).

I use this story and its particular reference to the hidden nature of power differentials to illustrate how it is possible to be unaware of the implicit assumptions influencing ones actions. This is an important starting point for this chapter as my learning so far has been about becoming conscious of these hitherto invisible complex responsive processes at work.

### **Becoming conscious**

I have never undertaken training in organisational consultancy nor overtly set out to read about systems thinking. As a result, I have felt anxious about writing, assuming I do not know which has great value for at least two reasons.

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<sup>3</sup> Northern Ireland is a very segregated society even now.

First, part of acquiring knowledge for me is developing awareness of the backdrop of beliefs and attitudes that shape who I am and how I understand the world. Behind the seemingly innocent language of the Human Resources (HR) world, phrases such as “People being our best assets” trading in “intellectual capital”, “measuring performance” and operating as “strategic assets” can be anything but innocuous. I have begun to recognise and appreciate the compelling belief systems operating beneath this description of people as objects and things, which robs them of their vitality and complexity (Stacey 1993; Becker, Huselid and Ulrich 2001).

Second, not knowing provokes shame and the unpleasant nature of shame encourages, in many, the need for control:

Maximizing power over others and maintaining control either of relationships or situations constitutes another strategy for protecting the self against shame.

(Kaufman 1993, p.100)

I entered this training programme partly through the shame of not knowing. I was asked to assist with a change management programme. Not knowing what to do, I designed workshops, presentations and manuals in an attempt to manage feelings out of the process; in effect, to control people’s responses and create a guaranteed positive outcome. This need to control and bring about positive outcomes is an increasingly dominant requirement in my experience of organisational life (Streatfield, 2001).

An important lesson for me was to recognize how seductive borrowing language from systematic ways of thinking is for those of us who face the shame of not knowing. Recognising my thinking and my shame I will discuss the ideas that shape my current practice.

### **Background and profile**

The story of my experience in Northern Ireland exemplifies the beginnings of my understanding of the nature of human interaction as a social process, understandable

only in part by psychological insight. Individual psychology has, however, been the basis of my understanding of organisational life.

Having trained over many years as a therapist I begin by examining the usefulness of this way of thinking about organisations and how appreciating its limitations I have begun to explore other ways of making sense of organisational life.

I work for Advance, a multinational company, which has a presence in some 70 countries worldwide. The company is unique as an organisation. Unlike many commercial operations, which come and go in a few generations, we have a distinguished history spanning more than two centuries. The business direction of the company has changed over time, from explosives to chemical production to chemical compounds and now science-based solutions, however the core values have remained constant.

Successful organisations, like successful religions, are said to obsessively immerse their membership in their values (Bell 1997, p.2). Just as the culture of a society is the way of life of its members; the collection of ideas and habits which they learn share and transmit from generation to generation (Haralambos 1991, p.5), Advancers actively work to preserve their culture. This is an interdependent safety culture where each person is responsible to and for the other to preserve injury-free working. The systems of the organisation grow out of this thinking, connecting individual salary and profit sharing to safe working practices. Safety focus extends beyond the workplace and into private life, educating employees about electrical safety at home, wearing seat belts and even safe lifting of luggage while travelling, amongst other things. The Advance organisational culture is domineering, weakening even local cultural ties. For example, the absence of sectarian conflict in the workplace for instance in Derry / Londonderry<sup>4</sup>.

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<sup>4</sup> The depth of local cultural division can be seen in that the city has two names: a catholic one (Derry) and a protestant one (Londonderry). Despite the depth of division outside on-site the employees co-operated and worked together as Advancers because the company culture is so dominant.

In a company with such a pervasive and commanding safety culture, respect for the person has come to mean valuing their life. This valuing of life has extended beyond mere protection from physical harm, to include their personal development, their family life and even their psychological well-being. Respect is a notion of worth. It is about how valuable a person is, not simply as a unit of production but as a whole self. In a global economy, where employee and production costs can drive decision-making, a conflict about what is most valued emerges. Is it the person or is it productivity? The expressed intentions of respecting people and actual actions of the business to sustain growth appear to diverge, leaving the stated and actual values of the organisation in apparent conflict. Increasingly, it is this dilemma that I am called upon to address, with the underlying suggestion that this cynicism-inducing paradox should be removed. Where work and life demands move out of balance the emergent conflict tends to be called stress.

### **Scanning for stress**

In 2003, I entered such a conflict. The European HR organisation had been restructured by design consultants into a four-block model. One element CallHR, operating as a call centre and carrying out day-to-day transactional work for all European employees, was experiencing difficulties labelled stress. The Medical Director, seeing an opportunity to gain recognition for improving psychological well-being, proposed that we undertake a stress intervention.

We initiated the work experience scan (WES). The WES was created to assist managers to manage stress and designed from the perspective that most Advance managers are scientists, having been chemical engineers before becoming business or HR managers. Consequently, the language they speak is metric and they use metaphors of people management that reflect industrial processes. Thus, the WES uses a short questionnaire that identifies the sources of stress (inputs), personality and coping style (conversion process) and the effects of stress (outputs). The results are presented as a series of graphs to focus groups and, using a structured discussion around what can I individually do, what we can collectively do and what can they as

leaders might do to alleviate stress, an action plan that systematically addresses the stress issues is produced (Compernelle 1999).

In an initial teleconference with the European HR and Medical Directors, I felt a sense of nervousness. I felt inexperienced despite my years of practice. The HR Director expressed reticence about using the WES process but had been convinced that this might be a useful way forward. I wondered about a shift in responsibility: who would get the blame if it all went wrong? There was also a sense of desperation that the four-block model had to work and stress eliminated. Afterwards I had a sense of trepidation. The intervention was being reluctantly received. There was a huge weight of responsibility to ensure the HR model would not collapse and if it did heads would roll. With this there was a feeling that I was not experienced enough to do all of this.

A subsequent telephone conversation with the call centre leaders did not improve matters. I outlined the process and asked for a response. Leaders spoke defensively about trying to get a new building opened. The employees were described as young and inexperienced recruited in part because of language skills and mainly graduates in their first job. Identified as high potentials, they had an air of 'specialness'. Yet here was a sense they should be grateful and gain some gravitas before they complained about being stressed. I listened to the levels of conversation and held in mind that there might be issues about blame about space and belonging, about expertise and about status.

Two weeks later at the site we were greeted grudgingly by the receptionist in a temporary building. With no place available for us to meet we stood in reception wanly smiling at people as they came and went. The team leaders gathered slowly. Some raised a concern that talking about stress amplifies it rather than helps it. I said the graphs only showed what was already there and that the process gives us control where previously we were dealing with an unknown quantity. I was anxious and to cope espoused the underlying assumptions of the WES process, that stress can be measured and controlled. Later, in a private conversation about the planned process,

one junior manager suddenly said: “This is about getting rid of me isn’t it”. Despite reassurances, she remained depressed.

Meeting with the employees, we began to hear stories of discontent. The groups were varied, each with its own feelings, but none was positive. What was important to each was a matter of emphasis. Some complained of being overwhelmed with the amount of work, others of lack of clear process; of not knowing the colleagues who sat opposite them; of communicating only by e-mail; of not being defended by their managers when complaints came; of having dealt with hostility during the knowledge capture; of having no-one to turn to; of not feeling part of the company’s core value system because they were mistreated and of having their work assessed not by what they did but by the number of pieces of work they completed. At the end of the sessions, I sat exhausted, powerless and excluded, conscious that beyond the room we were in we had nowhere to go for respite.

### **A critique of the WES as a rationalist approach**

The WES process can be best understood within a framework of cybernetics and cognitive psychology (Stacey 1993, p.44). The WES is applied when part of the organisation is perceived to have moved out of balance between challenge and overload. Using error controlled statistical information, it draws out specific negative responses for people who feel adversely affected by work demand, harassment, lack of appreciation etc. In the form of a negative feedback loop it compares these responses against an Advance norm constructed from all those who have ever undertaken the WES inviting corrective action through discussion. The notion then is to group individual responses together and homogenise them so that one specific action will target the key issue and produce a change. The law of requisite variety<sup>5</sup> (Stacey 1993, p.40) is thus achieved through the distribution of responses into generalised headings, while the focus groups allow for the detail of what this means to be extracted and the matching responses formulated. The belief is that small predictable actions can impact on the sources of stress or enhance coping and thereby

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<sup>5</sup> Reducing the variety of events affecting the organisation and the number of possible responses to this.



improve the situation. By improvement I mean restoring equilibrium by creating results close to or better than the Advance norm.

The WES is a rationalist approach<sup>6</sup> (Stacey1993, p.23) suggesting that people can take deliberate actions that will move them to a less stressed place by implementing a personal action plan. The world of work out there is stressful and individuals must take logical steps to manage their time, design efficient systems and decide on how to keep a healthy work-life balance. Although a useful tool, the WES process has limitations: a consequence of its theoretical underpinnings. Events like stress are dynamic. They are highly personal and in constant flux; therefore, to cluster them has limited value apart from giving a heading under which to discuss the sort of things people agree together are causing the stress—for instance, high work demand. Although my understanding of the theoretical limitations of this approach emerged only after I began my research, I was conscious of its shortcomings beforehand.

There is a great pressure to create workable and cost-effective solutions that add value, yet linear cause and effect interventions such as stress reduction seldom have lasting impact. In my personal experience this is because:

- the perception of stress formed between people is not altered and the organisation is seen as stressful
- leader owned action plans are ineffective at reducing individual stress.

Managing stress is not a rational process but a highly emotional one. For example, when leaders receive information about the organisation from their people they take it very personally. Meanwhile, employees respond emotively to being exploited driven and uncared for.

The cybernetic model is therefore limited for three reasons: first, it cannot encompass the personal, interpersonal, dynamic and therefore non-linear cause and effect nature

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<sup>6</sup> Individuals are rational beings who make rational decisions and carry them out logically.

of stress; second, it does not attend to power relationships that emerge in organisational process; and third, it takes no account of emotion, which is central to organisational life. I have attempted to bridge these gaps by drawing on individual psychology.

### **An individual psychotherapeutic approach**

One way of making sense of these experiences is the Kleinian concept of projective identification. Klein (1975, p252) emphasised projection as a process whereby the anxiety provoking, unacceptable or intolerable parts of experience that are felt as physical discomfort are expelled out of the individual and projected into others. This process begins in relation to the mother but continues into adult life and finds many possible receptacles (ibid.).

Projection is therefore a way of communicating that:

Functions as a means of affecting the object and...his behaviour. The subjective experience within the analyst is that he finds himself saying or doing something under pressure. He feels forced or impelled, in a way, which doesn't feel entirely comfortable or ego-syntonic. (Feldman in Segal 1992, p.87)

I was aware of feelings and thoughts evoked in me through interaction with those involved in this process. Three themes emerged:

1. **Inexperience**, in both teleconferences, call centre employees were described as inexperienced and later the employees themselves affirmed no-one held knowledge and they had no one to ask. I too felt inexperience.
2. **Blame**, this project had to work. A huge capital investment and political venture with the national government had been undertaken. Just as I experienced a sense of immense responsibility and perilous consequences if this project failed, I heard this same theme emerge repeatedly over the following months of meetings.

3. **Exclusion**, being outside and not welcome, exemplified in reluctance to use the process, the poor reception and the lack of space for the work to be undertaken, and the fear of being dismissed.

There was clearly resistance to this new organisational structure. Long-serving and experienced colleagues had lost jobs to inexperienced outsiders based in another country. They were not wanted and they felt it. Constantly blamed but compelled to succeed there was a sense that no one could fail and if they did the consequences would be dire, not only for them but for the whole company. The fear of failure, the desire to win inclusion and the defensive feelings around the insecurity of inexperience had led to excessive hours of work and undertaking all tasks without any clear service level agreement. A focus on execution of duties to the exclusion of personal relationships had developed, which is one of the principle criticisms by customers of call centre working (Unison 2004). The result of this cocktail of themes and responses was the emergence of stress.

What excites me is our human capacity to communicate so vividly the salient issues in a given situation through shared feelings, and that these feelings are thematically repeated in conversations at all levels of organisational life. What emerges though is a question about the notion of projective identification as a purely psychological process and within this an understanding of power.

It seems to me that my psychoanalytic way of thinking makes several assumptions about the nature of our human interactions and consequently how I should work in organisations. The very word projection locates the feelings that perturb within an individual, who then propels these out onto another individual (Jacobs 1988 p26). It makes an assumption about the individual the feelings are projected onto as having the ability to be clear by observing these feelings as belonging to or in someone else. As the projected feelings live in another and are evoked in an objective observer, this spectator of the interaction is then able to make sense of these feelings and give them back to the originator helping him make sense of them (Salzberger-Wittenberg 1970). It strikes me that the unequal status given to participants in the human process of

interacting is not at all acknowledged. There are obvious power dichotomies between observer and the observed, hapless and helper, the ignorant and the enlightened, where the healthy therapist/consultant is forced or impelled by the disturbed others to act in a particular way. I would suggest that the psychoanalytic view of human relating thus involves a covert concept of hierarchical power, which fundamentally shapes the relationship but is unacknowledged. It is suggested that projective identification is a communicational construct that is built on an individualist paradigm (Dalal 1998, p.93). If we were to let go of the notion of individuals living as separate monads then, in effect, we might find other ways not only of understanding this process but also a way to acknowledge the inherent power relations in our relating.

### **Reflections on a new direction**

It is clear that I have been coming from a perspective that is both systemic, cognitivist, rational and individualist, because this is how individuals in organisations are typically understood. I have begun to outline that the limitations of these ways of thinking because they do not take full account of our complexity and responsiveness as people. I want to begin now to look at what I have been noticing through my learning about different processes at work in these experiences (Stacey, Griffin and Shaw 2000, Stacey 2000).

### **Belonging to the organisation**

I notice for instance when writing about Advance I do so with great pride and affection. Significantly, when I refer to the organisation I write “we” and immediately recognise the strength of affiliation felt by those who work for Advance. This resonates with the powerful sectarian group membership I experienced growing up. I recognise that understanding how we function as people in groups is important if we are to understand corporate life better. In particular it seems imperative to consider the meaning of belonging in organisational life.

Strong identity is in part engendered by the strong core values that influence organisational life (Senge, 1994). In Advance these are safety and health, ethical business practice, environmental stewardship and respect for people. These are neither

a modern set of values nor historical tomes. They have co-emerged from the company's development over time. The Advance founding family was explosives makers and the consequent deaths and injuries caused by accidental detonations prompted a concern for safe production methods and care for people.

I sense my own draw to this area of work and the connection between what I do and my own history. Reparative motivations are said to direct those entering the helping professions:

People are drawn to the helping professions to put something right... to make reparation...from guilt or concern and...expressed in a socially acceptable way by helping others. (Obholzer 1994, p.106)

What I am saying is that personal experience and organisational identities appear to be entwined. We are often drawn or called to belong to the organisations in which we participate by powerful personal and collective experience (Sen 2006).

### **Language as power**

The words company and organisation are increasingly used as though they refer to inanimate objects and not to the original meaning of groupings of people and the associations between them. In this way, words can separate us from our experience rather than connecting us to the nature of being together.

Language, and how we use it, is central to connecting both to our experience and to each other. Language is not simply sound waves; it is the interpretation of those sound waves. Jackendorf (1994, p.9), the linguist, suggests that these are not individual perceptions but are culturally agreed meanings that are group specific. A view supported by Dalal (1998, p.111).

Language, therefore, can be understood as thought, knowledge and communication, which interdependent people use to cement their groups' cohesion. Language comes to reflect what people know as important; we use it to convey both spatial and

temporal information. For example, in this Northern Irish vignette, the police officer's prepositional questions asked what and where. To his ear, the sound waves he heard in response had an agreed meaning that helped him determine whether my friends and I were a threat or not. This is the capacity of language to orient us within a culture. What is more, language is ideologically constructed to maintain hierarchical structures and therefore when we pay attention to language we notice power present and shifting (Stacey 2003).

Even where people do not have clear understanding, they may create stories together because of anxiety of not knowing. Elias calls this fantasy knowledge (Elias 1991, p.96)—that is information that fills in the gaps based on imagined meaning rather than constructed meaning. What this all points to is the importance of paying attention to what people are talking about and in what way, for this is how organisational life is constructed continuously shaping and being shaped by our responsive relating (Stacey 2003).

### **Emotional connection**

Our ability to resonate with one another is a powerful process. We have the capacity to move each other emotionally and thereby transform one another in a process of intimacy. This involves levels of close communication. Traditionally understood, the highest and least personal level are our public conversations, which deepen in intensity into private conversations, our conversations with ourselves and finally into our fantasies that contain the expressions of our longings and our dread. Elias (1984, 1991, 1998, and 2000) and Mead (1908, 1934) seem to suggest that our public and private processes of being together are much more deeply connected. If this is so, then our organisational experience and personal experience may be more closely connected than we imagine and this warrants exploration.

Degenerative expression does not allow depth. It is guided by formal culturally set rules about what is appropriate to share and what is not, the rank of the participants and gives preference to cognition, objectivity and abstraction. The result is disingenuous conversation that can be set, uncreative and information limited.

## **Who am I?**

For as long as I can remember, I have always had a sense of watching my self act into life. Even from my earliest memories, I have had the experience of standing outside events, observing myself and others perform, always being conscious of seeing and knowing more than I could safely share with anyone.

Such experience brings with it a pervasive sense of disconnection, which I can best describe as biting aloneness, felt in the body as a cold separation that is hard to bear. From this place, I can see that my journey through life has been a story of seeking connection; a desire to return to a place where detaching self-consciousness does not exist. Being an outsider has powerful impact that is personally felt. I have become accustomed to saying it is deeply experienced because the notion is that it is inside me that this is occurring. As I begin to read about the nature of complex responsive processes, the possibility that this is an experience sensed between people becomes a more reasonable explanation. I am interested to explore how this outsider feeling develops and what significance it might have for my self and organisations.

## **Conclusion**

I have begun with a story of my origins both personal and professional. I have looked at how in both circumstances what is commonplace to me is often invisible to me. Having developed a consciousness of what I have been doing in my work I see that this has limitations. In coming to understand that other elements of experience described as complex responsive processes are occurring all the time and accessible through paying attention to language, power differentials, emotional connection, group belonging and personal experience; I realise that analogies from systems thinking, although helpful, are limited, confining not only the breadth of experience but my thinking. If this knowledge is to be useful, I must understand it more fully and develop a way of putting this learning into practice. It is this new approach to organisational practice that I explore in chapter two.

## *Current Reflections on Chapter 2 Jan - March 2008*

*Key Themes* – When I wrote the paper that is contained in this chapter, I did not explicitly select identity as a theme. The paper was written to indicate what had been the main influences on the way I had come to think about my work. However, in retrospect I can now see that identity is a vital strand running through this chapter. Perhaps this is an interest connected in some way to the precarious nature of my own personal cultural identity which is itself breached by the twists of shame and uncertainty. In this chapter, I can see how I had taken up a very particular notion of identity, one that understands identity as an object that has ‘constancy and unity over time’ and is fundamentally a ‘core’ ‘inner’ ‘self’ that is determining and making decisions about how ‘my’ world should take shape in conflict with the flow of the external natural and social world (Crossley, 2000 p18). Identity is in this sense something we have which is in part given (Hubel 1979), in part constructed (Kelly, 1955), and that we as individuals are involved in a deliberate project through behavioural actions, that follow on from rational thought, in creating a self that fits a cognitive image, comparing ‘who I am’ with ‘who I want to be’. In this sense it follows in the tradition of individual psychology, applied cognitive science (Piaget, 1952; Beck 1976; Rotter, 1966), psychoanalysis (Freud, 1901; Klein, 1975; and humanistic psychology (Maslow 1970; Rogers 1961 ;). This notion of ‘self in a box’ (Burkitt, 1991) monadic, and employing rational strategy to dominate the external world of things and internal world of feelings is evidenced by my whole approach to understanding myself, relating my experience at work, producing explanations of what was happening in my organisation and developing solution strategies for others.

However, there are some indications of a view of identity that is not so hermetically sealed. For example, I begin by sharing a personal narrative about the nature of power relating between people. I do not at this point in writing understand differently what is occurring in this incident but recognise that there is something significant about how language and hidden power play is at work in constructing this event. What I am beginning to do, through engagement with others and the writings of staff members of the Doctor of management program (Stacey, 2003; Griffin, 2002; Shaw, 2002; Dalal, 1998), is to take a reflexive turn to consider another explanation, one that sees identity as forming in social interaction. In this specific instance with the story of the security



services I am looking at how identity formation in social interaction may be connected to the use of language (Crossley, 2000). This is a nascent shift in that the self is no longer out there as an object but more usefully understood as emerging in the interactions between people in a largely unconscious way. Reflecting back on this I begin to see an early conception of identity as a process of meaning making and that meaning comes essentially through the use of language which is interpreted and reflected upon in an ongoing way between people. The use of language is essentially dialogical and relational (Crossley, 2000) that is, it is shared and a source of connection. This perspective excites another point inherent in this chapter about the nature of belonging and how it is formed. Foulkes argued that essentially, human beings are social creatures with a desire to belong (Foulkes and Anthony, 1957). Automatically then because of the binary nature of language (Dalal 1998 p180) to belong to one thing is not to belong to another. This creates ideas and sameness and difference between things. Looking back I perceive in this narrative that there is some element of the importance of belonging and the use of language to separate out who belongs and who does not.

This is the beginning of my critique of identity as an internally held 'thing' that can be objectified. It is therefore also an emerging methodological shift, for if identity is not an objectifiable phenomenon, it cannot be studied using traditional scientific tools. Indeed, if identity emerges in the meaningful interactions between people, to understand identity it is these interactions which must be attended to (Stacey et al, 2006).

At this point my understanding of the unconscious is also still based in the psychoanalytic tradition, which is that the unconscious is a largely inaccessible entity that is the home of concealed motivations that are directing our individual and group behaviours (Bion, 1961). This remains a consistent belief through out my work until I arrive at chapter four where I begin to conceive of the unconscious as definable patterns of habitual communication rather than a covert director of actions. Nonetheless, in chapter three I continue to hold to the analytic notion of the unconscious and seek to surface the underlying patterns of interaction between people as a way of creating change.

*Practice* - This new approach is still embryonic, so that how I am describing events and the reasoning underlying my own and others actions in this chapter are still very much as a psychotherapist using systemic ways of working. For instance, whilst I mention something of the dynamics of inclusion and exclusion, I do so by talking about the conflict between CallHR and the countries, as though they were two homogenous blocks. Whilst I describe the distress of individuals, I account for this in terms of the demands being placed on them by other parts of the system that is causing duress for individual elements and creating a fear that the 'whole machine', as it were will break down. Indeed, the solution I offer is a systemic one which is about restoring ease of working between the various organisational parts as individual elements, functional units and overall structure. In doing so I am oscillating between cybernetic and soft systems approaches (Stacey, 2003).

Most significantly I do not understand any of these problems as an issue of identity. With hindsight my sense of what was going on would be very different. I might see that alterations in patterns of relating evoked by the introduction of a new organisational structure induced threats to identity (Stacey, 2003 p 80). Those in established positions engaged in socially defensive interactions in an attempt to sustain their historic identity. The new comers did not possess the necessary skills or social cohesion to adequately defend against these interactions and in some ways began to adopt the beliefs that they were 'young and inexperienced' and 'not as good as the long standing advancers'. These patterns of hostile and non-communicative interaction began to be taken up and amplified between the new comers in their local setting so that there was an increasing sense of exclusion and alienation from each other and the organisation (Stacey, 2000 p227). This was experienced as anxiety and low self esteem that was felt in a very real way in their bodies as distress.

Interestingly, whilst the WES tool was used as an entry point, the instrument itself became secondary to the attention being given to the conversations occurring between people about their experience.

In a broad sense there is also something here about the changing nature of work identity. This is in relation to the movement of work being carried out across distance and increasingly through electronic mediums that are creating novel challenges in how employees define themselves through relationships in the workplace (Aram

2001). Likewise the character of work is altering in that the demarcation between work and life is no longer a clear boundary (Williams and Cooper, 2002). Making sense of this in a meaningful way is testing many employees and one of the consequences is often Stress because the paradox of work-life, as exemplified here, is not easily managed. For me, different questions were emerging about the nature of identity change in organisational processes and so I did not attend to these wider social processes.

*Methodology* - As evidenced by the way in which I write here, I am at this point following a realist philosophical position imagining that my identity and organisations can be studied as stable things that are understandable by examining their innate characteristics through scrupulous investigation. This plays out in the methodological approach I take up. The WES is a 'scientific' instrument designed within a positivist mentality. It researches the causes of stress as a discoverable reality. Once I have apprehended the 'causes of stress' e.g. this level of work demand is creating this numerically calculated amount of stress, I am able to take specific strategic actions that can alter this in a positive direction. As I show in the critique above I was practicing from a position of understanding individuals as rational actors and talking about 'systems emerging from thinking' that are causing stress to emerge. I was seeing my role as scientific researcher attempting to understand what has gone wrong, by stepping outside, and using scientific tools of measurement able to take corrective actions that restore 'natural' harmony.

*The key question* – I do not think that at this point I had understood enough about either my own orientation or the theory and methodology of the Doctor of Management programme to articulate any sort of meaningful question. What I see, as I read this chapter now, is that instead of a research question, there is a growing interest in the nature of identity as being formed through language as a significant form of communicative interaction (Mead, 1939). What I think my conclusion in this chapter is pointing to are next steps in thinking about how these processes of linguistic exchange may be controlled and importantly how the power relating underlying all of this can be made conscious. At this stage I am still considering my role as practitioner to be one of managing the system through understanding the rules and directing the system. As I turn to the next chapter there is a movement of thought

about the nature of practice. My interest in group interaction and unconscious social processes becomes more defined and I begin to shape a question around these issues.

## **Chapter 3 – Systemic and complex responsive processes approaches to the facilitation of group experiments in organisations**

*(Completed September 2005)*

### **Introduction**

Humans are in social relationships from the moment they are born and they remain part of a network of other people throughout their lives (Burkitt 1991, p.2). Our first community is perhaps the key in forming identity. The perspectives we develop at the beginning can shape our world for good or for bad and our creative journey through life often involves defining and re-defining ourselves in relation to these first surroundings (Shotter 1993, p.162; Holmes 1993, p.39; Bowlby 1969, p.12).

The previous chapter began with a story about my life growing up in Northern Ireland. My intention was to show how intransigence and inhibition of social and personal growth can be the result of the taken for granted, and sometimes invisible, social interactions that replicate power differentials between people. I want to draw on another story from my work community that illustrates how we can begin to transform these set situations.

This chapter explores how power differentials exist and are sustained, but, more importantly, how these are potentially transformed. I intend to draw attention again to the idea that power is not a static property but is a largely invisible pattern of relating between people, which is continuously co-created in the moment (Elias 1998, p.132). Using complex responsive processes thinking (Stacey 2000) and drawing on the work of Elias, I will look at the nature of the figurations of power between people. In particular, I will use the idea that:

Movements in patterns of power relating are experienced as sensations of inclusion and exclusion that configure as socially created identity. (Elias 1998, p.132).

Primarily I will explore what is unique or distinct about the complex responsive processes way of working and begin to explore my reasoning towards embracing this thinking.

Following a presentation by Bruce Irvine<sup>7</sup>, I was struck by how difficult it was to distinguish between open systems and complex responsive processes as ways of working. I will use the narrative of a workshop exercise to draw out these distinctions. In particular, by contrasting systemic and complex responsive processes ways of thinking, talking and acting, I will consider how this leads to different styles of facilitation. Embedded in this explanation is my questioning of the legitimacy of psychotherapeutic skills and my insights in the process of organisational facilitation. At times, this requires some caricature of systemic approaches but this is used to amplify difference and dispute the usefulness of the theoretical explanations used.

I intend to show how this understanding can help create risk taking and participative ways of working that temporarily undermine power figurations to allow space for new patterns of relating to emerge.

### **The setting**

It is Friday afternoon; I am working on a number of projects each with competing demands. It is approaching four o'clock, my colleagues across Europe will be finishing for the weekend, and I will be able to finish too. Suddenly the telephone rings. It is Maria: an HR Manager. She jokes about catching me before I go out for a drink. We are around the same age and part of a group of younger members of the Advance HR leadership team.

She says coyly, "I need your help". She is savvy: a former lawyer. Her mischievousness manner, and my knowledge of how sharp she is, makes me wary of being manoeuvred. I listen intently to what she says and attune to her voice tone. "You know that Jim is leaving, well we would like to do some sort of exercise". I feel my anxiety rise. Jim is not keen on exercises he is stern old school HR management, a scientist promoted for technical expertise. She tells me that Axle, who will replace Jim, would like to do something at the leadership meeting. My anxiety leaps even further; there are forty managers who know their role and each other well. I do not yet

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<sup>7</sup> Bruce Irvine is Executive Director of the Grubb Institute, UK. The Grubb is a community-based consultancy and educational organisation. Its work is informed by systems and psychoanalytic thinking. Bruce presented his practice during a DMan seminar.

believe I have established the credibility to lead this group. Although I have worked with them before I am concerned about being successful. They are conservative and achieving my goals is dependent on their co-operation. This is not a group I want to disenchant. Furthermore, it is only the second time that I have worked with Axle and, as he is my new leader, I want to convince him of my competence.

Maria continues, “we had tried to get Yves but he was unavailable and we asked Rene but he was pre-booked”. My heart sinks as I realise that not only am I being asked to do something that may be unwelcome, I am third choice to do it! I am immediately torn between feeling anxious, insulted and excited by the opportunity. I ask for time to think and we agree that I will have something by the end of the weekend to propose to Axle.

As the conversation ends, I sit alone and feel perplexed. I have no idea of what or how to do this. Yet I have said yes through a combination of liking Maria and wanting to impress my new boss and colleagues. I feel inadequate because I imagine those other consultants would know what to do and have exercises that would create the sort of experience that Axle wanted. I am envious of the training they have had and lose all sight of my own abilities. The only thing I know right now is that they have something that is valued and I do not and I want it so very much.

I begin to reflect on what I was asked to do and what I am feeling and some thoughts begin to emerge.

### **Thinking**

Thinking is described as a mental process which allows beings to model the world, and so to deal with it effectively according to their goals, plans, ends and desires (<http://en.wikipedia.org/wiki/Thinking>). It is essentially an internal process that uses information as input, integrates that information into previous learned material and the result may be knowledge (<http://home.earthlink.net/~ddstuhlman/defin1.htm>).

These descriptions of thinking have their roots in Kant’s view of people as rational autonomous individuals (Stacey 2000, p.23). Knowledge here is acquired by linear transfer from a few skilled individuals rather than a social creation. In the complex

responsive processes approach, thinking is understood as a conversation of gestures with oneself (Stacey 2003, p.62). It is a private conversation that evokes in us similar feelings to those that would be evoked in others as they listened (Mead, 1934). This is the basis of empathic response and useful to consider here because it is in this private conversation, which I describe as thinking, that feelings emerge and are articulated in such a way that I am able to begin to make sense of what may be happening for others in any changing situation. These feeling responses allow me to create a fantasy about what others may possibly be feeling. The combination of my feelings and the imagined responses of others lead to the creation of the exercises I prepared for the session.

I begin by noting my feelings, particularly pressure to act and guilt that I did not have a range of suggestions to offer Maria immediately. I imagined a possibility that I could make a fatal error resulting in my demise. I worried that I would be exposed as incompetent in front of my new leader and my colleagues. This was clearly a catastrophic view of what might happen as I felt open to criticism and without the authority to do this work. My previous boss who had left recently entered my mind. I wondered what she would do and think. I imagined that at least if she was here and I messed up, she could perhaps salvage something from the terrible consequences of my failure. I feel unprotected and exposed. It feels to me that others may also feel vulnerable. That usual protection through established patterns of relationship may have gone and that my role is to make this private conversation part of the public conversation between people.

As I sit with these thoughts and feelings a question emerges that helps to bring some clarity.

Why is Maria calling me? There are a number of senior people, including the Medical Director, who would normally consult with me on a range of issues, but Maria is not one of them. She is not senior nor a close confidant of the Director of HR. It is clear something is changing in the pattern of relationships because of the leadership change.

Much of what I am experiencing may relate to changes in the relational patterns between people. The feelings of incompetence, the desire to act yet not knowing how



to do so, the fear of failure and anxious insecurity are feelings that can relate to threats to shifts in identity (Stacey 2003, p.130). Usually a request to work with this group would be initiated by a senior manager. Over the past months, a number of these people have left or have been preparing to leave the business. The change in leadership has galvanised these many changes enabling a new pattern of relationships that has been developing over a long time to emerge more fully. I see how others may be affected by these changes and I draw on my responses to Maria to help make sense of this experience. It seems that this may be a useful focus for my work with the group.

I think about the playful nature of our interaction and how this contrasts with the sombre mood usually present in organisational interactions. I wonder if our more youthful interaction is indicative of the changed organisation. In demographic terms, the age and gender of the group has begun to shift. Paradoxically, although this is a wonderful invitation into wider development work, I experience anxiety as I think about whether I will be taken seriously and an overall loss of gravitas. Will my work be seen as credible? I consider how the newness brings opportunity for lightness and a fear that the solidity of history may be lost. I become aware of a theme of shifting between stability and instability as the ways of doing things and the constellations of relationships between people begin to move. I reflect on why I feel as I do just now.

I consider how my anxiety emerged from a reasonably relaxed place and in my conversation with Maria. Two key parts of the conversation evoked this response:

1. not knowing what to do and
2. being chosen third.

### **Not knowing**

Maria had mentioned doing an exercise, and yet did not specify what this meant or what the purpose of such an exercise was.

I noticed not once as we spoke was there a reference to not knowing what to do. Uncertainty had been managed out of the conversation. There was an agreement that

something should and would be done but what this something could be was not clear to anyone, including me. Nor did either of us acknowledge this.

The aim was to find an expert from outside who would bring meaning and knowing (Hogan 2003 p8). This is how consultancy is often viewed, with facilitation from a systems perspective being about giving people in the organisation direction about what they are or should be doing (Shaw 2002 p9). Knowing what to do and taking the right action are highly valued in organisational life (Lawler 1992 p347). Not knowing is equated with lack of competence and inability. Not knowing is often shame filled and therefore difficult to share with others. Shotter (1993, p.156) speaks of knowledge as neither 'observable' nor 'discoverable'. It is made in the conversations between us. If we agree with this different view then talking about our uncertainties is the best way to discover meaning and knowledge. Not speaking ultimately leaves us ignorant and leads to the thing we most dread: not knowing. So I began to consider how I could allow people to talk about their doubts, fears and worries as the organisation changed.

### **Being chosen last**

Technical knowledge is of course only part of knowing. Knowing is also about recognition. By this I mean .By this I meanhaving haoahhab9sdihsdihsebeing able to identify someone or their thoughts and actions as familiar—in that, they are similar to ones own. Recognition is important for group cohesion and crucial when group identity appeared to be changing. Interestingly, both Axle and Maria had attempted to use consultants better known to them. This spoke of the importance of locating what is familiar in the midst of the unknown. There was a paradox in that they were seeking simultaneously to experiment with the familiar by using exercises. Clearly, the loss of the familiar and excitement about the new are part of the change process.

Similarly, in this selection process, I was conscious of the powerful feelings of anxiety, insult, envy and excitement that arose in my short discussion with Maria. I thought about the emotive quality of positioning and considered how position movements of all types generate emotional reactions in people. These might usefully find expression as part of this process. In particular, my own concerns about competence and recognition focused on Jim and Axle as leaders and the personal

conflict about resisting something I know Jim would dislike and embracing something of which Axle would approve. It struck me that although other relationships with colleagues were important, the primary relationship was to the leader who held disproportionate power through his relationships with others to include or exclude.

It was imperative that relating to leadership was captured in what we did together and in particular how we related to each other in terms of a connection with the leader. As I thought about this, an image of my previous boss comes to my mind. Her protection of me from the politics and how she pushed me forward as a resource to others was of critical importance to me. I recognised how political access to the leader had altered for many because of the change of leader. I needed to make this a tangible part of the experience (Le Roy 1994).

It is clear then that shifting power relations are a consequence of change and that this:

- effects individual and collective identity (Stacey, 2000)
- alters the protection afforded by the established group (Freud, 1976 pxlvi)
- changes access to resources, information and influence (Driver and Droisen, 1989)
- evokes anxiety because familiar ways of doing things are disrupted (Yalom 1985 p177)
- shifts the pecking order so that envy and competitiveness emerge (Nitsun 1988)

I needed to create something that captured these issues and decided to talk to my clinical supervisor. I felt reassured by the thought of knowing someone who could assist me. I do not mean this in terms of a systemic supervision where someone stands outside as though at the edge of the system created between the organisation and myself (Wynne *et al* 1986, p.23). Rather this was an opportunity to enter into a dialogue about my experience to help me make meaning of it. I wonder how this aspect of supportive communication can itself be made a part of the process and if this will provide some level of reassurance to others (.

I return to a more at ease place and look at the clock remembering that I was waiting for the day to end. I think to myself “and all this comes right at the end” and see the timing of my conversation with Maria as a metaphor reflecting the wider processes occurring within the organisation. The intervention I create must speak to this ending and in some way allow a response to come forward.

## **Talking**

From a systems perspective, meaning already exists in the system:

A consultant...is engaging with a social system. This system exists in the real world, and has a structure intended to relate to its primary task. (Obholzer and Roberts 1994, p.4).

John Shotter asserts a different view that it is through talking that we make sense of our experience:

If we...are to live, not according to...existing, well formed images..., but..., according to the vague ‘feelings of tendency’ we can sense within ourselves to which our circumstances give rise, then we must construct an account of what it is to act...as an ordinary person who is able in the course of acting to be aware of what is currently occurring, thus to use that awareness to inform their own further conduct... (Shotter 1993, p.156).

Shotter is saying that moved by feeling, we talk, act and construct meaning as we go. The process of talking is not about taking up a position on the edge of experience and looking from the outside but rather an engagement with the situation as it is forms and transforms us. Therefore, as I met with my supervisor, my private conversation became public for the first time and continued a process of transformation.

As I spoke about my conversation with Maria and my feelings and reflections I noted the key themes:

- the shift in ways and types of relating
- the shifting power base that could be acknowledged

- the nature of being manoeuvred and manoeuvring
- the conflicts between old and new loyalties
- the strength and capacity of feelings to determine action or inaction
- the reactions to being led in a direction one does not want to go
- the desire to experiment yet the draw to the familiar
- the yearning for newness but hankering after tradition
- the diversity of experience of endings for people.

I explored what my fear was about. My first reaction “if I am not any good at this I will lose my job” was in reality extremely unlikely but rationality was unimportant. This led into a discussion about the nature of fear in organisational life and how what most people fear for when the leader changes is that their concerns will not be close to the leader’s heart (Howard 1996, Obholzer and Roberts1994 41ff).

What a change represented would vary widely, as I noted from the loss of my own manager. For some it would bring hope, relief and even liberation, for others there would be fear, unease and distress (Obholzer and Roberts1994 41ff, Bridges 1991). A phrase emerged, “it’s all about who stands where and where you position yourself”. In my mind’s eye, I imagined a jostling crowd vying for position. Some people test their ideas out to see if you are interested and some feed their ideas out to ensure they stuff people with their perspective. We began to talk about the competitive nature of endings in a business context, something I had never considered (Yalom, 1985). I suggested doing something around the ending process, to which my supervisor replied, “Yes, and you must remember the shadow side. Take care that any discussion of the past does not idealise how it has been, especially in this context, for some it will have been far from ideal and they will feel that what you do is disingenuous if this is not acknowledged”. Gradually the ideas of movement in position and ending related to the leaders began to solidify into some exercises.

### **Acting**

Our normal understanding of action is the things we as individuals do as opposed to events that happen around us and over which we have little or no control (Shotter

1993, p.38). In systemic approaches to facilitation, taking action is the individually enacted interventions of the facilitator into the system:

We share our observations...and...actions can be devised. (Campbell 1989, p.2).

This way of thinking about action is based on the notion that the facilitator takes up the observer position helping one to stay at the edge of the group rather than being sucked into shared assumptions about how things have come to be organised (Obholzer and Roberts 1994, p.6). From here he devises possible solutions based on hypotheses (Campbell 1989, p.16).

Shotter suggests an alternative view, which he calls joint action (Shotter 1994, p.39). This has two major features. First, people respond to each other as they act so that what one person desires by his action is not always the outcome. Sometimes unpredictable outcomes occur that cannot be traced in a linear cause and effect type of way, generating a situation that appears natural or given. Second, although unintended, it has an intentional quality to it, so that although people are immersed in it they are also seemingly able to act to shape it. Therefore, it is open, responsive and unpredictable.

This relates to complex responsive processes as outlined by Stacey (2003, p.43). It is in the spirit of intention without certainty of outcome that I designed the exercises. The intention was to address the impact of loss and change on the HR group by addressing what this evoked Mirvis (1985). Because the responses of the participants to my actions were not predictable, I could not be sure what form this group would take. It was certainly not my intention to work in a systemic way to drive people through a process to reach an outcome I had predetermined. Crucially the exercises were not simply the product of my thinking alone. They were my unique response, based on a lifetime of conversations, to the conversation with Maria, which itself was a product of other conversations she had had, and gained a particular meaning as I spoke with my supervisor and others, as they in turn responded to my suggestions. What I am saying here is that the unique contribution of the facilitator is not skills in leading groups but a capacity to contribute to and generate conversation in an

idiosyncratic way. This is what I understand Shaw to mean when she says that in complex responsive processes there is a shift in paradigm from the predictive designer to the participant in self organising emergence of meaningful activity (Shaw 2002, p.30).

### **The human spidergram**

Elias' words: the web of human relations changes when the distribution of power changes (1993, p.121), shaped the exercise described below as the human spidergram. I use this to explore further my development as a facilitator attending to complex responsive processes.

I asked Jim to stand in the middle of the room. I explained that I wanted people to stand in relation to Jim in terms of the access and influence they had to him. People eagerly took their places encircling him. When they were in position I asked them to see who was close to them and if they were the right people in terms of their current network and connections. There was some jostling and movement. I asked them how this felt. People responded secure, correct, comfortable etc.

I then asked Jim to move out and replaced him with Axle. There was a murmur of recognition before I asked people to re-configure themselves in relation to Axle. There was a huge and significant move. There are two types of manager: one assigned to the country the other to a business. Most poignantly, there was a shift in how country HR managers and business HR placed themselves: the business managers moved closer to Axle. Already people were talking and noticing their new positions. I then asked people to consider the key issues important to them, and stated clearly that the greatest need in times of leadership change is to know the leader has your concerns close to their heart. I asked the managers to look around and see who they needed to connect with to get their needs met. I then encouraged them to go and speak to that person. What followed was a lively conversation with people moving and changing groups, connecting about issues and talking to each other about working together.

### **What is this movement exercise trying to capture?**

Movement here refers to changes in the status of individuals as they interact with one another. Elias (1998, p.114) suggested that a key question to answer in understanding the structure of society is how is it that a kind of order appears in the interdependence between people. Elias suggests:

Balances of power are not only to be found in the great arena of relations between states...they form an integral part of all human relationships. (Elias 1998, p.115)

Interdependence between people is based on power relating and this is, essentially, what binds us together. Elias argues that there exists a functional interdependence between those in power relationships. By function, he is not talking in a systemic way about a positive contribution to the purposeful preservation or integrity of the social system.

He is asserting that function is a concept of relationship—that when one person lacks something another has, the latter forms a function for the former (Elias 1998, p.119). Thus, parents have a function for children, men for women and even enemies in a conflict for each other. The ability to withhold what the other desires or needs for existence or integrity means that the relationships are uneven and more constrained for one person than the other. Yet power is not held in one person who has the desired quality, but between the two; should one person surrender the need for what is desired the constraint would collapse and the functional relationship would need of course to change.

Elias speaking about society more generally put this in a different way:

Changes in the structures of societies in the over all nexus of functional interdependencies may induce one group to question another group's power of constraint, their potential for withholding. In that case these changes initiate trials of strength, which can erupt suddenly in the form of acute and even violent power struggles, or they may smoulder for long periods of time as



standing conflict inherent in the structure of a society during a certain phase of development. (Elias in Mennell and Goudsblom 1998, p.118)

This struck me as relevant in the HR group. Leadership change was altering the web of relationships built up over time. The daily adjustments and jostling around who could withhold what, and who had to yield to or stand against who, was transforming. Some of the anxiety, as yet not fully expressed, was, I believe, connected to these emerging power struggles. The spidergram was an attempt to make this part of public conversation by making this visible through movement. The questions: who can now withhold what? Are the same people still the holder of what is desired? Is what was desired still desirable, all these pointed to where the new functional relationships were emerging.

I used Elias' term figuration as a metaphor to think about patterns of movement of observable figures moving in physical relationship to one another. Johnstone (1981, p.33), exploring status through improvised theatre, noted that every inflection and movement implies a status and that no action is due to chance or really motiveless. Status or functional power relations between people are not a mental abstraction or rational conscious process. They are unconscious embodied processes, involving gestures, actions, looks, glances, posture, voice tone and inflection, all of which along with words infer status. All actions, movements and words are based on power relating. It is through our somatic relationship with each other that the conversation of gestures is enacted. It is not enacted alone but is a dance between people and is essentially a social act. Whereas Mead focuses on language as the exchange of significant symbols, it is clear that words disembodied can have a different meaning from those spoken from within the human frame (Caldwell 1997, p.11).

Using the idea of physical positioning is simply an attempt to transfer the literal differentials in power between people into a physical form that makes them more conscious. It is a truly metaphorical process because it links both the known positions with the out of awareness positioning that is given or desired.

Moreno (1986, p.291) used a similar method in developing psychodrama calling it tele from the Greek meaning distance. Positioning he argued correlates with rapport

and how some people, within groups, have a draw to or repulsion from each other. In popular culture, we hear this expressed as someone having the vibe or the right chemistry (Holmes 1994). What they refer to is their preferences for others and Moreno's intention was to make it possible to explore aspects of relating that they normally would not feel comfortable discussing. This was my intention also; however, I was primarily attempting to invite people into an awareness shifting power relations.

By engaging in whatever conversations they needed to initiate they could literally see their movement, enact it with their bodies and enter dialogue about the experience as it occurred. Paying attention to physicality made it possible to discuss what it was like to be overshadowed, thrust into view, ousted and jostled for position.

Learning systems theorists (e.g. Senge 1990), using the objective observer model, believe they can stand outside the system, know it as a whole and, by identifying leverage points, act into the system (Stacey 2000, p.414). Complex responsive processes are what is actually happening unpredictably without prescription and can only be attended too not controlled.

### **The nature of the exercises**

From a systemic perspective, it would be easy to confuse the use of exercises with technique: a how to do it instruction kit. This was not my intention. Let me explain the difference. The Gestaltists, Polster and Polster (1974), suggest that exercises like brain storming, creating time lines and objectives, are ways of talking about things until we reach some position worthy of action. If the moment has not already passed, then we act and this is effective. This separation of thinking and doing, where we think about, talk about, decide about, rather than acting and interacting in the moment: they call aboutism. It is an abstraction from the experience as it happens and at best a partial view of what is going on; for example, feedback from small group discussions conveyed to a flip chart is often retold by the group member who captures only a biased proportion of what was said. Sometimes more social interaction than prescribed work has been occurring, so that what is reported is often a fabrication of what discussion took place because the social interaction does not have value or legitimacy. The idea that there are certain ways to do things and those certain

processes or activities will enable this to happen is a kind of aboutism. It conveys a message that there is something that should be rather than a way of attending to what is. This is problematic for what it encourages is a resistance to action; implicit in this is a correct action to take and therefore inherently an incorrect action thus raising the possibility of shameful error.

The planning of exercises to create certain responses or evoke certain feelings creates what the Polsters' call aboutist blueprints (Polster and Polster 1974, p.224), which stifles innovation and improvisation. They draw attention to the fact that actions based on past deliberation lose vitality and they feel rehearsed and become mechanical and lifeless.

Yet at the same time, people can fear simply acting into the moment constrained by the consequences and the sanctioning power of others (Dalal 1998 p90ff).

Deliberation and careful planning are highly prized so that although in reality we are always acting into the unknown, a causal link is made, which leaps to the conclusion that it was careful planning that directly resulted in the hoped for outcome. Acting is feared because it runs the risk of altering ones status should you fail to achieve your intended goal. To take action is to risk, at some level, a transformation in oneself and, by the nature of inter-subjectivity, a change in others (Stacey 2003).

What I was attempting to do by introducing these exercises was to restore the connection between aboutism and action by introducing action into the deliberation process. By asking people to notice the movements in their positions that reflected the changing functional relationships, I was encouraging them to take action in the now, by identifying contacts and initiating an immediate connection and conversation with others.

### **Experiments not exercises**

These exercises were initiated in the spirit of experimentation. The experimental attitude is vital for two reasons: (a) it reduces anxiety about getting it right, because an experiment with a known outcome is not in fact an experiment at all; (b) it challenges aboutism by requiring participants to actually act. Polster and Polster describe this as

equivalent to the work of the artist creating images from what he observes in the moment. However,

Whilst art is about production of a finished product which will inspire or shock, the art of the moment...leads to actions which create an expanded dialogue with oneself and others. (Polster and Polster 1974, p.237)

Experiments are not a rehash of old stuff, nor a rehearsal for the future, they are a real experience in the present moment with the intention to create more interactions in the form of new private and public conversations.

Experimentation attempts to undermine, through its unconventional nature, the existing constraints in the organisation (Perls, Hefferline and Goodman 1951 p266; Ernst and Goodison 1981). These constraints do not vanish but are momentarily weakened. The facilitator it is suggested, using psychological status, that outranks others (Obholzer and Roberts 1994), can invite awareness of the functional power relationships between people. Embracing the experiment by simply speaking to new people or even stepping into a position from behind a desk where they no longer feel so protected, creates some adjustment in their power relating.

I am not saying that it is a matter of getting people to do different things—like sit in a circle or stand facing each other rather than sit in front of a computer. What is important is that this movement represents an opportunity to work differently with the constraints between people. It is a freeing up of long-established patterns of relating that are held in place by convention. The experiment is a loosening convention that invites flexibility. People then feel freer to act into the new situation in creative or novel ways. Mobility of mind and body are restored when one is no longer governed by reality but can invent and meet new conditions (Polster and Polster 1974, p.244).

It becomes increasingly apparent that systemic and complex responsive processes are distinct ways of thinking about organisational life that lead to very different ways of behaving. It is important to understand what this distinction is.

## **A systemic approach to facilitation**

Systems facilitation refers to the application of systems concepts and principles in organisations (Wynne *et al*, 1986). Taking a systems perspective affects how organisational difficulties are understood, how potential solutions are articulated and how interventions are enacted.

## **Understanding the problem**

Development consultation, a systemic approach to facilitation, is defined as:

Helping the client solve a problem through mutual exploration and understanding of the meaning which the inability to solve the problem has for the larger organisation. (Campbell *et al* 1989, p.5).

This means that the system functions to serve some enfolded purpose and the consultant's job is to reconnect functionality and purpose. The systemic facilitator takes a meta-view, understanding that the organisation exists to fulfil some purpose and that deviation from this purpose causes problems. In a more cybernetic analogy, the organisation is understood to operate like a vending machine activated by a coin (Maturana and Varela 1980 in Campbell *et al*, p.6). It is posited that the coin does not produce a cup of coffee. It merely sets in motion a serial process, each step triggering the next ending in the production of a cup of coffee. If the machine is working well it will always produce a cup of coffee. It functions to fulfil a set sequential purpose. This is very different from Elias' view of functionality as a product of interdependent power relationships between people (Elias 1998, p.118). The former systems view suggests a preset order to relationships and the latter complex responsive processes view suggests that function is created in the relationships between people. In systems thinking there is a purpose, as opposed to the complex responsive processes where people serve a purpose for each other. The facilitator's role in a systems approach is to restore functioning within the purpose. Organisations only have the capacity to respond in the way its structure permits and the facilitators role is to get people back to operating in connection with the permissible structures.

### **How solutions are articulated**

Most systemic approaches (Campbell *et al* 1989, p.7) take the view that organisations must balance the need for change and for stability. They do this with reference to the concept of homeostasis. It is suggested that the organisation is attempting to maintain a steady state through rules about relationships and patterns of mutually reinforcing transactions (Thompson and Kahn 1987, p.174). When these are disrupted in some way, functionality, as described above, is lost. The facilitator's role is to act using interventions to introduce or even force (*ibid*) change. Change is not transformation of the system but rather restoration of function. Where change occurs, it is a change that occurs through learning a new mental model so that, in effect, there is simply a change in perspective, so that the purpose may be achieved more efficiently or collaboratively. The purpose of the system, however, remains essentially static.

For example, Advance is a company that exists to profit from the production of innovative chemical solutions. It may do this as a science company in a business ethical and environmentally conscious way, but its purpose remains the same: profit through innovative chemical solutions. Yet in two centuries of history, it has transformed from explosives to chemical producer, to textile manufacturer, to a science company. The question therefore arises: if we are not changing the purpose then how does the innovation arise? (Stacey 2000, p.31)

An important aspect of restoring balance is the elimination of difference. This is achieved by collapsing conflicts and identifying positives and common ground of alignment. Campbell *et al* (1989) use the example of Presidents Regan and Gorbachev. They both hold fundamentally opposed political ideologies; however, they meet on the common ground of wanting to reduce the threat of nuclear weapons. By building on this common goal they are able to work together in a collaborative way. Again, the question arises: if we are seeking change how does novelty arise in a consensus based system. In contrast, complex responsive processes do not work to collapse paradox or remove conflict instead this is understood as the birthplace of innovation.

### **How solutions are enacted**

Taking a meta-view that the system has a purpose separate from the people, that the parts become subservient to, and functionally driven toward, the satisfaction of the whole, then problems come to represent dysfunction and not destruction or growth points. Change in systems thinking therefore is restoration of purpose. This is true whether you take a cybernetic perspective (where teams or departments get their purpose or task clear as a sequential part of a process to meet the overall purpose) (Stacey 2000 p33) or a more soft systems approach (where people find their existential meaning by connecting to the organisation through clarity of purpose) (Stacey 2000 p192). Inevitably, and I say this aware that I take up a systems way of talking; this will lead to certain kinds of actions.

Meta-views require an objective observer position. To think in this way leads to the formulation of abstractions about how the organisation is operating, and how it should operate, so that a way can be found to bring the two into harmony. This is different from simply paying attention to how it is operating. Consequently, the consultant's hypothesis is more important than what is actually going on between people (Campbell *et al* 1989, p.17). It is the foundation of his work:

It is our most powerful tool, since it determines the nature of the questioning that follows and the design of the consultation process as a whole. (Campbell *et al* 1989, p.30).

In my narrative, I was clearly formulating a way of understanding the shift in leadership as, in part, a process of loss. It was possible then to imagine that the common emotional responses to loss might be evoked. In a sense, I was creating a hypothesis. It is, however, different to then say that the whole facilitation is determined by this and that I, as an expert, am working to prove or disprove my proposition. My hypothesis is only one theory that joined with the many suppositions present in the group and aimed at creating a multifaceted understanding of what was occurring through joining a conversation about what was happening.

This leads to the concept of role, which is another aspect of enactment. The systemic view is that people serve function and so being clear about one's role is crucial.

Questions Obholzer and Roberts (1994, p.38) suggest in relation to primary task or purposes are: how does our way of working relate to this task and what are we behaving as if we were here to do? The intention here is to clarify role. Clarity of roles gets people back into their function so that, in the crudest of terms, the cogs fit and the system produces what it should. So the role of the facilitator is to encourage, act and design in ways that drive the person back into their appropriate role. This also requires the facilitator to take up a particular role, which is usually quite powerful and asserts strength of leadership and dominance of viewpoint (Thompson and Kahn 1987, p.176). This would contrast with a complex responsive processes facilitation, which would value strength of expression but resist dominance.

In aiming to restore systematic operation towards purpose, the techniques employed by the systems facilitator are based on logically sequential steps—for example, background information, identifying current failures, identifying solutions and implementation strategy (Campbell 1989). This can be highly valuable but is limited in that it pays attention to one aspect of relating and creates a fixed approach that does not reflect the reality of human interaction. In the spidergram exercise, although I had a clear sequence and intention in mind, I understood that this was a structure designed to contain my anxiety about entering into the empty space with nothing prepared. In taking a position on practice as an emerging phenomenon, as the moment demanded, I stated my perspective and let it go to be taken up or not by the group. Therefore, although I have a plan at the same time I am able to improvise according to immediate responses. This I understand as paradoxically holding both order and disorder at the same time.

The systems approach strives to remove destabilising activities from the system, leading to activities that involve finding alignment, common aims and objectives, and a shared mission and vision. Again, there is nothing wrong with these processes in their attempt to create collaboration; however, like all logical techniques, they are limited in that they address only a small part of human interaction and are at best punctuation points in ongoing dialogue. It is possible for a group at the end of a meeting to arrive at a written vision and mission and erroneously believe they have reached alignment: although perhaps in that moment they have. Again, the question arises: in the desire for novelty is alignment a valuable thing.



## **Contrasting the two approaches**

What I am suggesting then are two contrasting approaches to facilitation, each of which involves very different ways of thinking, talking and acting. Rough (2005, p.4) uses complexity science to inform his dynamic facilitation. I use his understanding to demonstrate the subtle differences between (a) systemic approaches to facilitation and (b) attending to complex responsive processes as facilitation.

Two things are noteworthy:

- First, that there may be a tendency to take this understanding and see it as a prescriptive set of actions to be applied in the role of facilitator. This takes us straight back into the position of objective observer who acts from the outside. In contrast, I am talking about being embedded in the experience and making sense with others by attending to richer sources of information; these being the quality and type of interactions between people as they happen (Stacey 2003, p.414).
- Second, to differentiate between the two approaches, I distinguish between thinking, talking and acting. However, in a social process where I am forming and being formed in relationship with others (Mead 1934), it is not a matter of thinking then doing. I am thinking while doing and thinking by doing, so that in fact thinking, talking and doing are not separate forms at all, but really the same thing: a process of finding meaning (Weick 2003).

## **Thinking**

Typically, systems' thinking operates from a rationalist perspective, with a unique twist. It is primarily leaders, who are understood as autonomous individuals who exercise free will to design and act into how the system will operate. Others are part of the system and largely seek to follow these rules (Stacey 2000, p.27). This thinking extends to the facilitator as leader who, from an observer position, determines the actions that will bring a group to a pre-designed end. Inevitably, this leads to a subtly different approach to, and understanding of, participation. Rough (2005) refers to this as a distinction between decision making and choice creating thinking. I understand his intention is to make a differentiation between thinking before action and thinking as a reflexive process. This fundamentally discriminates between the

systems position of facilitator as objective observer and complex responsive processes stance of facilitator in the midst of experience! Since always being referent to one's own individual and collective experience, there is no possibility of objectivity. The role of facilitator therefore moves from one of process controller to enquiring participant (Reason 1988, p.68). This has implications for thinking in and around groups.

### **Critical versus creative thinking**

The first marked difference between systems and complex responsive processes facilitation is critical versus creative thinking (Rough 2005, p.4). The systems approach is essentially analytical in that people make a selection from a set of possible choices. For example, in the human spidergram, the invitation to notice "who can help you now get your needs met" could be facilitated as a purely cognitive exercise with people rationally selecting between favourable and unfavourable alliances. Alternatively, if one pays attention to relating rather than choice, then a rather more imaginative process occurs. People become aware of patterns of power relations and who is included or excluded, conversational themes emerge around how come these interactions occur in this particular way, and the feelings of anxiety and shame that are evoked by transforming identity become part of the conversation (Aram 2001, p.157).

One person fed back: "I became aware that those closest to Axle were all German". This is a rich vein of exploration, which continues to emerge as a theme in conversation several months after the event. This speaks about issues of exclusion and inclusion, of projections about what it is to be led by Germans and about the way in which being excluded as non-German is paradoxically a point of collaboration between allies. Simply asking them to make a choice between different people to help you get your way would not reveal such important issues in the everyday power play at work in this group.

Critical thinking also tends to equate choosing the best option with making the right choice. If there is a right choice then there can be a wrong choice and this induces anxiety and avoidance of risk (Rough 2005, p.8). With complex responsive processes there is no correct choice. Although choices will create constraints, they remain part

of an ongoing process of interaction, liberating people to improvise in forming meaning.

Likewise, over-emphasis on a decision-making style leads to greater partiality in what is arrived at. After meeting gossip usually relates to what was not expressed in the decision-making process. By attending not only to cognitions but also feelings, there is a greater sense of engagement in the process and arrival at less partial conclusions.

### **Logic versus felt sense**

The legacy of the Cartesian split is that we think of ourselves as thinker and doubter (Elias 1995, p.105), detached and separate from others, with an individual reasoning mind (Stacey 2003, p.31). Over time, there has been a separation of body and mind in our thinking, from which primacy of thought has emerged. Yet logic is limited; it is only part of direct sensing of experience. Researching in the field of psychotherapy, Gendlin (1996) argues that by using logic alone we capture only an abstraction of our experience. To illustrate, we can have a feeling emerge and think of this as “I am sad”. Without direct sensing of its physical origin we narrow our options, in that we have only the experience as we think of it and no direct contact with it at source. What we are left with then is no sense of how to move forward and only the material itself and the therapist’s interpretations to assist us (Gendlin 1996, p.17). This is described as the paucity of thought. A richer quality of interaction is called forth by expanding to consider felt sense experience.

Stacey (2000, p.362) appears to support this when he refers to how organisational interactions are a process of themes interacting and these themes are always experienced in individual human bodies. What I understand he is doing here is considering physical experience as central to the way we interact with one another. He does this in reference to the work of Mead (1934) on the conversation of gestures.

Mead, in exploring the nature of consciousness, cites the capacity of mammals to call forth in each other a similar range of responses when they gesture to one another (Stacey 2003, p.61). Our ability to resonate with one another in this way is the fundament of human social interaction, and the basis of how we understand each

other. Notably, from my perspective, it elevates the importance of feelings. For it is our capacity to associate the possible feeling responses of others with our own that enables us to act with the other in mind (Mead 1934). Some of the responses to the exercise we undertook illustrated this: “I was concerned how others would see me” or “I worried what Jim would think”. This is only possible because an individual can imagine from his own range of potential responses what others may experience and then generalise these.

A shared feeling theme is, then, the result of individuals gesturing and responding to one another, as they come together, and through a process of association evoking similar feeling responses (Stacey 2003 p137). For example, in my narrative, the generalised response was anxiety about change, which, through the conversations evoked, transformed for some into excitement about new opportunities and others a sense of exclusion. Feelings about what the generalised other thinks is therefore said to be a constraining factor in decision-making which influences decisions, forges alliances, creates connections and stirs passions (Stacey, Griffin and Shaw 2006). Feelings, thinking and action are therefore inseparable. Consultants attending to complex responsive processes pay equal attention to emerging feeling themes in groups, but this is also characteristic of open systems approaches like the Tavistock model (Obholzer 1994, p.2). In both approaches, individuals allow themselves to be emotionally vulnerable and consequently there is a greater risking of individual and collective identity. However, the distinction is in complex responsive processes emphasis on the social nature of transformation. It is through what happens between individuals rather than what happens within the individuals that is the key point of attention.

### **Role certainty versus risk of relating**

In the human spidergram exercise, the changing power relations provoked by leadership change are made visible through physical action, so that the already disintegrating power structures are made conscious.

This has two consequences:

1. The quality of participation changes. The focus moves from thinking about the abstract whole to concentrating on the ongoing interactions between people

(Stacey 2000, p416). So in the spidergram exercise participants were encouraged to notice how their relationships with each other shifted; the conversations and interactions were not led by me but formed between people as they moved position encountering each other, saying farewell and feeling the newness and loss as they did so.

2. There is heightened anxiety and risk of shame and the facilitator must remain conscious of this. As the intention is to create identity transformation, anxiety is aroused due to threat of exclusion. As social animals whose identity is bound up in belonging, the possibility of exclusion incites existential terror (Stacey 2003, p.130). Shame connects directly to exclusion and is experienced when an individual in relationship with others fears the loss of love and respect (Fletcher 1997, p.28). If the threat to belonging created by innovation is too great then anxiety will disrupt participation. In many responses to the spidergram exercise, people expressed veiled concerns about inclusion and exclusion. “You ...need to feel in a very safe environment with all of the people in the room” and preference for “a smaller more intimate population so the degree of openness in our sized group might be different. In smaller workgroups I could envision that openness might even increase”. The subtle difference between systemic and complex responsive processes is found in how they address anxiety.

Systemic thinking emphasises the concept of role, where a person takes up a rational position at the boundary between their internal needs and wishes and external reality (Obholzer 1994; Grubb 1991). Systemic facilitation actively encourages the restoration or taking up of one’s role because it is only from this position that they can carry out their function (Obholzer 1994, p.38). In systemic orientated thinking, it is important that people are clear about their role, as not only does this make the system run properly but in doing so they can manage anxiety. Importantly, existential and shame-based anxiety in systemic thinking is addressed by creating clarity and certainty of role. This clarity brings a level of emotional safety as individuals stay within established patterns of power relating and decisions are the product of people’s participation with each other in familiar and routine ways.

From a complex responsive processes perspective, roles are simply the crystallisation of patterns of relating and a product of the organisation at a given moment in time (Griffin and Stacey 1999, p.8). This approach suggests no individual in a role acts as a container for anxiety. Angst is instead managed in a much more social way, primarily through the interactions between people (Griffin *et al* 1999, p.9). This is not to say that a facilitator, through gratifying and frustrating needs, does not have a significant impact on the group: he does. However, although the systems facilitator might work to enhance certainty of role to handle anxiety, the person working from a complex responsive processes perspective will be attending to the responsiveness between people, the richness of their connections and how diverse they are in relation to each other. Deeper still, in an emergent and self-organising way, patterns of recognition and liking form as a container for fears. I describe this as risk in relating because there is no certainty that this will emerge or be sustained in any group without people taking the chance of connecting with each other. The role of the facilitator is to work as a catalyst in risk taking engaging with others to disrupt habitual roles and encourage authentic connection.

### **Talking**

Language is the tool and the medium through which people gain influence over the behaviour of others and over their own actions. (Burkitt 1991, p.139)

Discourse, is thus the means by which we negotiate our experience of the physical world and our encounters with other human beings (Smith 1996). Therefore, paying attention to the way our conversation forms is of critical importance.

Rough (2005, p.16) uses the terms transactional and transformational to illustrate the distinct ways of speaking about experiences in the facilitation of groups. A separation is made between discussion and dialogue using physicist Bohm's idea that discussion derives from the same root as percussion or to strike" and is like a ping-pong game with people batting ideas back and forth...to win points, a game in which the idea itself never changes (Ibid). Alternatively, dialogue rooted in through the word elicits shared understandings, personal growth and group coherence. Importantly, Bohm cites the possibility of transforming the ideas themselves. What complex responsive

processes offers further is the prospect that facilitators are themselves being transformed through participation.

### **What versus how**

The suggestion is that we attend to how things are said as opposed to what is said. Focusing on the “what” places attention on the words themselves and as a result they can become disembodied artefacts. In systemic thinking, where you want to rid the system of anomalies, this may be a useful approach, as the question “what” is often reinterpreted as “why”. Conversely, “how” is essentially phenomenological as it directs awareness toward the lived experience. We are then attending to what makes up our response and therefore opening it to question within our sense making and with others (Sinay 1998, p.105).

“How,” therefore, concentrates us on the ongoing flow of interactions between each other and the potential transformation of these. Making individual phenomenology notable is a unique feature of complex responsive processes (Stacey 2000, p.416). In the experiment I conducted, I asked people to notice how it felt as they moved; my intention was to invite awareness of the feelings present in changing relationship patterns, not simply to attend to what to do about them. I wanted to encourage an attuning to how the actions themselves were shaped by these feelings. An example of this was shared by one participant: “I wanted to ensure there was a person between Axle and I”; here we see a gateway to self-reflection, as the person is at a point of entering into a dialogue with himself about how come this was important for them. Were they timid or self-protecting and what meaning is drawn from this action? As they enter this reflexive dialogue, the potential for identity transformation may emerge.

### **Information versus transformation**

The issue of potential transformation is a fundamental consideration if we are to recognise one of the most significant departure points between the two approaches. At the heart of this lies a different understanding of change. The facilitator operating in a systemic way works from a teleological standpoint. That is, the system has a definite purpose, goal or design. Facilitation is based then on ensuring that each part operates

to serve the common purpose. Change is necessary when the system can no longer fulfil its purpose and might be best understood as improvement of the parts of the system to operate more successfully to achieve the purpose. The facilitator's tasks then become defining shared principles, creating alignment, defining responsibilities, designing performance indicators and generating prescribed next steps.

With complex responsive processes there is no such formative causality. Our identities are themselves being sustained or transformed through our interactions with one another. Change is a constant possibility that can emerge from the challenge to the continuity of individual and group identity through interaction. Facilitation then becomes the active pursuit of difference between individual agents in a way that might enable transformation of both the ideas and the people themselves as they encounter one another. This makes it possible to distinguish more clearly the difference between the two styles of talking.

In systemic facilitation, talking can be a way of transmitting information to enhance functioning in line with the purpose of the system, where the parts become well-informed through understanding, evaluating and adapting to the purpose. In contrast, complex responsive processes are an encounter where information, people and concepts all evolve together in a process of forming and being formed (Stacey 2003). Whereas the transfer of information in the form of new skills and understanding can improve the operation of the parts of the system, the functional identity of these parts is not challenged. In complex responsive processes, the possibility of transformed identity is the intended focus, because this is seen as the source of creative change. Indeed, there is a propensity in talking in an informational way, to adopt the objective observer position and to take up a posture of disengagement, speaking about the ideas as separate disembodied things. By attending to complex responsive processes, there is an engagement with identity formation as we make meaning with others and this is essentially an expansive and transformative process.

### **Planning versus unpredictability**

You will notice that I only speak of potentialities and possibilities when referring to transformation as a feature of complex responsive processes. Although transformation may be realisable, there is no inevitability that transformation will occur! This



introduces another distinguishing characteristic of complex responsive processes: that of radical unpredictability.

Systemic thinking is based on a linear if-then causality (Griffin 2002 p5), suggesting that if I act in a particular way then this or that outcome will be the consequence. This has powerful implications in organisational life. Implicit in this thinking is the belief that managers can take actions, which, if implemented effectively, lead sequentially to success. If they do not, then blame is apportioned and there are repercussions for those who have failed to achieve agreed targets (Stacey 2000, p.420). Yet a causal link between actions and outcomes spread over time makes such predictability a spurious phenomenon. As a concession to this, strategic choice theorists, recognising long-term predictability as merely an aspiration, developed a step-by-step process, termed logical incrementalism, to show how strategy is a continual process of learning into the future (Quinn 1980, p.20; Stacey 2000, p.72).

These two different understandings of predictability lead to different ways of talking about the process of facilitation. Facilitating from a systemic perspective there is a logical sequence to events, which requires careful adherence to a preset agenda with the objective of reaching a fixed conclusion. The process and its outcome are clearly measurable through matching how steps taken have led to arrival at the prearranged outcome. There is an ongoing harmonising of discussions and actions to the final planned outcome. Even in the least cybernetic approaches, there is an aim of reaching usable products. From a complex responsive process perspective, there is no inevitable outcome; measurement against a greater purpose is arguably likely to stifle transformational potential because it encourages extraction of concepts from experience and supports the repetition of habitual ways of relating.

In this experiment with movement, I have a clear intention to make visible the shifting power relations between people. However, I have neither certainty this will be what emerges nor desire to direct the process in this way. I am attuned more keenly to what will emerge rather than what I want to emerge.

## **Action**

Action is something done as opposed to something said (Webster 2003). Understood in this linear way, action follows thought. Systemically we observe, we hypothesise and then we act. Action is a product or eventual outcome: an end point to our thinking (Campbell 1989, p.16). For facilitation this has three important implications. First, the separation of thinking and doing leads to a notion that conversation and time spent with ideas is not action and therefore wasted time. Thus, an in-built push towards a final decision or action is created. Activities are designed to bring about a conclusion or action in a way that is often premature. This then leads to the second consequence, that of finality. Actions are seen as end points and calcified so that it is not uncommon to hear people say in a group “but we agreed that” or “it clearly states in the minutes”. Relating is thus solidified into set patterns where actions are considered final as opposed to momentary pauses in a flow of conversation that invite further interactions. Alternatively, action understood as a complex process of ongoing interaction emerges repeatedly as a theme to be re-evaluated. Third, in the systemic model, actions can be extracted from experience and talked about in an abstract way. Consequently, the tendency is to talk about experience rather than encounter others in relationship.

## **Conflict versus consensus**

Systemic and complex responsive processes approaches differ on the issue of novelty. The point is simply this: how can novelty arise in a system with an enfolded purpose? Systemic thinking is teleological. It is based on enfolded causality—that is, the operation of the system is for some predetermined purpose. Each part of the system has a role to play in the achievement of this common end. Systemic facilitation therefore looks for what the purpose is and seeks to create homeostasis, which is understood as the stable functioning of the parts in doing their bit to achieve this enfolded purpose. Novelty, the emergence of new ways of functioning, is thus inexplicable because when you have formative causality something can only be what it is designed to be.

In comparison, if we use complex responsive processes as a way of understanding our experience, there is no formative causality; purpose is created as we interact and is an emerging and changing phenomenon.

How both approaches deal with conflict is central. Systemically a system that is in conflict is by definition dysfunctional. The key intention of systemic intervention is to create a system that is functioning in line with its purpose. One way of achieving this is through clarification of the primary task. Although it is argued that this is an oversimplification, this uses a heuristic concept, which allows ordering of multiple activities (Obholzer 1994, p.38).

Conflicts are said to be related to inadequate task definition. People not knowing what, how or whether they should be acting in a particular way will enter into conflict that interferes with effective work.

Complex responsive processes action takes a paradoxical perspective of conflict. Too much conflict is seen to create chaos, whereas too much conformity thwarts creativity (Stacey 2000, p.419). Therefore, in organisations there is a need for a degree of conflict if creativity is to be present. Complex responsive processes facilitation is a way of seeking out aspects of interaction that promote diversity. This is an active pursuit of subversive activity.

This is rooted in Prigogine's idea that change emerges over time as an amplification of microscopic variations between organisms and collisions between matter (Stacey 2003, p.48) and analogous to Elias' view of social evolution is a process of local interactions between people. Evolution and creativity are seen as the result of diversity in interactions. Where this is not present, movement dies:

The possibility of evolution of novelty therefore depends critically on the presence of microscopic diversity. (Allen 1998 a & b in Stacey 2003, p.48)

Variety is the seedbed of innovation: if there is no diversity no new themes can emerge. If the patterns of relating become settled in habitual ways then nothing new can emerge. Creativity therefore involves some form of subversion of existing power relating. The human spidergram is a deliberate intention to disrupt usual ways of interacting because this disrupts repetitive relating, which is the antithesis of creativity. Through the exercise I joined a growing action-based conversation that

raised awareness of how we participate together to sustain the existing order and how we were adjusting to changes in this order as they occurred.

The discussions that followed illustrated three distinct experiences: “What is the quickest way possible for me to shorten the gap between myself and Axle” contrasted strongly with “It reminds me of... lack of team working and cross-organisational collaboration” and “I thought the experience was something more for Tim and Axle than it was for us”. Each response speaks of how participation is understood—is it my, our or their responsibility—a new dialogue was and awareness introduced through this experience. This could not have been predicted or planned but was an emergent phenomena out of the interactions between people.

This is not however a programme for organisational terrorism. Radical change naturally creates anxiety because identity is being transformed. Too much anxiety evokes a locking down into fixed responses. Facilitating by attending to points of conflict is as much about drawing attention to how people sustain habitual interactions that perpetuate a stuck mentality as it is about noticing disagreement. For this reason, one of the most interesting observations shared was that all the people closest to Axle were from a particular business acquisition and nationality and how this might effect the emerging direction of the organisation. The aim then is to bring awareness and possible transformation through active dialogue.

### **Intentional versus created ethics**

Moral agency, our capacity for making moral judgments and for taking actions that comport with morality, is another area where action in systemic and complex responsive processes approaches to action is divided. This is not to suggest ethical superiority but rather to notice how the two approaches differ in how awareness of ethical action is present in the work. The systems perspective appears to operate from the Kantian maxim:

Act as if the maxim of your action were to become by your will a universal law. (Kant 1964, p.421).

Ethical action here is seen to rest in individual rationality, with the individual deciding if his actions can be generalised. This is a rational individualist approach and rests on the person being able to judge the outcome of his actions. This is possible if you accept a systems perspective: there are known inputs and outputs. We therefore judge the overall impact of action on the intention that motivated the action. Griffin argues from a complex responsive processes understanding that we must attend to ethics not in relation to some supposed outcome or macro intention but in the living moment:

When we locate ethics in the intention, or thought, apart from or before the action, we are assuming that the likely outcome of the action can be known before the action is taken...However, when the intention arises in the action as it does in participative self organisation...when the outcome cannot be known in advance then the outcome of the action cannot be known in advance ...and a different view of ethics is required. (Griffin 2002, p.15)

The spidergram exercise was to stimulate awareness of ongoing interactions and this leads to important ethical considerations. The hidden web of power relating is suddenly made visible. Although I did not intend to hurt anyone through this process, the potentiality and form of that hurt only became apparent as we acted. I use this person's feedback as an example:

I was quite happy to put myself up front with Axle. It was an uncertain experience for me. Would Jim notice I was backing off? What would Axle make of me being upfront when I saw that most of the others upfront were his German colleagues? I was self-conscious.

With visibility comes budding self-consciousness and awareness of others. However, where someone places themselves can become part of the unfolding power play and that they might step into that place without full awareness:

I was more uncomfortable when I was questioned later that day about why I positioned myself where I did - what was the issue? I suddenly thought...well if you noticed perhaps Axle did and invented another small hurdle for me to overcome.

This points to the potential impact of participating in such exercises and the necessity of ethical consideration being part of the facilitator's conscious action. The facilitator does not exclusively hold this awareness as some moral expert, as this suggestion from another participant shows:

I would probably gain more agreement up front that 'no questions asked' or make it clear that you should explain your positioning to help both you and the person understand some of the dynamics at play.

Ethical issues are in the creation, intention and enactment of such exercises. Understanding ethics as constructed together in the tension of everyday interaction is a unique feature of complex responsive processes.

### **Individual versus interactional focus**

If we think of organisations as systems then if there is an anomaly we can adjust the system to remove the inconsistency. Systemic approaches centre on adjusting the system by focusing on the development of individuals as either leaders or individuals. Actions are based on enhancing the skills or qualities at an individual level, which consequently impact on the system level.

A fundamental aspect of our approach...is an examination of the connection between the individual and the organisation. (Campbell 1989, p.39)

This is not to say that systemic consultants are disinterested in group or team working. They are, but they work from a premise that organisational and social experience is essentially the result of monadic individuals coming together. When individuals come together they form a system. This is taken from Kant's view that men are *both* free individuals *and* parts of a system (Stacey 2000, p.7). Since individuals who learn and create knowledge, then change involves transmitting this learning from person to person (Stacey 2000, p.163). This is a sender-receiver model, which envisages data in the form of facts being shaped into some meaningful information by the sender. The purpose is to shape the receivers perception. Knowledge understood as a mental model based on life experience and values against which new information is

evaluated. Action becomes a choice based on knowledge and its value is determined by the outcome of the actions. The basic premise is that it is separate individuals that make decisions that influence other individuals in the system and that the success of these actions can be traced back and attributed to a particular person's intervention.

Complex responsive processes take a different view of human relating. The division of experience into the internal individual world and the external social world is abandoned. Relating is the primary phenomenon, whether towards ourselves in the form of silent private conversation, or others in the form of gestures: this is our nature (Stacey 2000, p.359). It is, no longer necessary to think in terms of individual as parts or in terms of individuals forming wholes in the form of systems, but simply about relating:

Individual is the single form of relating whilst group is the plural. (Stacey 2000, p.359)

The focus of the facilitator is not to improve the quality of information transmitted or to look at the workings of the system, but on the interactions happening between people, specifically, the quality and content of conversations both private and public.

Two examples arose from the spidergram event. The first draws out the silent thoughts of a participant who began to see a qualitative change in relationships because of changing leadership:

I was excited to be there – not scared or uncomfortable since it actually forced me to consciously think about the change that will happen due to the fact that the person to lead HR will be a different one thus my working experience will be different and influenced as well.

The second illustrates an emerging awareness of the importance of relating as opposed to abstracting as the key to change:

It was a way of us getting to know each other that we are not used to. It reminds me of the results of the employee survey – lack of team working and

cross-organisational collaboration. We are all excellent people individually but not great at really making contact with others. I think more standing next to each other and less sitting behind tables is called for.

Complex responsive processes facilitation is about paying attention to the actual interactions between people and through widening participation, deepening conversation, acknowledging anxiety, fostering diversity, and living with unpredictability and paradox (Stacey 2000, p.411).

### **Conclusion**

Throughout this chapter I have returned repeatedly to the nature of participation as a key concept. The complex responsive processes approach values relating. In particular, it is the self-organising and emergent effects of relating and their implications, for managerial control. This is not simply placing relationships centrally but arguing that relating is producing everything: thinking, talking, action and, therefore, identity. Attending to ways of relating that focuses on micro-interaction and how this leads to the formation of global organisational patterns is a shift in my understanding away from individual psychology and attending to macro-systems.

Understanding we are in a matrix of reflexive and responsive relationships evokes new questions. How is it possible to transform organisations without command and control managerial style? If it is not linear actions and reactions but relating which is the key to effective change, how does this look in day to day organisational life? I have chosen to examine these questions where it is perhaps most problematic: in an M&A scenario. I look in chapter three at how our identity is formed by our relating with one another and how changes in how and whom we relate with are fostered by M&As. M&As therefore effect identity! I seek to spell out how this manifests itself using Elias' 'Established and Outsider concepts' and how we might begin to facilitate this as a group conversational change process.

### ***Current Reflections Chapter 3***

*Key Themes:* Two obvious themes emerge in this paper: how changing relationships



disrupt patterns of power relating and the development of a new way of understanding facilitation as paying attention to complex responsive processes. The first connects directly to my central theme of identity and begins to show how alterations in socially structured power relating provokes a reconsideration of relational position between those in established figuration with one another (Elias 1998). I do this by attending to two impacts of change processes. Firstly, people experience the loss of familiar patterns of 'getting things done' in organisational life when change occurs (Stacey et al 2000) and secondly, these changes provoke a physically felt emotional response (Bridges, 1991). This amounts to what Le Roy (1994) described as 'the loss of stable external frameworks...*that*...ensure continuity of self and relationships between selves' (Nitsun, 2000 p254). Whilst agreeing here with Le Roy on the destabilising effects of these changes on identity, I have taken up a particular notion of individual and collective identity as 'formed and forming in the perpetual process of communicative interaction between people' (Stacey 2003) This is of a type described by Mead (1934) and discussed more fully in my synopsis. As such, I do not follow Le Roy's notion of individual identity as a priori and therefore discount the idea of 'external' social structures supporting an 'internal' self. By following Mead's perspective I am saying that the social and the individual are the same and therefore alterations in local social structures are forming alterations in personal identity. It is important to note that my thinking has moved considerably, in that, when I refer to social structures, I am not talking about these in systemic or mechanistic terms but as patterns of interaction between people (Stacey 2000).

The second issue of facilitation may seem, initially, to be simply an issue of practice. However, it is not this alone. It is also part of the continuation of a dialogical engagement with the notion of the self as separate rational and monadic. By taking up Shotter (1993), Weick (2003) and Rough's ideas (2005), I am through the differing descriptions of facilitation coming to a position that thinking, talking and acting are all forms of making meaning that are not separate but tumble through each other. They are all together sense making communicative interaction. Since these are all one, there is no rational monad able to step outside experience. There is no standing back and objectively thinking before taking creative action and then talking about the experience but simply different aspects of ongoing, interdependent human interaction.

Implicit in this chapter are two less obvious themes of belonging and patterns of inclusion/exclusion. These are continuations of what I was noticing in relation to my encounter with the security services in chapter two. I connected this with the need to belong in social groupings (Foulkes and Anthony, 1957 p157) and how this enshrined in the binary use of language (Dalal, 2000) which works to set up identifiers of similarity and difference between groups. Reflecting on the 'experiment' I understand that these same ideas about the importance of belonging were evidenced by discussions about the emergence of the 'new German group'. So looking back on this, I might understand what was happening differently, as more than simply indicative of shifting power relations but also a physical demonstration of disestablishment and reconfiguration around new patterns of authority. This was revealing a process of inclusion and exclusion and the subsequent discussions between people were not forming new alliances but attempts to reformulate belonging through meaningful interaction.

## **Chapter 4 – Recognition throughout acquisition: the importance of paying attention to identity transformation during business mergers**

*(Completed March 2006)*

### **Introduction**

The purpose of business is to create and keep a customer (Drucker 1909). This requires commitment to continuous growth through innovation and Marketing. A major strategy for achieving such growth is merging with or acquiring another, already developed, business. Yet more than two-thirds of these amalgams fall apart within a matter of years! (Freedman 2002, Silverman and Noe 2002) Why is this happening? Moreover, why, despite the plethora of management literature advising Chief Executive Officers on how to make M&A work, do they still appear just as likely to fail? Is something being missed (Cartwright and Schoenberg 2006)?

Traditionally, the recipe for M&A success is based on the vital ingredients of decisive leadership, attending to cultural differences and addressing personnel issues (Pritchett 1997, Nahavandi & Malekzadeh, 1988; Yoon 2001 Harrison 2001). Most of this thinking uses the individual as the basic building block of organisational life. There is a tendency to think of people as rationally guided individuals, distinct from one and other, and even divided from themselves in thinking and feeling, whose identity lies within them (Burkitt 1991). As a result, it is possible to imagine that people are cogent monads who simply need a good story and generous reward scheme to become convinced about the value of a particular course of action (Bridges 1991 p53, Pritchett 1991, Broker4Broker newsletter Spring 2006).

In chapter three, I contested this way of thinking about people and, therefore, the usefulness of singular strategic approaches to M&As. Drawing on the theory of complex responsive processes I argue instead that the most valuable thing for people is the relationships they form with one another and those courses of action are not so much about rationality as they are about the nature of the relationships that allow people to take joint action (Stacey 2000, Dalal 2000).

My view, based on the thinking of Mead 1934, Burkitt 1991, Stacey 2003 is that our identity is not a separate entity contained within an individual body, but inextricably

entwined in relationship with others. These relationships are vivid, with power relating always dynamically present (Elias in Mennell and Goudsblom 1998p115). The type and quality of these relationships is of fundamental importance to who we are (Stacey 2003 p80). Changes in power relating and the nature of our connectedness will by implication, therefore, have a profound effect on our identity (Ibid). I introduce the concepts of time and space as crucial to identity because they refer to aspects of how meaningful and enduring relationships occur. Time, I suggest, is a history of significant emotional experiences (Gergen 1999 p134 Shotter 1990 p122-123), whereas space is the locality within which these experiences take place. When M&A are made, the story of relating, and the places and ways this relating happens, are powerfully altered, creating what is best understood as a movement to a new relational space. It is my contention supported by the approaches of Mead 1934, Burkitt 1991, Stacey 2003, Gergen 1999, Shotter 1990, that any M&A process will alter the basis of our relating with significant others, and consequently this impacts on personal identity. Any integration programme that does not take into account identity transformation, therefore, will be largely ineffective.

In practice, what I argue for is an integration plan that is an ongoing dialogue, where people discover their emerging identity in a new relational space. I illustrate this kind of approach below by narrating some work I participated in with a bio-security group in my organisation.

### **Joining the conversation**

I was invited by Margaret, an HR Manager for a small but successful animal health company (BioVet) recently acquired by Advance, to speak about stress. As I talked with the leadership group in a teleconference it appeared that staff morale and employer/employee tension, not stress, were the principle issues. “We were a family business, everyone knows one other and it’s been a big shock to be taken over by Advance, it’s all very different and hard to get used to” Margaret shared. It was agreed I would come to the site to talk about stress and see if what emerged in these discussions was helpful. Dan, the site manager, cautioned me not to open a Pandora’s Box.

### **Snippets from a first encounter**

I met Margaret and Dan at my hotel the night before the group meetings. We met in the bar for a drink before dinner. Margaret introduced us:

“Dan used to work at Maydown!”

“Really?”

“Yes I worked there for about eight years and in several other places, I was with DSR<sup>8</sup> for many years.”

“So you are a long term Advancer...”

“What are the difficulties you see?”

“There seems to be a sort of contagion of low morale which comes in waves and people are forever getting bogged down in day to day detail, they just can’t seem to solve a problem and then move on.”

“We need to get to our table”, Margaret interrupted, “I think there is a big crowd in and they may take our table”.

We went into the restaurant; it was only moderately busy and remained so for the rest of the evening. Margaret occasionally passed comment about the “big crowd from the brewery who were coming in”.

### **Time and space**

From this seemingly innocuous interaction came an awareness of two important points that were to inform my work with this group.

First, although I had noticed it many times, the significance of length of service had eluded me. In any Advance meeting when people introduce themselves they give their name, their role and, interestingly, even without being asked, share the length of time they have worked for the company. This appears to be an important cultural feature of orientation that I believe is informing others about status. Length of service is significant in that it appears to reflect how embedded one is in the matrix of relationships and, hence, how acclimatised to group norms. It is not simply being a part of the group that is important but, also, the length of time, which serves to

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<sup>8</sup> Advance Safety Resource is a function selling safety systems, processes and advice to other companies.

indicate how immersed in the culture one is (Vinogradov and Yalom 1989 p60ff, Behr and Herst 2005). Being an established member of the Advance group, indeed many groups, is centred on the issue of time<sup>9</sup>. It is important, I believe, to understand what time means in this Advance context.

As human beings, we can determine the sequence of events so that we can decide between two given events, which happened first. At the same time, we can hold awareness of a present that is continuously transformed into memory and reflect on events to create an anticipated future (Gergen 1999, Shotter 1990). Because of these capacities, we have come to think of time as something that has an independent existence, beyond social interaction (Zerubavel 1979). Time is often seen as a tangible commodity, which is measured in relation to a preset schedule of events. This way of abstracting time outside of experience is known as mono-chronic time. Here I propose taking a different, poly-chronic view of time (p-time): one that emphasises involvement between people and completion of actions. P-time sees time as a container for social activity. Time thought of in this way is understood as a cultural phenomenon that exists in the interactions between people and not in the rhythms of nature (Hall 1983, p.407). As the anthropologist, Hallowell suggests:

It is impossible to assume that man is born with any innate `temporal sense.'  
His temporal concepts are always culturally constituted. (Hallowell 1955,  
p.216-7)

Cultural temporality, like any aspect of culture, is a shared system of ideas about the nature of the world and how (and when) people should behave in it (Haralambos 1991, p.3). This has implications in organisational life in that time has a functional meaning related to power and to knowledge:

The rhythms of organisational life have particular moral and cognitive dimensions, beyond simple regulative functions. While individuals customarily adapt to a variety of contexts for anchoring events in time, the

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<sup>9</sup> By time here I imply that through immersion in relational and conversational processes over time the incumbent comes to hold knowledge in terms of shared stories of history and has formed cohesive patterns of relating that relates to status. I point to group therapy literature regarding admission of new membership because this indicates some of the impact of change on these patterns of relating.

temporal coordination necessary for *collective* efforts enforces social controls at multiple levels. (Zerubavel 1979, p.5).

I understand Zerubavel to be suggesting that we measure time by marking it by means of social events that occur. The timing of these events that he calls collective actions is essentially a social process that requires relationship between people. Time, I would suggest, is a consequence of negotiated action that balances co-operation and competition between people and implies power relating. Shotwell writes:

A sense of time means knowledge of happenings. It is to be found only where memory has been disciplined to its task of knowing the world that was, by a keen awareness of the world that is, where the analysis of the present calls for the prior events in the light of which the present takes on its meaning. The sense of time is not a neglected inheritance to be reacquired from primitive instincts but the slow and still most imperfect acquisition of culture. (Shotwell 1949, p.290)

Holding knowledge of events, not as facts but as the story of meaning for a group, is thus a means of orientation within a culture. Being conversant with group history over time is thus a powerful determinant in a person's perceived value of contribution and, therefore, degree of inclusion in social life. This is similar to Elias' view, which also sees time as a symbol of relationship (1984a, p.11). He speaks of culture as the *Zeitgeber* or time giver and, implicitly, that time represents, as it were, a social fund about the consequences of particular actions, developed over time, through a process of relating between people (Mennell 1989, p.214). Importantly, when Elias (1994) shares his observations about gossip, he notes that it is not simply:

that one took an interest in people but that this was a shared interest...long acquaintance...deepened common interest...and facilitated the flow of news. One knew where one stood with each other. (Elias 1994, p.90-91)

Longevity, therefore, not only gives individuals access to what is gossip worthy, it also carries with it an evaluation about trustworthiness that automatically gives status:

...oldness of association, with all that it implied, was, on its own, able to create a degree of group cohesion, the collective identification, the commonality of norms, which are apt to introduce the gratifying euphoria that goes with the consciousness of belonging to a group of higher value and with the complimentary contempt for other groups. (Elias and Scotson 1965, p.xviii)

What I am suggesting about the transferability of this to organisational life and, specifically, in this case to Advance, is that length of service is used as a locator in the *historical process* that is Advance. It allows people to contextualise their experience, to relate to what has happened previously and to connect with other contemporary events occurring in the present (Dalal 1998, p.114). Yet more than this, long service creates a socio-temporal order. This is a pecking order of who knows what and whom, the history of power plays and the power structure of relationships between people. Long-serving individuals are thus an established group, familiar with and able to use the strands of praise and blame gossip deemed worthy by Advancers (Elias 1994, p.89).

Second, and I will explore this more fully later, I was fascinated by Margaret's concern about space. It seemed to have no connection with our actual experience of the evening. The dining room was fairly busy but by no means overcrowded. I could easily have taken this as Margaret's idiosyncrasy; however, I believe this is what Shotter (1997, p.9) was referring to when he spoke of momentary relational encounters between people in which everything of importance is present. I explore this in the next section on Symbol and space where the issue of space comes to have great significance.

### **Symbol and space**

The next morning I arrived at 8:00 am to begin the meetings, introducing the concept of stress. My first group were the crossover shift, combining night workers ending and day workers just beginning their work. The projector for the PowerPoint stopped working and I moved to the flipchart and talked a little about the physiology of stress. Sensing some tension in the unresponsive group, I asked about their experience of stress, particularly what it is like at the site.



A man called Jed in his early twenties spoke, not looking at me but at his colleagues on the opposite side of the table. His tone was belligerent: “I’ll let you know what it’s like, they ask us what we want but then they just fucking ignore it”, he shouted, “I’ve spent hours in meetings for months telling what we need in the warehouse but they just don’t listen”. “There is not enough space we need space for four pallets and they will only give us three and I kept telling them that’s not enough, we all know that we’ve worked here for years...they came back and made a decision that was nothing like what we had discussed, so now I am just sitting back and waiting for them to piss forty grand into the wind to put their great new system in, which I know is all wrong, and when they come and say ‘can you help us sort it out’ [in a childlike voice] I’ll say Fuck you! You didn’t want my help when it could have made a difference”. His comments drew smiles from his colleagues, they made remarks to those next to them and there was jocular banter about him getting the sack for being so outspoken. I felt like an outsider observing a group who all shared a similar story and experience that was part of the bigger organisation they disliked. I struggled with calibrating a response that matched both Jed’s emotional intensity and the mischievous comments from his friends. “So you feel pretty strongly about that”, I said wryly. There is laughter and he glanced at me sideways with a half grin. I had not won him over, but at least he felt acknowledged. “They just don’t listen!” he repeated calmly.

Throughout the meeting, this issue of space emerged again several times in different forms and always with some degree of anger. For example, a woman said, “Ricky, [the previous manager] used to walk the shop floor; Dan never comes out of his office!” I asked if she ever visited him: “Well no, that’s in the admin block”. Likewise, a discussion I describe later about housekeeping also centred on the issue of space.

I understand this as a form of unconscious communication about shaken identity in relation to the acquisition process. I do not mean this in the unconscious Freudian sense<sup>10</sup> but refer more to Stacey’s (2003, p.137) notion of the unconscious as aspects

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<sup>10</sup> Freud’s architecture of the mind includes a conscious aware part; a preconscious, where things like telephone numbers are recalled from memory; and an unconscious, made up of instinctual drives, within the individual, which had been repressed out of awareness.

of communicative interaction and power relating articulated in the complex responsive processes approach. Drawn from Mead's (1934) concepts of gesture and response and Elias' habitus (Mennell 1998 p.10), here the unconscious is understood as a continuous process of interaction: simultaneously, an individual and collective event that is not stored anywhere but is a reiteration of historical experience unfolding in the present moment. This view of the unconscious has three distinct elements:

1. Direct bodily communication in the form of protosymbols—a bodily felt gesture that has shared meaning but, importantly, does not call forth the same response in the one making the gesture as it does in the responder.
2. Communications of unformulated significant symbols that have the potential for conscious meaning but
  - are not as yet fully formed or
  - have never been validated and so have not been fully articulated.
3. Communication in the form of significant symbols
  - that are so automatic that they are taken for granted or
  - that were articulated at one time but received such a hostile response that they were never experienced consciously again.

In this instance, I am particularly interested in the thinking about unformulated significant symbols that have not been fully fashioned because of lack of validation. Stacey (2003, p.136) describes this as unvalidation where articulation is impossible because no validating responses appear to reflect the gesture. It therefore becomes futile or, in some cases, dangerous to continue the formulation of the symbol. Therefore, it remains as a vague tendency that may emerge repeatedly in interactions between people but is never clearly articulated.

I see it as notable that there were several instances of discussing space both in the groups and with others before and afterwards. For me a question arose over what all this talk about space was. Certainly at times it seemed to relate to actual physical space, but at times it did not, and each discussion carried with it strong feelings of anger or, in Margaret's, case anxiety.

Stacey (2003, p.139) asserts there is no spatial separation between conscious and unconscious thinking and that both are simultaneously present in all communication. The caricature of the psychoanalyst telling people what is really going on is a fallacy. What people are saying has real meaning and a capacity to bring other possible meanings into awareness. It is not that people are expressing one thing but are really meaning or motivated by something else. They are in effect meaning both at the same time.

One way of understanding this concurrent process is by thinking about metaphor. I see this use of space as truly metaphorical in that the essence of metaphor is shown in understanding one thing in terms of another (Lakoff and Johnson 1980, p.5). The history of this acquisition was that it happened virtually overnight. This was not a business in difficulty but a successful gem in the animal health field (e.g. a worldwide supplier of disinfectant during the foot and mouth outbreak). The Directors, who were all members of the same family, signed an extremely lucrative deal with Advance. They then quickly announced it to the employees. Advance, as the new owners, asked the former Directors to leave within a few days and presented the staff with new terms and conditions, which included retention of all staff, increased salary, improved holidays, new training and opportunities for international travel. The result of this was that feelings about uncertainty, changed identity, futility in trying to influence a huge organisation and new work challenges were all swept aside in a tidal wave of optimism and an improved compensation and benefit package. Consequently, these feelings were unvalidated in conversations that occurred following the purchase.

This pattern repeated itself as I worked with the group. As the diatribe about Advance continued, my frustration grew and grew until I asked with some irritation:

“Is there anything good about working for Advance?”

“Of course there is, we all have jobs, we travel, we get more money” replied one person.

“Don’t forget better holidays” another added sarcastically.

“But it’s not the same anymore; it used to be you could get anything done by just walking up the corridor now you can’t anymore!”

I note here that I was replicating a similar unvalidating response. I was thinking “well you have a job and better money, what are you complaining about?”. In effect, the group protest about changed identity causing distress was not being heard. I therefore wondered if in the face of such opposition this theme had found a different way of expressing itself through some symbolic communication in the form of a metaphor about space.

Cox and Theilgaard (1987, p.96) discuss the character of metaphor in psychoanalytic literature relating to signs and symbols. Signs they say are clearly defined because they have a known meaning, such as the stylised image of a man on a bathroom door. We clearly know the meaning and understand the consequences if we do not read the signs. Symbols on the other hand:

Function....to express in a unique way a psychological fact incapable of being grasped at once by consciousness. (Cox and Theilgaard 1985, p.95)

It is suggested that metaphor (p.96) lies somewhere between the two: it is at once knowable and yet simultaneously reveals something hidden or a desire to be known. As Brockbank puts it:

What cannot be held by dogma or reached by systematic thought may be intimated through the fire frenzy of metaphor. (Brockbank 1971, p.97)

There was indeed a knowable issue about physical space and also an emergent desire to be known in an issue about relational space.

This was indicated not only by the intensity of feelings expressed but also in the patterning of how the conversation emerged. In the theory of complex responsive processes, interaction between people is understood to pattern itself and produce nothing more than further interaction (Stacey 2003, p.139). Unconscious communication can be understood as a patterning of interaction between people around a particular theme, which is not yet formulated but seeking acknowledgement. Therefore, although Jed was expressing outrage at the issue around space, this was not an intra-psychic process. It was a social interaction, a relational event, evident in the

banter, the looks, the asides and the proto-symbolic feelings of inclusion and exclusion expressed in gesture and in response as Jed spoke. I too was part of this process, seeking to find a way to join with the group from which I felt excluded, by taking up the roguish style of interactions.

Similarly, there was a rhythmic pattern to the emergence of the space theme. It did not appear randomly, but would follow from a series of complaints about changes in how the previously close-knit family business was run. People would strike up conversations with each other expressing how they were unclear about their role, did not know everyone anymore and how things could no longer be influenced locally, and these would resonate in interactions with others until someone would once again take up the theme of space. The theme of space therefore seemed to serve as a metaphor about these struggles.

I believe territoriality and identity are closely entwined because those in compact social groupings tend to cluster together, to live, work and socialise (Elias and Scotson 1994, p.16, 54, Kiliot and Newman, 2000; Saltman 2002). Thus the locale within which close interactions take place comes to represent or be as much part of group cohesion as the norms people share. It comes to be our place (Kuusisto 1999; Agnew 2002). Oldness of association and the vicinity within which these relationships take place are therefore interconnected. It would seem natural then that when wanting to express resentment about issues such as independence, authority and identity that a spatial metaphor would be chosen. Moreover, such a metaphor would become even more poignant when it challenges the new dominant culture so directly. If one wanted to demonstrate objection within Advance what better way than to undermine its core value of safety by encroaching on space around fire extinguishers.

### **The established have become the outsiders**

It appeared that two conversations were in fact intertwined throughout this session: expressing both a genuine complaint about space and a question about the legitimacy of the take over. Elias and Scotson (1994, p.18) suggests that when two groups come together in an interdependent relationship it is usual that the incoming group takes on a subservient position. By playing a lower place in the social hierarchy, at least for a probationary period, the established group are able to take on a helping role, which

allows time for the newcomers to learn and integrate the social norms (Hogg and Terry 2001). The expectation that others should make every effort to live harmoniously within the rules of the older group and do all they can to fit in it did not match with this acquisition. Within twenty-four hours a new group had taken control and begun to establish a new way of working and being; thereby, disrupting totally the old way of doing things. This inversion of the usual process was expressed in the group:

A man shouted from the end of the room:

“Its as if you are only a number, all they want is a bloody zero lost work days for thirty years at the front gate of the site.”

“Well, that is not the purpose of the core value of safety it’s about protecting you and...” I said, but before I can finish:

“Yeah that’s ok at work but out of work they can go and fuck.” There is laughter from his colleagues. “No I am right pissed of he says smiling, what has this company got to do with my family and life outside work. This is just bloody Americans all over. This used to be a family business and was nice and relaxed. Then all of a sudden we have twenty or thirty bloody Americans swarming all over the place asking us about this and about that telling us what to do.”

“About safety?” I ask.

“About everything...It’s not right my life is my own!”

I was struck by the paradox in his statements: where the complaint is about work being in his family and yet the workplace no longer being like a family. This is a powerful indication of what I understand to be occurring in this process of acquisition. I have suggested that over time, through their relationships with one another, people form a work culture. This culture is not a reified thing but a habituated pattern of relating between people, and that this takes place within a definable physical locality to which people attach importance. Through their connectivity, people are forming and being formed in their interactions with one another (Stacey 2003, p.137) and alterations in these patterns of relating, consequentially, result in transformations in personal identity.

In the process of acquisition, what is familiar is being changed. As the customary is constructed through relationship and, thus, part of personal identity, people can feel both personally invaded and unfamiliar with their surroundings. In effect, the familiar becomes alien and the individuals and group experience alienation. There is both a metaphoric and real shift to a new relational space and this was exemplified in the groups' discussions:

“Everybody used to know each other, now Jim has a boss somewhere in Europe and my boss is in Geneva.”

“We talk to people in America and China on the bloody telephone and never get to meet them! I mean how you are you meant to work with somebody you've never even seen, and probably never will...”

A phrase that emerged many times in this session was “it used to be”. What I think this phrase was drawing attention to was this shift in relational patterns between people. It was not the transfer of ownership per se but the new patterning of how people belonged and were valued that was creating impact. It was now time served with Advance and all the power of social knowledge this conveyed that gave prestige. In addition, with new relational patterns of work now extended outside and beyond the site, a once tight social structure was further diluted. In a real sense, spatial identity had been fractured and people had moved into a new relational space. It was fascinating to me that intimacy had been lost and that proximity, another form of closeness, had become the vehicle for the expression of this feeling. Unacknowledged and inadequately articulated this erupted into a conflict over real space.

### **Acquisition as a process of disestablishment**

Elias (1994, p.xxii) suggested that what distinguished established from outsider groups was the degree of social cohesion each exhibited. The status held by groups appeared directly correlated to their degree of integration. Social cohesion was not fixed but was dynamic and relationally experienced. Depth of connection was characterised by certain qualities where the dominant group had:

- established among themselves a common mode of living and a set of norms

- they observed certain standards and were proud of it
- their identity was bound up in communal life
- they placed high value on their way of life
- they asserted their collective identity by closing ranks to protect their way of life.

Being part of this solidarity was equivocated to human worth, which Elias coined as group charisma, whereas those with lesser cohesion, who were excluded from this intimacy, exhibited group disgrace (Elias 1994, p.xxiv). Notably the BioVet group complained bitterly that their familiar way of being together had been eroded. The long term Advancers complained equally bitterly about their poor standards of safety and untidiness, and indeed their behaviour was considered reprehensible. Yet, despite their long history of togetherness and shared viewpoint, the BioVet group could not muster any unified response to engage in dialogue with the Advance group. They clearly believed they were powerless and acted as individuals with bravado but did not organise their protests into a common strategy Hogg and Terry, 2001, Dalal 2002 p114). In contrast, the longstanding Advancers had a clear and shared intent to create compliance and worked with each other to ensure adherence to their standards. This interdependent dynamic, and in particular the shift in self-perception from being quite a close knit group with a world class reputation to considering themselves an estranged and wretched band of individuals, was a phenomenon which Elias also described:

An established group tends to attribute to its outsider group as a whole the 'bad' characteristics of that groups worst section – of its most anomic minority. In contrast, the self image of the established group tends to be modelled on its exemplary most 'nomic' or norm setting section, on the minority of its 'best' members. (Elias 1994, p.xix)

Specifically, two common perceptions of outsider groups that tend to emerge are of lawlessness and of being dirty. I want to show how these dynamics became observable and in doing so to suggest that acquisition is not simply the purchase of assets but essentially a relational process whereby established patterns of relating are altered fundamentally, and often negatively, for a previously established group. That



is, their movement into a new social arena results in a removal of the status and privilege that can lead to feelings of resentment and betrayal, which ultimately effect productivity.

### **Dirty language**

A silence descends and I wonder about its quality? I tentatively ask if there anything else? I glance at someone two seats away from me and he explodes into a new tirade. “I have to say it, but if I hear that fucking word housekeeping again, I will go fucking mad!” Again, the language shocks me: this is not the Advance I know. It is not simply the strength of feeling expressed, nor unfamiliarity with the words or their use, but the words themselves are uncouth in the Advance context. “What do you mean?” I ask cautiously. “They are always moaning about housekeeping, Keep it tidy! Keep it tidy! We don’t have any fucking space to keep it tidy there isn’t room to fucking move!”

Later, I spoke to Mike the Safety Officer. Mike is a lifetime Advancer who has worked in safety throughout his career. He has returned to the UK to take up this position—the last one before he retires. As I speak to him, I get a sense of an obsessive man and one too big and wise for this small role. There is a feeling that this is a final challenge where he will leave his legacy. He imagines that they have been complaining about him. I ask what the issues facing him are. He criticises the level of tidiness “no matter how many times I ask them, they don’t seem to care, but you cannot put stock in front of fire extinguishers, not in Advance”. Not a good idea anywhere, I suggest. “No, but they seem to just do it all the time its like its in their nature”.

I am surprised by the strength of feeling from both sides in this apparently simple argument about orderliness. I am also aware of my own puritanical response to the use of vulgar language as not being very Advance.

My narrating of the type of language used is not to be gratuitous but to illustrate an interesting phenomenon. Elias (Elias 1994, p.xv), as I have explained, suggests that it is a common feature of human behaviour, between interdependent groups, that the members of the most powerful groups think of themselves as better than the others do. In particular, they consider themselves to hold higher standards of behaviour and, as a

by-product of the civilising process, cleanliness. In these conversations, what emerges is a crossover between normlessness and dirtiness in both the themes and words used. What I am inferring from this is that the issue of tidiness and the swearing indicate a lack of civility that is not the norm in Advance and thus indicative that the BioVet group is functioning as an outsider group. I wonder if these established / outsider actions and interactions are perhaps common in any process of acquisition.

As a newly created outsider group, the BioVet people were clearly not complying with the expected rules. Advance has a cult value of safety; it is what the company is reputed for and indeed actually sells. There is a strong compliance to this cult value and it is functionalised everyday in a process called interdependent safety processes, whereby each is responsible for all in applying safe working practices. Mead (1934) suggests that from compliance to such cult values, individuals drew pride and a deep sense of belonging not so much in what people have or want but in who they are (Griffin 2002, p.116). In Advance, adherence to the safety cult value is part of the process of socialisation into the family. Indeed, Elias (1994, p.xxiii), in exploring the mechanics of stigmatisation, argues that submission to such group-specific norms is essential for group consensus and is necessary if one is to imbibe group charisma. Failure to comply not only blocks access but also runs the risk of expulsion. Therefore, in this case, it is not only that the Advancers believe themselves to be better through their compliance and actively work to ensure they model their superiority, they also appear to fear association with those who do not because it could lead to their own exclusion.

It seemed that the BioVet group were experiencing confusion about how to relate in this new situation, because what had been usual for them no longer made sense in this new environment. Their customs, codes and standards were ousted and they were left bewildered. This normlessness can be understood as anomie—a concept first defined by the French sociologist Durkheim (1893). He proposed that when people found themselves in rapidly changing social conditions they lost the social guides to behaviour. This in turn led to a state of normlessness and a lack of understanding of acceptable behaviours. Further, I would suggest that a strong sense of individualism, which Lasch (1980) termed a culture of narcissism, can then emerge amongst outsider groups. Here, people begin to act as though their responsibility is only to themselves

and what they perceive as the sphere of their self-interest. For example, in the group, although there was agreement between members there was no overall sense of concerted action. People tended to relate idiosyncratic stories of protest about their work area being too cramped or the difficulty they had with getting an address changed by HR. The discussion never carried on into solution focused interactions about how to make this different. This dynamic in turn presents any outsider group with a major difficulty in that they must meet adversity and enter conflict with a minimal self (Crossley 2000, p.160), without a strong social structure or clear rules to guide their actions. Likewise, those seeking to intervene by joining in post-merger situations must take account of a wide range of egocentric issues. Anomie and the resulting self-absorbed culture are, I would suggest, common features of many acquired groups, where rapidity of change in patterns of relating makes even everyday situations unrecognisable.

### **The mechanics of stigmatisation**

One of the most important roles created by western society is that of the Negro. One of the most important ways of acting into this role has been the part played by the Nigger.

These words, paraphrased from a painting by Pablo Menfesawe-Imani, the Black iconographer, capture something of the essence of Elias' (in Mennell 1998, p.115) description of the figurational or interdependent nature of power relations. Elias was eager to suggest that power was not a commodity held by someone or, worse, something, but rather a relational process between people:

One is inclined to personify or reify interdependence...to believe that there is 'someone' who has 'power'...because we feel the pressure of power we always invent a person who exercises it, or a kind of superhuman entity like nature or society in which power resides. (Elias 1998, p.133).

The conversations in this group and the relationships they form between longstanding Advancers and the anomic acquired group help to illustrate this figurational power process.

As I have already discussed, the group expressed a strong resistance to compliance with the safety processes in their new environment. I suggest this is related to an unconscious process, where the anxieties provoked by their changed identity were not recognised, leading to a clash about physical and relational space.

How does this process happen? This is not a mysterious development, but arises from very tangible interactions. For example, it is not that all sites have absolute conformity, but the application in this established / outsider figuration is a judgement drawn from the best in Advance and applied to the worst compliance at BioVet through gossip (Elias in Mennell and Goudsblom 1998p 250).

Therefore, the outsider group become objects of ridicule and of fear. This lawless rejection of the Advance principles is not seen as merely an intellectual process where the outsiders are wilful rule breakers, but part of their lesser value in that they are untrustworthy, undisciplined and lawless (Elias 1994, p.xxv).

Intriguingly, they are also perceived by the established as unclean. Hence, as in the Winston Parva study (Elias 1994, p.xxvii), poor standards of housekeeping also become an example of the lesser value of the others. There is an embodied physical repugnance; disgust about their standards of cleanliness and a fear of both moral and physical contagion if there is physical contact with these others. So anomie and dirtiness, as we see in these group conversations, become synonymous, and these act as an emotional barrier preventing connection between the two groups.

What is of further interest is that the outsider group takes on the others' view of themselves as established groups usually have an ally in the inner voice of their social inferiors (Elias 1994, p.xxiv), and they begin to measure themselves by their superiors' yardstick, finding themselves lacking and, consequently, believe themselves actually to be of lesser worth (Elias 1994, p.xxvi). Thus, it is clear that this is a socio-psychological process as the stigmatising group interactions begin to enter the self-talk of individuals and thereby permeate the personality structures of both established and outsider group members.

## **The urge to merge: M&A**

The acquisition of other businesses by a company is seen as a key to rapid growth (Dunphy & Staace, 1990, Nahavandi & Malekzadeh, 1988). Mandl<sup>11</sup> argues:

acquiring is much faster than building. And speed – speed to market, speed to positioning, speed to becoming a viable company is absolutely essential in the new economy. (Carey 2000, p.146)

However, there are a number of studies that suggest that many M&As do not turn out as well as expected (Carey 2000; Pritchett et al;1997 Cartwright and Schoenberg 2006, Schoenberg 2005; Song and Pettit 2000; Investopedia.com 2005) or, at least as far as business failures go, the collapse of an M&A deal is very much more public. Ultimately cost, in the form of economic downturn, poor contract planning or a divergence into an unfamiliar market, can lead to this downfall. However, in business literature many identify faulty management as the source of M&A failures (Carey 2000, p.147).

Target companies are strategically sought and strategically stalked, but then the follow-up acts are poorly orchestrated. The acquirer stumbles along, improvising instead of following a strategically designed systemically conducted programme of integration (Pritchett *et al* 1997, p.8).

The advice given on managing M&A<sup>12</sup> is mostly based on the imperious leadership, ascertaining the competency of the management group to be acquired and ensuring that tactical plans are in place to anticipate all the possible challenges that the integrating companies might face. Senior leaders are urged to be prepared for the inevitable organisational dissonance and to manage and carefully channel this dissonance (Pritchett 1997, p.xi). Underlying this thinking on how to make acquisitions work is strategic choice theory. The expert's advice is aggressive in advocating that leaders should have a well-crafted game plan that deals with the predictable problems but, interestingly, should also allow for the flexibility necessary

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<sup>11</sup> Alex Mandl is CEO of Teligent and formally number two at AT&T (American Telephone and Telegraph Corporation).

<sup>12</sup> For a fuller examination and critique of the types of strategic management advice given there is a section on rational management in the synopsis

to accommodate contingency plans that invariably are needed (Pritchett 1997, p.6). In essence, what they are saying is that the top leadership can successfully direct the organisation along a pathway towards a knowable future. Implicit in this are the assumptions that leaders can stand outside the organisation to determine a way forward and, more importantly, can control the direction in which the organisation moves (Stacey 1993, p.51). This is a realist and rationalist perspective that suggests a predetermined reality exists and that this can be successfully realised by the sound decision-making of a few competent leaders. In the M&A situation this means not only taking account of one but two groups of leaders:

We cannot overestimate the importance of getting to know the president and his key personnel. Evidence indicates that the more fully one understands their emotional and personal needs, their weaknesses and strengths, their fears and apprehensions, the more effectively it will be able to help with the acquisition and manage the company later on. (Leighton and Todd 1964, p.94)

The process of successful merger, like any strategic process, begins with a rational analysis; in this case not of metrics or business costs, but the needs and desires of the leaders of the target company. Two things are of particular interest: first, the analysis is of emotional issues, but this is limited to the leaders emotionality, and second, that these leaders feelings and desires are reified and turned into an objective that is to be incrementally pursued. This appears to me to be a rationalist conception of emotional life that, from a psychological perspective on change, seems illogical. Bridges (1991), another popular change management writer who also takes up the strategic rationalist perspective, draws on the work of Kubler-Ross (1969) to illustrate the psychological process involved in a merger:

Change is not the same as transition. Change is situational: new site, new boss, the new team new job, a new policy. Transition is the psychological process people go through to come to terms with the new situation. Change is external, transition is internal. (Bridges 1991, p.3)

What he suggests is that because of change people must enter the transition process and go through ending, a neutral zone and into new beginnings. Throughout this

process people experience denial that the change is happening, resistance to it and exploration of its possibilities, before eventually committing to the new situation. Returning to Pritchett advice then, the question arises at to which point the leaders' feelings become a viable model for future direction. Is it when they are denying, resisting, exploring or when they are fully committed. In addition, there is an assumption that the most powerful act as one, but Bridges is eager to argue that it is individual people who change and that they transition at their own unique pace (Bridges 1991, p.6). Therefore, I suggest that, aims built on emotional responses, which are both personal and in transition, can only ever direct anyone toward an imprecise future.

The intention that through gleaning the wishes of the leaders an organisation can be moved towards a knowable future in M&As is another use of strategic thinking that appears flawed. Yet Pritchett (1997, p.8) clearly states that people in both organisations are deeply impacted by mergers, not least because their individual careers may be affected:

It is an elementary fallacy to believe one can 'buy' management. The buyer has to be prepared to lose the top incumbents in companies that are bought. Top people are used to being bosses; they don't want to be 'division managers.' And if they are professional managers...they usually find another job easily enough. (Drucker 1981 cited in Pritchett 1997, p.8)

There appears then to be a fundamental problem in the strategic planning approach to mergers. It would seem erroneous to follow Leighton and Todd's direction because any future model built from the needs and feelings of the current leadership is a model constructed from the needs of those who are unlikely to be part of the future organisation. It is therefore questionable how useful, relevant or real this model would be. This type of strategic approach would therefore appear to be flawed rather than sound management.

This rationalist, executive-focused, approach is toned down in a CEO roundtable discussion chaired by Carey (2000) and reported in the Harvard Business Review. The discussions focused on people issues and culture, sympathetically referred to as soft

issues. A more logically incremental style is advocated by a number of these leading executives and although there are variations in approach there appears to be some acceptance that the potential clash of organisational cultures is a key concern:

Even where the rationale for a deal is terrific, the deal can still fall apart because of cultural differences. Merging a US with a European company is particularly complicated. The management styles are totally different...  
(Carey 2000, p.151)

Examples of how an organisation is managed, centrally or locally, where the management are located and how people should be paid are all cited as points of divergence between American and British companies (Carey 2000, p.151). Cultural differences, however, are not about geographical region alone, but relate more to business attitude and practice:

Corporate culture is a peculiar blend of an organisation's values, traditions, beliefs, and priorities. It is a sociological dimension that shapes management style as well as operating philosophies and practices. (Pritchett 1997, p.10)

In addition, some merging or acquired organisations often have a long history of being in direct competition with each other, and indeed this rivalry is core to both organisations' cultures. This adds another twist to an already complicated process of integration. In the face of such complexity, the idea of cultural imposition seems a futile aim. Some organisations attempt to circumvent the inevitable difficulties by allowing acquisitions to function quite independently (Pritchett 1997, p.11). However, this is seldom a viable option as the business rationale for acquisition is often cost-reduction through integrated operating systems (Carey 2000, p.147).

What these discussions show is a keen interest in people and in the nature and impact of cultural incompatibility during the merger process (Nahavandi & Malekzadeh, 1988; Rodgers 1999, Kouli 2001; Schuler and Jackson 2001). One of the main ways in which M&A have been described is as a clash of cultures (Nahavandi and Malekzadeh, 1993). Two companies with similar business portfolios and intentions may appear on paper to be ideal partners but cultural differences can, it is suggested,



deeply affect the development of an effective working relationship if the fit is not right (Chatererjee et al, 1992). Ramaswamy (1997) explores this whole aspect of 'cultural fit'. He argues that understanding of what constitutes similarity and difference has been changing (Ramaswamy, 1997 p698ff). Traditionally this has been based on similar industrial classification but more recently this has begun to be understood as cultural likeness. Therefore he suggests that by comparing the strategies of companies it is possible to assess the compatibility of their underlying cultures (Ramaswamy 1997 p702). Similarly, in understanding how companies allocate resources, it is also possible to determine culture because each organisation is directed by a group of top executives who share a 'dominant logic'. This is a conceptualisation of the organisation which helps them determine how to share resources and decide what is a valuable course of action. This is said to be stored as a cognitive map (or set of schemas) among the dominant coalition expressed as learned problem solving behaviour' (Prahalad and Bettis 1986 p490-491). Note here the important role of leaders and cognition in controlling the organisational culture.

Much of the thinking which translates culture into systems operational terms is based on the work of Talcott Parsons. (1951) He emphasised the individual as a passive part of the system who receives culture through transmission of traditions and learning and thus it is a shared knowledge (Parsons 1951 p 15). He saw that roles were important and were in themselves structural reflections of what a culture valued (Haralambos, 1991 p29ff). In particular he looked at leadership as 'points of reference' in a social system (Ibid p25). Griffin (2002 p93-4) pointed to the cybernetic roots of his thinking and suggests that what is being offered when Parsons refers to leadership is a notion of how a culture can be observed, leveraged and controlled (p94). Certainly, Schein (1992), a leader in the field of organisational culture thought similarly about the importance of culture in creating 'stability' and 'coherence' (Schein 1992 p10). He also considered the important controlling position of leaders in helping cultures to adapt to change (p52). This involves mission, strategy, goals, means, measurement and correction a truly cybernetic approach where intentional autonomous action sets out to achieve predictable or adapted outcomes.

It is clear from this brief description that the application of culture in management theory follows the cognitivist, cybernetic and systemic route I have been moving

away from. I have been asserting with Stacey and Griffin that culture is habitual thematic patterns of repeated behaviour infused with power. This is very different from the systems perspective alluded to above. The contrast between these approaches has been well articulated by Griffin (2002) and I therefore do not explore this more deeply.

However, despite the optimistic approach to addressing people issues, the solutions proffered revert repeatedly to the framework of cybernetic strategic choice theory.

This is apparent in three areas:

- predictability
- control
- homogeneity.

### **Predictability**

Although the groups of individuals who make up the organisation are spoken of as crucial to M&A success, the means of including private and collective needs always require managerial actions, which consume managers and take their time and attention. Anxiety related to uncertainty about having a job in the future is seen as the key people issue. Because this is a usual response, it is seen as predictable and therefore addressable in Jim or tactically as it emerges. The implications of job loss anxiety are great: productivity and creativity are known to drop (Carey 2000, p.152, Harrison 2001) people feel alienated and either leave or are approached by head hunters thereby reducing talent and knowledge within the acquired organisation. The mechanics of how to deal with this anxiety are clearly designed from a cybernetic approach. Clarity on the employment front is achieved by determining who will report to whom and removing the incumbent management structure (Pritchett et al; 1997). This has the intent of keeping the organisation externally focused (Ibid). The question on everyone's mind is what will happen to me? and this is addressed by explaining the logic of the acquisition, integrating the systems from both companies that fit with this logic and communicating the logic to the company, the acquirers and the stock market (Carey 2000, p.152).

The key human issue of anxiety and the goal of integration can be envisioned so the leaders must take actions to determine the successful satiation of anxiety and the achievement of the vision. This is purist strategic thinking, with the leaders taking up the position of objective observer acting into and upon the organisation (Stacey, 2000). The organisation is seen as a separate system with an internal and external focus and not a mass of interdependent interactions between diverse people. One example of good practice used to illustrate this approach is the Sterling Drug acquisition. Here, disquiet about jobs was addressed by consultants evaluating all jobs and finding fifty-seven positions worldwide in the new organisation for Sterling managers (Carey 2000, p.153). This is seen as successful because it understands people as separate rational units, belonging to a standalone system, whose anxieties are a one-dimensional concern of job security. Rationally speaking, if the main issue is security of employment, who then would not be pleased about having a job! From this perspective it makes sense and is a successful solution. However, taking a different perspective, if people are interdependent, reflexive, emotional beings that iterate their experience together, are the families of those who had new opportunities as equally satisfied? Did, for instance, the partners and children who might have to relocate see this as quite such a success. In addition, those who survived this evaluation may have experienced as much anxiety producing guilt as relief about being chosen over others who did not find employment; and what about the feelings of those who did not find work? Could it simply be that one source of anxiety is replaced by another? I am not suggesting that anxiety about job security is not a usual anxiety in times of change; what I am saying is that the number of potential responses from the organisation does not meet the range of potential complex disturbances caused by these changes!

Predictability refers to the ability to guarantee outcome. The M&As literature points toward the importance of leaders creating a sense of certainty and does this in quite a cybernetic way.

Success in Mergers and acquisitions correlates directly with the level of planning that goes into them (Storey and Gander 2000)...When a carefully laid out integration plan is implemented, companies can achieve optimal

results and maximise the value proposition of strategic transactions regardless of the merger objectives (Ibid)

Predictability is used in the sense of managing anxiety by creating certainty about future employment and position. Yet, what I am suggesting is that this is only one form of anxiety. The inevitable transformation in power relations makes such structural guarantees meaningless. It is not possible to make guarantees because the meaning of any person's position within the organisation is changed and needs to be redefined within the new interdependent network of relationships. Although having the knowledge your employment is secure will certainly reduce immediate concern, new angst may emerge because what a person is doing, how and with whom may all be altered and need to be attended to if anxiety is to be adequately addressed.

### **Control**

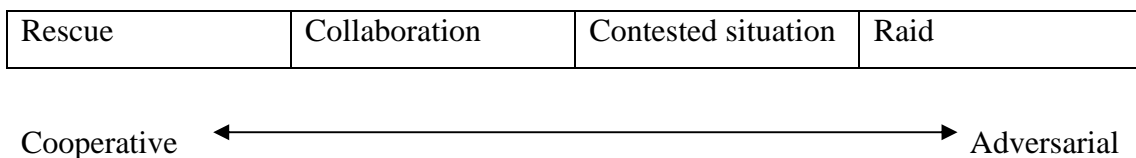
What motivates the strategic approach and, in fact, makes it attractive is that it gives the illusion of control. In changing circumstances, where anxiety is high because many things appear to be out of control, this is both appealing and soothing. The dominant view is that an effective manager is one who is in control of predictable outcomes (Streatfield 2001, p.7). Control is achieved through undertaking a thorough analysis of the challenge; from this analysis, a plan is built with goals set and actions put in place to achieve these goals. The belief is that by following a series of logical steps over time, the predicted and known outcome will be achieved. Each step can be verified against the map of progress using evaluation in terms of feedback questionnaires, metrics and the like (Stacey 1993, p.75). Strategic choice thinking draws attention to the nature of control. It suggests that there is a knowable future that exists and will unfold or be discovered as correct actions are taken. The correct actions are identifiable because good managers are able to stand outside the organisation and identify the causative links between an intervention and an outcome. For example, with M&A, the key anxieties people raise are who has a job and who reports to whom? (Carey 2000) and the rational response is to create the management structure and then implement business processes around this. Yet the complexity and diversity of individual responses, transforming over time, in reaction to even small organisational change, suggests that such control is illusory.

This is what I am arguing is happening in the BioVet group. The strategic interventions were made that addressed managerial issues and apparently created job security with improved conditions but the relational impact on the interactions between the general employee population was not taken into consideration. Streatfield (2001, p.7) suggests the danger is to move to the other extreme and conclude that there is no control at all. This he says is equally misleading. What is required is a manager who lives between these two poles, acting with intention but with no certainty of outcome, responding to what arises in the living moment rather than working rigidly to any preset plan and drawing on knowledge and experience as he/she does so and, most importantly, finding ways to live with the anxiety of not knowing (Streatfield 2001, p.7). This paradoxical approach to control is central to the complex responsive processes view of organisational life and contrasts sharply with the idea of detailed strategic interventions that supposedly impose order on disordered situations—in a way, improvising a way forward that is the antithesis of Pritchett’s strategic approach (1997, p.8). I will endeavour to explore how a dialogic and improvised approach is more likely to bring recognition to the plethora of responses to M&A processes thereby increasing but by no means guaranteeing the likelihood of success.

**Homogeny**

Strategic approaches to M&A have an expressed aim of eliminating conflict (Hogg and Terry 2001). The tendency is to seek reconciliation between the merging cultures by taking actions that remove the tensions resulting from cultural differences (Carey 2000, p.151; Pritchett 1997, p.13). The view is that such conflict is detrimental to the process of M&A and the most successful transitions to a new working relationship are the result of successful management of these inter-cultural clashes. To this end, Pritchett (1997, p.17) has devised a model to assist management to anticipate problems most likely to occur:

*Acquisition postures*



It is postulated that there is a commensurate rise in resistance to an M&A as one moves from co-operative to more adversarial takeovers. There is an assumption that those companies needing rescue are largely welcoming whereas those that are targets of hostile takeovers are equally hostile in their response.

From a systems perspective this is an appropriate approach. If you have a system it should work smoothly, each element operating in harmony, to produce optimum results. This is because systems must eliminate the paradox collapsing it into standard responses actions and ways of relating (Stacey 2000). However, I take a different view. I would assert that over time, in specific locations, people develop relational connections with one another and that these associations are intrinsic to their personal and social identity (Mead 1934, Agnew, 2002; Kiliot and Newman, 2000, Elias 1998). With this in mind then, all mergers are in fact hostile acquisitions in that they threaten and undermine existing power relationships between interdependent people that have emerged over time. So that conflict about identity is thus an inevitable part of the M&A process and this may in fact be essential for the transformation into a new but not necessarily shared identity.

Following instead the perspective offered by complex responsive processes (Stacey 1993, 2003; Shaw 2002; Griffin 2002), it is possible to see that such systemic harmony is not necessary. Indeed, complex responsive processes ways of thinking assert we are constantly in a process of permanent transformation, sustaining an identity and yet at the same time constantly changing. There is in the complex responsive processes understanding no need to collapse the paradox to create smooth functioning; we are in essence both in conflict and in harmony at the same time. Moreover, harmony may indeed be undesirable because it may threaten potential creative transformation (Stacey 1993 p419 and 2003 p80). Eliminating conflict may therefore prevent or interrupt the necessary process of mutual transformation possible through interpersonal clashes during the M&A process.

### **How do I understand this differently?**

If I am not following the strategic approach to addressing the M&A process what is it that I am doing? First, I am recognising that M&As are essentially about personal identity transformation. The systemic literature is not, by any means, ignoring changing identity as an issue but addresses this in such a way that it invites a leap either to thinking about cultures as personified wholes or individuals as independent rational actors who can and must reach a rationally agreed vision, mission, plans and programmes to move forward together as a unified entity. The focus of both these approaches is therefore on the macro and the rational despite the Eliasian tone of some of the writing,

In merger scenarios where markedly different cultures collide, employees find that behaviour, once sanctioned, is no longer rewarded, maybe not even approved of; and perhaps, may be even punished. The measuring stick invariably changes and, of course, new people are involved in taking the measurements. Incumbents are put on 'the defensive...as they anticipate a threat to their corporate values and organisational lifestyle. (Pritchett 1997, p.10)

Here I understand Pritchett et al; (1997) to be following my line of thinking when drawing on Elias' work, showing that acquisition invites a shifting to a new relational space where the usual ways of gaining recognition and approval are changed, so that the taken for granted norms of behaviour may in fact invite disapproval. Interestingly, they use the measuring sticks metaphor, in part acknowledging the established/outsider power dynamic, but do not take this discourse any further. I am attempting to understand transforming identity differently by taking up this issue of shifting power and, in particular, paying attention to the patterns that form from the micro-interactions between people, which in their amplification produce what we know as culture.

I am noticing that changes are happening not only on a large-scale but are occurring in the personal experiences of the individuals and that these alterations are far from rational choices but instead filled with emotion,

## Identity

In the main, I have followed Stacey's (2003) approach to the social nature of identity which draws on the work of Mead (1934) and Elias (1939[2000] [1965]1994). The description of identity he proposes is one where the self is perpetually under construction through repetition of patterns of communicative interaction not located in the individual but in the ongoing meaning formed by gesture and response between individual bodies (Stacey, 2003 p 64). In this process individual and collective identities are not at all separated but forming each other at the same time. Hence social structures are simply 'shared, repetitive patterns and enduring values and beliefs, traditions and habits, routines and procedures' not stored in any way but 'reproduced with little variation' (Stacey, 2003 p 80). It is this continuous reproduction with only small variations that has the potential for change because of the property of nonlinear relationships to amplify even minor variation human responsiveness. It is this that leaves the iteration of identity open to potential emergent transformation. Importantly, it is not that changes are generated from within or without but that they emerge in the responsiveness between people, for it is here that the meaning of the altered response has significance.

If the inherent connectedness between the individual and social structures is accepted it means that changes in individual and collective identity occur simultaneously. From this it is possible to infer that changes in social groupings, for instance a work group, will have direct implications for the individual's sense of self (Stacey, 2003 p 65). They do so because of the nature of self consciousness Mead (1934) suggests, is embedded in social interaction, so that an unusual gesture from the group will automatically propel the individual into self reflection (Burkitt, 1999 p33). What is evoked then is a degree of uncertainty around how to respond in a way that gives meaning to this interaction. In the narratives of Chapters 2 to 5, I describe leadership change, merger and potential outsourcing as significant gestures that evoke the patterns of emergent responses. What I am drawing attention to is that a sense of belonging is not chosen or made salient by the individual but is emerging in interactions between people. Thus, if the 'we' changes, as it does during M&A, so necessarily will the 'I'. Some of the ways that a person may then be affected are apparent in the narratives I provide in Chapters 2-5. Individuals feel anxiety,



uncertainty, and a loss of direction, purpose and meaning. In response they employ social defences such as gossip, humour, intransigence, anger, bias, sabotage and compliance that are intended to disrupt processes that are changing the 'we' identity and preserve a sense of belonging which is a source of self esteem. In understanding this, I have focused on the emotionally evocative and personally noticeable changes in everyday identity that occur in response to transforming organisational contexts. I have also pointed to responses that arise in this process of transformation and the sorts of practices that may help in attending to these which hopefully will improve practitioner involvement.

In drawing on the perspectives in the way just described I have excluded other strands in the academic literature. For example, I did not cover social identity literature. I refer here to the work of Social Psychologist Henri Tajfel (1979) and his associates including John Turner. Whilst their work on social identity is a significant shift away from individual-based understandings of psychology that offers insights into the nature of intergroup relating, it remains essentially a 'socio-cognitive' model (Hogg and Terry, 2001 p8). This means that the individual is said to relate using a number of interacting cognitive identity maps, each one becoming salient at particular times according to the social context in which the individual is involved. This is very different from the complex responsive processes view of social identity which sees identity not as stored anywhere but formed dynamically in habitually repeated behaviours of communicative interaction (Stacey, 2003 p63). Therefore each of these theories takes a very different perspective on the nature of identity. Whilst the concept of plurality of group identity is shared by both approaches, as are concerns with power relating, in-group bias and the importance of belonging, a major point of divergence is the social identity theorists' cognitivist and systems thinking foundations. Consequently, they both take up distinct methodological approaches resulting in very different types of practice in relation to M&A: social identity theory focuses on cognitive restructuring as a means and complex responsive processes on the conversational patterns of interaction between people. Whilst I do not take up social identity theory in my main arguments because of its different notion of identity, I have added a review of its contribution in my synopsis – Chapter 7.

A young man speaks angrily: “I tried to change my address with that CallHR<sup>13</sup> the other day and I had to spell my name seven times, A for apple, T for Tommy, by the end of it I forgot to spell my own bloody name, that’s not right is it? I ain’t ever going to call them people again. Margaret can bloody do it for me!”

In this instance, the employee was expressing his frustration at having to communicate outside his site and to talk on the telephone to someone whom he has never met, who speaks in heavily accented English, and all this is foreign to him. What I am also hearing him say is that this change in the nature of communication between people is threatening to the very depths of his identity. This for me is signified by him forgetting his name: a principle linguistic symbol by which people recognise one and other.

This shift from seeing people as rational agents is an important move in my view. If people are purely rational and therefore acting only in self-interest then we embrace the Hobbesian (Hobbes 1651) view of a war of all against all. Our relationships become a matter of self-preservation and the collaborative capacities of human beings in relationship with one another are lost. If we follow this way of thinking then ultimately people only thrive together through creating a social contract designed to inhibit the worst excesses of humankind. If left unbridled these would allegedly create a world that would be nasty, brutish and unkind. However, if we think differently about human organisation as a perpetual series of complex responsive processes between interdependent people, where the social and the individual are inseparable, and the group and the person are simultaneously forming and being formed by each other at the same time, then we see people as involved in a creative process of making a shared design for living (Kluckhohn in Haralambos 1991, p.3). By elevating the importance of affective social relationships to match rational self-preservation, we move into the Hegelian tradition. Conflict, then, becomes less a matter of preservation and instead becomes a process of recognition.

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<sup>13</sup> CallHR is a central administration for all HR transactional work. There are no local payrolls, employee services, etc; the basic administrative processes of HR are all managed over the phone between employees and multilingual advisers.

This brings me to my second point: conflict in the M&A process is part of what I understand to be a struggle for recognition. What I mean by recognition is what Winnicott (Audard and Grosz 2000, p.1) referred to as the emotional response that makes our feelings, intentions and actions meaningful. I have referred on several occasions to the BioVet group being normless, which is commonly understood as having no rule of law. Certainly in the Advancers' judgement of them in relation to the cult value of safety they were considered anarchic. However, what I am seeking to express is that their actions no longer made clear sense in the new order and, as a result, they experienced both anomie and alienation.

In the context of established and outsider groups, I understand these terms to mean something distinct but not wholly different from what Marx and Durkheim asserted (Haralambos 1991, p. 312, p.319). The distinction lies in where the source of the disruption is between the person and their work. For me it is the paucity of inter-relationship between people that causes this breach. The inability to operate smoothly within the longstanding Advance relationships diminished the status of the BioVet members. This consequently developed into a sense of powerlessness about their work and perceived lack of influence over what and how they produced, resulting in an absence of fulfilment or, what Marx would have described as, alienation from work (Haralambos 1991, p.312). Importantly, because work is a social activity (Furnham, 2005), this alienation from work is primarily an alienation from others, thereby further damaging valuable social relationships. Being detached from established Advance patterns of relating created confusion about what were the agreed organisational values, traditions, beliefs and priorities. What and how reward was made, both tangibly (salary, bonuses, promotions, perquisites, and so on) and intangibly (respect, access to information power, and so on) (Pritchett 1997, p.10), was altered to create what Durkheim would describe as anomie:

The scale is upset; but a new scale cannot be immediately improvised. Time is required for the public conscience to reclassify men and things. (Durkheim in Haralambos 1991, p.319)

My contention is that normlessness in the BioVet situation refers to not only a loss of values but also a loss of meaning: meaning that is essentially drawn from the

relationships between people. Meaning I would argue is a consequence of recognition between people that emerges over time. It is the practice of facilitating meaningful recognition that is critical in the M&A process.

There is a potential for misunderstanding here about what is meant by facilitation and by recognition. Recognition is often confused with appreciation and this is used in some management approaches, such as appreciative inquiry (Bushe 1998, p.41), to eliminate the rub between people. Using the analogy with complexity science, it is this very irritation through diversity between agents or people, that it is argued rouses the potential for creative recognition (Stacey 2003, p.378) Facilitation, as I argued in chapter two, can be best understood as a participatory experience, where attention is drawn to the quality and diversity of relating between people. It is an ethical practice that involves risk to one's own identity as a facilitator by staying with moments of conflict and repetition, in such a way that their transformative potential might emerge. The key questions, then, are how is meaningful recognition achieved and how might it be facilitated in this way of attending to complex responsive processes.

It is clear from Honneth's writing that it is impossible for us to take up any meaningful identity without the collaborative involvement of others:

One can develop a practical relation-to-self only when one has learned to view oneself, from the normative perspective of one's partners in interaction, as their social addressee. (Honneth 1995, p.xiii)

This follows Mead's (1934) view of the generalised other, and suggests that it is only by gaining recognition from others that we can understand fully the possible meanings of our own actions. Therefore, meaning is bound up in mutually responsive relationships with others. What I am paying attention to within the matrix of power relating is the denigration of one group and when this happens an interesting quandary emerges about how is it possible to gain recognition when there appears to be no mutuality. Winnicott suggested:

Recognition...can only come from another whom we, in turn, recognise as different and valuable in his or her own right. (Audard and Grosz 2000, p.1)

What he is suggesting is that meaning comes through a mutuality of recognition between parties and without such recognition in relationship with another it is impossible to form a separate identity (Winnicott 1971, p.151). Thus, when we have no dynamic emotional response from others, we have no way of making sense of our own experience and we are left confused. Winnicott (Audard and Grosz 2000, p.2) pointed to a profoundly paradoxical situation by asserting that recognition is attained primarily through a process of destruction. When observing the mother–child relationship he perceived that it was through the child’s ultimately unsuccessful attempts to destroy the parent that the other was established as “distinct and real” and therefore available to provide satisfaction. Thus conflict between human beings can be seen as imperative to the process of identity formation. Importantly, I am using the mother–child dyad differently, as an exemplar, and not in the psychoanalytic sense as a singular, exclusive, relational process. What I am referring to is a relationship with the wider community that the mother represents. She with others to whom the child relates is simultaneously and inescapably representative of what Mead identified as the wider generalised other (Stacey 2003, p.235).

### **Omnipotence and futility**

What Winnicott (1971) is suggesting is that by attempting and yet failing to destroy the other, the individual recognises that there is someone outside their sphere of influence; someone they cannot control. This limitation on omnipotence has two important consequences. First, it enables the subject to recognise the importance of relating to others to give meaning to their existence and propels a person into relationship with those around him. Second, it allows the individual to understand that what he feels is not necessarily true (Audard and Grosz 2000, p.2).

If there is a no, then the person can form a sense of their difference and, therefore, value. If this ‘no’ does not exist then they feel and believe they are omnipotent.

Where the other is consistently destructive and retaliatory in their responses to the subject, then the only course of action is compliance without concurrence.

Independence in this place is experienced as loneliness or what I would call anomie and alienation.

How then does this relate to the BioVet situation and more generally to the M&A process? Winnicott's (1974, p.106) theory of recognition is this: through conflicting with the other in a way that destroys the others position without actually destroying the other, a person is able to experience themselves as separate and at the same time belonging. This then is the paradox that the person relates while destroying. What I am suggesting, in parallel, is that this process of conflict in acquisition is, in fact, a crucial part of the process of creating a sense of belonging to the acquiring organisation. However, just as people's actions acquire significance when they are taken up by the other, the role of the facilitator is to take the destructive conversations seriously in a way that allows the other to remain existent. This is done by paying attention to the moments of repetition and therefore potential transformation in the story people are forming together.

Across the table there was a heavy sigh. "That resonates with you?" I ask. "Well...that's another thing they just keep going on all the time about bloody safety. We have five pairs of gloves, I mean five pairs! [incredulous] One for lifting pallets, one for driving forklifts one for cutting wood and if you cut your hand, it's like the bloody Spanish inquisition." This has the feeling of a habituated story that they tell each other in many different forms, observable in the agreeing nods and smiles between people. There is nothing new emerging just a repetition of complaint. In the interests of diversity I offer another perspective.

"I understand the focus on safety can feel like a nuisance but it comes from a place of concern. I have visited sites in countries Mexico and Turkey where if people are injured by falling downstairs or lose an arm there is no social security system to take care of them. Outside the company no one cares for them and if they worked in another business they would be simply let go. I think it is fantastic the way Advance takes care of ordinary working people" I reply.

Another guy across the table from me attacks the end of my sentence before the words have barely left my mouth: "I have no problem with that [his tone suggests otherwise] but we have a guy who hurt his foot playing football and they are out at his house filling in a report about how it happened trying to get him back to work, that s not right."

What I am attempting to do here is to hold present the existence and difference of the other. This is not just the proposition of an idea but is about my embodied presence providing a different agency to what is usually available as this story is retold (Shaw, 2002). It is as though the story people make together sets the emotional mood and this, like many moods, is antisocial and destructive. My intention here is to make the feelings of destruction that are present in the story, and usually unavailable and fixed, accessible and mutable by engaging in dialogue with others. The quality of this dialogue is important for it is based on unexpected responses to habitual linguistic gestures. Thus, offering up a different response runs the risk of being experienced as not understanding and thereby becoming identified with the object under attack (Stacey 2003).

This is an area that I believe requires further examination, but a key issue here is related to survival that Winnicott (1971, p.109) describes as non-retaliation. Part of the process, not fully explored here, is working within the capacity to allow the presence of destructive feelings in a way that does not annihilate but allows people to continue talking. Preventing a perceived destructive response may not be possible because of the power relating involved in the established/outsider dynamic. It is evident from Elias' (1994) work that it is necessary in some way to lessen the value of some and elevate others as part of the process of social cohesion, and some part of this may be denigrating others in our speaking. However, the hope is to go on with a dialogue that sustains further interaction, for it is the interruption of discourse that obstructs the potential for transformation (Dalal 1998, p.55ff).

A discourse, where recognition is inherent, has particular characteristics. Winnicott (1971) was insistent that in relating where there is always no and never no, there can never be a capacity for identity development. In facilitating groups going through an M&A, therefore, it is important to attend to these never and always themes. For instance, with BioVet, it was important to ask the established Advancers what they are doing safely. And in discussion, when we say they, are we talking about a different company or are they Advancers as well? With the BioVet employees it was important to challenge, "they always complain about housekeeping" and "they never listen". This may appear like a simplistic approach; however, it is a vital foundation as

it holds open the many responsive possibilities in conversation between people. The never/always dynamic urges an objectification, which binds people to one set of habitual responses in conversation, even when they are initially being something different to each other.

## **Conclusion**

In chapter three, I have noticed that M&A remain problematic propositions (Carey 2000; Schoenberg 2005; Song and Pettit 2000; Pritchett, Robinson and Clarkson 1997; Cartwright & Cooper, 1992a; Porter, 1987; Ellis & Pekar, 1978; Kitching 1967; Marks 1988) I have endeavoured to show why one-off integration plans will not work because they fail to take seriously the threats to identity and how people respond to these during M&A. The practical implication is that there needs to be ongoing work with people to facilitate their working through the experience of identity transformation. This may be achieved through conflictual and reasonable discussion that is viable—that is, interaction that is growing and developing by producing a movement of thought; interaction building on interaction to create meaning (Stacey 2003; Shaw 2002; and Griffin 2002). What I am interested to explore further is how meaningful conversation is sustained. By meaningful, I am referring to conversations that involve recognition, which I take literally to be the capacity to re-think the position of the other (Shotter 1998 p39). Particularly in situations of change, where power relating is more rapidly shifting and the capacity for timely reasoning may be diminished. Dialogue can all too easily fall into patterns that are ill considered and, consequently, permit the emergence of harmful actions. In the next chapter I will consider what happens in an outsourcing or de-merger project. I look at how social defences in response to identity threat interrupt these potentially transforming conversations. I review in detail how M&A of any form, disrupt peoples' sense of belonging and how in an attempt to protect group membership interaction becomes repetitive and stagnant as a means of preserving identity. I then offer some consideration of how this might be changed.

## ***Current Reflections Chapter 4***

*Key Themes* – In this chapter I bring the perspective that has been emerging in the previous chapters about the social nature of identity and belonging to assisting with a



troubled M&A project. I begin by recognising the many reasons why M&A may be initiated and how these are all intended to bring business success. Sadly, they do not always do so (Noe, 2002, Freedman 2002, Yoon 2001). I then describe some of the suggestions from management literature outlined in a key strategy review, which suggest why M&A may not be succeeding. These include lack of or poor communication (Dixon 1998, Bruckman 1987), lack of HR involvement (TCB 2000,) lack of training (CG&Co 1999), lack of retained key people and talent (Bruckman 1987, Yoon 2001, Schuler 2001), loss of customers (Pinnell 2001), Culture clash (Rodgers 1999, Randall et al; 2001) and Power struggles between managers (Harrison 2001). To address these a number of strategic management solutions are proposed that include extensive communication (Gancelet al, 1999) effective planning (Storey and Gander 2000) staff retention (Harrison, 2001) managing cultural differences (Harris et al 1999), training and development and forming post merger integration teams (Morrison and James 2001). I point to research that suggests that despite this knowledge the success of M&A in many instances remains elusive (Noe 2002, Cartwright and Schoenberg 2006).

I argue that mainstream literature offers these familiar approaches and that these are based on a particular notion of identity in terms of separate rational individuals who are parts of a cybernetic or relational system managed by competent leaders. I explore this extensively in the positioning of this thinking in relation to mainstream practice. Consequently, all these approaches take the same line looking to cognitive restructuring, knowledge retention through people retention, and stabilisation through compensation and benefits deals (Pritchett et al 1997, Jacobus and Riette 2004 Szulanski, 1996; Tsai, 2001 Chakrabarti 1990).

I take a very different view of identity based on the work of Mead (1934) where the social and the individual are inseparable and connect this to Elias' (1997) notion of figurations of power relating over time. I am therefore arguing differently that changes in patterns of power relating caused by M&A disrupt the habitual nature of communicative interaction thereby unsettling the repetitions of interaction that give us recognisable identity (Stacey 2003 p80). I have looked particularly at the notion of time because in both Elias and Scotson's (1994) view and in the field of Group psychotherapy (Yalom 1985, Dalal 2002, Behr and Hearst 2005) it is over time that

people acquire established positions. I argue that Establishment comes out of ongoing patterns of repeated interaction (Stacey 2003) so that when an event like an M&A occurs it is critical to take account of the history of what has been and to give time to develop something of a new recognisable identity.

That many M&A are not successful in becoming sufficiently co-operative and creative patterns of interaction raises the question as to what is preventing this occurring. I see I have addressed this in this chapter by paying attention to the issue of recognition (Honneth, 1995). In helping to understand this I bring attention to my altered understanding of what is meant by *the* unconscious. Here I have shifted to view these as processes of communication and in particular consider in this instance unformulated significant symbols as forms of communication that are unvalidated and therefore repeated in the hope of recognition (Stacey 2003).

*Practice* – In practice this means something very different. As opposed to macro strategies, the perspective I was developing requires engagement in local micro processes occurring between people. It also requires the facilitator to be an active participant in the way I described in the last chapter. Here facilitators are actively involved in the process of new identity formation through engagement. Far from seeking harmony there is an active pursuit of a non retaliatory communicative conflict whereby the individuals involved get a sense of others' perspectives and come to see their position as one truth amongst many. In this sense it is a practice of helping all to become reflexive. It is through negation after negation of position in a continuous process that identity begins to lose rigidity and become dynamic and involves potential transformation for all involved.

*Method* – In this chapter I am for the first time fully engaged in the reflexive methodology of the Doctor of management program. I am noticing how my actions are an engaged social process, and how they are connecting with the wider world. I am seeking to orientate my understanding of what is happening with reference to the wider community of sociology, individual and social psychology, group psychotherapy and business management. I see my role as a co-creator of meaning together with other participants and I working to form a cultivated reflexivity in the way discussion is occurring by questioning disputing and disclosing in ways I would

never before have done. I am noticing too how the distinction between research method and practice is melting. I am now paying attention to the importance of language and how it is being used to shape being together. The words themselves are important to me but only in as much as they reveal how we are including and excluding, elevating and denigrating topics, people and issues as we form a dominant discourse that reflects the patterns of power relating. I see that all are actively ethically involved in this process.

*The key question* – In this chapter the question of interest becomes evident. I am concerned to understand how continuity of identity of dominated groups is not ensured but transformed. This is a very practical matter because failure to pay attention may have dire consequences for the business in that the acquiring organisations do not reap the anticipated benefits of merger in terms of social capital and the acquired group begins to fragment. Social identity theory as I show in the synopsis is primarily concerned with continuity of identity (Gaertner et al 1993). However, continuation of identity may not be acceptable or even possible in an M&A situation. Instead I focus on how identity is *transformed* through processes of communicative interaction. Furthermore, I take up the gap proposed by social identity research in understanding the identity processes affecting dominated groups in M&A situations. I do so by making connection to the established/outsider dynamics Elias and Scotson (1994) pointed to noticing the tendency to accept and adopt the expected negative beliefs and behaviours. Moreover, I recognise how the social desire for belonging (Foulkes and Anthony, 1957 p254), which increasingly seems precarious (Nitsun, 1993), is made vulnerable by M&A.

There are two processes at work in this identity transformation project. It seems to me they exist as a paradox: social defences resisting change and thereby holding onto a sense of continuity and dialectal communicative interaction inviting novelty and embracing newness. Better practice, requires a fuller understanding of both these processes and a good grasp of how to work with them simultaneously.

At this time I completed my progression viva and one of the examiners suggested I might consider looking at the area of demergers. The company I was working for had just decided to outsource its HR services including my own team. As I began to

reflect on this I was aware of the processes of resistance and the threats to belonging this invoked this. This became the focus of my next chapter and processes of recognition through conflict were not taken further at this point.

## **Chapter 5 – Divesting corporate identity: the silencing effects of threats to identity and their consequences for organisational transformation**

*(Completed January 2007)*

### **Introduction**

Although considered beneficial to shareholders (Gupta in FT. 23 Dec, 2007) outsourcing like all forms of M, D&A, are not always advantageous for employees. Unless addressed they can come to represent failure for business in the longer term because of resultant, often costly employee problems (Hoare and Cartwright 1997). Current research has been of little help in making M, D&A's more successful (Cartwright and Schoenberg 2006)! As an alternative to macro-processes of strategic management and using a complex responsive processes approach (Stacey 2000) I argue that taking account of transforming social identity may be a key to accomplishing outcomes that are more profitable for all stakeholders.

In chapter three, I showed how identity is often a matter of history and relational connection formed in specific localities over time. In this chapter, I expand this notion to consider in more detail how identity is a dialogical and relational process best understood as being perpetually constructed in the ongoing interactions and conversations between people (Stacey, 2000). I offer the view that identity is embedded in the multitude of group belongings we hold (Sen, 2006, Tajfel and Turner 1979<sup>14</sup>) and that work belonging is a vital part of modern life: so much so, that when the companies we work in are purchased or divested it has a profound personally felt impact (Fryers 2006, Stacey 2003). Specifically, I look at the social processes we engage in to sustain our sense of belonging and how understanding these more fully may help us accomplish more rewarding business results. I illustrate this using a number of conversations taken up during a billion dollar outsourcing project.

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<sup>14</sup> Tajfel and Turners (1979) work from the field of social psychology provides invaluable insight into inter-group dynamics. However, social identity theorists take up a particular cognitivist view of human identity which runs counter to the social nature of identity I have been espousing using the work of Mead (1934) and Stacey (2000).

### **How can we outsource successfully?**

Akin to acquisition (Matthew 2006), outsourcing involves the vendor acquiring a piece of the company. What is different is that the two stay in close relationship bound by a time-limited contract (Ibid). Similar to M&A, they are also fraught with risk. A range of reasons are given for why outsourcing failure is so common, focusing primarily on the nature of the business partnership and expectations that are formed between the two parties (CIO.Com 2006).

Matthew (2005) argues that the principle point of failure lies in the development of the relationship between the respective companies, with divergence in the relationship often beginning during the RFP<sup>15</sup>. Matthew's says that determining each other's capacity to meet obligations during due diligence sets the stage for a long-term relationship. Each company must examine the other for viability to meet financial, procurement, HR and infrastructure needs.

Likewise the Massachusetts Institute of Technology centre for information systems research (CISR) examined ninety outsourcing deals across eighty-six companies to assess the success factors in outsourcing. What they discovered was the importance of finding what they call the sweet spot where both companies' expectations coincide. In short success appears to depend on the nature of the client–vendor relationship. The tendency is to organise outsourcing like a traditional strategic partnership. Meaning that the client company's expectation is to hand over the service and have it dealt with, moving capacity requirements up or down and adjusting to peculiar local needs as they require. Conversely, the vendor tends to build service around economy of scale, volume, defined scope, shared resources and best practice from their experience. With such a potential divergence in expectations, it is not surprising that in many cases the sweet spot often turns sour. It is possible to take a different perspective on strategic partnership; one that says partnerships are best understood as long-term interdependencies that involve shared risk. The emphasis thus moves to co-sourcing as a type of teamwork stressing the importance of relational flexibility

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<sup>15</sup> RFP – Request for proposal the initial outline of what the company needs.

in renegotiating contracts and adapting service provision, which are key success factors.

Although the literature on success promotes strategic management approaches, such as effective planning and contract management, most realised outcomes materialise through social relationships. I am not arguing that sound management practices are irrelevant, merely over-emphasised. Paying attention to important relational factors may be a determinant in the success of any outsourcing process. By success, I mean sustaining the ongoing relationship between parties, which is a measure of achievement from every theoretical perspective.

Reviewing M&A research and lamenting the ongoing failure of many acquisitions, Cartwright and Schoenberg (2006 p5 ff) review three possible reasons why this is the case,

1. Executives are undertaking acquisitions driven by non-value maximizing motives.
2. The prescriptions from the academic research are not reaching the practitioner community.
3. The research to date is incomplete in some way.

Disregarding the first point Song and Pettit (2000) asserted that in twenty-six percent of cases they examined, the M&As were instigated by managers for their own utility rather than shareholder interests (Cartwright et al 2006). The second explanation they also discount because most researchers in the M&A field are involved in training institutions and so their knowledge is widely communicated through study and articles. So it is to the last point, that existing research is in some way deficient, that they address themselves. King and Schoenberg's (2004) research, which examined the most commonly investigated areas of finance and strategy, concluded that:

Post-acquisition performance is moderated by variables unspecified in existing research. An implication is that changes to both M&A theory and research methods may be needed. (King *et al* 2004, p.188)

Schoenberg (2005), in a later review of M&A research using Larsson and Finkelstein's synergy model, makes another attempt to address this deficit in the research in a way that appears to support my line of enquiry:

The majority of existing studies<sup>16</sup> have tended to investigate the influence of broad contextual variables... using large datasets and quantitative methodologies to examine the relationship with acquisition outcome at the aggregate level. (Schoenberg 2005, p.22)

Much of this work has reached conflicting conclusions:

Future work could also usefully adopt qualitative methodologies and a micro-process perspective to look at how detailed contextual factors shape the attitudes and actions of the full range of stakeholders towards the acquisition. (Schoenberg 2005, p.23)

I have therefore set out to explore the impact of M,D&As on the nature of identity and belonging at a micro level in organisational life. Matthew (2005, p.1) rightly points to the importance of creating an ongoing relationship between organisations to attain outsourcing success. However, the client and vendor are described as wholes or supra-individuals as though the two organisations could form a relationship of trust<sup>17</sup>. This, I would argue, based on Griffins (2002 p2) is an abstraction from reality. The formation of trust comes through the myriad of many personal, trusting relationships, forged between those who interact tens of thousand of times on a day-to-day basis. These allow a global pattern of trust to emerge (Stacey 2003 p.59). I do not explicitly explore is that of Trust as a

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<sup>16</sup> National cultural distance (Datta and Puia 1995; Morosini *et al* 1998; Brock 2005), relative acquisition size (Kuscwitt 1985) or acquirer experience (Haleblian and Finkelstein 1999; Hayward 2002).

<sup>17</sup> see Griffin 2002 p 2 for Critique of this notion of considering organisations as wholes. As I read it he says we forget thinking the 'as if' quality in such metaphors and quickly begin to talk of organisations made up of thousands of people as though they truly have mind intention and even personality.



feature of organisational life. Kramer (2001) in his work shows clearly that trust is an important aspect of human relating (Barber, 1983; Zucker, 1986). Indeed there is a significant body of recent social psychology research that suggests that Trust produces great emotional and social benefit (Coleman, 1990; Fukuyama, 1995; Putnam, 1993). Kramer uses Robinson's definition of trust as,

Expectations, assumptions, or beliefs about the likelihood that another's future actions will be beneficial, favourable, or at least not detrimental to one's interests (S. L. Robinson, 1996, p. 576)

He explains that trust plays a valuable role in lubricating everyday social exchange (Arrow, 1974; Williamson, 1993). What he points to is that the development of trust as a 'taken for granted' quality in organisational life is much more difficult because the size and complexity of organisations often precludes the occurrence of the 'intimate' 'dyadic' 'repetitive' and 'incremental' exchanges necessary for trust to be acquired (Lindskold, 1978; Rotter, 1980). Where interaction is infrequent, dispersed and infused with politics and competition it is difficult to imagine trust easily developing (Fox, 1974). Yet it remains widely accepted that trust is a necessity for business efficiency as it brings about open communication, team co-operation, creative risk taking and as a consequence better decision making and satisfaction with this (Morgan and Hunt 1994; Oza, Hall, Rainer & Grey 2006) This is particularly true where business alliances are being formed (Parkhe, 1998).

The question therefore arises as to what form this trust takes and what can be done to create it (Kramer, 2001). Kramer indicates there has been some focus on the creation of trust through stable organisational structures (Zucker, 1986) and social structures (Burt & Knez, 1995; Granovetter, 1985). More recently as in Kramer's case and in the work of Oza, et al (2006) there has been consideration of the nature of interpersonal and intergroup relating. Oza et al, looked at a range of factors in the formation of initial trust such as references, experience, reputation personal visits etc; and aspects of maintaining trust such as transparency, demonstrability, honesty communication etc; providing an outline of the types of behaviours that enable trust to develop. From a social

identity theory perspective Kramer (Hogg and Terry 2001) looks at the connection between trust and identity. Using research that asserts that identity distinctiveness is an important influence in social situations (Brewer, 1991; Kanter, 1977a, 1977b; Kramer, 1994; Taylor, 1981; Tsui et al, 1992), particularly where one is noticeably different, Kramer argues that being different itself creates the potential for misunderstanding and rejection (p478). Identity difference is said to provoke negative and misguided attributions about others that invite hostile interaction and social distancing which results in a break down in trust (Kramer, 2001 p178). Kramer proposes that a fundamental way of achieving trust is through organisational structures like the 'open door policy'. As companies show trust toward employees they become increasingly trustworthy. A presumption of trust develops where what is described as an 'expectational asset' develops between people (Knez & Camerer, 1994).

The aim and intention is to create the right contextual framework and circumstances for trusting and importantly co-operative contact between people to take place (Hogg and terry 2001 p259). If the correct structures are in place, opportunities are provided for personal acquaintance, interaction is encouraged and supportive norms for harmonious interaction are put in place then intergroup conflict will diminish and transformation will occur. Trust is understood to be a product of a conflict free environment and s arises through cognitive based decision making. I have taken up a different perspective built on the work of others in the field of complexity science and social psychology.

I have suggested that in contrast to most management theory where the creation of harmony and stability are advocated, complex responsive processes theory sees this as representative of a dampening down or constraint on diverse interaction which is in itself said to be the source of meaning creation amongst people (Stacey, 2000 p227). What is then proposed differently is that trust cannot be imposed through structures or ways of relating but rather emerges out of the interactions between people which are both conflictual and co-operative. It is not that goodwill creates harmony but that a supportive environment emerges out of creative often challenging and diverse interaction. Trust is therefore a feature of continual adaptation of people to one another. It is

important to note here that this is not cognitive process alone but an embodied felt experience where people are forming not imitative acts of 'you are accepting so I am benevolent too' but that their responses are appropriate to the social situations in which they are occurring (Burkitt, 1999 p33). In other words in a hostile take-over being 'nice' or respectful may evoke responses cynicism as much as co-operation and interpersonal contact could induce as much conflict as reconciliation. It is therefore not the actions themselves which are the focus but the quality of interactions that by contrast need to become the on going focus of attention for herein lies the meaning of the acts (p31).

I have taken the view that trust itself can only be seen as forming and continuing to be formed in on going relationships between people. The narratives in Chapters 2-5 could all be seen as examples of trust building. However, I did not set out with this in mind. I believe trust was and is being built through these conversational engagements but I can only really describe it so retrospectively. To recommend that other practitioners would follow in this same path to achieve the same result would therefore be disingenuous. What is required instead perhaps is that they have the same co-operative intent and pay attention to what arises in responses to one another during interaction. For these reasons I do not explicitly take up the issue of Trust building in organisational life.

What missed during M&A is the changing nature of identity in the process of outsourcing. Those who were once in the organisational family home are now evicted. This is therefore a rich area for research.

### **The corporate cult**

One of the most common questions in everyday encounters is what do you do? This question about a person's work helps place people within our social network, ascribing value, status and connection (Worsley, 1987). It also shows the importance of what we do as a defining factor in Western identity. Our identity is individual, social, work, and personal all at the same time (Fryers, 2006).

Forming a strong sense of collective organisational identity has also been a product of strategic management approaches (Senge, 1990). This thinking espouses stability of the system and applies this to people by advocating the production of organisational harmony through the creation of shared aims. It is argued that if the various parts of the organisation act in agreed ways toward a united purpose then the organisation as a whole will perform efficiently. Dissension is seen as disharmony and dissonance is discouraged. Thus discordant dialogue is silenced.

I want to look at the negative consequences of organisational silencing through an apparently circuitous route. The journey through a religious perspective may be an unfamiliar one. It is my belief that if we let go of the spiritual and the mystical, studying evangelical religious activities as simply another facet of human organisational behaviour, the themes and patterns of interaction will quickly become eminently familiar to us. At a very rudimentary level the corporate language of vision and mission carries heavy religious connotations with deep roots in evangelism. It is this spirit of conversion to organisational purpose that I wish to begin to examine. In this chapter I share conversations that took place using the words as I remember them. This has implications that I explore in the Methodology section.

### **The example of Advance**

Following an announcement that integrated health personnel were to be considered as part of the outsourcing project, I was asked to facilitate a number of meetings with IHS employees throughout Europe. During one such meeting the discussion turned towards the possibility of moving to another company and people made several references to the strength of their Advance identity, one actually saying 'it is like a sect'.

These statements struck a chord with me, resonating with my experience of religious segregation in Northern Ireland, an issue that has repeatedly emerged as a starting point in my writing.

Significantly, Advance has a large operational site in the City of Derry/Londonderry allegedly the birthplace of both the no surrender mentality of Ulster Protestantism and the modern Catholic civil rights movement. It was here that the pronounced injustices of sectarianism served as a catalyst in the emergence of the recent troubles. What had surprised me when visiting and hearing the history of that site was that despite significant numbers of Catholics and Protestants working together in comparable numbers and in all manner of managerial and supervisory relationships, there appeared to be no reflection of the social conflict in the relating within the organisation. This suggested to me that perhaps something significant was occurring in the daily ongoing construction of the Advance culture that was forming an over arching and higher allegiance. 'This' was rendering the usual patterns of social interaction, which usually resulted in deadly conflict, irrelevant. What appeared to be a throwaway comment had significance in that it opened up a line of inquiry into the nature of how organisations formulate a singular worldview that has the capacity to obscure all others. It is this ability to create a dominant single worldview that is one of the distinguishing characteristics of cults (Lifton, 1999 p25).

The term cult is usually used in a pejorative sense to denote groups that are destructive but, clearly, as in the case of Advance, this is not the only possibility (Thaler –Singer, 2003 p6-7). Not every group that may be termed a cult is harmful and certainly every group denoted as a cult in this negative sense would deny they were. To make sense of this organisationally, it is useful to look to Mead. In his early work, Mead was similarly disparaging of cults, but as his thinking developed, his references to cult lost this derogatory slant. In studying the emergence of inter-state conflict, Mead (1914 and 1925) argued that it was personifying the collective, as if it were an enlarged individual acting with singular motives and values, which constituted a cult (Griffin 2002, p.115). Griffin explores the nature of idealised cult values and distinguishes the functionalising of these in everyday life, arguing that it is where these cult values remain idealised that problems emerge (Griffin 2002, p.115).

What then is it that distinguishes a harmful collective grouping from one that is functional? I believe it is possible to identify a number of key characteristics of

cults that make sense in an organisational context. By exploring these it is possible to unravel what can make even the most benevolent cults malignant. The key characteristics are:

## **1 Charismatic leadership**

One of the defining characteristics of cults is that they have a captivating leadership. Such leaders assert themselves as a single authority demanding unconditional trust and making grandiose promises to generate wealth at the expense of others, arguing that evil forces are attempting to subvert them (<http://www.phact.org/>). Yet, in most cults it is not the leader who personally converts and wins over the individual's allegiance. More often it is the exchanges between individuals in everyday contacts that have a persuasive effect (Peverelli, 2000). However, leaders are undoubtedly important in that they have a capacity to influence others lower down in the social hierarchy who are tightly bound to them in a relational power structure (Elias 1994).

In terms of transferability to the organisational setting, I would follow Mead's (1914 and 1925) thinking and argue that first it is the organisation that becomes personified. In law the corporation has its own fictional personhood, enjoying similar rights and obligations as an individual, possessing the ability to sign contracts, own property, pay taxes and is afforded protection from the capricious actions of government. These rights are limited; for instance, a corporation cannot vote in general elections. I would argue though, that a corporation presents itself as an individual invented persona when dealing with stakeholders, for instance lobbying, government to meet its unique interests. Fundamentally, this identity is recognisable, (Balmer and Gray, 2000; Dowling, 1993) conveys a personified business character (Schultz, Hatch and Larsen, 2000) and involves the formation of relationships with customers, the community and importantly employees whose identification with the company is said to be crucial to business success (Bromley, 2001, Hogg and Terry 2001).

This way of thinking is apparent in the everyday language of people in organisations. In my own workplace people will often say this is what Advance wants or this is not how Advance would do things, as though referring to an

actual human being. This appears consistent whether we say this is what the corporation, the company or the government wants. It is my contention that this is equivalent to Mead's (1925) personifying of the collective and that the fictitious corporate presence operates as a persuasive social entity, a generalised other as it were, influencing the thinking of the corporations membership (Griffin 2002). Our making of cult ideals embodied in corporate identity is thus equivalent to a cult leader.

What I am saying is that members of the corporation interact and respond to this personification in the same way as they would respond to any person, considering how they talk and act in relationship with the corporate identity. Thus the communicative interaction is shaped in the same way as everyday conversation, with adjustments in power relating and evaluative decision making. What is most important from Mead's perspective is that the corporation is galvanized into a self-exalting character, free from limitation. Each person is both simultaneously responsible for creating and sustaining this image of limitless personhood. Limitless potential is persuasive and evokes a view of the organisation as laden with charismatic attributes: the best, safest, healthiest, and most innovative and desired employer. Through their interactions together, each is forming the collective idealisation and also being formed by it, with a consequence that it is difficult to act against the corporate identity, for in doing so you may harm the communal allure that in fact upholds it.

Some people take this fictional principle in a different direction. Lord Haldane, in a House of Lords ruling, said:

My Lords, a corporation is an abstraction. It has no mind of its own any more than it has a body of its own; its active and directing will must consequently be sought in the person of somebody who is really the directing mind and will of the corporation, the very ego and centre of the personality of the corporation. (*Lennards Carrying Co v Asiatic Petroleum* [1915] AC 705)

By implication, Haldane is speaking the language of strategic choice theory (Stacey 2000, p.78). His view alternates between the two views of human

nature, cognitivist and humanistic. He supposes that people are rational and follow in a linear way the direction of some central, equally rational leadership and are motivated by this person. To make the distinction clear where Haldane is saying that there must be somebody who is really directing the organisation, I am saying, and this is my second point, that the ego or corporate personality is not in any one person but formed and sustained in ritualised interactions between people, molded into a personality in the process of those interactions and used as a justification for sustaining them. The solidified corporate identity in habituated forms of interaction is therefore tantamount to the cult leader.

Communicated between people are cult values and these are part of a collective process of power relating that in everyday interaction becomes functionalised. I am certainly aware of the strength of the Advance identity and how even I<sup>18</sup>, a psychotherapist working off-site, and as a fairly recent employee, had imbibed the Advance interdependent safety culture: so much so, that the habitual practices that sustain this culture between Advancers have become almost invisible, only becoming apparent in the reactions of others who are not Advancers, such as this response of a business manager from another company:

“Thomas if one more of you Advancers tell me to hold onto the handrail I’ll tell him where to stick his handrail.”

And then an interesting after thought,

“We are not on speaker phone are we?”

For me, this brief interaction goes to the heart of the cult as a negative social phenomenon. The cult’s convictions and principles may become, through amplification between individuals in the established group, domineering and authoritarian. Thus what are intended as benign actions can become malignant,

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<sup>18</sup> I understand this to be a reference to my own ‘self-serving bias’, which is a common feature in personal responses to cult phenomena, that suggests in some way that I am, or should be, immune to influences that affect the rest of humanity.



evoking paradoxical group forces of inclusion and exclusion, rendering everyone fearful and paranoid.

## **2 Mind control**

The idea of mind control may sound sensationalist lacking credibility particularly with reference to organisational life. This however, is a common trait of cults and if some comparative value is to be drawn from this analysis this feature of the cult phenomenon warrants exploration (Ritchie 1991, p.4). Lifton's seminal work on the psychology of cults offers some insight. Mind control refers to how thinking and decision making can to a greater or lesser degree, be manipulated, arbitrarily by outside sources. Evidence for the possibility of influencing others through advertising, propaganda and peer pressure is widely documented (Hayes 1994, p.618). What I am calling mind control is not some Svengali like mesmerism, but rather the influencing of others thinking through a narrowing or impoverishment of options so as to reduce critical thinking. Lifton said of this milieu control:

All communication, including even an individual's inner communication, is monopolized and orchestrated, so that reality becomes the group's exclusive possession. (Lifton 1999, p.25)

Importantly, Lifton's work (1961) concluded that coercive persuasion did not require the use of physical threat or violence and like Thaler-Singer (1995) he argued that adaptive thinking can be produced by creating the right social atmosphere. This environment involves milieu control.

## **3 Milieu control**

Is limiting or filtering communication with the consequence that people become isolated from ideas and examples in other similar situations in the world.

Without alternatives the only remaining stimulus is the ideology being instilled in them. Intra-personally, people are discouraged from thinking incorrect thoughts that are termed resistant, selfish, immoral or, in more extreme cases, evil (Lifton 1999, p.25).

#### **4 Mystical manipulation**

Is a primary means of influencing changes in thinking. Persuaded of special or elect status members are convinced that they will be saved from the misfortunes befalling outsiders because they belong to the group (Lifton 1999, p.25).

#### **5 Confession**

Is used to affect social bonding. Confessing faults and vulnerabilities heightens the need for acceptance and public confession increases connection with other group members as social allies so that shared belief systems are adopted more easily or become harder to reject (Lifton 1999, p.25).

#### **6 Self-sanctification through purity**

An illusion is created of ultimate yet unattainable perfection. Striving is rewarded and failure punished through this impossible system. Being caught in an endless cycle of striving and failure in itself produces a deep seated obedience to those purer individuals higher up the social order (Lifton 1999, p.25). Characteristically punishment is often self-administered through a system that encourages self-flagellation as a key method of atonement.

#### **7 Aura of sacred science**

The beliefs and regulations of the group are framed as perfect, absolute and non-negotiable; the dogma of the group is presented as scientifically correct or otherwise unquestionable (<http://changingminds.org>). Thus the rules, guidance and decisions of the group are followed without questioning and in fact reflection or critique are seen as transgressions in themselves for it is wrong even to consider an alternative perspective.

#### **8 Loaded language**

Whoever controls the meanings of words can to a greater extent control what people think, especially if there is no capacity for alternative meanings to emerge through dialogue. (Lifton 1999 p 25) Essentially, in a more authoritarian setting, words tend to be used in a way that works to affirm the prevailing ideology. Special meanings given to words separate out and exclude those

outside the group and at the same time define levels of knowing and depth of membership within the group.

**9 Doctrine over person**

The group's ideas become more important than, and rule over, the unique and personally held perspectives of the individual (Lifton 1999 p 25).

**10 Dispensed existence**

Finally, cults build a strong sense of dispensed existence. Insiders are saved and outsiders are damned. What is particularly compelling is who is inside and who is outside can shift and change at a whim. There is no right of membership and those who leave are particularly reprobate. Two themes appear prevalent:

- fear of exclusion, and
- fear of those who think differently about the world.

I will return to these later. First though, it is important to note the ordinariness of these processes. They are not exclusive to cults but may be present in the ordinary everyday interactions of any organisation and are readily observable particularly in corporate environments. To hear that something must not be discussed outside these walls or is for internal consideration only is not unusual. This is a form of milieu control. Likewise, constructing talking points and developing rhetorical explanations about why targets have not been met, costs must remain flat or organisational change implemented, to save us all from having to go and find employment in the hostile world out there, are similarly a form of mystical manipulation. I will come back to a fuller analysis in a real-life example of how these processes play themselves out in corporate life.

The point I am making is that the corporate cult comparison and the discussion of mind control is not a spurious one. I am drawing attention to the nature of how people, coming together with a strong and, more importantly, shared ideology can coagulate into habitual interactions that shape behaviour, information, thinking and emotions of the group membership (Hassan 2000). This is true whether they are in religious sects, multinational corporations or the

local scout troop, and it is this I euphemistically call mind control. The social psychologist Zimbardo supports this notion:

Mind control is the process by which individual or collective freedom of choice and action is compromised by agents or agencies that modify or distort perception, motivation, affect, cognition and/or behavioral outcomes. It is neither magical nor mystical, but a process that involves a set of basic social psychological principles. (Zimbardo 2002)

The tendency is to look at these processes in terms of individual (Lifton, Singer *et al*) or social psychology (Zimbardo 1972, Stahelski 2005). Each emphasises the person and the group as distinct and separate levels, respectively, acting on one another. It is seen that agents or agencies consciously act to create or exert control over others. I take a much more Eliasian view arguing that for ideological totalism to exist there must be some mutual compliance or, at least, the fearful agreement with self and others not to engage in dialogue and to suppress to some extent, private dissension. In other words, totalistic communities, like any other community, are forming and being formed by their membership both individually and in groups, and at the same time (Stacey 2003). Sherrin Watkins, the Enron whistleblower put this very simply:

It could happen again, it could be happening now... it can surely happen anywhere. (BBC Radio Four, The Choice, Tues 12 Sept 2006)

My argument is supported by Griffin (2002), and Streatfield (2001) that any organisation can become draconian through the interactions of its membership, particularly where partisan ideology and de-pluralisation of group membership converge and are supported by the interactions or, perhaps more aptly, the non-interactions between and within people. To understand this more fully I will examine ideology and exclusivity as social processes.

### **Ideological perspective**

Ritchie (1991, p.7) argues that all cults take up an ideological position, advocating a particular world view and requiring members to align themselves

to this. How then does this occur in organisations? Streatfield (2001, p.88) states that power relations are sustained by ideology in conversations between people in that praise and blame gossip are used to elevate or denigrate the positional status of group members. Drawing on the work of Dalal (1998), he states that ideology is thus best understood as a form of communication that preserves the current order by making that order appears natural. Far from being a set of inert disembodied ideas, ideology is a self-organising and emergent process that replicates habitual power relations between people through the conversations that they are having together. Ideology is not then lifeless, but a perpetual construction of what Boje (1991, p.111) describes as a story made up of interaction involving two or more people interpreting, past or anticipated experience. Understood this way, ideology is not imposed from outside but can be understood as an involved process in which everyone is participating through the conversations they are having or not having with each other (Peverelli 2006).

If this idea is accepted, then where conversations are rigid and organised around certain dominant themes we have stability of identity but no capacity for change. Using the analogy from complexity science (Stacey 2001, p.88) we can see that such patterns of communication create stuckness by forbidding novelty through restricting interaction between diverse agents. Where change is being sought or created by circumstance, the absence or suppression of diversity is therefore counterproductive.

Ideology is based on binary opposites (Dalal 1998 and Elias 1994). The most rudimentary and powerful of these is the 'them and us' dichotomy. Most organisational groups reflect this them and us division. Distinct and continuity of identity is preserved by emphasising this fundamental distinction. This involves sustaining a style of habitual conversation that minimises the possibility of identity going into flux. Conversely, I have previously argued that where change is occurring people need to be given the opportunity to narrate themselves into a new identity if any organisational change process is to be successful. Hence, I contend that narrow ideology is useful for sustaining cult or organisational identity, but not for transforming organisational identity.

## **Exclusivity**

Exclusivity is claimed to some degree by all human organisations. By simple virtue of the fact that some people are members and others are not, there is an automatic exclusion and this can be emotionally loaded. The need to belong is essential to most human beings and exclusion is deeply feared. This is enshrined in the earliest Judeo-Christian narrative of Adam and Eve's expulsion from the Garden of Eden.

I have indicated above that the membership of every cult or organisation forms a story of how the world is. How members talk together and account to one another reflects the power relationships in which they have become embroiled. It is therefore impossible for any organisation to be seen as ideologically neutral. All organisational members take up a story in their interactions together, which is a partisan view that excludes other possibilities.

Every story legitimates a centred point of view, a world view, or an ideology among alternatives. (Boje 2001, p.18).

Each time this story is retold, the exclusivity of the group is being constructed and, at the same time, deconstructed and herein potential transformation is made possible. It is this possibility of transformation that raises anxiety (Stacey 2003 p80).. The process of deconstructing runs the risk of a different story being reconstructed in a way that changes the patterns of relating between people, so that the recognisable ways of relating to one another are altered (Yalom 1985 p100). To defend against this anxiety, it is crucial that the possibilities of a new construction are minimised and this is achieved by limiting difference in the retelling and reducing variation in the status roles played out in the relationships between people. Rigidity and authority are thus not necessarily malicious but, more often than not, are defences against anxiety about changing status and identity.

Elias (1994) talked about the nature of exclusivity in another way referring to the established and the outsiders. His description of this process is very similar

to the dispensation thinking occurring in cults. Just as non-cult members are seen as sinful, Elias described how a principle feature of the established perception of outsiders is they are norm less and, like those of the unsaved world unclean (Elias 1994, p.xxv). Established groups perceive outsiders not only as lesser but also impure, evoking a fear of contamination. To avoid contagion, through social association with the other, a buffer to interaction between groups is erected in the form of conversational gossip (Elias and Scotson 1994 p104). Through delineation of territory, participation and non-participation in activities and status games, the two groups keep each other apart. This mutually constructed barrier operates to further sustain the difference formed between people, preventing interactions that could transform the identities set up in figurations between the groups.

Established groups, Elias (1994, p.xvi) posited, had a greater sense of internal cohesion and this unity was a product of time, locale and most importantly gossip. Such groups were characterised by common norms, observation of agreed standards, an identity bound up in communal life, a high value for this chosen way of life and the protection of this way of being by using their collective identity; again this could describe cults. Mead (1934) suggested that collective and personal identities are so deeply interwoven as to be inseparable; in the last chapter I looked at this from the perspective of M&As and the impact on the identity of those taken into the acquired organisation. Here I consider the consequence for those whose identity is bound up in the organisational community threatened with exclusion through outsourcing or demerger.

I am referring to the socio-personal effects of a demerger. A demerger is the converse of a merger; where in the course of corporate restructuring part of the company is spun off to become a new venture ([www.finance-glossary.com](http://www.finance-glossary.com)). Whereas mergers tend to augur growth, demergers signify a market downturn, a time when growth revenue from production has been curtailed. Demergers divide and increase the share holdings of investors by creating new stock. Analysts view this positively as it indicates strategic business focus that in turn bolsters share value (Drucker 1994 p4). Notwithstanding this, the financial incentive is that no capital gains tax is paid on fiscal benefits obtained from a

demerger<sup>19</sup>. Technically, I am narrating an outsourcing project that is slightly different. Demergers and outsourcing emerge from the same business roots; that is, both are about lowering costs and focusing business back on its newly defined core competencies (e.g. a new ideological standpoint is taken up, where the main business of Advance is argued to be scientific innovation and not human resource management) (Hoare and Cartwright 1997). The key distinction between demergers and outsourcing is the nature of the relationship post-separation.

Baziotopoulos (2006) describes outsourcing as:

The process of transferring an existing business function, including the relevant physical and/or human assets, to an external provider in order to strategically use outside resources to perform activities previously handled in-house. (<http://en.allexperts.com/e/o/ou/outsourcing.htm>)

With demerger a separate legal entity may emerge doing business independently: with outsourcing there is a transfer of work function but a requirement remains for an exchange of information, for example payroll data, headcount, pension information, etc. The functional relationship between employees, who have previously worked as peers, remains largely unchanged (Baziotopoulos, 2006). However, the pattern of power relationships has been altered in such a way that they no longer hold affiliation or allegiance to the same organisation. Advancers are no longer Advancers.

One young woman in a group session following the outsourcing announcement for one part of HR described it this way:

“This was my first job from University. I have been here for just over five years. I feel betrayed. I was an Advancer... it’s like you have been

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<sup>19</sup> In a study of thirty-eight demergers, the London School of Economics found that demergers are beneficial to shareholders both at the time of the announcement and in the two years following. (<http://www.finance-glossary.com/terms/demerger>).



brought into a family that you like and now that family doesn't want you any more." [emotional]

I am, working as hard as I can, ... I don't know any other way, I must have done something wrong because now you don't want me anymore... They promised I would be always a Advancer they lied to me! We were all lied too!" [angry and upset]

The strength of emotion exemplified by this exchange and repeated in different forms in several meetings suggests that where strong corporate identity has been inculcated, demergers can create a painful experience of exclusion. This is intensified in outsourcing by the fact that there is a continuation of relationships with those who were previously colleagues but now assume different status as customers who must be served<sup>20</sup>. This change requires a fundamental adjustment in the identity of both groups.

The paradox in human organisations is that through inclusion exclusivity is created and the possibility of exclusion in all relating as one of the fundamental tools in building internal group cohesion. In exploring the nature of communication between people in demerger and outsourcing situations I argue that consideration of the social uses of exclusion are critical. Particularly how people in these situations talk together in ways that defend against:

- being excluded
- the emotional pain of exclusion
- the anticipated responses of others to being excluded
- how those who are in fact excluded actually do react.

Demergers like mergers are equally an assault on identity (Hoare and Cartwright 1997). Just as attention must be paid to the formation of new identity through

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<sup>20</sup> This is not to say that everyone experiences pain. For some there is a feeling of liberation. This is often due to the fact that the patterning of relationships in the organisation has led to their falling into habitual patterns of being in which they are perceived in one particular way. This can often result in frustration or stifling of career advancement. This change, indeed any change, results in a reconfiguration that they readily welcome. These people and this response are, however, in the minority.

inclusion in a wider pattern of relating within an acquiring organisation, those facilitating demergers must not only help others find new identity through conflictual dialogue that wins inclusion but must also take account of the influences on the process of, and coming to terms with, the nature of exclusion. In particular, it is critical to understand how the fear of exclusion silences dialogue thereby inhibiting the conversational exchanges necessary to transform identity.

Many human organisations such as corporations operate in cult-like ways. That is through the ritualised formalisation of routines they instill strong communal identity (Katz 1996 p83, Douglas 1970 p2). Creating a type of totalistic social environment, with a dominant ideology they offer an invitation to exclusivity that fosters a strong sense of group cohesion. In the business world people are often termed and treated as assets that are bought and sold. This is particularly true in outsourcing, M&A and demerger scenarios, where intellectual capital is often being traded. Commonly strategic management procedures that suggest using clear communication strategy, parity of terms and conditions, clear career progression, and stabilising leadership roles (Leighton and Todd 1964; Pritchett 1997), are said to create the right rationale for people to accept and process any change. However, I assert that having produced a strong corporate identity such commercial decisions need also to take into account the ensuing identity transformation. In particular, with demergers that include outsourcing, it is the process of exclusion from a formerly held identity through expulsion, exile or any form of being put outside, which evokes strong emotional responses that can disrupt business plans. I will explore these processes further.

### **Words of warning: fear of exclusion and the loss of belonging**

This is a narrative exchange from a global team meeting in which I was a participant. The meeting took place the night before we began work on processes and technology with the outsourcing partner AID. The conversation reflects the frustration at never having been able to talk together face to face to formulate a response to this process.

Questioning the value or credibility of the project or indeed how it was implemented became non-discussible over time. Silencing of outright questioning, with leaders instructed to be neutral on the project, resulted in first confused, then irritated and eventually angry responses in some quarters, desertion in others and fearful compliance for most. Underlying this was the dread of being excluded. Most interesting is the mundane way in which this process occurred.

I take up the narrative at a point in the story where despite having been told that this week's session is about programmes and processes, people insistently talk about people issues:

S – “B (the project initiator) is a go or no go guy! He wants to know if we are going ahead with this yes or no. We can...give him a reasoned case for how the organisation can move forward, so he can then make the best decision.”

A – “This is the harsh reality...The train is going down the track and a commitment has been made to reduce costs we are on the train and that's it!”

S – “Yes, but look at the benefits, the two strengths of AID data processing and data management.”

J – “But aren't these things common sense? What can they offer more than data and cheaper global contracts?”

P – “You are preaching to the choir John!”

J – “None of us can influence this process?”

JS – “I thought we could influence... and say this is not a good way forward?”

S – “Now hold on. We all agreed the rest of the world was crap at HR. While we might have reservations our role is not to sabotage.”

(I recall thinking: where does this language come from? It becomes a recurrent theme but only used descriptively by S.)

S continues – “B is willing to entertain the idea of us being outsourced. We can try to scuttle this but we will end up with no friends and instead make enemies. The best we can do is keep co-operating in the

process...It's fair to say that everyone has co-operated, despite our wishes to be more outspoken and oppose this idea. I don't want to sabotage this process. My question is: is this a good or a bad thing?"

This exemplifies oppositional discussion being suppressed, not through malevolent intent but in everyday conversational exchanges. Emerging are two simultaneously occurring conversations: one conscious and about the practicalities of the process and the other unconscious, by which I mean as habitual as to be imperceptible (Stacey 2003 p137). This implicit conversation contains an underlying message about possible exclusion, observable in conversations about group belonging. S, as leader, takes up a position in relation to others who are beginning to question the value and purpose of this project. He does this through the words he chooses drawing out the parameters within which opposition can be expressed. He takes up a rhetorical position that supports the process and sends a message about banishment if the project is resisted.

For example, he uses the phrases such as we cannot scuttle or sabotage this project. These are evocative words that provoke particular responses in peoples' thinking. The nature of evocative communication is an important issue to explore particularly when arguing for the idea of construction of experience through conversation. The linguist, Jackendoff, suggests that when we hear someone speak it is merely a physical event

It counts as a word or a sentence...*only when the recipient's...brain automatically and unconsciously converts it into a phonological structure and associates this with a thought or an idea.* (Jackendoff 1994, p.162).

Spoken language is thus actively constructed by the hearer's mental grammar (Jackendoff 1994, p.162). This is not a sender-receiver model of communication. What is critical is that our mental grammar is developed as a social process; hence, all English speakers will hear the same sound waves and arrive at a similar meaning, however, if someone speaks Spanish we may not understand what is being said because we have no way of effectively mapping what they mean (Jackendoff 1994, p.163). The universal nature of this process

means that we treat the speaker's words as objective, even though what is happening are multiple congruent interpretations that are framed within socially constructed parameters. It also means that in emitting certain sounds we know that they will be received by people in a particular way. Although there is some variability, the process of interpretation is not arbitrary so that we understand through acculturation the implication of the particular word sounds used (Jackendoff 1994, 164). This is a linguistic perspective on the nature of Mead's (1934) gesture and response. Thus when S chooses to gesture using these particular words he evokes specific emotional responses because these are responses he is able to evoke in himself and understand that by choosing particular words he might induce the same feeling/meaning in others. For example, scuttle elicits the idea of driving your ship aground and is essentially a self-harming act, whereas sabotage is reminiscent of damage that seeks to undermine a dominant force. To draw out the distinction, if he had used "we should not object to" or "let's not resist this process" he would have evoked a very different response. I understand his words to be unconsciously inviting the possibility of exclusion into the dialogue by inferring treachery to oneself, the group and the corporation. What is notable is the statement, "We can try to scuttle this but we will end up with *no friends and instead make enemies*. The best we can do is to co-operate in the process and allow AID to present the deal".

This is a clear political statement: get with the programme or end up not just friendless but in a hostile environment at odds with the group you will remain part of. The issue is not whether S is right or wrong to silence this conversation but to understand why he might be doing so. It is important to note that he is not alone: it could all too easily be seen as a stifling role that is taken up by a politically motivated leader. Undoubtedly, S is using a rhetorical ploy and his words appear connected to other power laden conversations that had already taken place. However, two others, coming from somewhat different positions use similar inclusive/exclusive language to manage dissent. Although they do not actively assert support for the project, they are actively involved in a process that limits critical discussion. Two phrases are noteworthy. First, A saying the "train is going down the track", as a follow on to S. The message was clear, the

process is in motion and unstoppable, and the choice is not whether or not this happens but whether you are on board or not. Second, P in response to J's assertion that this is a bad idea says you are preaching to the choir. By doing so he invalidates J's expression and does not take it up in a way that allows further dialogue.

I am not pointing to the value of dialogue analysis<sup>21</sup>, though undoubtedly there is something of inclusion/exclusion present in the poetic choice of the words used; choirs need to sing together, trains missed leave their passengers behind and only exiles are truly friendless and in hostile lands. What I am asserting is that this group are constructing a narrative together that is organising itself around a theme of potential exclusion because having been incorporated they do not want to be rejected. The patterns of conversation that emerge are about stabilising identity because the group is confronted with potential disintegration and therefore they collaborate to construct an integrating conversational pattern. Stacey (2003, p.80), using the complexity science analogy, argues that conversations involving diverse agents have three distinct characteristics:

1. they involve misunderstanding as people struggle to make meaning together
2. they threaten the continuity of group identity
3. they threaten current power relations.

Crucially then, with such radical implications, it is not surprising that when critique of a single world view becomes too great, a cherished identity begins to fragment or power relations are undermined, that defences arise in the conversational patterns between people to slow, prevent or resist this transformation. Moreover, I argue that this is an assault on the source of peoples' belonging.

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<sup>21</sup> I do not take an approach to dialogue analysis because I am taking a view in line with complex responsive processes theory that whilst language is crucially important it is the fact of how this is structured in the living present to create patterns between human bodies. It is therefore words alone that are meaningful.

### **The importance of belonging**

Anthropology has argued that belonging is a matter of kinship (Miller 2004). In contrast, Maslow (1954, p.43) indicated that belongingness was the outcome of the development of safety in his hierarchy of needs. Elias asserted that group charisma was a practical consequence of power relating that made the desire to win a more realistic possibility by group bonding. Dalal (1998) however, has brought these strands together with the experimental research undertaken by social psychologists (Cialdini *et al* 1976; Tajfel *et al* 1971; Brown 1988) to argue that group affinity is not just about power and resource but that:

The group is idealized so that one can bask in its reflected glory...Love and gifts are being constantly transacted back and forth, between individual and group, each basking and growing in the others adoration. (Dalal 1998, p.179)

Therefore, people in groups will form affinity not only because of biological connections or because it serves their purposes, but also because in building group self-esteem the individual at the same time is built up. This appears innate because it is an integral part of identity formation. In other words, it is not possible to have any sort of identity without a group identity (Foulkes, 1974 p277-278). Group identity is therefore the foundation of personal worth and any threat of expulsion from the group is perceived as the removal from the source of nourishment to self-esteem. For this reason, being put out is so fiercely resisted. As Steinbeck puts it:

The greatest terror a child can have is that he is not loved, and rejection is the hell of fears. I think everyone in the world to a large or small extent has felt rejection. And with rejection comes anger, and with anger some kind of crime in revenge for the rejection, and with crime, guilt—and there is the story of mankind. (Steinbeck 1952, p. 270)

Just as the political impulse and the emotional need to belong are neurotypical of the human race, likewise the terror of rejection is a universal. I suggest that

cultic mind-control processes are social defences against this fear of exclusion, and that group members' act together to suppress critical dialogue so that the possibility of loosing stable and seemingly nourishing identity is prevented.

### **Safeguarding belonging**

Reflecting on this narrative, I see how the characteristics of a totalistic social environment may develop in very ordinary circumstances as a way of preserving belonging. These characteristics maintain the ideology that upholds the existing patterns of power relating by limiting or suppressing critical dialogue that might disturb patterns of belonging (Stacey 2003 p80). Consider how some of the key characteristics identified above manifest in the experience of outsourcing discussed in this chapter.

**Milieu control** is easily recognisable in organisational life. Take these words from the close of the meeting above:

S – “What do we want to communicate to the rest of our organisation?”

P – “Why don't we simply tell them what we've done?”

S- “Ok let's ...ask someone in comms to have a look at it.”

P- “Do we really want or need one of their gobble-de-gook messages?”

S – “Well we can ask them to ease up on the project speak but J has said nothing is to go out except through comms and I don't want to rock the boat.”

This shows the commonplace way in which wider discussion is restricted. What is said, how, and to whom, is contrived in a way that often discourages the taking up of further conversation. The message is given to a single person to construct and this in turn is given to a group whose role it is to support the ideological position taken on the project, so that the way in which they phrase the message will skilfully dilute the possibility of any critique—for that is their job! Restriction of diverse input is a by-product of organisational structures. Levels of status within the organisation are used to limit access to information that could stimulate debate; “for your eyes only”, “can everyone but the



leadership team please leave the call”, “you are under clear instruction not to communicate this to the rest of the team” are all ways that positional power is used to restrict the ready flow of constructive conversation across levels (Cameron, 2000). Yet it is this vivid flow of dialogue, analogous to complexity sciences understanding of the importance interaction between diverse agents, which complex responsive processes researchers argue is vital to any change process (Stacey 2003, p.80).

Likewise, **mystical manipulation** sustains the current order by taking events and shaping them to meet the existing reality. All corporations, through their selection procedures, create a sense that those who join are a special group, and this is true to some extent for they are in fact chosen. Group charisma in corporations is further enhanced by business success; for example, in the case of Enron people could not leave the organisation because to do so was seen as career suicide. After all, who would want to leave voluntarily such a creative and successful organisation? Once convinced of their exceptional status, external events are manipulated to support group identity. For instance, as second quarter results were announced showing below target growth in market share but on target productivity, the rising cost of oil was identified as a major factor in this downturn. However, rather than being seen as a reasonable explanation for slow business expansion, these costs were seen as the peoples’ responsibility and it was argued that we must work harder, faster and smarter to beat them, despite oil prices being out of any person’s or the corporation’s control. These are ways extraneous events are used to foster identity and this is achieved through maintaining focus on the individual and the external rather than attending what is going on between people.

**Confession** and **self-sanctification** are connected for they operate to induce guilt and cohesion. As one person overlooked for promotion confessed:

I couldn’t give the information that was needed. The systems were not in place to do so. I know I let them down. Now they have an image of me as not delivering. What is more is that they understood, they forgave me and recognised I had an impossible task but they still

passed me by. I must have done something really wrong. Do you think there is a way I can recover their trust?

Tellingly this confession shifts attention from critical dialogue. The person's focus is on how they let others down and how they did not win in the competition against the outside threat<sup>22</sup>. At no point do they question the project or the realities of completing the task assigned. Furthermore, other group members offer a disdainful but forgiving response so that those who have worked on the project successfully are elevated and those individuals who have not succeeded are bound into a relationship where they seek re-admittance to the inner group by becoming sanctified through renewed efforts to accomplish the task. There is, however, no questioning of this patterning or rightness of this relationship.

This inability or reluctance to question the fundamental premise of how things are operating is related to the **aura of sacred science** and in most companies this refers to the business case:

P – “Is there any room for negotiation?”

S – “You mean could we consider a bigger retained organisation? Well, we would need to make a sound business case. There are big penalties in this if **we** don't deliver... there isn't really an option of failure.”

[Suggestion of threat if we fail intoned]

H – “Our retained organisation is not sufficient to deal with the legacy work”

S – “Well it's designed to be a strategic organisation that remains...what's the business case and if we don't have a business case objection then we can't do much else.”

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<sup>22</sup> In this case the threat is not getting the project completed on time. The rhetoric is that the project is moving too slowly and must be in place for savings to save the company. Yet this is an HR project and HR produces nothing, sells nothing, innovates nothing. Despite there being many different ways to effect a reduction in support costs this is argued as the only way and this is the target people set themselves against.

Initially I interpreted the desire for a larger retained organisation as a bargaining response<sup>23</sup> in relation to ending. However, looking beyond the individual psychological interpretation shows how the exchanges support the ideology underlying the project, the patterns of power relations involved and the preservation of belonging. People together are making the business case a sacred cow then must not be touched unless it can be replaced by a more hallowed beast.

For instance, the business case is thought of as being value neutral, a product of rational cost calculation that will ensure profitability. However, S states quite clearly that if we want the world to be different from the one proposed we have to construct a business case that is more viable. It is clear, then, that far from being impartial the business case is bound up with political intent and relational bias. Like empiricism, the business case also relies heavily on metrics and is said to be a more reliable form of knowledge than partisan opinion. It is clear that in this part of the discussion figures are being given precedence over experience because it is implicit in this discussion that we cannot simply say we need more people from our experience. We need to show this numerically. The inference is that when we show something numerically we are somehow free of prejudice. However, as already stated, business cases are developed in a partisan context not a value free vacuum.

Importantly too, what is often lost in empiricism by the concentration on statistical information is what is most valuable in human experience. What the business can therefore effectively do is follow the empiricist intent to separate truth from practice; it may look possible to save costs on an excel spreadsheet by delivering services through third party vendors but what if the only person who can deliver the quality of service you need within one hundred miles of your site in China has developed loyalty to you and doesn't want to work for a third party.

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<sup>23</sup> Kubler-Ross.

What the business case effectively does is perpetuate the notion that there is a singular solution to the challenge facing the organisation. By treating the business case as truth the uncertainty of debate is replaced by confidence, often unfounded, in a single point of view. This quest for singularity comes from the strategic management thinking (Stacey 1996, p.52) which looks to the possibility of knowing the antecedents and consequences of any action. Thus managers succumb to the alluring but misguided notion that it is possible with the right strategic and business plan to fully control outcomes. The consequence is that the business case, strategy and vision then become sacred and questioning becomes a matter of threat to planned success rather than a potential opening into greater creativity. Even the term itself develops weight implying greater credence than the wealth of knowledge created between people. In this case this is made emphatic by the use of the word sound, inferring that in some way it would be unassailable.

**Loaded language** or the control of the meaning and choice of words is a powerful mechanism to prevent dissent and avoid disruption in power relating (Madsen 2003 , Jorgenson 1993 p165, Goffman 1972). Examples of such control are recognisable from the political, military and corporate arenas where the use of Orwellian newspeak is so common that many of these words have become common currency. Concentration camp and protective custody illustrate the euphemistic quality of this language that we commonly use. The result is diluted communication that produces inadequate understanding, because to understand fully creates distress. The use of loaded language is thus directly connected to protection from fear that would disrupt unity. Most corporate projects have a project speak. The outsourcing project being discussed in this paper was originally known as the HR step change project but as it's far reaching implications became apparent it became the HR transformation project. Transformation was chosen to convey the revolutionary nature of this change. This was no simple makeover of the old structure, but a completely new way of working. Consequent with this was the introduction of the phrase in-scope, which defined who was under consideration for outsourcing. Who was in-scope and out of scope became a source of anxiety, for it was a matter of who belonged and who did not.

Most importantly, concern arose for who would be in the retained organisation for these were the people who would be saved, or effectively would have a **dispensed existence**.

In all these aspects, the over-arching principle that the project must succeed even if we lose some individuals on the way is a clear example of **doctrine over people**.

### **Not so spurious comparisons to Fascism: the use of fear in the suppression of dialogue**

Dialogue, by which I mean identity forming co-operative and conflictual conversation, is imperative for organisational transformation (Stacey, 2000 p419 and 2003). What I have begun to point to are some questions about the way people interact together in ways that prevent the emergence of diverse discursive dialogue. How does this happen? How is it that people allowed this quashing of dissent (e.g. self/other silencing) to occur? I think the following conversation inadvertently opens up a line of enquiry around this.

Medics from all over Europe had gathered for a meeting in Germany. The meeting was co-hosted by AID to introduce the concept of solution definition. In other words, how could the problem of whether or not Advance's occupational medical services could be outsourced be solved? People wanted to know the AID mission and vision and if they had job security if adopted by AID.

Dr – "When will we know?"

A – "We will gather the information through the solution definition phase. We will carry out extensive knowledge capture through our site visits and surveys and if it seems viable we will move to Process Mapping BRND phase."

J – "But when will we know?"

A – "Its hard to say but we would be looking for you come the day."

S – "I think we could possibly think of a date when the decision would be made A."

A – “Well I think sometime in June. We will carry out the “Solution Definition” and create the Final solution for you around then.”

(There were humorous, embarrassed shocked looks exchanged around the room.)

This poignant phrase has an idiomatic quality conveying a powerful message about unspoken feeling. It captures totally what is socially prohibited, and is laden with what could not or should not be mentioned. At the most basic level the use of the phrase ‘final solution’, created a strong reaction, not only because of where it was said, but in the context of this situation it implied defining people as a problem, and the possibility of getting rid of people, as a solution to the problem. Although I am not saying this is the same as the real holocaust mentality, what I am saying is that threat to identity may be experienced with the intensity of threat to life by those in-scope (Stacey 2003 p 80). More importantly, it points to the nature of how people together can create processes of interaction that are harmful in pursuit of ideological objectives to the point of annihilation of others’ identities. This threat to existence will of course produce fear for those under threat and this fear is a basic emotional response initiated by an aversion to some perceived risk or threat (Oxford Dictionary).

I do not think it is inconsequential that the production of the final solution emerged from Fascistic interactions. Fascism is a process whereby there emerges singular observance of an ideological creed, and diversity of thought and action are removed by intrusive intervention into every aspect of life:

Fascism is...marked by obsessive preoccupation with community decline, humiliation, or victim-hood and by compensatory cults of unity, energy, and purity, abandons democratic liberties and pursues with redemptive violence and without ethical or legal restraints goals of internal cleansing and external expansion. (Paxton 2004)

Annihilation of difference is part and parcel of the way fascism is organised together between people. It takes only a little manipulation to see that this phrase could refer to powerful corporate rhetoric about impending doom

through failing business targets and increasing costs, which may be overcome by working harder together to outperform the competition and in some corporations with the addition of no matter what it takes or who it costs. Moving to this place is a consequence of a particular way of relating, which I will explore later.

Moreover, I think the expression 'final solution' points to the fear inherent in not belonging and the existential anxiety evoked by threat to identity (Stacey 2003). It is an effective way of saying you are not recognisable as one of us, you are not valuable as part of us or, worse, you harm our being together and you must therefore be removed. It is the affective impact of organisational change processes that is often forgotten, but this is an excellent although disturbing metaphor for capturing this.

What is also overlooked is the particular quality of interactions between people. fascism is a unique form of social interaction. Arendt (2004) described it not just as excesses of usual interaction but a different form of government, one which deliberately employs terror to affect control. What I have been arguing up to this point has been that the nature of cultic formations in organisational life, and particularly corporations can be seen as an intrinsic human group relating, especially where you are forming strong corporate identity. Arendt's thinking offers in addition an important affective quality to these interactions, for underlying the interpersonal curtailment of diverse conversation is fear. It is this acting on one another through fear of not belonging that I have been pointing to as detrimental to organisations initiating change for it is fear that prevents discursive dialogue thereby inhibiting identity transformation.

### **It's not just them; it's me, and them and me: morality and ethics!**

A tendency in writing about such human dynamics is to disown one's own part in them. I think this is perhaps a social defence against the anxiety and burden of responsibility aroused in challenging or co-operating with the construction of reality we make with others (Lifton 1986 p195ff). From a psychoanalytic perspective, I might understand this as projection or attribution of part of my own self or qualities into others motivated by fear of rejection (Perls et al

1951p212). However, Stacey (2003, p.142) argues that the concept of projection runs counter to the understanding offered by Mead (1934) on the nature of communicative interaction in that it holds to a sender–receiver model of communication, and uses spatial metaphors that run counter to the notion of inter-subjective gesturing and responding to one another. More importantly, the concept of psychological projection offers an unsatisfactory explanation of what is occurring between people to those enmeshed in the experience (Stacey 2003, p.147). A complex responsive processes explanation sees this disowning as a process of inclusion and exclusion. In my narratives, I have described how individuals whose belonging is precious to them feel denigrated or wounded in some way (Hogg and Terry 2001 p 5ff). In how I relate this, it is possible to see those who are rejected and their defenders as good, and this includes me, and those who reject them as excluded as bad. I have been drawing attention to global patterns that emerge from the silencing interactions occurring between people. In doing so it might seem possible to take a moral high ground and in turn make prescriptive statements about how we must seek to embrace discursive dialogue and guard against the presence of silencing behaviours in our interactions. This is clearly an unrealistic ideal, for our conversations are full of political motivation, power relating and status plays (Stacey 2000 p364). There are constraints as much as enablement's in our ongoing dialogue (Dalal 1998 p92). By describing these processes at work in a way that has not involved me, I could separate global morality from local ethical behaviour thereby ending up advocating a way of dealing with interactions that prescribes certain behaviours or types of interaction to the exclusion of others as a moral imperative. In doing so I create exactly what I have criticised as detrimental to identity formation (Griffin 2002).

I am arguing in line with complex responsive processes thinking that local and global patterns of interaction are forming and being formed in relation to each other at the same time (Stacey 2003 p172). To follow Mead's (1934) thinking it is through my interaction that I am both creating society and being individually created in my iterative interactions with this society. To put it another way, the global is the moral and the local is my ethical functionalising of these morals. What I am pointing to then is a way of participating that is not about defining



one way of interacting as good and one as bad (Griffin 2002 p182). Certain patterns of interacting inhibit the ongoing dialectic nature of identity formation because this is a dynamic process that requires maintaining the perpetual tension between local and global, personal and social, norms and values, moral and ethical, all of which are paradoxical and inseparable. It is working with these tensions repeatedly that society, organisations and personal identities remain under perpetual construction (Mead 1908 314-317).

To illustrate this point I want to reflect upon my own experience of living with this tension:

JS – “AID should have to swear an oath of loyalty.”

(Laughter)

R – “And he’s not even an Advancer!!!”(R is a contractor)

SS – “What’s important folks is we can’t sabotage this whole deal.”

Me – “I don’t think we are talking about sabotage but I think people had some other concerns when we met...They spoke about their identity and about whom they would belong too. They wanted to know if they moved it would be as good as Advance; they weren’t resisting the process simply asking for clarification.”

SS – “so those things are important?”

I may look like I am simply taking a stand against the silencing process by questioning the theme of sabotage emerging in the conversation. However, this is in fact a very complex social interaction involving communicative interaction, power relating and evaluative decision-making. I am in fact responding to the saboteur description that S is gesturing to the group. He is calling forth in himself and in me a sense that I might be seen as someone who is disruptive and interfering with the intent to achieve the outsourcing goal by raising questions. Aware this is how I might be perceived, I am eager to show I am not impairing the process. My gesturing back is couched in a language of reconciliation and reason calling forth understanding of the questions people are putting forward, showing that in some way they point toward how acceptance and answering these questions could be a way forward that helps people accept the project.

At the same time, I am challenging the silencing yet simultaneously remaining in co-operative relation with the leader showing the rationality of asking questions is not a threat but a help in this process. This certainly involves power relating because although I seek to expound a different view, I am careful not to ridicule S or reject in any way the ultimate goal of outsourcing. Particularly, I am conscious of the unique nature of my role as a therapist in this group. As the person who cares for or shows interest in peoples feelings, I can say things that others might not be able to say. I am able to translate and interpret, extrapolate and create metaphors about interactions between people because this is how my interactions have become a type of social object over time. A doctor using the same words might not have received the same reflective response.

Being aware of this did not detach me from feelings. My over-riding experience was of feeling afraid, of shaking physically and carrying on a private conversation with myself about how I would lose respect and relationship with S if I challenged his standpoint. I was fearful of speaking out of turn so that the essentially co-operative nature of conversation would be disrupted. The concerns about the consequences of my decision to speak out remain with me even today, many months after the discussion, and continue to shape my on-going interactions with S and the other members of this group, because to some extent my fears were well founded.

As I reflect on this, I see that it was not simply a rational decision to engage in a moral conflict. I was and continue to be enabled by my role as a therapist, by reason, by others contrary opinions and also constrained by the fact that I am not a doctor, I am challenging the leader publicly and by my own concern for my job and integrity, and my rational and irrational fear. I was no champion of dialogue but struggling to make sense of the interaction as it was occurring without knowing of what was to come. This then raises the question of why did I speak out at all. I think the answer to this lies in evaluative decision-making.

Although we gesture and respond in familiar ways and form figurations of power relating, we are not socially determined creatures. We have the capacity

to take unique and innovative actions (Stacey 2005, p.94). Although these are constrained, this capacity to choose is analogous to complexity sciences notion that small novel differences amplified over many interactions have the capacity to self-organise into global patterns that produce new forms of being. To understand fully my actions in this light it is necessary to look to the formation of values.

Stacey (2005, p.99) states that as individuals interact with one another they must choose between a myriad of conflicting needs, desires, preferences and impulses. Essentially human interaction is evaluative and naturally produces evaluative criterion by which decisions are made (Ibid). These criteria appear in two interconnected forms: norms and values. Over time interactions between people about what is acceptable behaviour are generalised and become so habituated as to become unconscious. These norms help us evaluate what the social judgements of our actions might be and oblige and constrain us to behave in particular moral ways. Although norms are a constraint values are the highest expression of our free will. They enable us to choose what we believe to be noble and to decide whether a moral is in fact right or wrong: values and ethics are deeply connected in the way norms and morals are. Morals are socially evolved generalisations of good and bad, whereas values are the functionalising of morals in the living present to determine what is better or best (Ibid). This value-based criterion was guiding my decision and overriding my concerns about speaking out. What I was doing in that moment was placing higher value on challenging the view of questioners as saboteurs because of my own sense of loyalty through relational connection with others asking the same questions. It was neither right nor wrong simply a moment of free choice and yet the desire to make that choice was compelling because of my own history with others. Importantly, Advance has a core value requiring ethical business practice and demands compliance with the organisation's business rules and intentions to achieve highest quality of business performance. In functionalising this normative moral requirement in my everyday experience, I found that to comply with this ethically I had to go against and question the espoused aim of the organisation.

I am not arguing for silencing or a particular type of dialogue that encourages free and open discussion of all and any issue. The instruction at the start of many meetings to have a discussion with no holds barred is perhaps unrealistic (Stacey 2000 p364). What I am espousing is a consciousness of the dialectic nature of identity transformation! The silencing processes I have pointed too were a negation of the identity that many had formed over a number of years. Speaking against them negated those whose intention it was to outsource various parts of the organisation. In that moment of negation of the negation a new relationship had to emerge but this was again not static but subsequently negated and negated back and forth in an ongoing process. It is this dialectic or process of perpetual social conflict that I am pointing to as crucial in the transformation of identity (Griffin 2002 p164ff). Where the dialectic is disrupted, there is stagnation and therefore no evolution and hence no change. In such a situation, with no process for transforming identity, the loss of existing identity becomes too threatening and is therefore protected and sustained by social defences. This must be attended to in a process of outsourcing.

### **Conclusion**

I have argued from Mead's (1934) perspective that the formation of cults is not an unusual phenomenon in human organisation in that people:

Have a tendency to individualize and idealise the collective and to treat it "as if" it had overriding motives or values amounting to a process where the collective constitutes a cult. (Griffin 2002, p.96)

The formations of cults are neither good nor bad in themselves for they can coagulate around equally sound or immoral principles. What is significant is that in the passion of their interactions people may lose sight of the as if nature of these idealisations and act and speak together in ways that treat them as reality rather than an imagined construct. The rigid upholding of revered ideological standards may prohibit the functionalising or practical application of ideals in particular local situations. People may fail to value their application as a higher calling to which they are ethically drawn and instead experience this as restrictive obligations. The result of such rigidity can be the creation of a

fascistic way of being together, which alienates people from their ordinary everyday experience and creating a false consciousness (Griffin 2002, p.102). A principle reason I present for people collaborating in ways that sustain cultic organisation is our affective need to belong and the consequent fear of rejection (Foulkes and Anthony 1947 p247; Perls et al; 1951 p212).

This understanding makes a useful contribution to management theory. I have posited that M&As and, within this, outsourcing as a particular form of demerger present as threats to identity because they disrupt longstanding patterns of power relating and connectedness that have been established over time in a particular place (Stacey 2003). Identity or life purpose and meaning are increasingly tied to organisational or work life (Worsley, 1987). I have asserted that identity is not an individual psychological process but a social process whereby individual uniqueness is formed through social engagement with others in co-operative and conflictual ways Stacey, Griffin and Shaw 2000). Where patterns of working relationships are altered identity is thus disrupted in such a way that meaning and self-understanding go into flux (Stacey, 2003p80). To reacquire meaningful identity, people must engage in dialectic iteration thereby forming new personal and organisational identities at the same time. Where cultic silencing through fear of not belonging prevents this, the ability to transform identity is greatly inhibited.

Research in the field of M&As has pointed to a gap in understanding as to why such integrations fail, asserting that attention needs to be paid to micro-interactions Schoenberg 2005). I have proposed that those working in this field need to attend to the nature of identity formation in local interactions at a micro level. I conclude that success measured in terms of ongoing sustainable business relationships is dependent upon the formation of new or shared identity formed through communicative interaction.

### ***Current Reflections Chapter 5***

*Key Themes* – This chapter is a bringing together of the issues explored throughout previous chapters, namely, the social nature identity, belonging, power infused

communicative action and importantly how to effect identity transformation. This is done by addressing the issues raised in an outsourcing project.

Since demerger is a process where part of a company is split off to become an independent company and outsourcing the practice of having services delivered by persons outside the business (Bhagwati, Panagraya, and Srinivasan 2004) I have used the terms interchangeably. I have done so because in this particular instance the provider company is also acquiring the people, so that the incumbent staff group will deliver services back to their former colleagues. Demerging has not been a major area of business research investigation (Hoare and Cartwright, 1997). Little has been said about this field and yet the significant problem of M&A as outlined earlier (Cartwright. and Cooper, 1996; Nahavandi, A. and Malekzadeh, 1993) has led to the emergence of an area of study in need of attention (Coyne and Wright. (Eds) (1986). It has not however captured attention, perhaps because of the positive light in which M&A are still viewed despite some misgivings about their growth potential (Hoare and Cartwright, 1997). What is clear is that organisations in a changing economic environment may need to open up to consideration of divesting<sup>24</sup>. Hoare and Cartwright (1997) argue that the reasons underlying the need to change direction, e.g. poor performance, have made it difficult to discuss divesting so that no systematic process for doing so has been able to effectively develop. From their perspective the reasons why this is occurring, what form this takes and how this occurs are fundamental because they will affect the people involved (p195). They state that for the sake of simplicity, change can be divided into two types 'ordered' and 'crisis', arguing that where change is ordered people will gradually adapt to changed circumstances doing so in a more 'rational' planned 'way'. The cognitivist description presented in their approach is evident. Alternatively, they state that unplanned change is likely to have greater and negative effect.

In line with this Coyne and Wright (1986) have developed an adaption model. It begins with recognition that organisational identity has become fuzzy. It then follows sequential steps of reassessment, realignment, divisionalisation, further realignment to

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<sup>24</sup> I use the term divestment because this is the one Hoare and Cartwright use. They do later in their text refer to this explaining that in divestiture companies may still retain ownership and design of the new company structure. This is much more akin to the project I was involved in.

the end of the line, using a feedback loop at the early stages to help clarify position. The intention is to get to a planned goal of clarity of organisational identity. Hoare and Cartwright (1997p196) suggest that it is outcome that is more important than process because it is the outcome good or bad that will affect people. This effect on individuals is a core concern for change of this type is said to evoke uncertainty, insecurity and stress especially where this process is *perceived* to be out of their *control* (1997p197). The source of this distress is said to be a necessary internal re-evaluation of the individuals and organisations goals in response to change. It is again notable that the organisation and the individual are considered as though simply different levels of being. This is clearly a systemic view and one of people as rational information processors very different from the perspective I have been taking over previous chapters supported by Mead (1934) and Stacey (2003). Mirvis (1985) proposes that Kubler –Ross’ model of grieving, which she constructed from observation of many hundreds of terminally ill human patients, can be applied to the organisation during this time. Hoare and Cartwright, (1997) shift this to thinking more in terms of individual employees concerned about the impact on them personally and the potential business consequences in terms of ‘morale’ and ‘productivity’ as a consequence of their grieving (Donaldson 1994p36). Donaldson (1994) in discussing the ICI demerger refers to three stages in organisational response: Lead up, Hive down and Operationalisation. Two things are striking. None of his recommendations refer to how these processes are to be handled individually although he does refer to the great strain on people (p38) and that his principle recommendation during the first six months is the importance of secrecy! The extent of this stretched to not using usual processes of communication and drafting in external consultants.

What all these authors do acknowledge is the deep personal impact of change. The loss of morale (Donaldson 1994), performance grief reactions (Mirvis, 1985) and breach of psychological contract (Hoare and Cartwright,1997; Conway and Briner 2005). In particular they refer to the distress caused to employees with a strong sense of history who are subject to new terms and conditions or may see loss of opportunity and security of employment melt away (Donaldson 1994; Hoare and Cartwright, 1997). Yet despite this they never address the issue of belonging.

This is a good example of the mainstream approach. The skilled leader steps outside and recognises the need for change, he decides change is necessary, he determines the outcome he wants, and he plans the change in a slow and staged progression toward this. By doing so as well as the organisation he manages people's feelings in way that helps people adapt gradually, by giving them a sense of control over events. Yet this process is secondary to the outcome he wants to achieve. By now it should be obvious but to reiterate the approach I am taking supported by complex responsive processes theory (Stacey 2003, Shaw, 2002; Griffin, 2002) implies it is not possible to step outside, to determine outcomes of certainty, to control whole processes of interaction within organisations especially those occurring in the personal private conversations so that, even where this systemic way of thinking is used as an analogy it is limited.

What is striking is the recognition of the impact on people emotionally and that this is sourced in breach of connection to the organisation. This is not a new insight, the psychological consequences of M, D&A have been known for some time (Buono, Bowditch, & Lewis, 1985; Cartwright & Cooper, 1992b; Dutton et al., 1994; Schweiger & Walsh, 1990; Schweiger & Weber, 1989). What is different is how I describe the way this may be addressed.

*Practice and Methodology* - Hoare and Cartwright (1997), Coyne and Wright (1986) and Conway and Briner (2005) have argued that it is the breach of psychological contract that causes distress and that the approach as outlined above is to address this by altering cognitive belief structures. This is because they ascribe to the view that people are essentially information processing rational beings whose identity is stored in cognitive models in the way argued by cognitivist psychology. In previous chapters I have looked at identity not as a cognitive store but rather as under perpetual construction through communicative interaction (Stacey 2003). Dewey (1925) asserted that human interaction quickly formed into habitual and automatic processes of gesture and response until a problem in the environment disrupted the routine fulfilment of needs. When this occurred the individual's neurology and physiology gravitated to seek satisfactory fulfilment of altered needs and quickly fell back into new habitual patterns (Feffer, 1990). Stacey (2003) as I understand it takes up this idea suggesting that individuals are involved in a continuous process of interaction



whereby through associative repetition of bodily patterns (p100) they present constancy of identity through habitual responses. At the same time, because each repetition is never exactly the same and because nonlinear relationships can escalate tiny differences into different patterns, the patterns of conversational gesture and response are always open to transformation. Conversations, themes, issues and encounters between human bodies that are significantly diverse have the potential to produce such transformations by destabilising habitual interactions. This therefore threatens continuity of identity and this evokes anxiety (Stacey 2003 p80), as transformational laden themes emerge they are resisted denied, and rejected in an attempt to remain in the familiar. These are not just individually held beliefs but recognisable ways of interacting that have become customary. They are in fact so usual that they appear natural and even in the face of strong evidence remain in place (Elias and Scotson 1994 p97). It is these processes of conversational interaction between people that attempt close out new patterns of power relating between people that I have been pointing to in this chapter. Building on the work in previous chapters I am attempting to show how change produces threat to belonging and fear of exclusion and that this is defended against through patterns of interaction noticeable in how people talk with one another. The types of conversations are shaped around keeping existing relationships and patterns of power in place. In practice then here I am paying attention to these patterns of relating I must be with the process and can participate in an active way but cannot dictate the outcome even for myself. The practice therefore becomes the methodology at the same time for I am attending to the experience of being together reflecting upon this and in doing so inviting others to do the same. To notice pay attention to and reflect upon what we are all doing together to make this experience (Stacey 2003 p 81).

*The key question* – Here I have taken a different approach to the key question on how continuity of identity is transformed that is they people are recognisable to themselves but also moving toward new habituated ways of being that will hold until some new change excites them. I have done so by considering the nature of social defences and how in this particular situation these operated in cult like ways to create idealisation and silencing of transformative conversation. Without this conversation I argue with Stacey (2003) that transformation is not possible. It is therefore the task of the facilitator to look for attempts to eliminate free flowing conversation and using a

process analogous to complexity science (Allen 1998) seek out opposing views, look for exclusion and inclusion dynamics and draw out the paradoxical nature of any standpoint in an attempt to sustain diverse interaction that may lead to transformation.

These themes of identity, belonging and power relating being present in conversational exchange have been present in my writing from the outset and only now mindfully present through current reflection back. I attempt to reflect on this more fully in my synopsis but before that I will explore methodology in the next chapter.

## Chapter 6 Methodology

Engaging in the Doctor of management program doctoral training opened up a new perspective on research for me amounting to a paradigm shift which is apparent in the early parts of my thesis.

The first research project, completed in early 2005 and described in Chapter 2, reflects a rather positivist way of thinking about research. For example, in that chapter I describe the Work Experience Scan tool (WES) which I used to 'help managers manage stress'. WES is a procedure for defining the problem, measuring it using a questionnaire, analysing the results in focus groups and creating an action plan to realise intended improvement in the belief that stress can be defined, managed, controlled and, perhaps, even eliminated by those in leadership roles. The tool itself was specifically designed with Advance's metric driven culture in mind. Similarly in Chapter 3, I describe an experiential exercise based on a hypothesis about a pre-given grieving process that people need to go through in any change situation. The design of the experiment was framed in such a way as to enhance people's ability to move through this preset process more effectively to a positive outcome. These interventions reflect a representationalist view of the world with rather simple cause and effect links. However, at this time I was beginning to encounter different methods of exploration in the wider qualitative research tradition which regards people as distinct from the natural order with a clear shift from the explanation of human behaviour in terms of universal laws to the understanding of human behaviour in its context (Lincoln & Guba, 1985).

In Chapters 4 and 5, as I developed my understanding of organisations as complex responsive processes between people, I became increasingly aware that I was undertaking research in particular areas reflecting a combination of personal experience and business demand (Bryman and Bell, 2003 p5). Instead of trying to be an objective observer I recognised myself as a subjective and deeply interested person looking to understand and describe what was happening to me and to others in particular situations. I was coming to see that the patterns of interaction between us were self organising in that without an overriding plan or intention they were forming

emergent patterns of people moving on together (Stacey 200). There was no blue print, force or law guiding this process but it was arising wholly in the interactions between people with various intentions / strategies (Stacey 2001 p). Whilst people are totally interdependent they have the capacity of personal agency. Even this agency is entwined in social relationship as individuals act in unpredictable ways with various intentions which nevertheless reflect values and ethical compunctions (Griffin 2002).

Moreover, I came to see that there is an important dialectical relationship between research and practice in which changes in methodology emerge. I was attracted to Denzin and Lincoln's notion of emergent design (2005a), in contrast to preselecting a specific methodological approach, because of the uncertain nature of the work I was engaged in. In what follows I seek to position the method I came to follow, starting with a consideration of the purpose of organisational research.

### *Theory and practice*

Some writers propose that the purpose of business research is to deliver useful information to key decision makers so that they can implement practical and effective solutions to the problems they encounter (for example, Collis & Hursey, 2003 p1). Such a position defines research in a very particular way in that it is understood as a purposeful process of 'inquiry and investigation' to increase knowledge which speaks to a commonly held view that knowledge is a quantifiable something which can be held, added to and gained (Williams, 2005 p44). Business research should be clear and have practical applications which produce commercial advantage (Easterby et al, 2002). Here, the value of researching organisations is connected directly to problem-solving capacity and how solutions can be applied. From this perspective, researchers are best understood as consultants engaged in addressing the problems that keep managers awake at night. For both manager and researcher, the key task is to persuade business leaders that their findings are pertinent and practical and therefore value adding. Some argue that research has already become too disconnected from these very pragmatic needs (Tranfield & Starkey, 1998; Aram and Salipante, 2003; Anderson, Herriott and Hodgkinson, 2001; Rynes, Bartunek and Daft, 2001) whilst others state that the over emphasis on local application leaves research lacking in theoretical clout (Clegg, 2002; Hinings and Greenwood, 2002). Bryman and Bell

(2003) go further to suggest that the close adherence to practicality may have compromised the autonomy of some research and rendered it prone to 'unsuitable use by strategists'.

Taking up the debate about what research 'is or should be about', Bryman & Bell (2003 p7) take up the two key questions: 'What is research?' and 'Who is it for?' Is the purpose of research essentially to improve organisational performance? Or is it to increase understanding of how organisations work including their wider social impact? Is research for those in the organisation? Or is it to advance understanding in the academic field of business learning? In other words is the main concern of the researcher to do with practice or with theory? In addition to the struggle for agreement about the use and usefulness of research, there is the dispute about the methods to be employed in gaining that knowledge. I will return to this point below, but first I want to position my work in the debate about theory and practice.

Van de Ven and Johnson (2005) identify three ways in which the relationship between theory and practice is being articulated in the literature on organisations. These are as follows.

- 1. Trickle down** - The first view is that practical knowledge originates in scholarly research and flows down into practice through teaching. The creation of knowledge is seen as the domain of academics who develop and test knowledge before disseminating it to students (Dennis and Langley, 2002; Rynes, Bartunek and Daft, 2001; Tranfield, Denyer and Smart, 2003). This is problematic not least because it sees academics as the exclusive creators of knowledge (Starkey and Madan, 2001). I take the view that knowledge is created in the interactions between people all the time and the idea that it is developed and distributed by a few clearly runs counter to this social understanding of knowledge (Stacey, 2005).
- 2. Separate but Equal** - The second perspective argues that theory and practice are two distinct but equally valid forms of knowledge 'arising from different epistemological origins, contexts and professional communities' (Aram and Salipante, 2003; Kondrat, 1992; Schon, 1987). In short, practice knowledge is the result of particular solutions in local situations whereas scientific

knowledge gives a broader understanding of how work can be done in a range of settings. The implication is that for the practitioner it is relevance which is important: does this solution fit this situation? For the academic, however, there is a desire to build a wider theoretical understanding of the world at large (Aram and Salipante 2003). I take the view that research practice needs to do both. The key question is whether relevance means telling practitioners what to do or rather letting them know what to expect. This fits much more with the idea that Bryman & Bell (2003 p7) point to about research providing an understanding and account of what is happening and this is what makes it relevant (Brief and Dukerich, 1991: 328). The narratives I have presented in the above chapters attempt to follow this idea of descriptive relevance, so that, the practical contributions offered are not given in a prescriptive way but are illustrative in a way that holds true to a broader creation of ways of understanding experience in organisations, whilst never losing the value of their applicability in a local situation.

**3. Knowledge factories** - Thirdly, there is the approach of (Gibbons, M., Limoges, C., Nowotony, H., Schwartzman, S., Scott, P., and Trow, M 1994) which focuses not on forms of knowledge so much as on how and where knowledge is actually produced. They assert that new knowledge is not necessarily being created separately in the academic or commercial domains but increasingly at the interface between business and academic worlds. This has direct consequences in terms of alteration in the type of knowledge being gathered and the methods used to collect it. Gibbon et al (1994) see knowledge as being fashioned in two contrasting ways named Mode 1 and Mode 2 (Bryman & Bell (2003 p7).

- Mode 1 – This is a ‘traditional university model’ where each discovery builds on the foundations of the last in a linear fashion. ‘Pure knowledge’ and ‘applied knowledge’ are seen as distinct entities and whilst pure knowledge is translated into practice, the work is primarily undertaken and addressed to the academic community

- Mode 2 – This is understood as a trans-disciplinary approach drawing elements of understanding from a wide range of perspectives. Knowledge is specific to events and so is not easily replicated. Since this is a process involving many disciplines facing common problems it is knowledge which is rapidly and widely diffused.

Mode 1 is the scientific ideal, where knowledge is homogeneous, uniform, and replicable. It is designed to serve the interests of the scientific community concerned primarily with ideas and is linked to the search for universal truth (Huff, 2000).

In contrast, Mode 2 occurs in practice situations with a key focus on problem solving but in its trans-disciplinary nature it is always engaging with academia. Gibbon et al (Ibid p3ff) cite five definitive characteristics of Mode 2. I think these illuminate the positioning of my research.

1. **Knowledge produced in context of application** – The research I am undertaking, its aims, the questions raised and the practices evoked in this process are clearly in the setting of the workplace. I am concerned to address experiences of relating between people that are presented as problems within the community in which I practice. I am exploring these with practicality and a solution focus in mind. The very nature of the approach to this research, and the possibilities of what is deemed a solution, is highly contextual.
2. **Trans-disciplinarity** – This refers to the drawing together of different approaches and theoretical perspectives which contribute to the construction of the solution. Importantly, whilst there is a synthesizing of ideas there is no possibility of showing that the solution itself is a derivative of one particular approach (MacIntosh and MacLean, 2001). In the experiences researched I am bringing together understandings from sociology, psychotherapy, group analytic thinking, social psychology, facilitation skills, and management and complexity theory, to arrive at some moment of shared understanding. The processes of work involve dialoguing in multi-disciplinary settings, so that, the conversations which are initially interdisciplinary gradually become trans-disciplinary as a way forward is negotiated with others (ibid. p10).
3. **Heterogeneity and diverse organisation of research capability** – The complex and fluid nature of many organisational problems, particularly those such as M&A, demand a great variation in skills and understanding when

approaching research. The work I researched involved conversations with others in strategic groupings. Responses to the experience of merging or being outsourced were debated between global and regional teams, within sub groups of various professional disciplines and within local teams. Each took up a perspective, provided input and of course held emotional positions since some were to be outsourced and others retained by the organisation. It was not always the 'professional facilitator' who initiated and arranged opportunities for conversations. In some places because of distance and resources it was necessary for business leaders, HR managers or medical practitioners to facilitate solutions. Often experiences were unpacked and reviewed in emails, on instant messenger and on cross region teleconferences. On the Doctor of Management program my work was presented to, discussed and developed in my learning group.

4. **Socially accountable and reflexive processes** – The process of my thesis has been that of describing experiences where people have been forming understandings together that integrate their perspectives both theoretical and professional with their common sense and emotional responses into some sense of temporarily negotiated meaning. To this extent my research is toward the 'subjective, creative end of the research spectrum' (MacIntosh and MacLean, 2001 p10). Enshrined in this has been a principle about the interdependent nature of human relating where we are always giving account to one another in this continuous negotiation. This accountability is a way in which research governance is ensured for how we come to take actions is scrutinised by those in the wider community to whom we are always mutually accountable. For example, in the outsourcing of the medical services project, there was a genuine anxiety about loss of identity, and contention raged around the use of technology following any demerger. The debates focused on patient confidentiality and data privacy in accessing medical records. Decisions needed to be made about where servers would be placed and how the specific legal requirements with which physicians were obliged to comply in each country were to be met. These discussions about action encapsulated the interdependent and socially accountable nature of the solutions being sought. I think this speaks to the issue that Bryman and Bell (2003 p7) raise with regard to the compromised autonomy of research. Accountability to the



wider professional community is one way in which a constraint is placed on research bonded to local business agendas. As a researcher/facilitator I see it as an important responsibility to take up the positions of the other and to ensure as much as possible that the various accountabilities be given voice. In terms of wider accountability of my own research practice, I notice that there is a clear shift in my own notion of accountability as I write. This is reflected in my narrative accounts which are initially directed toward problem solving and therefore written very much with the practitioner in mind but later begin to look at theory building (Bryman and Bell, 2003) and so begin to address an audience in the academic world. Moreover, sensitivity to the impact of what I am writing leads to concerns about ethics and a deeper reflexivity, two themes I will return to later.

5. **Diverse range of Quality Controls** – What constitutes value and rigour in Mode 2 research is quite different to Mode1, not least because it must meet criteria relevant to two different dimensions. This is the ‘double hurdle’ that Pettigrew (2001) identifies which requires good quality research to be ‘theoretically and methodologically rigorous whilst at the same time being of practical relevance’ (Hodgkinson et al, 2001). This is a particular challenge because giving account in one modality is difficult to translate to the other. As Nowotony, Scott, and Gibbons, M. (2001) put it, the difficulty is ‘how to describe and defend, in traditional academic discourse ideas that attempt to analyse how that discourse is being transcended...(Ibid p103)’. Yet this is not just a problem between modalities. In the case of practitioner research it is difficult to show a direct link between interventions and improved organisational effectiveness (Pettigrew, 2001). MacIntosh op cit (2001) support the view that it is not perhaps new research quality controls we need but rather a broader understanding of the existing ones. For example, they suggest the use of payment for consultancy as a measure of outcome is acknowledgement that the specified problem has been resolved and the contracted work completed to satisfaction. The issues of this particular measure aside, what they are pointing to is an interesting shift in the way measurement is understood. In the place of an ‘abstracted benchmark’ performance is being reconstructed as a ‘context specific agreement on desired outcomes set by the stakeholders’ (MacIntosh & MacLean, 2001 p201). This

they argue is more in line with Mode 2 in that not only is knowledge produced in context, but knowledge relating to performance is created there too. A limitation of Mode 2 research is the transient nature and contextuality of the knowledge produced which makes it problematic when it comes to generalisability (MacIntosh et al, 2001; Gibbons et al 1994). MacIntosh & MacLean (op. cit.) argue that there is some degree of generalisability when knowledge gained in one context has some application in other contexts and in similar projects. They base this on the idea that when engaged in a particular project there is an 'opportunity to experience the issues involved' (p201). This mirrors the content and process in other projects and experiences and therefore may be applicable in that it forms part of a typology (MacIntosh et al, 2001 p201). Thus a process level theory applicable to the types of experience being encountered may be generated from this modality. Particularly they cite change and knowledge management as two areas where this could be particularly the case. Each of the projects I present involved significant change processes. Some of this work is now complete and some degree of satisfaction has been expressed by local managers. In addition new projects have emerged and recommendations for my involvement have come in thick and fast. What is more interesting is that the specification of what is requested is becoming much clearer. When I started on the program request for my assistance centred on stress in individuals and in groups. I was called upon as a therapist. I am now called upon more as an organisation development consultant. For example, requests for my assistance are coming in the following form: 'We would like to know what to do about the micro relationships going on at ground level; we know our identity as an organisation has a big impact; we want to make sure we think about the politics of all this; we want to begin to talk about change'. For me these represent not only satisfaction but indicate production of new practitioner knowledge because people are talking in a different way about change in terms of micro relationships, identity and so on. Many of these projects involved M&A processes and showed similar patterns of interactions.

For the reasons outlined above in respect of all five items I would position my research in Gibbon et al (1994) Mode 2 but with the addition of MacIntosh et

al (2001) notion of generalisability at the level of process thinking. Having located the position of this research in relation to the research and practice debate it is necessary to say something more about the methodology. This is important not least because of the organisational context in which I work.

### ***Reflexivity and Taking experience seriously***

Stacey and Griffin (2005), describe an appropriate organisational research methodology as taking experience seriously so that ordinary everyday experience becomes the object of research. Stacey and Griffin (2005) argue that research is the deliberate study of one's own interaction with the purpose of understanding what is going on (2005 p22). In doing so they are taking up the kind of second order reflexivity espoused by Dewey:

The distinction is one between what is experienced as the result of a minimum of incidental reflection and what is experienced in consequence of continued and regulated inquiry. For derived and refined products are experienced only because of the intervention of systematic thinking. The objects of both science and philosophy obviously belong chiefly to the secondary and refined system (Dewey, 1929/1958 p4)

What is being argued here is that experience is the object of reflection and that this experience of reflection can then further become the object of reflection itself and through applied continuous reflection refinement of understanding occurs.

If, organisations emerge as the complex responsive processes of interaction between people then understanding what is occurring in organisations is a matter of studying these local interactions of 'meaningful engagement with others and ourselves' (Stacey and Griffin, 2005 p22). The products of interaction are the everyday power related thematic 'experiences' which I have been writing about. Taking experience seriously is this way of applying systematic reflection again and again to reveal ever greater refined facets of understanding. This is achieved by providing narrative description of what is

occurring between people and exposing the themes expressed in the accounts provided, to critical thought and reflection with others and especially in relation to the broader field of argument available in the community of knowledge. From a complex responsive processes perspective it is important to note that the social and individual are inseparable and always engaged in ongoing construction of self and society, 'meaningful' narrative is therefore always saying something about individual and social identity at the same time (Stacey and Griffin, 2005 p22). Thus studying experiences of interaction is a good data source for understanding the relationship between individuals and society.

It is clear then that the epistemological position of complex responsive processes is not a representationalist one, and thus a positivist application of scientific method to social relating is not seen as appropriate as there is no absolute pure reality to be captured (Stacey and Griffin, 2005 p26). At the same time it is not a sceptical position where all things are relative and there is no version of truth that may be understandable and importantly useable in a general way (Stacey and Griffin, 2005 p27).

This standpoint is drawn from the philosophical traditions of Hegel and Mead who both saw the social and individual as inextricably linked. As Royce states' concerning Hegel's thought:

Self consciousness is a mutual affair ...I am dependent on my fellows, not only physically but to the core of my conscious self hood, not only what physically speaking I am, but for what I take myself to be. (Royce 1894 p532)

For Hegel then without consideration of the interplay between people there is no possibility of consciousness or identity. In the same vein Mead indicated that mutuality was fundamental and that studying the ongoing relating between people was a fundamental task of the researcher

The assumption of the pragmatist is that the individual only thinks in order that he may continue uninterrupted action, that the criterion for

connections of his thinking is found in his ability to carry on and that the scientific goal of his thinking or research is found not in ordered presentation of the subject matter but in the uses to which it can be put (Ritzer, 2000 p300)

By reflection on human experience we find the substance and origin of social and self formation occurring in a reciprocal way and it is the usefulness of what is understood to be happening in broader application which makes it noteworthy. This wider understanding of people's being together is observable in generalisable characteristics which can be described as propositions which are always arising but never occurring in exactly the same way because of the uniqueness of each combination of persons involved in any given situation (Stacey and Griffin, 2005 p21). In essence, there is nothing outside of interaction acting upon human interaction.

When it comes to complex responsive processes...there is no causal agent outside interaction itself. Interaction is its own cause (Stacey and Griffin, 2005 p21). These then are not natural laws but idealised universals that are functionalised in every particular situation (ibid.). Some of these generalisable patterns of relating are

- Interdependence
- Self organisation and Emergence
- Human capacity for spontaneity and reflection
- Power relating
- Evaluative nature of human choice

It is these processes which are generalisable but present in a unique specific way in each generalised experience which provide a basis of usefulness in understanding how we are moving forward together as people.

Thus in the study complex responsive processes as experience we are looking to understand the process of truth as it forms in particular situations which are

relevant in general to the human condition and re-applicable to other human experiences which because of their own uniqueness further contribute to the ongoing development of truth and knowledge.

Having contended that experience is a reasonable object of study it is important to return to the issue of justification of what is related through this reflexive process.

### ***Precision – Truth and Justification***

As stated within the field of social science research there remains some divergence in approach between the sceptics (based on their understanding of empiricism) and those who remain loyal to a greater or lesser extent to the positivist tradition (Bryman and Bell, 2003). For example, one approach to the issue of reliability and validity is that suggested by Lincoln and Guba (1985, in Robson, 1993) who offer credibility, transferability, dependability and confirmability as alternatives to internal and external reliability and objectivity (Lincoln & Guba, 1985). They propose that through creating a ‘thick description’ of a situation being studied using different methods over time, in established relationships with the observed, that a comprehensive understanding can be formed. The reader can then determine whether the conclusions legitimately flow from the data presented because of the fullness of the case presented (Denzin, 1989). It is clear this approach has an imitative quality in that it attempts to present a method of social inquiry that is understood as robust in its ability to present findings that are replicable and consistent. As I have argued above this is difficult given the complex nature of human interaction and the questionable ideological basis for such an approach in that it takes on a view that there is a social reality to be apprehended in a way that mimics natural phenomenon.

Alternatively, Rorty (1999) takes a more sceptical approach in the pragmatist tradition and does not pursue the grail of absolute truth but looks to usefulness rather in the way that Mead (1939) and Dewey (1925) did. That is, he considers how explanations may offer practical understanding of our going on

together as people. More than this he asserts that 'truth' is a product of debate and states that

Knowledge is, like truth, simply a compliment paid to the beliefs which we think so justified that for the moment, further justification is not needed. An enquiry into knowledge can, from this point of view, can only be a socio-historical account of how various people have tried to reach agreement on what to believe. (Rorty, 1991 p24)

Viewed this way knowledge and truth are simply what has prevailed in debate and persisted as meaningful in the ongoing deliberation over what is useful understanding. Rorty (1991) suggests that sceptical practitioners are engaged in an ongoing critique of the dominant discourse and that this paradoxically offers both legitimatisation through convincing rebuttal and the opportunity for ideas to be transformed (Williams, 2005 p50). What this is also suggesting is that what is acceptable as 'justification' and the 'techniques of argumentation' are also determined by this process of historical argument (Williams, 2005 p50). So here truth is replaced by 'belief and justification' (p51). It seems then that Rorty is arguing that simply offering a critique in the form of an alternative belief is sufficient validation alone. This approach is relevant to the complex responsive approach because it is concerned with the very way in which we are co-creating our existence in the ongoing processes of social conflict where a process of inclusion and exclusion is occurring and is sustained and challenged continuously because of its figurational nature (Stacey and Griffin 2005).

In debating the subjectivity of first person authority upheld by Rorty, Davidson (2001) was concerned about the possibility of self-absorption and argued that individual experience must be tested within the community. In effect he suggests we have access to a variety of sources of knowledge: 'what is in our own minds'; 'what is going on in the minds of others'; and 'what is in the physical world around us'. Rejecting mind-body dualism he states that we experience the same world through sensory experience using the same sensory apparatus (Stacey and griffin 2005 p52ff). Through the sophisticated use of

language we make assertions about our experience in the form of belief statements seeking to confirm with one another the shared experience of the real world. This clearly has resonance with Mead's (1939) gesture and response interaction through significant symbols as a co-creation of reality. Williams (op. cit.) points to a number of important questions this still leaves unanswered: How do we discriminate what is reality congruent from those that are mistaken or false? How do we get from an individualised experience to an objective or in this case socially relevant one? How can our beliefs reliably inform our actions and the actions of others with whom we interact?

Davidson (op. cit.) provides a response in the form of his concept of triangulation. Here the process of interaction is never singular but always twofold and intersubjective. Essentially what he is proposing is that legitimacy can be established through a critical discourse which incorporates all the varieties of knowledge available to us. The focus moves from the ideal of the researcher operating in isolation to one of 'the researcher engaged in a social process of inquiry' (Williams, 2005 p56). Validation therefore becomes a process of finding a shared language, of exchanging and challenging propositions in a conflictual way (Williams, 2005 p56). This is in line with the dialectical nature of interaction around knowledge I have been taking up. Davidson conceives of knowledge as a conversation in propositional form in which the testing of beliefs in an ongoing way creates movement of thought over time.

What is clear is that because this is a social process any researcher must be closely bound to a community of practice and there must be some way in which this community makes sense and argues out its own perspective with the community at large (Williams, 2005 p56). This requires clear declaration of interest and attraction to the particular area of study as part of presenting a case for justification. This is not dissimilar to Bourdieu's (2004) insistence on being explicit as to one's membership of social group, specialism and place in the scholastic universe as a means of declaring one's subjectivity in relation to the object studied (2004 p93ff).



It is interesting to note the shift presented by Williams (op. cit.) from evidence to belief and then from individual belief to justification through appeal to the wider community of practice. I take up this view and see that justification emerges from the negotiation of agreement of meaningfulness between people locally and this is then proposed as useful to the wider community in a greater debate about what is most useful. This raises the question as to a community establish the veracity of their belief against that of others as a process of justification.

Williams (op. cit.) equates the approach of Habermas (2001) to justification with differentiation. Differentiation here is defined not only by a different way of conceiving the world but by a very practical matter of what we would be doing differently in a way that is of better use to the community at large, as a consequence of this thinking.

Different ways of both thinking and practice form the basis for meaningful differentiation and act as the basis of justification for any alternative position on social understanding. Habermas (2001) suggests two steps in achieving a philosophical justification. Firstly, establish some 'general principles' that amount to 'a universally applicable argument'. These are the sort of propositions I have outlined above offered in complex responsive processes theory on the interdependent nature of human relating such as emergence, consciousness, identity and transformative causality. What I take Habermas (2001) and Stacey and Griffin (2005) to be referring to when they speak of general principles are not 'natural laws' but emergent regularities observed by achieving sufficient detachment.

Validity emerges through 'critique' in an essentially creative process whereby 'identifying and representing differences' opens up and maintains the distinction between participants in the debate (Williams, 2005 p57). This is a collaborative process in which difference is argued out and so validity is asserted through providing an equally contestable proposition of how the world is and at the same time because of its dialectical nature, opens up the possibility of transformation and the emergence of new ideas (Williams, 2005

p58). Thus Habermas (2001) differs from Rorty and Davidson in that he argues for some universal principles being at work but retains the strong belief that truth is argued out in the social arena of debate between communities of practice (Williams, 2005 p58). By arguing out areas of agreement and disagreement through critique of each other, communities of practice contend for the position of accepted dominant discourse. They do so in the desire to perpetuate debate that furthers human knowledge not in the pursuit of truth but simply something better (Ibid).

Coming back to my own research, what I am doing is making propositions about what is going on in the local interactions between people and connecting these to underlying principles such as power relating, inclusion and exclusion, the nature of interdependence and a particular view about how identity is forming in social interaction between people. These are being addressed to the community of practice to which I am bound and offered as a critique to dominant ways of understanding what is happening in organisations, particularly in relation to M&A. I am arguing this from a position that the dominant discourse is not adequate for understanding my experience. I have formed this proposition through the experience of working alongside people in these processes, creating narratives that make explicit the general principles I understand to be at work in a very ordinary way. These are not literary accounts but are products of observation that become the subjects of reflection presented to my local community of practice in terms of my learning set and to my colleagues who choose to read what is written, opening these accounts to continuous reflection of the type that Dewey proposes. In all of this there is a personal process of reflexive iteration. As I write, I respond to what I write, I think differently about it, read widely in the context of what I am writing finding ideas that spark new perspectives bring smaller ideas words and parts of interaction into greater significance for instance the words used, the unexpected responses or the expected responses that do not come. All of this I see as a process of triangulation of what is my experience, how do others see it, whether it makes sense to them and finds a fit - albeit a conflictual one - with the wider community of practice in this area of M&A. It is on this basis

of a contested, experienced that I see justification of this research being possible.

Precision like truth is not an absolute but here it is defined as the product of argument. In the process of presenting narratives to which others have responded I have been creating another version of explanation for what is occurring in organisations from a complex responsive processes perspective. Through my critique of dominant discourses and positioning my understanding within the wider community of debate in this area I have been refining and the offering these narratives and the ongoing reflections on them as evidence of a different and equally contestable version of understanding. The test of their reality congruence will be forged in the continuing debates they in turn will hopefully evoke and in their practical usefulness to others.

### **Object adequacy and Research design**

The question then arises as to whether in this research the chosen methods are sufficient to the task of acquiring knowledge about human relating. At the outset of this chapter on methodology I set out the debate between notions of theory and practice to illustrate that this is a problematic split and that they may be better understood as interdependent. Whilst the infeasibility of value neutrality is acknowledged, complete subjective immersion may equally offer us little in better understanding the social world (Bryman, 2001 p22).

Researchers can realistically only aspire to develop explanations that have a greater degree of adequacy than preceding explanations. Notions such as ‘ultimate truth and complete detachment have no place in this approach’.  
Murphy et al; (2000)

However, one cannot simply assemble a story in an idiosyncratic way and have it treated as reasonable research. To combat narcissistic inquiry and proposition it is necessary to develop some sense of ‘self conscious detachment from the object of study’ (Rojek, 1992 p17) yet there is never any hope of complete objectivity since involvement and detachment are inevitable aspects of human existence. In terms of theorising from this perspective the

generation versus testing or inductive versus deductive split is not useful. As I have outlined there must be an ongoing dialogue where ‘reflection, experience and practice’ (Bloyce 2004) create theorising which is propositional and open to debate. This is the type of approach I have been taking one where the method of study has been reflected experience in wider debate which is necessarily open to transformation.

Theory here is a matter identifying observed regularities and seeking to understand these. In my case these are gathered through experience of reflecting upon experiences so that in the process of reflection I progressively ‘itemise and differentiate the material’ (Williams, 2005 p64). So the narratives are evidential observations of regularities occurring between people in M&A situations. They catalogue the types of patterns of interactions emerging and present these in the form of narrative themes occurring between people. They do not look to this as the truth of what is going on in the form of a single causality but endeavour to track ‘complex developmental processes: multi-causalities...causes [*that*] have multiple effects and effects [*that*] become partial causes’ (Bloyce, 2004 p147).

I relate these to wider fields of study not only in management theory but to psychology and sociology of religion in a trans-disciplinary way, presenting these to my learning set members, to the wider student group, and colleagues for critical analysis to test the reality congruence of what I am experiencing, in the form of questioning is this convincing, does this make sense, is it useful and is it transferrable to other settings in a generalisable way which could be functionalised differently in another place. Ultimately, the real test is the usefulness of the insights provided.

With regard to research design there are two other points on adequacy I think are worth a brief mention: case study and history. By focusing on single incidents I have followed the case study tradition of basing ‘inquiry around an instance’ (Adelman et al 1977). The intention has been to study the relationship between variables in depth to enable an understanding the interactive individual and group processes at work during M&A which may

have been obscured by surveys or other macro methods in the way that Cartwright and Schoenberg (2006) points to, but ‘may be crucial to the success or failure of the system or organisation’ (Bell 1987 p 8). The efficacy of a case study methodology is not in its formation of theory but in its way of helping use theory in application. That is, its merit lies in

The extent to which details are sufficient and appropriate for a [*person*] working in a similar situation to relate his decision making to that described in the case study (Bassey, 1981 p85).

Moreover, Bassey (1981) sees the validity of this methodology in that case studies expand the boundaries of knowledge by giving a three dimensional perspective on any event which illustrates relationships, micro-political issues and patterns of influences in a particular context (Bell 1987). This is what I have attempted to do in the reflexive narratives presented.

The issue for case study type methodology is that it is not often able to provide the insights offered by longitudinal design in following events over time. I have tried to compensate for this in two ways. Firstly, by paying particular attention to patterns of interaction developed over time. I am specifically concerned to notice disruption to identity that is related to shifts in established relationships that get things done. Whilst the events narrated are unique, in the process of reflection they are placed in a flow of historical experience. Whilst this does not trace the ongoing patterning created by the flow of change it notes that something is happening and at least acknowledges that alterations in the historical flow are significant in themselves.

Secondly, case studies in relation to longitudinal studies are made more valid by combing them with cross-sectional design (Bloyce, 2004). The aim of cross sectional research is to take a ‘snapshot’ of the ‘frequency and characteristics’ from many different areas at the same time as it is assumed to give a greater indication of typicality (Bloyce, 2004). The narratives I present are occurring in different parts of the organisation and even at times on different continents, yet the themes emerging are recognisably similar. This cross sectional

approach is an attempt to increase the limited object adequacy of case study method.

Finally, it is a fundamental premise of complex responsive process theory that there are no levels at which interaction is occurring. The Micro and Macro are not considered separate planes but interconnected processes so that what is happening in the particular is in fact deeply connected to the context in which it is occurring. Therefore, what case study is said to offer is a microcosm of the patterns which are occurring socially. By narratively and reflectively placing events in their wider social context greater detachment and generalisability is acquired.

With this approach in mind I would now like to consider some of the methods available and the emergent design process I moved through.

### **Clinical methodology**

Practitioners of psychotherapy struggle to find a way to provide meaningful evidence about the usefulness of their work. Wosket (1999, p64) suggests this is not resistance to research per se but about the absence of appropriate tools to gather useful knowledge; arguing that most experimental research methods have proven “unpopular, unworkable and downright irrelevant”. Goldstein (1982, p91) stated that traditional research methods have been high in precision but low in psychological significance. Increasingly, confidence has grown in the therapeutic use of the “self” as a research methodology. The use of the self ‘involves the operationalisation of personal characteristics so that they impact on the client in such a way as to become potentially significant determinants of the therapeutic process (Wosket 1999, p12).

In particular, the use of transference and counter-transference has been developed as a way of understanding and improving practice between clients and their therapists<sup>25</sup>. Understanding these responses provides us with

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<sup>25</sup> The term transference refers to the observation made by Freud that patients transfer onto the therapist their attitudes, feelings, fears and wishes from long ago. How the therapist responds to this transference can hinder or further treatment (Kahn1991, p6) Counter-transference refers to the therapists responses

evidence of how the therapist is experienced by others and how certain aspects of client work can activate emotional responses that hinder the progress of therapy. If the therapist, is able to see consistency of responses he may be able to identify a pattern in his way of working, which, if attended to, could improve his practice and hopefully the therapeutic relationship. In this research I have used my responses in encounters with others—for instance, in my reaction to a telephone call from a colleague. The call came late in the day, from a different person than usual and I was third choice. This informed me about a shift in power relating between people in the organisation and was a reflexive process used to understand and improve my participation and planning for the leadership group.

### **Action research**

Action research directly related to the work a person is undertaking. The practitioner encounters a problem in his work, formulates the parameters of what this difficulty is, proposes a hypothesis and determines what action he believes will improve things. The action is then tried out and the impact measured in some way. The results are then used to revise the hypothesis and determine more appropriate actions. So it is like an rational research process (Brown and McIntyre 1981, p245) with two distinctions. First, there is no argument for dispassionate objectivity; the researcher is clearly involved in researching a subject that both intrigues and impacts on him directly. He is generating the possible solutions in the form of actions from his own perceptions, unashamedly in a highly subjective process<sup>26</sup>. The second distinction is that it was not designed as part of a continuous process of improvement. Whereas empiricism looks for one truth or outcome, action research is a continuous process. In this sense, action research is more an approach than a method or technique (Bell 1993, p7).

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to the patient; these can be a (i) real appropriate response—for instance, fear to an angry person, (ii) a response to the clients transference—for example inflation to flattery, (iii) a feeling response to the patients material, such as a bereavement, and the therapists own losses are evoked, and (iv) the therapists typical responses—for example, the desire to be liked (Kahn 1999, p119).

<sup>26</sup> In some ways the human spidergram I wrote about in part two had the qualities of action research. I was attempting to improve transition through expression of feelings and raising awareness of changing patterns of relationship brought about through undertaking this exercise. It was unlike action research in that not part of a continuous process of improvement.

Action research has been defined as:

An on the spot procedure designed to deal with a concrete problem located in an immediate situation... the step by step process is constantly monitored...so... feedback may be translated into modifications, adjustments, directional changes, redefinitions...to bring about lasting benefit to the process itself. (Cohen and Manion 1989, p223)

The value of action research is, that it is immediately related to problems emerging in the workplace and hence it was immensely practical. Experienced practitioners design and evaluate the success of the interventions. Action and research immediately merge into everyday practice so that results do not have to be implemented separately and practice is focused on improvement over time:

The worth of the work is judged by the understanding of and the desirable change in, the practice that is achieved. (Brown and McIntyre 1981, p245)

However, I have not chosen to use action research as my approach to research because it appears too aligned with the underlying philosophy of the systemic approaches I have been attempting to critique. It is a cybernetic approach as Cohen and Manion's words above indicate. It is based on the notion of a negative feedback loop. Although drawing on subjective experience, and not saying that any action is sure to work, action research tends to involve thinking about any system as a whole, that we can observe and design interventions to progressively improve, which is a form of logical incrementalism.

As I am paying attention to the details of interaction between people and also my own part in interactions when studying organisations, I needed to adopt a methodology that attends to this process of forming and being formed as I interact.



### **Reflexive narrative**

Rationalism speaks of knowledge as though it is stock. Positivist research methods are therefore naturally directed toward quantifying what is in the store of wisdom. Stacey offers a different view of what knowledge is when we are considering human beings:

Knowledge or meaning is in the interaction, not in people's heads. Meaning, or knowledge, emerges in the public interaction between people and simultaneously in the private role play each individual conducts with himself or herself. (Stacey 2002, p197)

This is a radical pragmatist standpoint seeing knowledge as emerging from the interactions between people. It asserts that understanding is generated in the conversation between people that shifts and alters personal and collective identity. Self-conscious thinking is merely a private silent conversation and social communication is just a vocal public communication (Aram 2001, p21; Mead 1934). Knowledge comes from attending to the quality, structure and content of conversation. The methodology to gain knowledge of people must therefore access the private reflections and the discourse between people. Taking up Stacey's perspective on the formation of knowledge, I have used narrative as a way of accessing the collective stories that people have made together. I have been attempting to reveal my own thoughts in the hope that they might resonate with others, be at least affirming and perhaps useful. I am conscious of Gergen's critique (1999, p95) that the voice of the investigator can dominate research. Other voices are silenced and left unheard. My use of narrative is an attempt to be both emancipative and empathic. By narrating my experiences I have attempted to bring in many voices to stimulate a reconsideration of the value of difference. Being critical is heard as destructive and therefore marginalised<sup>27</sup>.

Yet telling the story alone is not enough. One of the principle criticisms of the constructionist critique of empiricism and positivism is that it spells "the death

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<sup>27</sup> In chapter three I used a conflictual conversation to invite empathy for those whose identity was impacted by a merger and acquisition process.

of the subject” (Crossley 2000, p32). There is no universal truth, no singular unified self, and no core questions of life and destiny to be answered. The self can in this situation become vacuous and fragmented. However, Crossley (2000, p32) states, it is our capacity to reflect upon and decide that the social and the individual intersect. There needs to be some way in the process of narration to retain human agency. One way to do this is through reflexivity, which I understand as a way of reflecting while acting—that is, “I am experiencing the process whilst processing the experience”. Including individual reflection in recounting experiences as they unfold is known as reflexive narrative. Self-conscious reflection as integral to narration forms an important methodology for capturing both the nature of human agency and social interaction as a simultaneously occurring process.

Taking a position that the self is formed in reflection with oneself and in relationship with others at the same time, identity can be understood as a narrative that is an ongoing explanation of one’s shifting position. One way I have used to explain my experience to others is through repeated iterations of my narratives. As a reflexive process this occurs in two ways: first, each time I look back at my writing I return as reader; second, this is a process of sharing and receiving feedback from others that in turn shapes my reflections and narrative. Through sharing narratives with my learning set, work colleagues and in discussions during residential meetings, my narratives have gone through innumerable iterations this is a process of increasing precision. Not in the sense of apprehending “the truth” but that each of these iterations has brought out clearer and sharper facets of the experience I have related; each aspect of my experience being cut on the passion of my own reflections and interactions with others. Reflexivity is not only an act of interacting with others, one’s own sensing and interpretations, but also found in the process of remembering. I am conscious of sifting and discriminating the relative importance of what is valuable for me and what might be of interest to others as I retell the events. It is a history of my identity as it forms. Likewise, writing itself is an iterative process. Giving up fondness of a position and grieving over the abandoning of precious words is not just a literary practice but part of transforming identity.

Reflexivity expressed via iteration is a methodology that is congruent with attending to complex responsive processes. Emergent, unpredictable and self-organising processes that are generated from local interactions between people are clearly captured through iterated reflexive narrative. In complex responsive processes, we are taking up a position that interactions between people produce further interactions that are shaped by power-relating and, therefore, habitual and yet always open to the possibility of change. The stories we tell are valuable because they illustrate selections that show how we are organising our experience in an everyday kind of way. This is relevant to others because complex responsive process ways of relating are concerned with taking into account the possible responses of others, and this is a way of describing how I have interacted, what I have interpreted and what the responses have been, and how I have further responded to them.

This process of narrative has significant implications for my practice and understanding of organisational life. What I am doing as I act is exploring the nature of my presence in organisations by reflecting on what I am creating together with others and how I and others fit or not with the story being created, in other words, how we create power-relating together and how we include and exclude each other. Reflexive narrative is taking the view that identity is present in social structures and primarily in language. The type, content and turn taking structure of conversations are elevated in importance because they reflect something of the structure of identity itself. Moreover, it is not the dialogue itself that is important but what it is saying about the way we are organising our interactions with one another.

Reflexive practice is increasingly used to support the practice of business research (Alvesson and Skoldberg, 2000; Johnson and Duberley, 2003; Cunliffe, 2003; Weick, 2002). Yet there are concerns that poorly defined practice and lack of connection to wider avenues of thought and approach leave reflexive practice open to charges of disconnection from the 'real' world (Lynch, 2000; Pels, 2000). In response to this concern I am using the work of Bryman et al, (2006) with researchers to define reflexivity as being:

... a sensitivity to the significance of the researcher for the research process, so that the researcher is seen as implicated in the data that are generated by virtue of his or her involvement in data collection and interpretation (Bryman and Cassell, 2006 p46 ).

In my research there are essentially two facets of reflexivity interplaying (Bryman et al, op. cit.). The first is in relation to the ‘interviewee’ or in my case group participants. The reflexive process must in the first instance require a degree of reflection on the part of the participant in a way that they begin to reflect upon the nature of their own practices, the limitations of these and possible alternatives, - *cultivated* reflexivity (Ibid) that is provoked by the interaction with the researcher in the sort of facilitation I describe in chapter two. The work of the research is to enable participants to begin to take up a reflexive approach themselves toward themselves and toward the researcher.

In a more conventional sense I am taking a reflexive turn upon my own process describing my responses and actions and revealing the understood origins of these in an attempt to bring into discussion the possible implications of these in shaping my understanding of what is going on. It is a way of recognising the profound impact of the researcher on the research process particularly where intersubjective methods are in use, since by virtue of the relationship forming between people defined roles of researcher and participant become increasingly fuzzy. Bryman and Cassell 2006 describe it thus

Reflexivity profoundly disrupts the subject –object distinctions. It turns the researcher into someone who reflects on his practices but who also reflects on practices in general so that as an *interviewee* he or she is enticed to maintain the very subject object dualism that reflexivity as a procedure disrupts (2006 p41).

In other words in the process of reflection the researcher himself becomes the object of research, and not only that, but he is also placing himself in dialogue with the dominant discourses as a process of both questioning and validating the explanations that these discourses put forward. In addition he is also a subject of the so called 'objects', that is, the participants with whom he is embedded in communicative interaction of gesture and response. This is the sort of process I am describing when I point to my own reactions in facilitating the process at BioVet when I act to diffuse aggression directed at me with humour or pay attention, or feel an acceptance when I respond affirming that I am an Advancer and not an external consultant. It is also the sort of reflection I am engaged with when I examine my own participation in the intersubjective and power related processes of silencing during the outsourcing project. In doing so I am describing what is occurring and at the same time showing how I am shaping what is going on.

... the reflexive ... endeavour becomes an exercise in auto-ethnography in that one cannot aim to provide a neutral description of a social world within which one is an invested participant (Bolam et al; 2003) .

Moreover this is not an individual process of extracting information from participants through questioning but a co-construction. I am challenging and questioning as in when I state 'I don't think we are talking about sabotage but I think people had some other concerns when we met...They spoke about their identity and about whom they would belong too. They wanted to know if they moved it would be as good as Advance; they weren't resisting the process simply asking for clarification' (see chapter five). The result is that I am influential with others in how the research is taking shape. It could then be charged that participants are simply 'game playing' (Bryman et al.,op. cit.) and that what is then produced is a reflection of a type of farcical drama. There is no doubt that there is a dramatic quality to some of the narratives considered. However, the very central premise of the complex responsive processes is that people are taking up roles in power relating so that in effect consideration of the theatrical nature of these interactions is fundamental to understanding the everyday nature of human interaction.

Every inflection and movement implies status, and...no action is due to chance or really 'motiveless' (Johnstone, 1979 p32)

At the heart of the research process there is a challenge around the nature of power relating enacted between the researcher and the participants which is similar to processes described by Bryman and Cassell (2006 p 50). Clearly, I was an Advancer, the BioVet people knew this and what they said or did not say was shaped by this. Indeed, I point to the very nature of what in that situation and in the outsourcing discussions I was able to raise in my role as 'therapist' that could not have been alluded to by anyone else without significant threat or fear of retaliation. Participants were able to express strength of feeling not only because of the social construction of what a therapist supposedly is as a 'non-judgemental confident' but also because my role within the managerial structure was ambiguous. That said, they were constrained by my Advance identity and this very same lack of clarity in management role when I pushed back in frustration about criticism of the company and its safety culture.

What all this is pointing to is that it is not possible to present research of processes of communicative interaction with participants as research subjects and researcher as naïve observer' (Bryman, et al; 2003). There is clearly an intersubjective process heavily laden with psychological and professional wrangling.

Reality...is 'unsettled' because that reality (that is the supposed practice of social research as perceived by interviewees) is being constructed in the interaction of knowledgeable parties (Cunliffe 2003 in Bryman and Cassell 2006 p 50).

Whilst unsettled reality as I have shown above is not an uncommon feature in qualitative research (Bryman et al., 2006) the study of complex responsive processes and the underlying notions of forming and being formed in communicative interaction makes the use of reflexive research crucial since at

the core of complex responsive processes as with reflexive practice the subject  
–object distinction is deeply disrupted.

## **Chapter Seven Synopsis and critical appraisal**

*(Submitted October 2007)*

### **Introduction**

M&A, although one of the fastest forms of business growth, remains fraught with risk (Cartwright. and Cooper, 1996; Nahavandi, A. and Malekzadeh, 1993). Failures can be both spectacular and costly (Noe, 2002, Freedman 2002, Yoon 2001).

Understanding why failure occurs and what might be done to enhance success is the focus of my research. I take up the challenge laid out by Schoenberg (2005) that improved practice may be found in the yet largely unexplored area of micro-interactions between people. In particular, I investigate the nature of personal and collective identity transformation during M, D &A from a complex responsive processes perspective (Stacey 2000, 2003 2005). I pay particular attention to the experiences of acquired groups whose response in terms of threatened identity is most salient during M&A (Gaertner et al; Terry; Van Knippenberg and Van Leeuwen in Hogg and Terry 2001) delving into the manner of their personal and collective social responses to these events.

I begin this synopsis with general comments about identity and move on to look critically at ways in which identity has traditionally been understood and applied using rational management in organisational life. I then seek to offer an alternative process view of identity formation contrasting this with the valuable insights from social identity theory. Finally, I will look at the practical business implications of making micro processes of identity a central concern during M, D&A processes. In short, I intend to show how any merger or demerger is about transforming personal and collective identity.

This understood, it is important to ask first why leaders of industry should be interested in identity at all.

### **Why business leaders should be concerned about identity**

Identity is a concept more associated with the interesting but distant debates raging in the academic worlds of psychology, sociology and philosophy than with those in the



boardroom. So what relevance does this seemingly disconnected and soft topic have in the hard world of business?

To answer properly this question it is important to make clear at the outset that running throughout my work is a specific notion about organisational life. This is the belief that organisations are not impersonal structures rationally arranged for administering some task, but are in fact groups of people in relationship with one another in order to carry out tasks (Stacey, 2000 p363). In business terms, organisations are a group of people who do or do not work together effectively! It is effective working together that I argue should be the principle concern of business leaders.

It is my contention that we are embedded in a matrix of relationships with others that formed over time become the habitual ways of doing things (Stacey 2003 p80). As we relate with others we form loyalties that make our organisations work. This combination of habit and longstanding affiliation as I explain can be understood as identity (Ibid). It is these ways of being together that are disrupted in corporate life when an M, D&A's occurs. Thus it is not just organisational life but also personal and collective identity that is disturbed. The consequence of this perturbation is emotional upset that emerges in the form of fear and anxiety. To deal with this people begin to respond in a range of ways that are attempts to manage their distress and this is what I have evidenced throughout this paper. Fundamentally, these responses have the capacity to interrupt working together in ways that produce profit, safety, innovation and health (Haunschild, Moreland, & Murrell, 1994 Gaertner et al; Terry; Van Knippenberg and Van Leeuwen in Hogg and Terry 2001). It is therefore of critical importance that executives explore in each M, D&A how they might deal with threats to identity. To assist with this I make some suggestions based on my own experiences of practice.

### **An overview of identity**

The concept of identity, as we understand it, is essentially a modern one and a consequence of huge sociological transformations (Burkitt 1991; Gergen 1999). It was in the context of huge social changes described in broad historical terms, such as the Renaissance, the Reformation, Enlightenment and the scientific revolution, that the notion of personal, private, identity acquired its current meaning. Interestingly,

one small part of this was a product of the Protestant ethic of individual responsibility—a piece of my personal identity that I draw on repeatedly in my writing. It is the religious or dutiful aspects of group identity that I take up, particularly in chapter four where I explore changing corporate identity and, specifically, the silencing effects of threats to identity.

Whilst Marxists and functionalists emphasise the numbing or integrating effects of religion, Weber (1904) argued religion could be and was a catalyst for social change (Haralambos 1991, p.659). In particular, his argument was that religion formed an important part of people's world view and from this they derived purpose and meaning for their actions. Consequently, in contrast to believing economic forces shaped religion, he asserted as an alternative that religion could in fact shape economic behaviour (Weber 1958; 1963). Indeed, in chapter four I take up this theme, exploring how contemporary commercial environments are shaped by pseudo-religious beliefs, utilised to fashion a sense of organisational belonging that may be both motivational and malevolent.

For now though, my point in oversimplified form is that it was the particular form of the Protestant ethic of responsibility that was part of a changed way of thinking that enables us to talk nowadays about identity as a personally owned thing. In short, the ethic of responsibility argued a different stance from the prevailing Roman Catholic ethic of ultimate ends (Ibid). Formerly, we did our best but the ends, whether good or ill, were in the hands of God. In revolutionary opposition to this, the Calvinistic Protestants held to the ethic of responsibility in that each man must give account to God of the foreseeable results of his actions. This required him not only to anticipate the impact of his own actions, but also by necessity he must predict the possible deficiencies in others and make adjustment for them. Thus, the individual was thrown into a new way of relating responsibly to his self and to others (<http://ssr1.uchicago.edu/PRELIMS/Theory/weber.html>). It is this concept of personal accountable agency, couched here in religious terms but a consequence of a much wider social process, which is a central feature of our present understanding of identity.

In tandem with this, came the growth of privacy, which Elias (2000) points to in his seminal work: *The Civilising Process*. Elias describes how rituals of self-restraint developed over time between members of the nobility in medieval Europe. These restraints became traditions, which were used as a means of defining distinction between classes of person. What this way of relating between people gradually created was segmentation or split between appropriate public actions and those behaviours that were defined as private and to be hidden. What one revealed of one's self, and in what way, came to indicate one's social standing. These micro-interactions, without linear causality or rational intention, amounted to the formation of social structures and ways of thinking that now sustain the idea of a public and private self (Ibid). This notion of a private self is, like personal agency, a keystone in our ability to talk about identity as we currently do.

The question that emerges is how does this relate to organisational and work life. Looking again to Elias (2000), we learn that after the French Revolution the emerging professional bourgeoisie took on the etiquette of status and increasingly this became related to occupational function (Mennell 1984, p.93). As the demands for routine and regulated work developed, how people connected was increasingly shaped by occupation. The rise of artisans, merchants and professionals created new patterns of power relating, where people, through their occupation, were linked into a web of relationships with others. So much so that our current sense of identity is very much connected to what we do for a living:

Occupation serves as a mutual identification pattern, with the help of which we can assess personal needs and abilities as well as economic and social position. (Beck 1992)

So identity as we know it is a complex phenomenon: an emergent product of the interplay between many religious, philosophical, social and economic forces that interact at a micro-level on an ongoing everyday basis.

### **How does identity form?**

Is identity a given or chosen or something else? Are we born with an innate identity or do we choose to become who we are over time? This is a critical point of divergence

and an important one because how we articulate our understanding of how identity forms will inform how we live out our experience in organisations. Believing identity to be predetermined, we might for instance use psychometric screening to identify those with high potential or, alternatively, if we see it as a choice may offer leadership competency training to those who wish to become managers. These are not the only ways of understanding identity though. Most significantly, it is the social nature of transforming identity and specifically how this occurs in business organisations that I have attended to in my research, because this holds the greatest potential of offering profitable solutions to business leaders.

What is clear is that typically the notion of identity refers to the distinct personality of an individual (Oxford Dictionary). This seems like a reasonable definition until we ask what makes such a personality distinct. Usually, this directs us to the concepts of persistence, individual choice and separateness and it is then that what seems like a concrete definition begins to appear much more fluid. How enduring are we? How free are we to make our own choices? How detached are we from the world of others around us? The answers to these questions, I believe, lead to a more social notion of identity that changes fundamentally how we might think about people in organisations (Stacey 2000). This more malleable idea of identity roots who we are in the connections we have with others and explains why organisational change affects people so deeply, for in effect it is not some external thing changing but the people themselves who are altering. To develop this train of thought I will address these three elements of separateness, choice and permanence.

### **Do we really have a separate identity?**

Phil Mollon (1993, p.2) points to Wilshire's (1984) philosophical argument that separateness, the notion that each thing is itself and no other thing, ignores the complexity of human identity. Wilshire poses a challenge to the one-dimensional notion of identity as separateness, by asking the simple question:

If people are as separate as their bodies, then why is their behaviour lacking in originality so often? Why is it that contagions of imitative and mimetic behaviour have swept through human history so regularly? (Wilshire in Mollon 1993, p.2)

Although Wilshire's argument clearly dispels the illusion of separation, the conclusion drawn from his idea of mimetic engulfment is that we are all simply unconscious imitations of one another. This is pure behaviourism and not so credible as it fails, in my view, to explain how, for instance, even amidst mass movements some people take heroic personal actions against the crowd. He strikes a blow, however, at the nature of our understanding of individuality, which in western social science has been considered essentialist or a priori to social life (Burkitt 1991, p6). Typically, we are seen as being born with a character that then plays out in actions in the world. As Burkitt describes it:

Not a historical and social product but a biologically given entity whose individuality is contained inside itself from birth. (Burkitt 1991, p.17)

Burkitt (1991 p8ff) examines extensively what has become our commonsense view of individuality, eloquently describing the philosophical history of self in a case!

Whether in the form of Descartes' rational thinkers (1637), Kant's (1724-1804) autonomous individuals or Leibniz's (1646-1716) perceiving minds, the consequence is the same: people are separate from each other and segregated within themselves, split from our bodies and others by the illusion of a detached mind. Burkitt describes how sociological thinkers taking up this philosophical position compounded the view of the self-sufficient individual by creating a further separation between the individual and the state. Marx's civil society (1973 p84), Similes' mass society (1971 p324ff), Durkheim's collective consciousness (1969) and Similes' mass society (1971 p324ff), social action all depict a pre-existing individual who forms an objective relationship with the world from his subjective position based on the rationally determined benefits of shared norms. In particular, it is their shared perspective that people in modern society are increasingly tied together by functional rather than personal dependence. Therefore, what people do for a living or the professional purpose they serve determines their value and relationships to one another. The implication is that separate rational entities decide on the value of a person or action and relate according to the values they attribute to these. The resulting society or organisation is a negotiation of value based at worst on self-interest or at best rationally measured

benefits to all (Burkitt 1991 p11ff). Most performance management systems using goals, targets and objectives draw heavily on this way of thinking (Stacey 2000 p24).

Likewise, in the field of psychology, the individual is seen as primarily separate: a distinct individual within their own skin, each organised differently from the others as a genetic consequence or interaction between the parts of their internal self. Allports' psycho-physical system (1937), Eysenck's personality types (1982), Freud's hydraulic, internal ego structure (1856-1939), Freud's hydraulic, internal ego structure (1856-1939), Skinners' learned behaviour (1953,1971) all point fundamentally to the same conclusion: whether actively acting or passively responding, the person is a monad who a priori exists and in turn interacts with others to form society.

In business, this perspective of the individual as separate has played itself out in an interesting way that is familiar to most managers. It is the foundation of the development and application of systems thinking (Stacey 2000 p24). Some of this is observable in how I approached and describe my work in chapters two and three. Here employees are seen as separate parts of the system and a person, usually the leader, because he is also separate, can step outside this system and apply interventions that will make the individual parts of the system work better and more efficiently. I will explore this more fully in my critique of mainstream understanding of identity.

### **Do we choose our identity?**

Returning to Wilshire's perspective, although he appropriately challenges the fundamental acceptance of innate separation he devalues the notion of choice. However, choice and monadic separation are of equal importance in the philosophical inheritance described above. Indeed, whether our identity to a greater or lesser extent simply emerges from the vital ingredients within us or is dictated by outside influences, and how much we can choose to allow this to shape out identity or not, is the crux of the familiar and longstanding nature or nurture debate (Hayes 1994 p18). This body of knowledge is divided into the two traditions of idealist and materialist philosophy; the former reflecting the propositions of the more active nature of human personality formation and the latter, of which Wilshire is a part, the passive, environmentally formed, nature of personhood (1984).

Yet neither seems to satisfy fully (Burkitt 1991). We appear not to be biological automatons or just reacting, but yet we are not entirely creatures of free will. In mythology, the image of the centaur, half man half beast, has been an attempt to relate the nature of interconnectedness between these divided positions. This symbollein or throwing together (Armstrong 2005, p.16) is a quest to show that conscious identity is neither fully inherent nor elected. How then can a synthesis be formed that captures both the vitalist and mechanist ways of thinking? I believe it is possible through a social theory of identity formation (Burkitt 1991 p 25ff).

What is clear is that the element of choice in identity along with the concept of separation has entered organisational life via the systems thinking pathway (Stacey 2000 p24ff). The idea of autonomous individuals utilising rational choice to set and take actions toward definite outcomes is the basis of much commonly practiced management theory. I will explore this further below

### **Is our identity persistent?**

Identity is said to be the history of our experience in the world and our responses to that experience (Wibberley in Dryden 1988, p.68). It must follow then that our identity is essentially paradoxical because although it is recognisable it must also be changing over time. It is this combination of sameness and difference at the same time that points toward identity that is best understood as a process rather than an innate inner self that is unfolding (Stacey 2003 p79).

The question then arises as to what identity is a history of. Some, like Bugental (1987, p.228), embrace the idea that it is a history of being formed by the endless choices we make; however, despite this, he is clear that identity formation is a process:

we are not what we think but what we are think-*ing*, not what we do but are do-*ing*. (Bugental 1987, p.228).

It seems almost automatic to hang choice and identity together.

Allport (1955, p.28) stated that structure is the secretion of process. The implication is that we are always in movement and always in process but a process of what? I suggest along with Mead (1934), Burkitt (1991) and Stacey (2003) that we are not separate, choice-making creatures who simply respond to experience but are deeply connected through communicative interaction with one another. This relating is filled with choices, certainly, but these are constrained to remain static and at the same time enabled to be different by the nature of ongoing power relating between people. So identity is not the unfolding of an innate self, a germ of truth within or a cluster of choices, but a pattern of habitual responses formed over time in relation with others (Stacey 2003 p79 and 2000 p410ff). These patterns provide consistent recognition in a constant flow of gesture and response between people that is recognisable. The person functioning within this habitual range is both known to themselves and to others. What is important, and I will look at this more deeply when I explore the social nature of identity later, is that this patterning is a process of continuous repetition and, as such, open to the possibility of transformation through small alterations in interaction (p80). When individuals move out of sync with these habitual responses they are said to be acting out of character or not themselves because these small alterations have produced conflicts of recognition. This is often experienced by the person and the other as a form of anxiety or distress (Ibid). In the process of M,D&As, I will look at how alterations in habitual patterns of relating between people in organisations follows this same process. In a way, how organisational change produces a threat to the continuity of the self.

### **A general critique of identity in organisational life**

The notion of identity as a product of individual rational choice making has come to dominate current management theory. We are said to choose to belong because of shared destiny or what we hold in common and this has led to the familiar organisational interventions of visioning and establishing shared goals and principles (Stacey 2000). I will seek to debunk the usefulness of this way of understanding identity and practices emerging from it by beginning to build understanding of social identity and offering a viable alternative in the next section.

Sen (2006, p.20ff) suggests that identity is a matter of rational choice. Yet the idea that we choose our identity clearly has limitations. Identity implies what we identify



with. Identifying with certainly infers an element of choice and that we have a capacity to emphasise and prioritise what is important to us:

A man finds his identity by identifying. A man's identity is not best thought of as the way in which he is separated from his fellows but the way in which he is united with them. (Terwilliger 2006)

Sen (2006, p.5) argues that we have the freedom to choose our identity, electing which groups we belong to and giving priority of meaning to them. For example, he contends that in the current world conflict, by trying to persuade people that Islam is a peace loving faith, and therefore renounce violence, we are placing more emphasis on an already overly prioritised identity. He suggests it is more useful to debate that people are more than simply Muslim or Christian and to invite a plurality of identities into discussion<sup>28</sup>. He states that our ability to choose the groups to which we belong is an important liberty that we should vigorously defend (Sen 2006 p7). What though of groups that are not apparently my choice, those to which I refer in my writing, which are a consequence of historical legacy and cultural orientation? Sen's argument remains that choices are made within constraints or, as he calls it, the limits of feasibility. For instance, I cannot choose to be an Israeli Jew, this is unfeasible, but being an economist Sen argues that, as in business, there is always a budget constraint and that this does not remove choice but on the contrary it emphasises its critical importance.

Nothing can be more elementary and universal than the fact that choices of all kinds in every area are always being made within particular limits. (Sen 2006, p.5)

It is difficult to contend the logic of such argument, however, in line with the critique offered by Mead's (1934) social realism. I take issue with the idea that choice is elemental and universal to social identity because what Sen is implying is that people are simply rational choice-making creatures. I believe this because when Sen speaks

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<sup>28</sup> Note the way in which Sen alludes to a cognitive restructuring or re-categorisation process. This is similar to the approach of social identity theory which I consider later.

about the knotty issue of my implicit identity, he refers to another's choice to see me in a particular way, or in his words:

The Jew is a man who others look upon as a Jew; it is the anti-Semite who makes the Jew. (Sen 2006, p.7)

I do not believe we are separately making these kinds of ascribing choices but that in effect, like our identities, these choices are socially constructed together. In contrast to Sen's thinking, I posit Elias' (1994) view that we are connected in figural patterns of communicative interaction and Mead's perspective that we are locked in a continual process of gesture and response. In chapter three I referred to Pablo Menfesawe-Imani, the Black iconographer, whose painted words describe poignantly the interdependent mechanics of stigmatisation:

One of the most important roles created by western society is that of the Negro. One of the most important ways of acting into this role has been the part played by the Nigger.

From within an individual cognitive framework such as Sen's, this could be seen as blaming the victim for the perpetrators mental block rather than what it is: an acknowledgement of the powerful interplay of group dynamics of inclusion and exclusion (Elias 1994).

This perspective does not decry the notion of choice nor does it diminish the importance of others in shaping self-perception, but rather sets these squarely within a social context of interpersonal relationship. What I am suggesting in my work is that groupings of people form but this formation is not through a simple matter of choice but must be about some form of meaningful connectedness (Foulkes 1957 p157). It is these meaningful attachments, which are both rational and emotional, that I have come to see as vitally important to business success. This is an approach drawn from the works of Mead (1934), Elias (1994) and Stacey (2000). In chapters four and five I consider how alterations in this sense of 'belonging' have profound effect in terms of identity threat to those in acquired groups. I note how this evokes particular patterns

of response and explore ways of engaging with these that may be of help to practitioners.

This critique of choice making raises questions about how we currently manage company loyalty and employee performance (Yoon 2001; Cartwright & Cooper, 1993). If, as I suggest, personal connection and not rational choice making is the key determinate of commitment and motivation, then we need to re-think our current cognitivist approaches to how we manage them. The rational cognitive theorists would argue that social identity is generally thought of as those aspects of self-concept we as individuals have in common with others in a group, and which distinguish us from other groups (Silvester 1991). Some researchers argue that we are motivated to be consistent with our social identity so that we act in ways that sustain our group membership and in line with an ideal or objectively viewed self (Kelly and Kelly 1994, p.25ff). There is clear common ground here with Mead's perspective, which I explore more fully later. However, how this translates into business practice is that we are encouraged to attain and preserve group membership by making convincing rational arguments that are about benefits and clarity of roles, which I have come to see is an important but on its own an ineffective strategy.

Essentially then, the reason why group membership is important in the rational cognitivist school of thought is because the groups I choose to belong to say something fundamental about who I am (Sen 2006; Hogg and Terry 2001). It is me offering my responsible agency in actively creating my world, whether this is a born again, conservative, gun-touting world, or a liberal, atheistic, pacifist world. Whatever is the case, what I am doing is actualising who I am through conscious rational agency (Ibid).

Following these views, organisational theorists (Senge 1990) working to persuade others that to join a particular corporate grouping is worthwhile assert that it is critical to present a cogent case to the individual, which includes clarity of roles, certainty of hierarchical position, and advantageous compensation and benefit packages. This, I argue is the mainstay of most orthodox guidance on fostering employee engagement following M&A (e.g. Pritchett et al 1997).

Strategic Choice theory is also the basis of many programmes of organisational change that emphasise the psychological principle of locus of control (Beck *et al* 1985). What is argued here is that where people are able to exercise control over threatening events they respond more creatively to those challenges. It follows that by involving people, providing them with the right quantity and quality of information through programmes that communicate individuals will change and work most effectively. Considered as information processors, employees will rationally compute that the change that is occurring is a wise one even though it may cost their own or a beloved colleague's job. Clear communication will create understanding and employees will reasonably adapt to the necessary changes. Trainings such as *who moved my cheese* (Johnson 1998) lay great store by the capacity of humans to make choices. Using cheese as a metaphor for what we want from life (job, wealth or relationship for example), we are encouraged to rethink our way of being to recognise that change happens, that we must strategically anticipate this, monitor our cheese to decide if it's still what we want, adapt quickly, enjoy it and be ready for the next change and enjoy that too! Apart, from the injunction to enjoy there is no mention of emotion and, in particular, no reference to the quality of our attachment to others. It is a position based on individualist self-interest, where those who feel the passivity of entitlement lose out and those who choose to adapt survive (Johnson 1998).

Likewise, psychologically based change management interventions, such as the Bridges model (Bridges 1991, p.87ff), suggest change that is imposed is more difficult to deal with because we are not in control of it. Although this is based on an emotional model of psychological loss, Bridges is cognitive in his prescriptions of how individuals might cope with change. He recommends we *figure out* what is actually changing, *decide* what is really over, *distinguish between* current losses and old wounds, *identify* our continuities, *consider* our possibilities, *design* a learning venture and *make a plan*. These are all valuable suggestions but they present a one-dimensional view of human kind, and one that does not ring true in everyday experience where the movement through change is far from a simple matter of choice. In none of the groups I worked as related in chapter three four and five did planning alone work as an effective tool in creating change. This is line with Cartwright and Schoenberg's (2006) view that something in practice is being missed. In every situation I have written about (the HR leadership change, the BioVet acquisition and

the outsourcing project) the arguments were clear and valid but the business case, enhanced conditions, good communication and interpersonal contact alone were not enough to alter people's perspective.

To illustrate I use the BioVet group I worked with. As a small organisation acquired by a multinational they enjoyed significantly improved terms and conditions of employment and the opening up of opportunities to travel and gain valuable and transferable work experience in a wider network. Logically they were much better off. What was experienced though was something quite different. They remained hostile, felt alienated and disregarded, and were the butt of criticism for tardiness from the established Advance group. This was a striking example of where the classically recommended strategies based on rationalist cognitive theories alone had failed to deliver business integration and put profitability at risk. Likewise the proposed outsourcing process whilst absolutely reasonable and business efficient initiated patterns of conversation that were filled with political intrigue and motivated by a desire to protect sense of belonging. Thus I argue that intergroup bias, identification and continuity of identity are crucial issues to be considered (Gaertner et al; Terry; Van Knippenberg and Van Leeuwen in Hogg and Terry 2001) before during and after M&A. These are not cognitive based processes (Stacey 2003 p100ff) but are emergent from local micro interactions between people that are forming them and their social world at the same time (Ibid). Rational models although useful maps to help conceptualise what is occurring in the process of change, when applied as interventions based on the premise that the individual is wholly rational and who, with a well argued case, will become convinced of why he should belong to, or for that matter leave, a particular group are therefore unlikely to deliver lucrative business results.

Another classically held view is that people form groups because of holding something in common. What they share as opposed to what they choose (Sandel 1982 [1998] p.150–1). Groups supposedly take shape around similarity. A wider view of this is that groups arise:

Not because their members necessarily are similar to one another (although they may be); rather, a group exists when people in it realize their fate depends on the fate of the group as a whole. (Brown 1988, p.28)

Lewin supported this notion when he wrote of the post war Jewish experience:

[I]t is not similarity or dissimilarity of individuals that constitutes a group, but rather interdependence of fate....It is easy enough to see that the common fate of all Jews makes them a group in reality. One who has grasped this simple idea will not feel that he has to break away from Judaism altogether whenever he changes his attitude toward a fundamental Jewish issue, and he will become more tolerant of differences of opinion among Jews. What is more, a person who has learned to see how much his own fate depends upon the fate of his entire group will be ready and even eager to take over a fair share of responsibility for its welfare. (Lewin 1946, p.165–6)

It is clear for Lewin, that personal and collective destinies become locked together in a way that changes the relationships between people and inspires deeply held group loyalty. This is somewhat reminiscent of Elias' thinking (1998, p.38), although he was concerned not only with the links formed within groups but also the interdependent figurations of power relating between groups. It was these that Elias' argued formed individual collective identity, in a powerful dynamic of inter-group ascription and that bound groups together in a common destiny.

In organisational terms, Lewin's approach has been expanded through the theory of the learning organisation (Stacey 2003, p.284). It is argued that through forming a shared vision, mission and objectives people will work together toward a common goal (Senge 1990). Workshops seek to create a shared statement of team values, motivated by the idea that, convinced of our common fate, we would want to work together effectively. Here too there is an interesting contrast with Elias' thinking, for as a realist he would have interpreted such visioning as a type ideology formation that he viewed as a mythical distraction from the reality of interpersonal relating:

I believe that the malaise of humanity is to be blamed on the fact that they become motivated by unrealistic ideas. (Elias 1998, p.38)

What is crucial here though is that, despite Lewin's recognition of the significance of group connection, in learning theory the individual still presides over the fate of the group, determining whether to join in the project. Again, I would argue that this presents a meagre view of human nature with our destiny seldom exclusively determined by belonging to one single grouping but more accurately, as Elias (1998) suggested, to the dynamic pull between many groups.

A truly social identity not only affects the relationships within the group because, in reality, the fortunes of any group are as dependent on the successful interplay with non-members as they are with its members. What Lewin is doing though is showing that a bond forms and why it is important; what he does not do is show how it forms. It is here that we must look to the complex responsive processes that form group membership (Stacey 2003). It is the nature of how group is forming and is protected that I am studying through these papers. The BioVet lament about loss of 'family' the HR group noting the shift in positions, the silencing, collusive and thwarted conversational transformations that shaped the outsourcing project are all examples how these processes of belonging.

In particular this contrast between the shared destiny and interplay of many groupings approach was evident in the discussions about outsourcing I reflected on in chapter four. It was clear people were working together on their shared destiny but what was equally apparent was how loyalties to different groupings shaped the discussion. Some were unswervingly committed to the HR leadership achieving its objective, others to their regional teams, some to their wider profession and none of these loyalties was without demand or constraint. No one spoke openly against the project or declared an active intention to support it. All knew that somewhere at sometime they would be held to account by these groups in conversations in other places and this created a politic that determined the flow of conversation. In contrast to social identity theory (Hogg and Terry 2001) I am not seeing this as a cognitive process or as cybernetic interplay between matrixes of group memberships but as process of communicative interaction where there are always conversations occurring publicly

and privately between self and other that is shaping interaction through power play (Stacey, 2000 and 2003)

Sen (2006, p.25) writes about these identity loyalties in political and corporate life. He refers to two notions that he asserts are equally impoverished: identity disregard and singular affiliation. I think these are useful insights when thinking about the difference between predominant management theory and the contrasting consideration of complex responsive processes of human interaction as people organising being together. Strikingly, but not surprisingly, this alternative approach offers a very different reason for why people form groups.

As argued previously, conventional management theory takes a specific view of human identity as individual, cognitive and static. In terms of description then, it is possible for systemic theorists to describe people in particular ways. For example, in cybernetic explanations of organisational behaviour, attention focuses on negative feedback loops and a drive towards recreating equilibrium whereas there is no attention given to potential positive feedback (Stacey 2003, p.83). Consequently, the complexity of human identity is being removed to satisfy the need to rigorously apply an engineering model that reifies people as components who fulfil a systematic purpose rather than interactive beings with a range of responses to the various provocations they enact on each other. This I would term identity disregard. As mentioned above in the BioVet group, I draw attention to how people are functionalised in that they are perceived as rational monads that will respond to behaviourist type compensation and benefit rewards. The substantial number of M&A failures is testament to the fact that, as with BioVet, these are not effective strategies (Cartwright & Cooper, 1992a; Porter, 1987; Ellis & Pekar, 1978; Kitching 1967; Marks 1988).

In a similar vein but illustrating singular affiliation we have soft systems thinking where people are no longer viewed as functional elements but as living beings with emotion, desires, culture, political perspective and, importantly, free will. Soft systems is a reversion to Kant's pure idealism where the real world is not made up of systems but these are in fact mental constructs that help us make sense of the world. Ackoff's (1981, 1984) interactive planning is a good example of this. He believed that



the resistance to any change was in people's existing mental constructs. Therefore, to promote change it was necessary to encourage people to participate in formulating an idealised design of the future state and to design out in stages how they would reach this objective, often presented in the form of backward planning. This is similar to strategic choice theory with the distinction that it is not the leaders who decide but the people who form a collective future view. Democratic participation and working together are highly valued in this model, which is typified by the idiom: there is no I in Team.

I believe that when working with the HR leadership change highlighted in chapter two, I was attempting to bring conscious attention to shifting patterns of relating. This work, however, took place at a crossover point where I was attempting to integrate new learning and articulate my experience more clearly. Although attending to relational identity was emerging as critical to my understanding, I was still embedded in the view that part of the focus needed to be on shared moving on together. This was a concession to Lewin's approach, which pervades humanistic approaches to psychotherapy and organisational work.

The intention is to encourage people to create a shared vision, mission and goals, and then live uniformly to enact these in organisational life; in short a singular affiliation. A consequence of this is the emphasis of conformity to cult values that minimise diversity and, in some circumstances, as I argue in chapter four, activate social defences that seek to preserve alignment to the view that organisational members are in that single grouping and no other. This I insist can create silencing of organisational debate that has consequences for any change process and identity transformation.

Most mainstream thinking can be divided into either of these two categories of identity disregard or singular affiliation. For example, strategic choice theory (Stacey 2000 p 129) disregards identity in general by stressing the role of leaders over the largely directed workforce, whereas psychoanalytic group relations approaches in contrast emphasises singular affiliation to the group over, above and separate to individuality (Obholzer and Roberts 1994 41ff). There are of course ways in which we can see that some theoretical approaches give some importance to both, such as

learning theory, which largely disregards identity but gives importance to particular qualities of identity, for example what makes a good leader (Senge 1990). However, these leadership characteristics are presented in a narrow and specialised way restricted and constraining the individual to behave in a particular effective way. The point here is that oscillation, even within the theory, remains between these two poles of disregard and singularity of identity.

I am not saying that the traditional management literature totally ignores the issue of personal collective identity, but it deals with it by inferring that individuals are either rational actors, best understood as computational thinking systems requiring the right information, or that they have been absorbed into unitary organisational cultures that can be dealt with as personified wholes. I explore this particularly in relation to M&A interventions in chapter three where, in general, the directions from the literature to ensure successful M&As emphasises predictability, control and homogeneity. If identity is understood in these scant ways as individualised rational and stable then such prescriptions are absolutely reasonable.

However, first I intend to set out here further understanding of the limitations imposed by this narrow thinking about identity, elaborating on the themes above and pointing towards a different possibility of how we might think about identity in organisations.

### **Positioning the argument**

In the following sections, I position my work within the wider field of management theory and relate it to cognate fields of the learning organisation, communities of practice and emotional intelligence to establish who else is speaking similarly within the community and how my research offers critique of their perspectives.

Mainstream management and organisation theory is largely built on systems thinking (Stacey, 2007). Typically, the manager is understood as one who can observe the organisation as a system and so can identify leverage points and act to design ways in which the system will move toward rationally determined goals. This dominant discourse has particular characteristics: human beings are understood as rational monads skilled to different degrees in processing information in various ways.

Identity is then easily understood within a systems framework as taking up an objective position of rational choice making.

This is very different from the perspective I am taking which sees human identity as a product of social interaction that is neither separate from nor wholly determined by society. It is formed and forming at the same time in an ongoing dialectic. The idea of process I have taken up is one espoused in complex responsive processes which sees process as interaction between human bodies that produces further interaction that does not form a distinguishable whole and is experienced in local interaction between people (Stacey 2003). This then offers a different understanding of organisations in terms of control, predictability, interaction, meaning and identity.

In this positioning piece I set out the central propositions of each theoretical standpoint and then look particularly at how this thinking has been applied in relation to M&A. After reviewing a number of theories I point to how my perspective differs.

### **The Learning Organisation**

The work of Peter Senge (1990, 1994, 1999, and 2000) on the learning organisation has been a major force in recent management theory. He saw learning organisations as those where members were continuously occupied with improvement and reflection together to enhance success

- ...organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together. (Senge, 1990 p 3)

The vision is of an engaged and critically thinking group working together to achieve the results they really want. Fundamental to this is the ability to see the organisation as a 'whole' to understand where the leverage points are and in doing so determine what actions are necessary to control the situation to create the best possible global outcome for all. Senge (1990 p14, Smith 2001) argues that in many organisations

learning occurs as a matter of survival or adaptation rather than the proactive and generative type learning achievable when individuals are actively involved in an environment that fosters peoples' 'commitment and capacity to learn at *all* levels' (Senge, 1990 p 4) and are given the tools to do it.

The means to accomplish this type of learning organisation are given by Senge in the form of 'component technologies' which when taken together create the type of profound teamwork he envisages. They are as follows.

- 1. Systems thinking** – The keystone of Senge's approach is systems thinking. It is important for him that people begin to understand organisations as systems because this raises peoples' view from immediate actions and short term thinking to a higher level and longer term perspective. For example, in a local situation cutting a research budget may show positively on the balance sheet but in the longer term may have dire consequences for overall commercial performance (Smith, 2001). Moving away from mechanistic cause and effect thinking about actions to consideration of the interconnected systemic effects of interventions is thus crucial for organisational success. A key benefit of systems thinking from Senge's position is that it gives a more panoramic view of actions and interactions, by offering an understanding of the relationship between different parts of the organisation and linking this directly to a beneficial outcome for the whole.
- 2. Personal mastery** – This is a vocational process of continuously deepening skill and proficiency through a commitment life long learning. Senge states that 'organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning. But without it no organizational learning occurs' (Senge 1990: 139). It is the individual, as part of the organisational system through on going refinement of personal vision, disciplined surfacing of their unconscious, and ability to patiently hold the tension between vision and reality, who contributes to the greater learning of the organisation (Senge, 1990 p147). Although available and a quest for all, personal mastery tends to be achieved by small numbers of leading individuals within the organisation.
- 3. Mental models** – Senge describes these as 'deeply ingrained assumptions, generalizations, or even pictures and images that influence how we understand

the world and how we take action' (Senge, 1990 p8). These are mental constructs that orchestrate the behaviours of individuals as they act in the world. These are essentially a repertoire of tried and tested experience that is applied often unknowingly because through practice they have become unconscious (Smith, 2001). Organisational learning occurs when these constructs become shared between members so that they all apply the same efficient problem solving constructs when faced with work place challenges. The key task then is 'learning to unearth our internal pictures of the world, to bring them to the surface and hold them rigorously to scrutiny (Senge 1990 p9). The purpose of this is to discard ineffective models and share those that are proficient in creating success in the immediate organisational context. This is cognitivist psychology.

4. **Building shared vision** – This is not simply a fanciful statement but a desired future state developed by people working together. A learning organisation has 'the capacity to hold a shared picture of the future we seek to create' (Senge 1990 p 9). It is essentially an inspirational and motivational picture that encourages innovation and positive risk taking. The fervour it creates rubs off on others as people share the vision more and more so that it becomes clearer spreading passion.
5. **Team learning** – Senge asserts that the collective knowledge of the team is greater than that held by any individual alone. This ability of the team to learn and function at a superior level to individuals is founded in dialogue which is a very particular type of conversation. Based on the views of Bohm (1965; 1983; Bohm and Peat, 1989) this is a discussion where individuals shelve their previously held assumptions to engage in a genuinely open debate. It is characterised by rules about suspending judgement, being aware of assumptions and regarding others as colleagues and friends. Usually such dialogue is directed by a person outside this network who facilitates the holding of this space. When these guidelines are in place and the facilitator provides containment the team moves into collective mind, defences collapse and people begin to observe their own thinking. Dialogue then emerges and is simply an exchange of ideas not a clash of personalities. 'To the Greeks *dialogos* meant a free-flowing of meaning through a group, allowing the group to discover insights not attainable individually.... [It] also involves learning how

to recognize the patterns of interaction in teams that undermine learning. (Senge 1990: 10). People become aware of the collective intelligence and so a new intelligence as it were comes into being – a kind of transcendent mind which is outside individuals and only accessible through this special type of connection (Stacey 2003 p105). This is a connection of the individual's small maps to the great map of the universe where the group 'becomes open to the flow of a larger intelligence' (Smith 2001).

Using these tools Senge (1990, 1994, 1999, and 2000) entertains a new way of building organisations particularly through less hierarchical management structures and team involvement. A learning organisation, by which he means one that is constructively engaged in creating success, is achieved by the surfacing of those team assumptions and attitudes that act to thwart growth in common knowledge through dialogue.

Senge's (1990) thinking draws heavily on cognitive psychology. It is suggested that from the multitude of information with which we are bombarded we may choose between a mass of possibilities. To manage this level of complexity we sample sensory data into loose categories that are stored as schemata. These are said to act as useful perception filters so that we begin to select out information in a way that identifies what is useful in our immediate situation and also anticipates what may be relevant for use in the future (Neisser, 1976). We are therefore locked in a perceptual cycle where we direct our attention to fit pre-existing models we have already made. We sample new sensory information for relevance and modify it to fit our previously held perceptions. What is asserted is that we use selective attention to fit information with previously useful and successful schemata. This is a skill like any other, which can be developed over time and in the organisational context may be recognised as competence (Hayes, 1994). In other words, competence is initially understood as the ability to apply usefully experienced patterns to new situations in a way that aligns this experience with the pre-established model in a workable way. In a stable environment this would be seen as a desirable quality but in changing circumstances this could be highly problematic. Schemas provide a singular way of seeing and understanding so that they produce habitual reactions which significantly limit response options (Bennett-Goleman 2001 p50).

The automatic and unquestioned quality of some of these models leads to them being described as implicit or tacit forms of knowledge which through sharing and acknowledgement as expertise have become the commonly held practices or culture of a team or organisation. Those models which seek to describe behaviour consciously are understood as explicit forms of knowledge. Whilst implicit knowledge can therefore create successful team functioning, conversely there is also at the same time a propensity for contortion of thinking into narrow forms such as 'groupthink or expert incompetence' (Stacey 2003 p109) which obstruct creative solution building in the face of new challenges. To enable the learning organisation it is important to bring these schemas under scrutiny.

It is interesting to understand how this approach might be applied to a M&A situation and how this differs from the complex responsive processes approach I have been advocating.

### **M&A - A learning organisation Perspective**

Whilst there are many reasons for M&A, from a learning perspective one clear intention in many cases is to rapidly acquire new knowledge and capabilities that will enrich the organisation (Chakrabarti 1990). The key measure of success is how efficiently knowledge is transferred within the new organisational entity. Huber (1991) refers to M&A as grafting:

Organisations frequently increase their store of knowledge by acquiring and grafting on new members who possess knowledge not previously available within the organisation (1991)

- However, as with all other aspects of M&A knowledge transfer is not always successful (Puranam and Singh, 1999). In response Huysman, Leonard and Allison (2002) consider the process of knowledge transfer and make some suggestions using a learning approach, recommending knowledge management tools to improve transfer strategies. This is a simple linear model that Huysman et al; (2002 p2) use to describe the knowledge transfer process. They understand

value creation to be achieved when the competitive advantage of one company is 'improved through the transfer of strategic capabilities' as opposed to typical indicators such as ROI. They are therefore concerned with the conditions necessary to ensure knowledge sharing, for it is the transfer of knowledge which is the marker of success. The impediments to easy knowledge transfer they suggest are generated at the very outset of the process outlined above. Hapeslagh and Jemison (1991) indicate four characteristics of the early process that may eventually lead to discontent. These are: fragmented perspectives where the range and number of analysts and specialist views proffered prevents the formation of a thorough overview of the proposal, increased momentum, that everything is happening too fast, that expectations are ambiguous and this haziness is consented to because it smoothes an already complex process – until the end point when expectations are found to be misplaced; and lastly multiple motives where the reasons for the M&A is sold in different ways to stakeholders as a political device and when the deal is closed this becomes a source of disagreement( Huysman et al, 2002).

In the spirit of dialogue, learning theorists propose the use of two major post acquisition tools. These are applied to facilitate knowledge transfer: mutual communication and retention strategy. The former relates to creating encounters, networks, training and mutual understanding through grass roots interactions, job rotations and site visits.

The basic premise is that individual knowledge and perspectives remain personal unless they are amplified and articulated through social interaction. (Huysman et al; 2002)

The latter retention strategy involves pay and options deals in relation to reaching performance milestones. It is unclear if these help transfer knowledge but they may retain it within the business.

From a learning perspective the 'role of top managers and the facilitators who assist them in any organisational change process and M&A in this instance, is to reveal



existing constructs and help build new ones' (Rughase, 2006 p 54). This is expressed by Brown and Starkey (2000) when they describe the key task of leaders is to

Challenge existing mental models that support current views of the organisational identity and the development of visions concerning the nature of the new identity the organisation is working toward (p110)

A fundamental part of this process is the noticing and working with defensive responses in a way that changes peoples reaction allowing a shift in thinking and therefore identity. This is a valuable insight into organisational process and though conceived of differently, represents the beginning of an understanding of the interdependent nature of power relating. What it asks for however is a double loop learning response, so that people raise and question their defensiveness,.This is difficult if not impossible to achieve since the defences are their for the very purpose of self protection. It is unlikely then that people will give them up or talk openly about them (Stacey 2003). Moreover, they are engaging in relation with an organisational vision or system as a whole and not in any sense paying attention to their own interactions with one another other than as psychological categories (Griffin 2001).

In summary then in an economic context where M&A are increasing the learning approach suggests that organisations can learn from their experience and that of others to make these integrations more efficient. This is achieved through a form of double loop learning whereby the organisation can review the governing principles shaping their decision making in terms of partner selection and also the targeting of knowledge to be transferred by including knowledge audits in the due diligence process. One of the main propositions is the introduction of an interface structure whereby a team of individuals from both organisations works to formulate integration The learning organisation approach is a positive move toward seeing absolute control as impossible. The consideration of defensive routines is useful because it begins to look at power relating if an abstracted way. However, it holds to an individualised view that is beginning to be more widely challenged. A more social perspective is examined when looking at communities of practice.

## Communities of Practice

Another approach taken to Knowledge Management is that of Etienne Wenger (1999). This represents a significant shift in that it moves away from emphasis on knowledge as object construed by cognitive processes and focuses on the localisation of interaction and learning as a social process. What Wenger is interested in is the informal networks that support the learning process for he believes that in fact people work in relatively small communities where their immediate networks serve as a foundation where they 'learn the intricacies of the job, explore the meaning of work, construct an image of the company, and develop a sense of self as a worker' (Wenger 1998).

Whilst the extent of involvement in communities varies from being a central to peripheral and emerging participant, all people are in some way part of a community. These communities Wenger defines as informally bound together networks forged through people learning together in the activities in which they are all involved. Communities of practice are therefore not necessarily bound to locality or even shared interest but are made distinct by what they do and learn together. Wenger (1998 pp96-97) describes three defining characteristics of communities of practice that he refers to as dimensions:

- **What it is about** – it is *joint enterprise* as understood and continually renegotiated by its members. This is a dynamic process and so involves debate and relationship within a wider social context. However it always the local community that together forms a response.
- **How it functions** - *mutual engagement* that binds members together into a social entity. It involves inclusion not only in harmonious but also in conflictual ways.
- **What capability it has produced** – the *shared repertoire* of communal resources (routines, sensibilities, artefacts, vocabulary, styles, etc.) that members have developed over time.

Practice is thus essentially the process of continually negotiating the meaning of what we are doing together, an historical social process giving structure and meaning to the actions we take. Wenger (1998) when talking about practice is thus referring to

What is said and what is left unsaid; what is represented and what is assumed. It includes the language, the tools, the documents, the images, the symbols, the well-defined roles, the specified criteria, the codified procedures, the regulations, and the contracts that various practices make explicit for a variety of purposes. But it also includes all the implicit relations, the tacit conventions, the subtle cues, the untold rules of thumb, the recognizable intuitions, the specific perceptions, the well-tuned sensitivities, the embodied understandings, the underlying assumptions, the shared worldviews, which may never be articulated, though they are unmistakable signs of membership in communities of practice and are crucial to the success of their enterprises. (Wenger1998, p47)

### **Negotiation of Meaning**

Wenger (1998) asserts that meaning emerges from the dialectic interplay of two components: Participation and Reification, and that these practices form one unified whole.

- *Reification* – is a way of giving form to experience. It involves turning ideas into congealed forms that can be manipulated and used. These are essentially artefacts produced from our historical and situational experience. Each captures in some solidified form, such as, procedures, forms and record keeping, knowledge that is useful in that it enables learning to be succinct, portable, co-ordinated and mutually understood. However, reification alone is insufficient as a process in that the use of artefacts can obscure the broader social meaning concealed in the formation of these objects. So that they become ‘blind sequences of operations and lead to the illusion that one fully understands the processes it describes’ (Wenger, 1998, p. 61).

In complimentary tension with this is participation.

- *Participation* – learning is not simply the acquisition of these reified commodities in some cognitive way but the engagement with others in a social process that involves translating and re-contextualising them with others in addressing new challenges to learning together. Lave and Wenger capture this sentiment in a pithy way ‘the purpose is not to learn *from* talk...but learn ‘to’ talk as a key to ...participation’ (1991 p108-9). Wenger says that ‘... if we believe that people in organisations contribute to organisational goals by participating inventively in practices that can never be fully captured by institutionalised processes .... we will have to value the work of community building and make sure that participants have access to the resources necessary to learn what they need to learn in order to take actions and make decisions that fully engage their own knowledge-ability.’ (Wenger, 1999, p. 10)

Wenger is suggesting is that learning comes primarily through participating in everyday life. There is a dual process of reification and participation occurring all the time. One principle way this is occurring is through conversation in which the words which are reified are used in social exchange to gain alignment to the community learning task. In practice this allows short cuts of understanding and at times leaps of intuition (Wenger, 1999, p. 187). Critically, the two processes work to counter balance each other since

With insufficient participation, our relations to broader enterprises tend to remain literal and procedural: our co-ordination tends to be based on compliance rather than participation in meaning ... With insufficient reification, co-ordination across time and space may depend too much on the partiality of specific participants, or it may simply be too vague, illusory or contentious to create alignment.” (Wenger, 1999, p. 187)

In the interplay of both, ‘reification remains open though interpretation and participation provides a way of retaining or letting go of the past, rules remain set in place but are open to transformation through re- negotiation’ (Stacey, 2003 p208). So these processes provide a dynamic source of continuity and discontinuity. Likewise, the two provide different notions of power: participation involves the use of influence, authority, charisma, nepotism etc; and reification: legislation, policies and contracts.

Similarly, they reveal distinct understanding of boundaries where reification specifies limitations participation permits movement across boundaries through connectedness so reified forms of experience can move across boundaries between groups (Stacey, 2003 p208).

### **The nature of Identity**

Wenger asserts that people are both part of a reified system and at the same time active agents (Stacey 2003). He is saying that people are actively involved in the construction of their identity through participation in practice and that their identity is found at the boundary of the many communities of practice they belong too (Wenger, 1998). He has therefore moved away from an individual notion of identity by suggesting that identity itself is actually a process of ongoing negotiation of meaning with others in the community. Major change, whether personal or in the community, is therefore interlinked and deeply related to these 'boundary encounters' between communities which can be reacted against or connected across (Wenger 1998). Successful negotiation of a boundary is dependent on skilful brokering by someone able to span both communities whilst not becoming either a fully merged participant or being rejected as an interloper (Wenger 1999, p109).

The job of brokering is complex. It involves processes of translation, co-ordination and alignment between perspectives. It requires enough legitimacy to influence the development of a practice, mobilise attention and address conflicting interests. It also requires the ability to link practices by facilitating transactions between them, and to cause learning by introducing into a practice elements of another. Toward this end, brokering provides a participative connection – not because reification is not involved, but because what brokers press into service to connect practices is their experience of multi-membership and the possibilities for negotiation inherent in participation. (Wenger, 1999 p. 109)

Essentially then the brokering position is one where the skilful individual is able to stand outside the community memberships he holds and use reification and participation as avenues to 'design' an integration of the two. Wenger has a very particular notion of design which is captured succinctly by Stacey, 2000 (p210).

- Communities pre-exist through relating. They cannot be designed but can be recognised, supported nurtured and encouraged.
- Practice cannot be designed but unfolds. However it is possible to design systems and accountabilities but the response to these cannot be designed.
- Roles can be designed but not identities that will form in response to them. It is possible to design vision but not loyalty to that vision.
- Learning cannot be designed but the context which supports or thwarts it can.

So in designing participation one can select the right people with the right skill set and attitude to create good community participation. At the same time it is possible to provide the tools to support this community development process in the form of reified policies, plans and programmes that participation can be organised around. In M&A practice this has been taken up in a particular way.

### **Communities of practice and M&A**

In the same vein as earlier descriptions, M&A's are understood as a way providing competitive advantage in an increasingly aggressive world market. They are said to give this edge by enhancing 'existing capabilities' and developing new competencies in a very short time frame (Ranft, 1997; Ahuja and Katila, 2001). From the communities of practice perspective they do so by transferring the knowledge salient to success, from 'one business community that possesses them into the other which does not' (Szulanski, 1996; Tsai, 2001). As such M&A are understood in this perspective as processes of managing the joining of two 'social communities' who were previously completely separate or in competition with one another (Bresman et al, 1999 p442).

The contribution of the communities of practice approach is that it understands knowledge as socially complex. Knowledge does not therefore reside in structures, databases or individuals but is present in the way various organisational members interact. It is the way that people work with each other in 'specialised relationships' that knowledge becomes practically useful. It is this relational or social knowledge which cannot be easily replicated by other companies and is therefore a desirable asset (Badaracco, 1991 p79).

In efforts to secure transfer of social knowledge two key strategies are proposed:

- Employee retention.
- Improved communication between communities.

Underlying this first intervention is the well accepted view that M&A provoke staff turn over (Buono and Bowditch, 1989; Larsson and Finkelstein, 1999). The loss of executive leadership who ‘determine which core competencies are developed’ and other staff groups who develop and maintain these’ (Casal and Fontela 2002) therefore has immense cost in terms of lost social capital (Roberts and Mizouchi, 1989; Ranft and Lord, 2000). Hence the more staff retained the greater the likelihood of successful knowledge transfer (Casal and Fontela , 2002). However, Casal and Fontela (2002) point to the fact that ‘retention of itself is not sufficient’ but that ‘rich communication’ between the two communities must be encouraged (p3). By rich, they mean in person and face to face.

### **Underlying implications of the CoP approach**

Wenger (1999) describes the dimensions of practice as operating in a ‘tight system of interdependence’ (p96-7) so that minor disturbances can have ‘repercussions throughout the system’. Clearly he is still thinking in systems terms although he says explicitly he is not. What supports this view of him as a systems thinker is that he sets up reification and participation as two separate but interdependent entities where the individual is both free to choose and within the system. This plays itself out when he begins to talk about brokering where the individual becomes able to actively shape the over all system through his localised notion of design.

What is significantly different is that design for instance is based very much on creating inter-relationship between people and so is clearly a soft systems perspective. So when talking about a ‘process of negotiation of meaning’ (Wenger,1998) he appears to be talking about social interaction between ideas, values and positions rather than real mechanical parts.

Wenger also makes a significant shift toward understanding Identity as a much more social process and whilst he still talks of the individual making response he very soundly embeds this in the community of interrelationship.

With regard to M&A there is a shift to some consideration of micro interactions in the form of improving communication between communities through enhanced social contact. Since the communities of practice are characterised by diversity this is understood to be not always conflict free in the 'positive' way dialogue is construed in Senge's learning organisation theory. The transformation of identity as part of this process may be taken as implicit because M&A obviously represent boundary encounters (another systemic notion). However, this is not explicitly addressed, nor is the difference between power ratios of the communities involved and how this effects identity formation during M&A. Both are areas I set out to give attention to in my research.

### **Emotional Intelligence**

Learning Organisation theory as discussed has its roots in cognitive psychology. The approach has placed emphasis on selecting the right component people to create successful team working. In the field of cognitive psychology there has been great emphasis on selection through assessing an individual's capacity to undertake work productively based on their intelligence quotient (Furnham, 2005 p209ff).

Maree and Eiselen (2004) state that until recently intelligence theories have fallen into three broad band definitions (Phares, 1992 p182):

- Ability to adjust to new situations
- Ability to learn
- Ability to handle abstract concepts, reasoning and manipulate linguistic and numerical symbols

Typically they assert that until recently intelligence has been understood as 'one's ability to attend, to and process information and utilise those processes to solve problems (Naglieri and Reardon, 1993 p128 ). This is characteristic of the cognitivist approach which we have seen greatly stresses the idea of people as skilled information processors. Sternberg (1984) offers a different perspective, suggesting that intelligence is highly contextual and derives from 'a dynamic interaction between the individual and their environment' (Maree and Eiselen 2004 p4). This is significant



shift for two reasons; firstly it raises a question about the ability to measure intelligence objectively because classically these measurements do not take into account environmental factors and secondly, it introduces a notion of the social nature of intelligence.

In addition Maree and Eiselen (2004) cite research by Hoffman, Wasson and Christianson (in Newell 1989p 98) showing that typically under achievers had high IQ in the typical sense, they showed disparity between expected and actual delivery, inconsistently met goals, had low self confidence and a sense of inferiority, and responded poorly in interpersonal situations using blaming and withdrawal as self management responses. What is therefore argued is that information processing based IQ does not provide a good indicator of projected performance in role. As a consequence it is suggested that a more comprehensive definition of intelligence is required; one that reflects more adequately the range of skills necessary to 'navigate life successfully and purposefully' (Brady 1998 p19).

The proposed alternative is emotional intelligence (EI) as described by Salovey and Mayer (1990) as 'the ability to perceive emotion, integrate emotion and to facilitate thought, understand emotions, and to regulate emotions to promote personal growth (1997 p3). This was later popularised by Goleman (1995) as simply 'how leaders handle themselves and their relationships' (Goleman 2002 p 6).

What this represents is a clear shift to ability or competency based model with a particular emphasis on socio- emotional skills. Salovey and Mayer (1990) retain more of the cognitive approach viewing emotions as useful additional sources of 'information' that individuals have varying ability to efficiently process. These abilities are behaviourally evident in the individual's skill in perceiving emotion, using emotion, understanding and managing emotion but are firmly set within the wider aptitude for cognitive processing.

Goleman (1995) focuses much more on learnable social skills claiming acquisition of these competencies is a sound predictive indicator of likely on job performance (Goleman, 1998; Bar On, 1997, and Cooper and Sawaf 1998)). Whilst the theoretical nub of EI as illustrated here is not by any means solidified, the prevailing popular

view of EI is a result of Goleman's successful popular psychology writing (1995, 1998, and 2002). Goleman's competency model has four competencies:

- Self Awareness – reading and recognising emotions.
- Self Management – controlling emotions and shaping a 'mature' response.
- Social Awareness – where this feeling is coming from in the person's context.
- Relationship Management – inspiring, influencing and managing conflict.

Each of these can be developed and put to good use to achieve success. The development of these skills is primarily focused on the leader who is deemed by adoption of certain situation specific emotional skills to be able to manage in a way that creates competitive advantage.

### **EI and M&A**

Goleman (1998) and others (Salovey and Mayer 1990) argue that increasingly there is recognition of the emotional content of experience at work. Events can be seen to produce not just altered ways of thinking but emotional responses that can have direct impact on behavioural actions (Cohen and Sandy 2003). In this EI model M&A serves as stimuli to emotions in the individuals affected. It is suggested that when their feelings are not effectively acknowledged and managed they may experience overwhelm and their ability to function productively is thereby diminished.

In a study on the merging of academic institutions cited by Maree and Eiselen (2004) the process of incorporation of higher education establishments was described by former organisational members as a 'traumatic and disruptive event'. The impact of the merger was described very clearly in emotional language arguably common in such situations. Many expressed a 'sense of betrayal by their management' and believed that they had been 'insensitively handled' (Becker et al; in press). Fundamentally, then in EI terms M&A are emotionally loaded events which require delicate handling by competent, in the sense of emotionally literate, leaders (Goleman 2002)

The key task of the leader is the emotional management of change. Maree and Eiselen (2004) identify four ways in which EI can be applied in an M&A situation. The leader should use his skills of perceiving the emotions of others and responsiveness to his own internal cues as effective guides to

- Evaluate the ongoing emotional functioning of the employees at critical stages in the transformation process
- Function as an instrument to gauge the impact of effectiveness of current organisational change
- Create bespoke guidance on improving emotional skills that will help employees function better
- Identify the emotional factors shown to be related to ongoing success

Emotions are not just a guide but a tool to tracking what may be occurring in the emotional experience of others and will enable the leader to be instrumental in ameliorating the disabling emotional distress engendered by change. The principle way to do this is to use ones own emotional experience.

The ability to sense, understand and effectively apply emotions as a source of human energy, information, connection and influence (Cooper and Sawaf 1998 p162)

Conventionally emotions have been understood as obstructions to clear thinking that should not be in the workplace, should be tabled and talked about but not experienced, avoided, and never shown since they reflect weakness. In the EI approach they have come to be indicators of high performance which should be present in the workplace because they are crucial to sound judgement, should be integrated discussed and reveal strength of character rather than deficiency (Eldon 2007).

The two key ways of addressing emotions during M&A processes are acknowledgement and processing.

Acknowledgement is the ability to observe the 'emotional reality' (Goleman 2002 p284) of the organisation by paying attention to important signals. One example given is of a leader paying attention to the number of cars in the car park as an indicator of employee engagement. Another example was the general low mood in a team following the departure of a popular colleague. Rather than ignoring emotion or engaging in an exercise in spin, the emotionally intelligent leader will recognise and address the issues emerging on an emotional level. In other words addressing emotion in itself will significantly contribute to change in affinities between people.

Processing may involve some form of working through the emotion either through rituals that say goodbye to or welcome the new organisation. Importantly, emotion is surfaced engaged with recognised and worked through. What is meant by a process here is quite systemic:

it is a process built as a holistic system that permeates every layer of the organisation...the three pivotal levels the individual...the teams in which they work and the organisation culture (Goleman 2002 p302)

The process includes some qualities similar to Senge's learning organisation and involves finding the 'sacred centre that everyone holds as paramount and should remain intact' (p284), developing a shared vision of what must change, sustaining emotional vision by turning vision into action and creating systems that sustain emotional intelligence such as systems rules and procedures.

### **Underlying implications of EI**

The Leader is once again the key player in the organisational situation. There is an extension of competency however, in that, a new set of skills has to be acquired, for not only is the manager required to administer the formation of structures and supervise the relationships between people, he is now also obliged to organise his emotions in a way that enhances corporate performance. This follows in the tradition of Hochschild's (1983) use of 'transmutation' of feelings to serve collective ends and Hirschorn's (1998) perspective that managers should be more demonstrative and emotionally risk taking to encourage greater employee engagement and participation.

This signifies a shift from concern with identifying inspirational goals and outcomes to forming emotional congruence as the generator of employee allegiance.

Goleman's model (1998) clearly stipulates that there are a set of skills possessed by the emotionally competent leader and these can be tested for using psychometrics (Bar-On 2006), against which a person can be measured as fitting or not fitting the pure typographies and therefore be assessed as more or less likely to create consistently productive decision making (Goleman 1998). There is an attempt to build in an average good type to which through training the manager may fit to. This is interesting in that management moves to considering not only interpersonal interactions but also intra personal experiences. This is more than simple reflection on what is being encountered it is the active cultivation of specific responses deemed to be commercially better. This is therefore a logical extension of the belief that managers should be in control, not only of information, structures and people but also their own and others emotions.

An implicit assumption is that the need for this type of control over emotional relating exists because conflict is endemic in relationships between managers and employees and that this is fundamentally at odds with positive operation of the organisation. This is an indirect reference I think to the homeostasis of the system. Therefore a key set of skills that can remove these conflictual obstructions are important. There is no possibility for conflict to exist in any constructive or to any creative effect in this approach which espouses harmony and balance between people (parts).

Moreover, what this approach does offer is an opening up of emotional life in the workplace. Far from being an extension into ownership of the feeling life of individuals (Hochschild 1983) this is recognition that our personal emotional worlds are increasingly part of the workplace. However, it does not offer detailed reflection on the emotional interactions taking place but rather looks to see some conflict free ideal type of interaction focusing on how leaders can empower and enable employees and sustain existing power relating. .

The key differences then between the EI approach and complex responsive processes relate to control, articulated as control over emotion, and the notion of *the value of*

conflict. The assumption as outlined above is that managers are seen as observers and designers able to watch over their own and others feelings and to influence them. They are not therefore like other participants in a process of interaction but are conceptualised as mindful observers of emotion as it arises and therefore at the edge of experience able to some way guide and direct it through use of appropriate mature emotions. This is different to the complex responsive processes notion of control I have been taking up, that recognises the idea of the manager standing outside and leveraging systems, relationships and even emotions as unreal and merely a way of thinking about organisations 'as if' this occurs and even then, may place misleading and unachievable expectations on leaders (Stacey 2000). Williams (2005 p50), following this way of thinking argues that leaders are 'paradoxically in control and yet not in control of any situational context' in this sense they are very much like any other participant in group interaction. The difference is that they have greater choices and chances of having their position accepted because of their power related status.

Likewise, with regard to conflict, in EI the role of the leader is to stand apart, transcend and eliminate tension since as a negative emotion it obstructs the symmetry and alignment of the organisation to the vision, mission and goals. As Goleman (2002) writes,

Leaders who manage conflict best are able to draw out all parties, understand the differing perspectives and then find a common ideal that everyone can endorse. They surface a conflict, acknowledge the feelings and views of all sides and then redirect the energy toward a shared ideal. (Goleman 2002 p 331)

This is different from the complex responsive processes view of conflict which is drawn from Mead's work (1903). Mead saw that variance or conflict arises naturally in the course of living. He argued that self consciousness was not permanent but merely a moment of awareness which erupted when people encountered something unexpected in the environment. In that instant, the individual is propelled into self reflection as he makes an attempt to adjust to the alterations in his environment. The self is therefore not static but understood as a continuous process of relating and solving problems. Essentially then conflict generates reflection and thus self

consciousness and in the problem solving adjustment potentially produces novelty. This is a continuous relational process going on between people.

In Complex responsive processes conflict is therefore understood as an inescapable part of life. Conflict is seen as a relational process as people attempt to find tensile solutions of being together. Co-operative and competitive interaction between people is a consequence of the difference in experiencing which has the potential to evoke new ways of being together. Hence the quality of these processes is attended to rather than eliminated using an idealised model of how human beings should be together (Shaw 2002 p83).

### **The foundations of the social perspective**

I am taking up a different conversation—one that sees organisations as patterns of relationships between people, developed over time, in particular locations, without definable boundaries. I understand change then as an alteration in the habitual patterns of relating between people that alters the usual ways in which recognition and approval are obtained so that people must make adaptive adjustments to each other to sustain a sense of belonging (Stacey 2003 p 80 and 367). This is important, because what is happening is that the usual gestures that have formed a habitus of ordinariness between people may suddenly not evoke the same responses. This provokes anxiety and agitation of activity as people attempt to make sense of their new interactive connections. They are no longer as effective in evoking familiar responses and thus become unclear about how they are seen. What is happening is that changes are occurring in the individual's reflexive I-me dialogue (Mead 1934, p.180). In Mead's terms, the person is literally changing their mind; this is not in an active cognitivist sense, but in a reflexive inter-subjective sense, for this is always done in relation to how they make connection with other living and equally responsive human beings. It is the nature of these processes that I begin to recognise in chapter two investigate in chapter three and then begin to work with as central in chapters four and five.

This agitation of behavioural activities provoked by a change in relational patterns, such as the ones evoked by an M&A process, can be likened to what complexity science refers to as perturbations in the system. If amplified over many thousands of tiny daily interactions these perturbations form into emergent, non-linear and

unpredictable patterns of global interaction, understood as shifts in culture, values and actions, which we refer to as a static phenomena organisational change. It is in this way that collective and personal identity is transforming at the same time. Importantly, it is the quality of interactions occurring between people that are fundamental to this process actually remaining in motion rather than simply stagnating into mimetic repetition.

In working with this, I am attempting to understand transforming identity as Mead described it by taking up this issue of shifting power and, in particular, paying attention to the patterns that form from the micro-interactions between people, which in their amplification produce changes on a large scale. These are seldom just rational choices but instead motivated by emotion and connection. This is the complex responsive processes perspective that Stacey (1993) proffers as an alternative view of organisational life in contrast to the dominant systemic model proposed in most management literature. Human interactions in groups, he suggests, can be understood to be complex in the sense that no action is traceable to any single identifiable causative source. Consequently, it is therefore difficult, if not impossible, to recommend actions that could predict or predetermine outcomes in human interaction. This is not a call to inaction but, rather, proposes a very different understanding of the nature of action, which draws on a transformative rather than a formative causality ((Stacey 200 p258). In other words, actions are placed within an interactive and mobile environment so that the possibilities of response to any action are understood as manifold. This is what I am doing in chapters four and five by paying attention to the structure and content of conversations between people. The use of metaphors, references to house keeping, sabotage and the like are parts of The focus then is not outcomes or the actions that allegedly produce outcomes but, rather, the immediate interactive process itself. In this way, what is prompting the proposed actions, the reactions to these actions or even their very suggestion becomes of crucial importance for it is this that is understood to be shaping through communicative interaction between people, the present moment personal and collective identities of any group. This is what I understand Stacey to mean by responsive process, with the proviso that this is not a static phenomenon but a flow of interactions that continually reproduces itself in the form of further interactions between people.



Complex responsive processes is therefore not an abstract theoretical model but an invitation to pay attention to what is actually happening in peoples positioning and repositioning of themselves, in relation to one another, to preserve their sense of belonging. I begin to develop what it means to attend to these processes. First by noticing what is altering, and in what way this is being experienced, not as an objective observer but as a participant affected by the experience of being in relationship with other living beings.

Different then from the typical cognitive-based interventions that recommend providing the credible story in a persuasive way to transform identity, I am convinced that attention must be given to what is happening in the experience of identity between people. In effect, change in the form of M,D&A leads to alterations not just in thinking but in one's sense of belonging (Stacey 2003 p79-80). This is a belonging made up of valued emotional connections. Change:

- effects individual and collective identity as shown in Chapter three
- alters the protection afforded by the established group as evidenced in chapter four
- changes access to resources, information and influence as seen in the spidergram exercise
- evokes anxiety because familiar ways of doing things are disrupted as seen in chapters four and five
- provokes social defences in conversation as narrated in chapter five
- shifts the pecking order so that envy and competitiveness emerge.

It is these adjustments that need to be attended to and not common values, shared vision or target setting for future success. This perspective is a divergent view espousing the social nature of identity.

### **Alternative identity: the social self and process orientated approach to organisational life**

Throughout my research, I have drawn on the work of Mead (1934) to take up a different more integrating perspective. Mead argued that our consciousness is an

objective function. Its purpose is to help us adapt to the challenges that we face in our environment. Importantly, it is not an internal subjective experience, but wholly observable in the interactions between us. He asserted even more radically that consciousness was not simply tied to the evolutionary process but was in, and of itself, an evolving by-product of social interaction (1934, p.133). For Mead, conscious identity is not a divine given, a manifestation of internal dynamics or an endless string of nervous responses. It is a transforming entity that emerges through communicative interaction between people, where human actions are not simply about continued existences but involve meaningful connection and this he called the self. For this reason, his thinking has been termed social behaviourism. Although he adhered to the Darwinian notion that through our activity we enhanced our likelihood of survival, he also recognised that our activity in groups was intelligent. We could actively choose to select, delete or repeat certain behaviours, and in addition communicate this, as shared knowledge, with one another. Thus as people we are not simply passively responding to our environment, but aggressively involved in its creation through interplay with one and other.

He was not arguing then that we were individuals creating a negotiated social contract but rather that we were entirely fashioned through social interaction. A start point in such a process is inconceivable but the following illustrates the sequence: we act, we are formed by our actions and these actions are themselves constrained by and, therefore, to some extent already formed by our environment. We engage from a social place, as we engage we alter, these actions stimulate responses, which form responses to us and so on in a process of continual development, all occurring at the same time.

Mead is saying that our individual and collective identities are not separate, but formed and forming each other in an ongoing process of perpetual construction that occurs through meaningful human interaction. By meaningful, I understand that he means evocative; that we as human beings shape our behaviour around each other in a collaborative and competitive venture that functions to organise our being together. Our adjustment to one another is not simply responsive but suggestive in that we stir up responses in each other, calling to mind as we do so what the possible come back might be, and seeking to invite that response in others. Yet to stop here would be to

infer a level of conscious awareness and manipulation of Machiavellian proportions that is not evident in everyday human encounters. As Reck (1964, p.xxxviii) suggests, we are so actively involved together in the modification of impulses to maximise their satisfaction that even those impulses that are presumed natural are so organised that no behaviour can be traced directly to a specific antecedent (Burkitt 1991, p.31).

In developing my understanding of Mead's social realism and its application to organisational life, I have looked to Elias and Stacey's work to understand how actions that happen so rapidly, and match situations so appropriately, occur without apparently conscious thought. In chapter one I use the example of an incident with the security forces in Northern Ireland to illustrate the rich exchange of significant social communication that flows invisibly between people in a social situation. Elias (in Menell 1989, p.30) used the term *habitus* to describe the ingrained disposition to act, think and feel in a particular way. *Habitus* is in effect not a conscious but an embodied process, anchored in the daily practices between people in groups and societies. It is effectively what goes without saying and serves as the binding that keeps people together. Developed over time, through ongoing interaction, it is *habitus* that forms the taken for granted nature of a group being together. This is different from culture, which tends to be an abstract reified concept; *habitus* is what people do as opposed to what they say they do.

Stacey (2003, p.137) talks about unconscious process in a similar way. He describes it as a habituated and continuous process of communicative interaction by which past experience is played out between people. In particular, he suggests that it is characterised by patterns of power relating so that certain communicative gestures are prohibited, others unformed, some automatic and a few dominating. The unconscious is therefore not a separate domain guiding the here and now, but rather an ever present and defining historical pattern of interaction, which is constantly being repeated. In coming together in groups within an organisational context, people recreate their patterns of being together. These emergent patterns in organisational life are the source of problems and the resource for the transformation of difficulties.

Business life is not distinct from this process. People's identity is literally at work; their way of being together, who they are, is deeply locked together in figurations of

relating so routine that they are beyond awareness. It is this habitus of emotional ties that is disrupted in my examples of M,D&A processes. In the BioVet group, for instance, I shared how these disturbed unconscious patterns of relating were stirred in a company purchased through acquisition. I used Stacey's understanding of unconscious processes (2003, p.137) to make sense of how the process of acquisition had impacted personal and company identities and was repetitively presented in conversations that were a search for recognition of this distressing experience. I argue that such material is always present in symbolic form but not readily accessible to those immersed in it. The BioVet group used metaphorical language to express their anxiety about lack of space and their sense of displacement. They spoke as individuals and yet told both a collective and a personal story at the same time. What they did, in various groupings, was exhibit the same thematic patterns of relating, playing them out repeatedly.

By participating in conversations with this group in such a way that drew attention to these repetitions and directing towards different but complementary narratives, people were able to confront one another's view, offer support and together create alternative more fluid stories of being together. This is what I mean when I suggest the stuck pattern itself holds the potential for problem resolution. It is my contention throughout this research, that, because habitus in the form of unconscious processes of relating illuminates how the minutia of meaningful social conduct takes place, it demands critical attention.

This thinking fits well with Mead's notion of self-identity. For Mead, the self has two parts or faculties:

...the objective presence of the self within the group which acts as a stimulus to others; and at the same time there is the subjective attitude of reflection which treats as an object the responses of the body to others in interaction.  
(Burkitt 1991, p.38)

These he calls the me and I, respectively. The me is the history of social interaction or habitus and the I is the ongoing capacity for reflection upon this chronicle of events. These are not separate parts but a continuous process of identity making.

Importantly, they both emerge from social interaction: the me is the stimulus in social interaction and the I is the position of others toward the me as this perturbation occurs. Significantly, they continue a dynamic interaction through a silent reflection that Mead (1934, p.174) refers to as the mind. It is not then that the I–me interaction is a dispassionate observation of a static story of times gone by or that is straightforwardly replicated; it is rather, an active process where the resourcefulness of past experience or the me is put to good use by a reflexive I in the present moment. As Shotter states:

We must imagine ourselves to be not an object like thing as such, but a mobile region of continually self-reproducing activity. (Shotter 1989, p.139)

It is this perpetual reproduction through social adjustment to others that is so resonant with Elias notion of figuration (1994, p.116) and Stacey's thinking on complex responsive processes (1993, p.329ff) to which I refer constantly throughout my work. Having addressed individuality and choice this brings us to the last element of identity, which is identity as a sense of permanence.

What is fundamentally different about Mead's thinking from the behaviourist and rationalist schools of thought is that not only does he stress the deep social connectedness between people, and our ability to reflect on this behaviour to make meaningful interaction, but he also bases his notion of the self in the concept of change. Mead's idea is that activity and thought are implemental (Mead 1934, p.308); they are about creative adjustment to the present moment interactions between people. There is no seeking for a stable homeostasis because social life is about giving constant attention to the conflicts, adjustments and challenges of remaining attuned to others. This of course does not mean we are always seeking harmony. On the contrary, part of living is the ongoing reconstruction of meaning in relation to others, and this is about engaging in moral conflicts and competition as well as co-operating. This is why his thinking is such a valuable contribution to understanding organisational life. The intention though is to create an improved future and this can involve forming alliances with some against others.

This is clearly a very different approach because once identity is no longer seen as separate, choice making and static it becomes impossible to work to simply convince people of arguments or develop common goals. What is required is something wholly different and involves paying attention to the processes of communicative interaction going on between people. Hence, in this paper I have looked at processes of conflict and silencing. In particular, I address the issues of conflictual alliances by looking at the group process as a function of dysfunction seeking to understand rather than apportion blame in intractable situations.

Purposeful improvement is the active role taken up by the I and therefore it is sensed as the active part of the self but its capacity to create improvement is based in the enduring experience of the me and to some extent constrained by the network of relationships within which the person is embedded. The Meadian self is thus best understood as constantly and creatively adjusting to social demands. These demands are not external pressures because the self and society are not just interconnected but are, from the outset, the same thing (Burkitt 1991, p.45). It is through this ongoing process that a recognisable pattern of existence emerges, which is treated as a social object that we might call the individual personality. Personality is therefore an emerging process of social interaction and not a solid entity but a malleable form, which is shaped by its being acted upon and acting upon others over time.

In contrast then, to the separate, rational, static identity, typically proposed in western philosophy, I have taken up the view in this research that, in essence, identity is inherently social. We are free to choose but our choices are in relation to others, cognisant of our impact and the importance of others to us, our individuality is emergent from relations with others, and our personalities are an object, invested with social meaning, not fixed, but predispositions formed in social interaction that at times predates our very existence, open to movement and transformation in relationship with others. This is what Stacey means when he refers to Mead as seeing the individual as being social through and through (Stacey 2003), and why my research has concentrated on the important processes occurring in groups because this is the source of identity formation.

## **Social Identity Theory**

The work of Tajfel (1971,1972 and 1979) and his successors (Ashforth and Mael, 1989; Fiske and Taylor, 1991; Hogg and Abrams 1999, Hogg and Terry 2001), forming what we know as social identity theory, approaches the same territory in a slightly different way. I intend to define here the core assumptions made by the social identity theorists indicating in particular where my research and social identity theory converge. I will then describe the specific application of this thinking to M&A's, illustrating how research from this field of social psychology indicates the value of paying attention to transforming identity during these processes, and finally offer some suggestion as to how a complex responsive processes approach differs from that proffered by social identity theory in a way that makes practical difference in approach.

### **Core Assumptions**

Tajfel and Turner (1979), following on from earlier work exploring the nature and causes of inter-group conflict (Tajfel, 1972), pointed to the notion that society is made up of diverse groups differing from each other in terms of 'power, status, and influence' and that membership of these groups was utilised by individuals as perceptual filters to make sense of the world (Hayes, 1994 p478). This represented a shift from mainstream individual psychology by suggesting that social group membership may be used at times as the principle guide to the way people related to one another. Importantly, people are said to have multiple selves or identities each of which could readily become the most 'salient' according to the context within which people were interacting (Korte, 2007).

This work sought to show a direct connection between social processes and individual behaviour. In relation to discrimination Tajfel and Turner (1979) described three cognitive mechanisms that produced schemas said to organise behaviour.

- **Categorisation** – People bombarded by vast quantities of information classify this into orderly groups. Labelling Protestant, Catholic, Muslim, Jewish is a process of compression and simplification of information. The stereotypes we

create are said to be based in our 'tendency to categorise' (Allport, 1954; Hayes, 1994 p630a).

- **Assimilation** – Tajfel (1969) argued that evaluations e.g. good and bad are forms of social knowledge acquired in family groups where there is little opportunity for dissent and they become rigid ways of thinking that persist into adulthood (Hayes, 1994 p630a).
- **Search for Coherence** – The individual seeks to give account to him self and to others about what is happening in the world.

These mechanisms explained why people form groups at all and having done so why they adopt hostile attitudes toward other groups. Tajfel (1972 p292) moved on to suggest that this system of categorisations created and defined an individual's place in society. Hogg and Terry (2001 p3ff) state categories such as nationality, religion or sexuality into which an individual both 'falls and feels belonging' enable the individual to define who he is by embracing the characteristics that stereotypically define that group. The traits of the category are held in the form of mental representations that 'describe' the attributes of a group member, 'prescribe' their behaviours and importantly engage them in a process of 'evaluation' in relation to other groupings. This is not just an individual process but one whereby the individual is involved in self appraisal and estimation of others at the same time, according to his group membership. Who a person 'is', his identity, therefore rests on the ongoing inter-group comparisons being made. These comparisons are skewed to favour the group to which the individual belongs because it is from here that he derives his self esteem (Hogg and Terry 2001 p3).

Tajfel was attempting to show how beliefs about 'group status, legitimacy, and permeability between groups' (Hogg and Terry, 2001 p4), shaped individuals' behaviours toward one another and how individuals used categorisation to accentuate the differences between groups so that 'they' in the out-group all come to look and act the 'same', making the 'unknowable' *more* 'manageable' (Hogg and Terry, 2001 p4).

Underlying this process there is said to be a motivation toward self enhancement. It is the desire for improved self esteem that results in power play between groups as individuals in groups seek to out do others. Social identity theory (Tajfel and Jahoda,



1966) therefore suggests that stereotypes are used to enhance the status of the in-group and denigrate the out-group. These competitive interactions coagulate into *subjective belief structures* (Ellemers, 1993; van Knippenberg and Ellemers, 1993) about relationships between the groups that shape individual behaviour.

On a society wide level and in organisations since they are made up of social and functional groupings, these belief structures are said to produce social mobility and social change (Hogg and Terry, 2001).

**Social Mobility** is the idea that the divisions between social groups are permeable and that people can pass through these boundaries easily. Consequently, people primarily engage in individualistic strategies to enhance their social standing. Subordinate social identity with its 'potentially negative connotations and material inferiority can be abandoned in favour of the dominant group's positive identity and related material advantage' through individual effort (Hogg and Abrams, 1993 p25).

**Social Change** refers to the belief that boundaries are rigid, fixed and impenetrable. Where no movement across groups is possible so that one's negative social identity can be discarded, group members adopt 'group' strategies. Two of the most clearly articulated in social identity theory are *social creativity* and *social competition*.

*Social creativity* occurs when the individual cannot develop cognitive alternatives to the status quo (Hogg and Abrams 1993 p28). When different social arrangements cannot be imagined or are obliterated by ideologies perpetuated by the dominant group, the subordinate group may seek to gain recognition by changing the 'dimensions of comparison'. On the other hand members of the subordinate group may protect their self esteem by redefining their own characteristics positively or by entering into comparison with groups other than the dominant group, particularly groups of lower status. Which strategy the group adopts is dependent on the history of what other groups have used to sustain their esteem and the response from the dominant group to these ploys (Hogg and Abrams, 1993 p29). For instance, 'lateral comparisons' with other groups will provoke little response because this is a classic divide and conquer strategy deployed by dominant groups. However, changes in dimensions of comparison or redefinition of characteristics may be

destabilising to the status quo and therefore incite a new ideological response that is designed to repudiate this cognitive shift.

*Social competition* is the other device used to break the deadlock of perceived immobility. Here group members can envision a new social order so that overall legitimacy and stability are called into question. Importantly, this potential new order is seen as achievable and can be clearly articulated in such a way that the subordinate group is no longer remains inferior. In these circumstances both groups may be propelled into conflictual confrontation, Hogg and Abrams (1993, p 29) point to examples of 'political polarisation, violent terrorism, civil war, revolution and passive resistance as meta-expressions of inter-group conflict'.

Drawn from this are three elements of structural and psychological significance to organisational life that social identity theorists have applied to exploring M&A:

- Permeability – how easy the move between merging organisations is;
- Identification- how members develop attachment to merged groups ;
- Re-categorisation –how members think of themselves differently.

These are explored more fully in the descriptions below of M&A practice based on social identity theory.

### **Self categorisation theory**

A recent development within social identity thinking has been self categorisation theory (Hogg, Coopershaw and Holzworth 1993) Hogg and Terry (2001p5ff) describe this as the individual cognitive basis of group behaviour.

Prototypes are a central concept in self categorisation theory. In short, categorisation into groups occurs by accentuating differences that are exemplified by ideal persons or prototypes. The *Meta contrast* principle taken from social identity theory suggests that this cognitive process works to maximise differences between groups so that there is a perceived commensurate reduction in intra-group differences (Hogg and Terry (2001). These prototypes are no longer individual persons but hazy representations of the best people or abstracted finest qualities of the group (Hogg and Terry 2001 p7). They are social constructions stored in individual memory yet open to

modification by virtue of being bound to the context in which they are formed and in the shifting dynamic of comparative relationships with out-groups. In effect, change in self concept may occur when comparison to a particular out-group becomes less salient. Hence social identity is dynamic in that it is 'responsive, in type and content to inter-group dimensions of immediate comparative contexts' (Hogg and Terry, 2001 p6)

Depersonalisation occurs through the use of proto-typicality whereby individuals within groups align themselves to cognitively held prototypical representations of what it means to be a good group member. Individual identity becomes less important and group membership more salient.

Attunement to the prototype provides direction for actions and behaviours that accentuate difference. The result is that individuals are said to be infused with prototypical behaviours and therefore develop a sense of concern for the welfare of the group. Depersonalisation is thus a process of acquiring group norms and mores in a shift of self concept that seeks personal verification not on the basis of individual attributes but from compliant group membership. This is not a de-individuation in losing rationality or accountability but adherence to mental models and measurement of worth against group success.

Whereas social identity theory emphasised the pursuit of self esteem as the principle motivator of inter-group behaviour, self categorisation theory raised, in addition, what is known as the *uncertainty reduction hypothesis* (Hogg 2000, Abrams and Hogg 1988). Basically Hogg and Terry; (2000) asserted that reducing uncertainty about one's beliefs, attitudes social position and self concept is an equally important behavioural motivator in inter-group behaviour. By aligning to prototypical behaviour, the individual's self concept is verified by adherence to a clear and simple model that describes and prescribes behaviour in a way that has been consensually formed, so that uncertainty about self and others is manifestly reduced (Hogg and Terry, 2001 p6).

Typically then, reduced uncertainty develops in social groupings where there is pronounced 'entitativity', high cohesion and strong social identity (Hogg and Terry,

2001 p6). Entitativity refers to the perception of the group as a pure entity abstracted from its individual members (Ip, Chiu & Wan, 2006), cohesion to physical and behavioural similarity and social identity to being recognised as a distinct group. Consequently, those groups with strong prototypes are said to be attractors for those who are 'contextually' or 'enduringly' uncertain about their self concept or indeed in situations where uncertainty about self concept arises (Hogg and Terry, 2001 p6). So development of robust prototypes helps reduce anxiety. Taken together then social identity processes of inter-group comparison are motivated by two separate hypotheses one that drives toward *self esteem* and the other toward *uncertainty reduction*. Which of these is in operation at any time will be determined by the contextual nature of the perceived threat to the group. For example, if it is a threat to the group as an entity then uncertainty reduction will command behaviour and if group status is endangered then the drive for self esteem will lead behaviour (Hogg and Terry, 2001 p7).

It is important to note that both are understood to be cognitive systems 'brought into active use' according to the dynamic context in which one is living (Hogg and Terry, 2001 p7). People, particularly in situations of threat, are making an assessment of what categories are available to them and how well these categories fit the social field in which they find themselves, for the purpose of minimising uncertainty and bolstering self esteem (Oakes and Turner, 1990). Finding a fit is embedded in the process of comparing remembered models of similarities and differences between groups as this gives meaning to one's behaviour. Once the 'optimal fit' is found the characteristics of this are formulated into a cognitive representation that acts as a prototypical guide to behaviour amplifying inter-group differences and enhancing intra-group similarities. This results in a 'depersonalisation' or socialisation of behaviour to align with the prototype. This has similarities to the social process of identity formation I have been describing in that individual identity is shaped by interaction with the group. However, in social identity theory interaction is essentially a cognitive process between prototypical concepts.

## **Themes of convergence**

The social identity tradition offers a rich perspective on inter-group behaviour and provides valuable supporting evidence for the dynamic themes of interaction I have been describing. I would like to explore here what I see as some of the points of convergence.

**Identity formation as a social process:** As is true for social identity theory, I have been seeking to address how social processes and individual identity shape one another in such a way that the identities of people and society are under perpetual construction (Stacey, 2003). Both social identity theory and complex responsive processes theory readily accept the idea that a dynamic of reciprocal interaction between individuals and their social context is at work in a continuous process that shapes the nature of both the individual and the structure of their society, in an ongoing and transformative way. To some extent then they share a notion that there are no universal givens but how we see ourselves alters in relation to the changing social structures around us (Stacey 2003 p19). Complex responsive processes acknowledge this through attention to communicative interaction and social identity theory does so through observing the impact of the shifting context of group salience on individually held mental models.

It is this concern with the transformation of the individual in the social which distinguishes social identity theory from other intra-psychic or interpersonal psychological approaches and provides a meeting point with complex responsive processes. However Social identity theory 'attempts to explain group behaviour in terms of... societal and psychological processes...that recognise the primacy of society over the individual' (Hogg, Terry & White, 1995 p)

This is very different to Stacey's (2003) notion of group and individual in the process of forming and being formed at the same time. There is neither a priori individual mind nor group primacy; they are inseparable and interdependent processes. There is never a time of being out of the social or just being in the group. 'The individual is the singular, while the group is the plural of the same phenomenon, relationship' (Elias 1978, 1989 cited in Stacey 2005). What group means is therefore very different. In

social identity theory this is an observable entity abstracted away from the interactions between people. Indeed, social identity theory postulates that ‘people do not have to interact or be in each others presence to be a psychological group that is to perceive themselves as a group ‘(Hogg & Terry 2001, p 252). They can do so because what is important is not interaction but comparison between cognitively held perceptions (Hogg & Terry 2001, p 253). In contrast, in Stacey’s (2003) terms it is the very nature of the type of complex responsive processes that are occurring between people which defines a group as recognisable.

In complex responsive processes then there are simply patterns of interaction producing more patterns of interaction. There is no whole or distinct entity outside of individuals. It is therefore difficult to define a clear boundary that is either sealed or permeable. There are always cross over’s because people are engaged in relationships in the context of the organisation and in other contexts at the same time. Entitativity then becomes a difficult concept because it is an abstraction away from interaction and so whether an entity is permeable or not becomes irrelevant because what is important is the nature of the power relating interactions between people that making movement between groups difficult.

Cumulatively these are significant points of divergence that have consequences for how organisational practice such as M&A may be approached. Social identity theory is a socio-cognitive and not a communicative interaction approach.

**Power as a central issue.** Both theoretical approaches embrace the idea that power play is shaping the type of relationships that are occurring between people. Social identity theory frames this in terms of dominant and subordinate groupings being embroiled in a comparative exercise, where symmetrical processes of in-group and out-group bias are at work. It is argued therefore that ‘focusing on status and power differences between groups is the key to a viable theory of inter-group relations’ (Hogg and Terry 2001p182). So power relating takes a central place in social identity theory. On this the two approaches obviously find common ground. However, in social identity theory power is abstracted to become something which one group holds and the other desires. It is a possession one can have or not. Understood this way it can also be used as tool by one group against the other, invoking a sense of

deliberateness and designed intention. This is very different from the complex responsive processes approach where power is understood in Eliasian figurational terms

Power is not an amulet possessed by one person and not by another; it is a structural characteristic of human relationships - of all human relationships. (Elias, 1978 p74)

Here power is clearly emergent and not necessarily intentional, though nonetheless holding the potential to be harmful. What is different is that social identity sees power as something owned and useable as an instrument. The use of power reverts then to a device which becomes operational in maintaining power difference rather than the dynamo of inter-group relations that it is in complex responsive processes theory.

**In/out group bias:** Tajfel et al (1971) described what have become known as minimal group studies, whereby the simple act of dividing teenage schoolboys into groups by negligible acts as simple as tossing a coin, were sufficient to engender a sense of group belonging. That we form grouping on the basis of such 'insignificant terms', it is argued, illustrates our inherent human tendency toward grouping (Hayes, 1994 p479).

Likewise, Elias' and Scotson's (1994) work on the established and outsider dynamics showed how groups of people interact together using gossip that elevates their own members by drawing on the best qualities of their established (in-group) and denigrating the outsider (out-group) by emphasising their nastiest shortcomings. This process is similarly described in social identity theory in terms of in/out group bias (Tajfel 1975, van Knippenberg and Ellemers 1993), whereby individuals behave in ways which favour their own group members. It is interesting to note that the processes underlying this are quite different. Social identity theory explains this biasing in terms of decision making based on cognitive prototypes whilst complex processes theory is describing this as emerging from patterns of communicative interaction. Thus the fact that bias is occurring is clearly shared. However how this happening and therefore what to do about it are very different.

**Threats to identity affect inter group relating:** When mobility is blocked social identity theorists have argued that those in low status groups employ a number of strategies to adapt to their thwarted self esteem project (Hogg and Abrams, 1988; Tajfel and Turner, 1979; van Knippenberg and Ellemers, 1993). This is achieved by adjusting what constitutes worth thereby potentially creating social change. In tandem with this the dominant group may respond to protect their standing and self esteem by producing strong ideological arguments and consequent behaviours that maintains the status quo (Hogg and Terry 2001 p231ff).

Stacey (2003) has shown how ideological positions are maintained through the legitimising and shadowing of themes of conversation so that the possibility of change is minimised and the current patterns of relating maintained. Therefore that social defences occur in response to identity threat is agreed. However, social identity theory describes this as strategic creative and competitive responses at a group level whilst complex responsive processes theory considers the micro communicative interactions occurring between people.

In both theories there is some cross over of the phenomenon observed but very different ways of understanding how these are occurring and consequently different ways of working with the challenges these throw up. In the approach to M&A this can be seen more clearly.

### **Mergers and Acquisitions: a Social Identity theory Perspective**

M&A's represent a threat to individual-collective identity because they upset the established patterns of relating between people (Donaldson ,1994; Stacey, 2003; Conway and Briner, 2005). The destabilisation of familiar identity patterns caused by changes in relating is evidenced by particular social processes. People engage together differently as a response to the identity uncertainty that M&A's stir up and usually in ways that seek to modulate the process of identity transformation. These are micro social processes that are occurring between people locally in the form of communicative interactions which amount to observable patterns of relating between merging groups. Failure to consider these micro processes of interaction, I suggest,



may have a direct impact on the outcome of M&A's (Schoenberg and Cartwright , 2005). Social identity research in this field similarly seeks to corroborate this very fact of altered patterns of relating but considers this as a manifestation of alterations in cognitions and relating at group level (Hogg and Terry, 2001).

Social identity theorists state that M&As are powerful examples of inter-group phenomena often representing a direct confrontation between two groups (Hogg and Terry, 2001 p251). This is not least because most merger partners are unequal in status so that even M&A's defined as business rescues may be perceived as threatening to either identity (van Oudenhoven and de Boer 1995) evoking inter-group relations that are both competitive and antagonistic (Hogg and Terry 2001 p229). When any form of 'them' versus 'us' competition is present because pre-merger identities remain prominent, any M&A is said to be at risk (Haunschild et al.1994, Blake and Mouton, 1985; Buono and Bowditch, 1989).

### **M&As as inter-group dynamics**

Social identity research based on surveys and questionnaires has sought to verify the assumption that inter-group comparison is an ongoing dynamic in social life and that this comparison produces conflict between groups. Laboratory and field studies have shown that those assigned to high status groups seek to enhance their self worth and those in low status groups seek to abandon those groups. The function of this bias as I have shown through the explanation of the theory above is to *protect* the group as a source of self esteem and *preserve* the group as an entity (Ellemers et al. 1992, Van Knippenberg, 1978).

It is reasonable then to think that bringing two business groups together is not really any different and that these same dynamics are no less likely to emerge in a commercial setting. In effect if the observations drawn from social identity theory are valid then the following propositions hold (Hogg and Terry, 2001 p235).

- M&A's will produce some changed form of interaction that accentuates distinctions between groups (van Oudeven & de Boer, 1995).

- Both groups will practice in-group bias but in different ways, so that:
  - members of low status groups will feel greater threat and therefore produce more in-group bias;
  - since this is likely to be a response that is ‘socially creative’, they will use dimensions of comparison that do not directly reflect the reasons for status difference;
  - members of the higher status group will experience less threat but will use more bias based on status relevant comparison, confirming the existing social order.
  
- The degree of threat should correspond to the quantity of bias overall because bias is a form of identity protection.

A survey study by Terry and Callan (1998) examined an intended merger between a metropolitan teaching hospital and a local area hospital using data from 1,104 employees. The results showed the following:

- there was a clear process of differentiation between groups;
- there was some evidence to support the notion of in-group bias.

In short the study provided the first quantitative support for the idea that inter-group rivalry emerges in M&A situations (Hogg and Terry, 2001 p235).

Group membership was shown to become more salient in the M&A situation and in-group bias occurred particularly on ‘non status relevant dimensions of comparison’ indicating that the lower group were presumably operating to enhance their self esteem. The higher status group members also showed some in-group bias but this was on status relevant issues. In other words they could be magnanimous about the out-group, provided this did not alter the over all pattern of power relating (Hogg and Terry 2001 p233ff).

Later research by Terry, Carey and Callan (in press, cited Hogg and Terry 2001p238) on the merger of two airlines found that in the post merger situation, similar

tendencies to categorise, differentiate, and show conflictual bias were present. What was different though was that the capacity of those rated high status to be generous toward the subordinate out-group was greatly reduced suggesting that, in the aftermath of a merger there is likelihood of greater inter-group hostility (Terry and Callan 1998).

This would seem to indicate that in M&A situations identity is affected and that groups who experience the greatest movements in status positions are the most impacted (Terry and Callan 1998) and all engage in defensive responses to protect their position because this is the source of self esteem. One form of this protective reaction is in-group bias and depending on the level of threat to their power positions the degree of bias increases. Another interesting point that emerged from these surveys was that individual pride, commitment and satisfaction was affected by a shift in group status (J. Brown et al., 1986; Ellemers et al., 1993; Sachdev & Bourhis, 1991).

In summary social identity theory states that M&A provoke powerful intergroup processes. Importantly, they point to these three issues of group status, perceived permeability and status legitimacy (Hogg and Terry 2001p242) as important factors for consideration in M&A. Terry suggests that how these are understood and dealt with in the M&A process will effect successful outcome or otherwise of the process.

### **Continuity of identity in M&A**

When two organisations merge it imposes a novel frame of reference in the form of a new social identity which is the merged organisation. This provokes subjective cognitive comparisons between the old and new identity. When the new is viewed as being of better-quality it will be embraced but if it is considered deficient or inferior then it will be resisted (Hogg and Terry 2001). These are evaluations connected to legitimacy, status and permeability.

The presence of bias and conflict is said to be indicative itself of people retaining their pre merger identifications (Van Knippenberg and Van Leeuwen 2001in Hogg and Terry 2001 p253). Van Knippenberg and Van Leeuwen (Ibid p252) hold that the key

problem in managing M&A was to move people beyond this comparative process by creating new single common group identification. The task was therefore to shift the 'boundaries of perception' so there was no old and new but simply one with which the person could identify.

They believed it was beneficial to do so because

... identification encourages individuals to act in ways congruent with the aims of the organisation (Ashforth and Mael, 1989; Dutton, 1994), support the organisations actions (Mael and Ashforth,1995), greater co-operation (Kramer,1991;Tyler,1999), increased task performance (Van Leeuwen and Van Knippenberg, 1999) and lower staff turn over (Abrams et al, 1998) (Hogg and Terry, 2001 p250).

They recognised that perceiving the organisation as one whole was a precondition for connection to the organisation but that entitativity, the ability to abstractly see it as one entity, did not in itself lead to identification (Van Knippenberg and Van Leeuwen 2001p253 in Hogg and Terry 2001). It was not change but how to classify oneself in the new order that was the issue. M&A pose an interesting conundrum in that people are both in their new organisation and their old mindset. The challenge is creating a sense of continuity (Ibid p253) a re-categorisation or perceiving themselves as continuing in some relevant way in the new group. It is interesting to note here the emphasis on cognition and the need to collapse the paradox of being both old and new at the same time (Stacey 2003 p 4).

Van Knippenberg and Van Leeuwen (in press cited Hogg and Terry, 2001 p257) conducted two initial questionnaire based studies designed to look at perceived identification and recognisable differences post merger. Results showed that post merger those in the subordinate groups were less identified and more acutely aware of differences than those in the dominant group. Supporting their view that identification is at stake in mergers and lower status groups experience this more intensely because they experience greater discontinuity of identity. The dominant group as well as having higher identification experienced less difference between the pre and post organisation, whilst those in the subordinate group discerned a marked alteration in

organisational identity. Moreover, dominance is said to have a moderating affect on mergers allowing easier transfer of behaviours or by inference a sense of continuity.

In this thesis, I am exploring, from a complex responsive processes perspective, how dominance is played out in patterns of relating between people, at a micro level. By doing so I am attempting to understand more fully how this is occurring and by using Elias and Scotson's (1994) work on established and outsider dynamics, endeavouring to show the relevance of dominance for subordinate groups because dominance and subordination, I suggest, is always being played out in a figural relationship between merging groups (Mennell 1989 p121); The key issue in M&A is that groups are 'not simply forced together but forced into interdependence'.

In the same vein, I am unpacking which differences have most effect by paying attention to the particular differences in each situation that have become meaningful for the groups in which I am working. I understand differences here to be thinking, actions and rhetoric that act as attractors to create distinctions between groups in an ongoing conversation about who 'we' and 'they' are in the new organisation. To ask what differences are significant, then, is to ask what the complex responsive processes are. In other words, what the dominant conversational themes are that define the organisations being together and, in an M&A process, what responses these are calling forth in the group and individual interactions occurring between people in both organisations.

Moreover, I am studying the differencing process in detail by examining how it is that structural relationships develop between groups. I do so by looking at the importance of strong bonds between people and the ways in which these may be diluted for some groups by the process of M&A. I consider how close association enables access to leadership and how exclusion is played out in ways that are not conscious or deliberate but 'amount to segregation' (Mennell, 1989 p121). In particular, I am looking at the processes of conversational 'gossip' that account for the way in which individual group members promote or disparage one another thereby creating group charisma and group disgrace. What is central is that these are processes of social defence (Stacey, 2003) induced to protect a well established sense of belonging, that is emotionally meaningful to group members.

By and large...the more secure the members of a group feel in their own superiority the less is the .distortion, the gap between image and reality...the more threatened and insecure they feel the more likely it is that pressure...and...competition...will drive common beliefs toward rigidity towards extremes of illusion and doctrinaire rigidity(Elias, 1965p95)

Through narrative accounts I have been studying how this is happening during living examples of M&A processes. In the BioVet situation for example, it was clear that customary patterns of behaviour were displaced as no longer so socially relevant by equally age-old Advance patterns of interacting. As the groups merged alterations in the patterns of interaction evoked anxiety and both engaged in processes designed not to merge but to clarify the distinctiveness of their group in relationships with one another. Rigidity of perspective was mutual as both groups lost security of known identity. Therefore the work became a matter of addressing the conflictual process of self and other recognition as the identities of the groups and their members transformed. In this sense, I am working to understand more fully the social processes at work in dominance and difference, not from an individual psychological perspective or for that matter from an inter-group relationships model. Rather I am seeking to understand this as a wholly social process that is occurring at a group and individual level at the same time.

I want now to look at the key point of divergence between complex responsive processes and social identity theory.

### **Cognition versus Communicative Interaction**

Social identity theory and self categorisation theory are cognitive based explanations of individual and group behaviour (Hogg and Terry, 2001 p5). The basic premise is that people are defining themselves by the categories to which they belong. These categories exist as cognitive representations or schemas which contain the essential characteristics of different group membership assimilated by means of an equally cognitive process of comparison on the grounds of similarity. The comparison is not of actual individuals but of prototypes representing the qualities of the group (Hogg

and Terry, 2001 p5). This is a process of depersonalisation whereby the individual self concept is altering to move into line with the social group.

There is in a sense a perpetual process of ongoing comparison of self to other in terms of these group categories which has not only the effect of reducing uncertainty, but produces self enhancement (Hogg and Terry, 2001 p5). It does so by making comparisons between categories of persons that are inherently biased toward one's own group. This appears to be construed as ongoing and presumably internal process activated by social context (Hogg and Terry, 2001 p6).

Brewer & Gaertner (1996) and Brickson (2000), looked at the nature of contact and identified three different schemas activated by contact in organisational settings. By contact I understand them to mean stimulus which produces responses. They state that when contact occurs it induces distinct forms of 'social information processing' and different behavioural outcomes. In their model the self has three forms of identification: self as an individual, the self as a group member and the relational self. These are understood as orientations or positions that are taken up by the person in relation to the world as they perceive it (Bennett- Goleman, 1991). For instance, when the personal identity orientation is primary people view themselves in terms of individual traits, act from self interest and make comparison with other individuals. However when their collective identity is primary individuals are focused on the group's interest and evaluate themselves in terms of group prototype and comparison with other groups (Hogg and Terry, 2001 p51). What they are clearly describing is an internal cognitive process that fits well within cognitivist and cybernetic ways of understanding human behaviour.

The cognitivist view of the human mind is at odds with the sort of communicative interaction perspective I have been describing. Essentially, as I have argued elsewhere cognitivist approaches of whatever form, hold that the mind operates as an information processor (Stacey, 2000 p69). Symbols of stimulus or felt experience are converted into representations of reality. The individual attaches meaning to these models that are then stored in memory. This memory store acts as a library from which these maps are retrieved when familiar or similar enough situations are encountered (Stacey, 1993p70). Most of these maps are beyond awareness as through

repeated encounter people develop skilled or routine responses to certain situations (Lashley, 1929). This is what Brewer is saying when he writes about the functioning of social identity processes

Social cognition is driven by both automatic and more controlled processing mechanisms. Automatic processing is effortless, but controlled processing can be more or less effortless (Brickson & Brewer in Hogg & Terry, 2001 p51)

The distinction between automatic and controlled processing is only the newness of the stimulus encountered. The basis then of what is argued in social identity and other cognitive based theories is that transformation can occur when these 'implicit, tacit or unconscious mental models are made explicit and changed' (Stacey 2003 p106). In a group context these models can be shared in common through mimicry or explicit teaching which seems to be the basis of both social identity's transmission of prototypes and the principle method of intervention proposed to alter perception. In this sense knowledge then becomes a matter of transmitting and receiving models between one individual and another.

Stacey (2003 p 117) argues for a complex responsive processes way of understanding human minds as the actions of human bodies. Rather than representing a given real world, the mind is enacting and reproducing through spontaneous processes a created world that is a blend of experience and unique individual responses that are inseparable from each other. It is in interaction that identity emerges. In social identity theory identity is understood as an individual practice where the person

... cognitively assimilates self to the in-group prototype...this transformation of self is the process underlying group phenomena, because it brings self perception and behaviour in line with the contextually relevant in-group prototype (Hogg and Terry, 2001 p5).

This is very different from the understanding of identity I have been putting forward. I have been arguing that identity is an accumulation of habitual responses that emerge wholly through social interaction and that amount to an identifiable and enduring form of meaningful self (Stacey 2003 p338). As opposed to schemas, I assert that



people form through repeated interaction, principles that organise being together (Stolorow, Atwood and Brandschaft, 1994). These are embodied histories of mutual responsiveness between the person and their world which accrue into qualities of relational experience. The familiar responses are called back and forth between people through communicative interaction in a process that is neither wholly conscious nor unconscious (Stacey 2003 p338). Shotter and Billing talk about minds as:

... operating, not within the heads of individuals, but in our use of certain words at certain times and certain ways, while repressing or ignoring the use of others (Shotter and Billing ,1998 p20)

It is this process of communicative interaction between diverse individuals who have come together over time in particular locality that has configured into a particular way of being together that I am suggesting should be the focus of attention for those concerned about organisational change and particularly M&A. For it is in the themes and forms of communicative interaction and the power relating this reveals that the work of identity transformation is occurring in an ongoing everyday way( Stacey 2003 p80).

The question then is what the practical implications of this difference are with regard to M&A. The interventions proposed by social identity theory are essentially designed to bring about alterations in the representations stored in stereotypical or prototypical form which are believed to shape the nature of interactions and behaviour between people. In particular, it is suggested that these mental models, and the comparisons made between them, along with the cognitive belief systems about mobility between groups, directly shape intergroup relations (Hogg &Terry 2001, p5). Hence changing the frame of reference within which comparison is taking place and shifting beliefs about or increasing opportunities for mobility between different groups are seen as practical actions that will enable individuals to expand or revise the mental models directing their actions.

For example, Terry (in Hogg &Terry 2001, p249) identifies that intergroup rivalry is a salient issue in M&A and that consequently creating a good cultural fit between the organisations (Mirvis & Marks,1996; Nahavandi & Malekzadeh, 1988) should be a

target for intervention. Specifically the key task is to foster efforts that help develop a common group identity. What are prescribed by Terry are actions such as ‘facilitating intergroup contact’ in a ‘supportive and normative environment’, ‘emphasising co-operative interdependence’ (Gaertner et al, 1993) and increasing the salience of the out group in such a way that threat in the form of competition or take over are perceived as being outside the group and the newly merged organisation. The aim is to create a super-ordinate identity where ‘them’ lies outside the new organisation (Haunschild et al, 1994). What she is talking about here is the idea of culture being a thing that can be understood and manipulated through cognitive approaches. This very different from what I have been arguing throughout my work in describing culture as a stock of experiences of being together individually and collectively forming at the same time (Griffin, 2002 p24).

Gaertner et al; (in Hogg & Terry 2001, p 281) follow this approach somewhat by stressing the importance of facilitating commitment to the new superordinate identity. They propose interventions that assist the individuals’ cognitive re-categorisation process so that perception of two groups is shaped into loyalty to one over arching group. Whilst their recommendations are not prescriptive they suggest that the continuation of two separate group identities in an M&A situation may be diagnostic of problems because it is directly at odds with the intended goals of the process (Hogg & Terry 2001, p 281). Since they have identified that the frame within which activities takes place is important they propose that attention be paid to the conditions of contact, fostering commitment and changing an ‘us’ and ‘them’ thinking into a ‘we’ identity (p280). They do not suggest how exactly this is to be done but implicit, because this is a cognitive theory, is some idea that people be addressed at a thinking level. In particular, they suggest that creating favourable contact conditions produces a reduction in inter group tensions and so promoting ‘perceptions of egalitarian norms and equal status’ (p276) are seen as a way of diminishing threat and discrimination which are seen as obstacles to the formation of attachment to a super identity. This supports the suggestion that a good way to develop a merged organisation is to use practices drawn from strategic choice, learning organisation and knowledge management approaches which include rules about respectful contact, the development of shared vision and goals and common culture. Much of what is traditionally suggested in management theory for improving M&A outcomes

(Cartwright and Coopers 1992b). Social identity theory does take up a slightly different approach in that it includes a socio-emotional perspective where perceptions of the organisations concern for the individual are an important factor in influencing threat reduction and hence the development of single identity.

To illustrate the divergence more clearly it is useful to look at an issue that is central for both approaches, namely anxiety. I have considered how complex responsive processes theory addresses the issue of anxiety about belonging. Social identity theory is also concerned with anxiety as fundamental part of human experience. Both see anxiety around threat to identity as a potential de-railer to successful M&A. In social identity theory the uncertainty reduction hypothesis (Hogg 2000b, Abrams and Hogg 1988) states that the individual is attempting to reduce unease by fitting in with the prototypical model of group behaviour. By complying with the ideal of what a person in this group should be like the risk of ostracism is reduced. For me, this process is very similar to Elias' idea of the formation of group charisma. Whereby gossip and not prototype is used to emphasise the best examples of persons in an established group and through habitual practices of interaction a person knows a sense of belonging by living communicatively within that group (Elias 1994 p103).

To alleviate anxiety social identity theory proposes the formation of a new inclusive identity. What constitutes a new common shared identity is developed as a cognitive representation. It is achieved by people meeting in atmospheres conducive to co-operation where conflict is minimised by strong facilitation and where shared identity is intentionally chosen by group members (Van Knippenberg and Van Leeuwen and Gaertner et al; in Hogg and Terry 2001, Senge 1990, Wenger 1999). It is said this can perhaps produce the kinds of attachment and continuity of identification that when absent deeply hurt the achievement of positive M&A outcomes (Hogg & Terry 2001, p 245, 264ff, 281ff). Whilst the understanding of inter group dynamics is rich and deep I do not see this approach as offering anything significantly or practically different from traditional approaches to M&A (Cartwright and Coopers 1992b, Carey 2000, Pritchett 1997).

Alternatively, in a radically social approach of the type proposed by Stacey (2003), there is no need to explain identity and the issue of anxiety using ideas like schemas

or representations, for what is occurring is wholly embedded in the communicative interaction occurring between people. What becomes the focus of attention is not internally stored maps but the narratives that people are forming together. It is these that in an ongoing way are telling us about the real experience of people being together. They are stories that call out responsiveness between people in an ongoing way and are told with feeling as well as thought and intention. It is through the reproduction of these co-constructed tales which are all the time calling out bodily responses in one another, that people are forming and being formed by both their individual and collective identity at the same time (Stacey 2003 p351). If this is understood, then the form of interventions becomes different. In terms of anxiety aroused by an identity threat posed by a M&A, people are understood to be addressing the ambiguity created in their sense of belonging through communicative interaction in the form of story telling because this is their way of creating meaningful connection with one another or not.

Indeed by accounting to one another, by inviting fantasy, by ignoring, taking up rhetorical, propositional and narrative themes, by interrupting, collaborating, silencing and pressing others to talk, people are constructing the story of being together in a way that takes on a particular shape without plan but with intention formed through relating (Stacey 2003 p351).

Therefore 'intervention' becomes a matter of attuning to and engaging in these processes of interaction because not only are these the source of how any M&A is being understood (by which I mean experienced and perpetually made sense of), but also it is how people manage their anxiety and most importantly solve the problems of being together (Bruner 1986, p28). Hence attending to communicative interaction and not cognitive models may be a better domain in which to elaborate the learning from social identity research.

### **Connecting identity and organisational life**

What this is all suggesting is that that personal identity is wholly locked into social processes. This is central to my research, for what I am arguing supported by Stacey (2000 and 2003) Mead (1934) and Elias and Scotson (1994) is that alteration in the social patterns of relating has a correlated effect on individual identity. Changes in

personal identity and collective identity are in mutual relationship, one begetting the other, in an inseparable movement, so that when major changes are inaugurated in an organisation there is a consequent transformation in personal identity. This is often experienced as distress because familiar patterns of belonging are being altered (Stacey 2003, Kreeger 1975). As the organisation of relationships is changing, personal identity is too. Likewise at the same time as who 'I am' is changing so too is the nature or habitus of the organisation to which I belong.

To support this view I have looked to the sociological work of Elias (1939, 1976) to illustrate how developments in social structure have had a complementary relationship to alterations in individual personality structure.

What I am saying is that business organisations are patterns of relationships equivalent to any other social phenomenon and, as with social change, modifications in how businesses are managed will have consequent effect on how people see themselves and others around them.

One noteworthy example of this is the attention I pay to the dynamic of inclusion and exclusion, which Elias elucidated so fully (Elias 1976). In these papers I trace the dynamic movement of in and out group processes, considering how even a simple leadership change (chapter two), a company acquisition (chapter three) or complex outsourcing project (chapter four) can shape the patterns of who are inner and outer circle and, as a consequence, the personal sense of belonging experienced by individuals.

Elias (and Scotson 1994) called these established outsider relations. In what was a logical extension of his work on social development in the 'The Civilising Process' (1939), in the *Established and the Outsiders* (1976[1994]) he applied his *real type* research into French court life, in a *real world* situation of modern community development. What is relevant to my research is that he pointed to the connection between the development of power relations and individual personality structure (Mennell 1989, p.137). At the heart of his work was the nature of interdependent power relating between groups. What Elias argued was that power was not held by any one group but was a product of inter-relationship between established and

outsider groups. The established group in particular sustained their dominance by closeness of association in shared localities over time. Interestingly, Elias asserts that the specific social device used to uphold this dominance is in fact gossip, and that rumour mongering is used to elevate and denigrate group members. What is psychologically important is that group members in the established group appear to appropriate the idealised positive characteristics ascribed to them through gossip, whereas those in outsider group take on the shame and disgrace attributed to them by the established group. Elias (1976) illustrated this with reference to the Burakumin in Japan—people who whilst racially identical to the Japanese held lower class position through a history of being allocated menial job types. An elderly Burakumin man in an interview was asked if the Japanese view that the Burakumin are not human is true. He replies:

I don't know we are dirty, we are lesser people. (Elias 1976, p.xxviii)

What this infers is that belonging to a particular group can have a deep seated effect on individual self-esteem and that the dynamics of interdependent power relating are absorbed, becoming part of the consciousness of the individuals involved.

This was particularly apparent in the BioVet group in chapter three where housekeeping—the safe tidying of the workplace—emerged as an issue. Correspondingly, the employees adopted a style of speaking about this that involved using profane language; the impudence of the most outspoken members being encouraged in the communicative interactions of cheers, smiles and shaking of heads in mock disapproval. Advancers, me included, were shocked and defined the language as dirty and uncouth. The consequence was that a dynamic typically present in established outsider relations appeared where one group was seen as unclean and this was to some extent adopted thereby forming a figural pattern of power relating that confirmed both in their roles.

Membership of the established group is therefore fiercely protected and outsider identity difficult to reject. I use this understanding to make sense of the defensive processes that emerge, within and between groups in business organisations, as threats to identity in the form of M,D&As appear. Such changes I argue can represent

fundamental shifts in power relating, altering the experience of belonging to a valued group and consequently an individual's felt sense of personal worth (Stacey 2003).

If then we accept the idea that identity is formed, connected to and embedded in alliances and relationships between people, formed over time in particular localities, then alterations to these patterns of relating in the shape of organisational change will naturally provoke changes in personal and collective identity. This is a key issue of my research and thus social identity as understood from a complex responsive processes perspective offers a different approach to dealing with M,D&A than is espoused by contemporary management theory and socio-cognitive identity approaches.

### **Why group identity and belonging are psychologically important**

What this is suggesting is that we can best follow the Socratic injunction: to know thy self, by exploring how we relate together in healthy and productive ways in the groupings we form together (Stacey 2003, p.1).

That group identity is seen as a significant variable in corporate life is not something unique (Peverelli 2000; Schultz, Hatch and Larsen 2000; Van den Bosch, De Jong and Elving 2005; Balmer and Gray 2000; Dowling 1993; Du Gay 2000; Steiner 1976; Handy 1985). Where thinking diverges is why this is important. There is almost always a reversion to an individual rationalist perspective, both in how group identity is formed and the application of this to understanding what to do about it. For instance, Kelly's (1994, p.25ff) research into industrial relations conflict found that trade union activism was determined largely by personal choice and the degree of conflict between employee and employer. The stereotypical thinking held by individuals about each other often fuelled this conflict. The action proposed to reduce conflict was to dispel misconceptions between groups through cognitive re-education and setting aside stereotypical thinking. This is what I meant when I said that this way of thinking of people as rational cognitive individuals leads to particular ways of thinking and acting.

Crucially the social perspective is not an opposite view to the individualist one explored above, which simply exchanges the primacy of the individual for the

primacy of the group. Rather, it is placing the explanation of how our identities form in the midst of the process of social evolution (Stacey2003, p.3). This is in sharp contrast to how identity and the motivation for group belonging is usually understood. Dalal (1998, p.179) shows how the dominant theories of why people seek group membership are located within the individual, looking to intra-psychic processes, innate drives and cognitive rationalism. Individuals are primary and through their interactions society is formed, binding together in a social contract that preserves the best conditions for all (Honneth 1995, p.9).

Even when sound social understandings of membership do arise, such as Elias' gamesmanship (1994, p.116), they have a tendency to focus on safety, power and group success. Dalal (1998) posits a different psycho-social perspective, arguing that group membership is not about resources or achievement per se but about self worth, where group and personal success are resonating back and forth amplified in a process of mutual appreciation. I explore the importance of belonging and particularly the emotional value gained from our partisan attachments, examining the interactions amongst those in parts of the organisation acquired through merger or faced with outsourcing. I concentrate on how expulsion from a valued group membership, whether real or threatened, has powerful consequences for the members' personal collective self-esteem.

Equally striking is the underlying terror of group expulsion that accompanies this sense of worth. As I explained above, this is rooted in Elias and Scotson' s (1994) established outsider dynamics. Thus, much of chapter five explores the fear that shapes defensive social processes aimed at preserving belonging. In the possibility of outsourcing lies the terror of being put outside. Even to argue too keenly against the wisdom of this project was perceived to risk ostracism even if the group remained within the broader corporate community. The actual words used to describe the situation were:

“We can try to scuttle this but we will end up with no friends and instead make enemies.”



Even though everyone was actively co-operating and supporting the project there was fear that speaking out might be interpreted as sabotage and certainly had the potential to create enemies!

It is commonly agreed as cited above that group membership is an important aspect of business success. How this is dealt with differs according to how identity is understood. Where it is a matter of rational choice making, the interventions are about education and discussion. Where identity is seen as a social construction, communicative interaction moves to the centre of thinking, and when the social nature of group belonging is seen as a matter of personal self-esteem, emotional connections become the heart of the issue.

‘Fundamentally man is a social animal, (Foulkes and Anthony 1957 p157)

What then does this mean in no-nonsense everyday use in organisational life?

### **The practical business implications of refocusing on social identity**

It is clear that conventional understanding of identity in M,D&A processes has led to actions that have not been shown to significantly contribute to successful business outcomes. This has been costly not only in terms of failed projects but also in consultancy and workshop fees that have been directing interventions at the wrong target. Recent reviews of research (Cartwright and Schoenberg 2006, Schoenberg 2005) have pointed to a need to attend to micro-processes as a potential source of solution. Following this, I have contended that disturbed identity is a key factor in the breakdown of many of these ventures, illustrating this through the narratives I have presented. I have argued that identity is a social phenomenon, where the personal and social are locked together in ongoing development. Consequently, when patterns of social relating alter, including those in business, personal and collective identity begins to change. This is experienced in the form of emotional anxiety. This distress evokes behaviours that seek to sustain the old patterns of relating or push people towards new and different connections. I am saying then that concentrating on the complex responsive processes of identity formation between people in organisations as they merge, demerge or are acquired is a necessary course of action for the enhanced success of M,D&As.

This means that having accepted the social nature of identity there is a necessary shift in the course of action taken. This is to move attention away from what is supposedly going on within people to what is occurring between them. I have shown how, because people are complex responsive beings with capacity to make specific choices in the moment, it is not possible to be prescriptive; however, it is possible to indicate what is consistent and indicative about what may be happening in change situations like M,D&As. These are activities that can be generalised and therefore useful contributions to understanding any M,D&A situation. In brief, these are more shifts of focus and in particular what to focus on. For ease, I have presented them as what to do before, during and ongoing in any M,D&A process.

### **Before**

It seems unusual to speak of before in a process-orientated approach, especially as I have been talking about transformative as opposed to formative causality (Stacey 2000 p258). An effect of this is that it is difficult to actually identify the start point in any process. For instance, in the outsourcing project in chapter four the start point could be an article on outsourcing read by the HR Director that stimulated the idea, a discussion between a small business team of senior executives signing a contract or, as I did, the discussion the night before the meeting with the new third party provider organisation. Each would have implications, not for how I would have proceeded but with whom. The focus on relationships would have been the same. The further away I start the more cerebral and objective the process would have seemed and narrower the interpersonal effect. Coming closer in, the experience is living, immediate and happening now. The important thing is to get down and dirty and into the thick of relating as quickly as possible. The sooner the better! These are some suggestions:

- When anticipating a prospective M,D&A, paying attention to the existing community is invaluable. Considering to what degree people are identified with their organisation is vital. Research at the University of Manchester has suggested that organisational reputation is a key determinate of financial performance. It is in this area of business that the rational and emotional most clearly connects because, put simply, customers prefer to buy goods and services from those they perceive to be trustworthy and socially responsible,

assuming that these are naturally of better quality. The research asserts that company reputation is accumulated over time through relationships with stakeholders and is different from image, which is communicated through advertising. Strikingly, the brand, which is symbolic of the company's reputation, is made up of two equally important factors: image towards the customer on the one hand and sense of identity between organisation and employee on the other. Thus, how identified people are with their company and how a company treats employees, it is suggested, have a direct economic effect on company sales. Unfortunately, company reputation is seldom well managed and, to be sustainable, employee identity and customer image must be in harmony. It is the aspect of employee identity we want to work with evenly and to good effect during any M,D&A. One way to do this is to think about how existing relationships will be altered by the proposed integration or separation. Particular attention needs to go to movements in organisational life. Who is in and who is out and what this means in terms of who will be communicating or not, who will make decisions and who will be able to gain access to resources and, importantly, what sort of feelings might this generate.

- Planning in this process-orientated approach is more closely akin to intention rather than certain outcome, although this does not mean imagined goals will not be reached. What it means is that awareness is placed in the living present with what is actually going on rather than what should be occurring at this stage. This intentionality and present moment awareness should guide activity.
- Often the excitement of revenue potential and rapid growth can blind leaders to the impact to identity of M,D&A. The emphasis on the material assets of production and cost savings encouraged by orthodox management theory often ignores how identity will begin to change. Even where a takeover is a rescue operation, it may still be perceived as hostile once changes in patterns of relating begin to emerge. What is being acquired or merged into is a pre-existing, often long-established, pattern of relating. This, as I have outlined, has the potential to evoke powerful dynamics of exclusion and exclusion, competition, detachment and power relating, and with it the accompanying

feelings of anger, despair, envy, rejection and fear. A way needs to be found to work with these issues not through PowerPoint presentations describing stages of separation and loss of the cycle of change, although these have their place, but through facilitated interaction that creates the beginnings of new attachments and identity formation.

### **During**

One of the principle impacts of identity disregard and singular affiliation as a way of understanding identity is captured in the systemic notion that a system should exist in harmony. There is a constant amount of work undertaken to ensure balance is achieved within the system and that the parts of the system, the people, flow together in a functional way. Consequently, conflict is seen as an abhorration and dysfunctional. On the contrary, what I have argued is that conflict is a natural part of the struggle for recognition and is essential to the process of identity transformation. I have posited that M,D&A are always hostile in that they threaten established identity and that a compliant organisation is seldom a creative one. The absence of conflict may be laudable in the army but is somewhat less desirable for an innovative business. This is not to invite conflict for conflicts sake or to say that conflict cannot be destructive. What it is saying is that conflicts will naturally emerge and the successful transformation they create will depend on the careful facilitation between the paradoxical poles of disintegration and stagnancy. Some helpful suggestions with this during M,D&A might be:

- Attending to what people are conflicting about. In the BioVet group the meaning was not at first evident but soon it became apparent that something of the established outsider dynamic was at play as employees wrangled over space, access to leaders and cleanliness in the workplace.
- Getting people together and talking about their conflicts. Interaction is the dynamic of organisational transformation. We most commonly change through interaction. Therefore, it is through communicative interaction that there is at least the potential, although not the certainty, that identity transformation may occur.

- Being clear that every action is a gesture stimulated, of course, by other gestures. Use the empathic and resonant quality that is our innate physiological heritage; the capacity to perceive the possible responses to actions. What could the actions initiated evoke as a response? How might people feel about this? How does it affect the emotional attachments they have with others? These are all important considerations because it is these patterns of relating and feelings about them that are the source of organisational profitability.
- Management structures and good terms of compensation and benefit are in place. How these changes will affect the patterns of relationship are equally important, not least because in an emotional environment these gifts can easily be invested with a Trojan quality and become destructive leverage in the power relating between people.
- Abandon the illusion of objectivity. Not least because the successful or otherwise outcome of any M,D&A project may be career defining. Those orchestrating any part of the project are inevitably bound to its result and therefore biased in their actions. In business I often here sales people in particular talk about gut instinct; their ability to sense at a visceral level the right action to take at a particular moment. It is important for leaders and facilitators to trust their responses to the interactions they are having and to the things they are hearing and the conflicts that are emerging and to truly take their experience seriously as a valuable guide to what next action to take. This is distinct from clear thinking, which implies knowing and certainty, which is as I have asserted difficult if not impossible in organisational life.
- Often the success or failure of M,D&A is measured by who is retained at the end of the project. It is, however, inevitable that people will be lost. This is not necessarily because something has been done that is fundamentally wrong. As I have argued, our belonging to groups is paradoxical we choose but a particular organisation calls forth something in us which echoes our life

experience. As an organisation changes, the resonance of the call and our response may no longer be so strong. Both the collective and personal identities have changed and so people begin to seek out a new sense of belonging elsewhere. Far from being casualties of the project, this is a usual part of personal and collective identity transformation. However, how people leave, what story of their experience they go with and what tale others create around their leaving is a lasting legacy about how people are dealt with, perhaps for generations to come. For this reason, attending to care for those leaving the organisation, having clear interview processes at exit point and confidential feedback are critical.

### **Ongoing**

I have referred several times to the nature of identity as a process of perpetual construction. This is the sense in which our identity is being created and sustained by repetitive, often habitual, interactions between people. Although these are routine they have the capacity for small alterations to occur through enacting a range of responses that may amplify and amount to significant change in how we are seen or see ourselves. This idea of perpetual construction is also true of organisations. The patterns of responses between people are not static and predictable although they may be habitual. In a process of change, they are much more fluid but always fluctuating and this quality of continuous movement is of relevance:

- Understanding this potential for variability, community building in the sense of maintaining connection and facilitating possibilities for ongoing communicative interaction is central to any M,D&A project. What I am not talking about here is focus groups. What I am suggesting is that the changing interactions within the organisation may be tracked, not through standing outside and observing but by relying on one's experience of what is going on and, importantly, as Elias would suggest, listening to the gossip, which is the communicative process that fashions the figural patterns of power relating in any business.
- It is important also to keep in mind ethics not just values. Company reputation is hard earned and by all accounts a money-spinner. Being legal and profitable

is not enough. It is crucial to make choices between right and wrong. It is the areas where personal and collective values come into conflict, that ethical decision-making comes in to play and the requirement of heavy conformity to corporate values and objectives over ethical decision making may be counterproductive, removing what is essentially the protective function in the organisation. This banality of evil as Arendt (1963) referred to it is where collective malevolent acts are a consequence of people simply accepting that this is the way things are done rather than questioning, reflecting and challenging. Examining the Enron disaster, it is clear that the normalisation of the selfish gene mentality of success at all costs became palatable over time because it went unquestioned. Ethical thinking, talking and action may have worked to avert the organisation's tragic collapse and put it on a different course that built on its unprecedented success.

### **Implications for facilitation**

There is also some useful guidance here when acting as a consultant in these processes. It is clear that my own understanding of identity and its importance in organisational life has changed through the course of my research. I have moved away from the sense of self in a case, where within us is the unique potential waiting to be realised if given the right opportunities to self-actualise. Now I see identity as a social process: that who I am, and what I have the possibility to be, emerges entirely from inter-subjective relating.

What I suggest in my work is that identity is multi-layered and embedded in and not separate from its environmental context. For example, one experiential exercise that I have used in working with groups is to ask people who they are three times. I then ask how they came to be this and I ask who you will become. The intention through this exercise is to access the various aspects of identity we hold but, also, how those identities are in some part chosen and in another given and, finally, to encourage reflection upon the somewhat transient nature of identity.

My choice and use of such exercises has altered significantly in the course of my research and this is a theme I take up and explore more fully in chapter two, where I consider systemic and complex responsive processes approaches to the facilitation of

group experiments in organisations. In particular, when I previously spoke of exercises they were designed to get people talking or to gain alignment. I no longer believe that such actions are achievable and in fact suggest in chapter four that such heavy influencing of dialogue towards a predetermined end may at times be unethical. Group exercises are thus better understood as experiments in interaction where the focus remains the nature of interaction occurring between participants and not the experimental tool itself. The pressure for those involved in organisational development and consultation is to come up with activities that create measurable outcomes expressed in mechanistic terms. This fails to recognise that achieving the laudable outcomes of alignment and enlivened communication is part of a complex social process. It runs the risk of treating the tool or exercise as the creator of the end product.

In chapter two, I explored facilitation as attending to complex responsive processes. I looked particularly at differences in thinking, talking and acting in systemic and process orientated approaches to working with a leadership change in a group. The main thrust of this paper was to suggest that the potential for transformation is ubiquitous. It is accessible through the quality of relationships occurring between people. The goal of facilitation is therefore a process of risk relating; the daring to connect meaningfully with others in a way that through participation effects a change in the self. This of course includes the facilitator who is not an external observer but an engaged participant. In the past, my tendency would have been to look at what worked and to draw on known approaches, strategies and techniques to create the outcomes I was required to deliver. Now I work much more with how things are being experienced between people, paying particular attention to how anxiety is being managed, not only in the interpersonal dialogue but in all the communicative interactions that I can attend to. This approach may have a disquieting effect for some managers.

### **Limitations of the tentative recommendations**

In my tentative recommendations I am in effect inviting business leaders to surrender a familiar way of being. They have been trained over many years to be predictive planners and individual decision makers in the belief that this is the source of business success. My recommendations are themselves a challenge to identity and the



immediate limitation on what I suggest is this very challenge likely to provoke the kind of responses I wrote about in the thesis and so limit their use. My own experience of this challenge to identity has been difficult as the early narratives of this work show. What is not fully captured is the level of anxiety, in part a result of surrendering the reassurances of structured models. The uncertainty that I experienced during this movement of practice was unpleasant and difficult and the systemic models and the confidence of those who used them was very attractive.

In the experience of working with others in the way I recommend, these others have asked questions such as: 'If I do not lead and control what do I do?' 'If I am not deciding, directing and determining outcomes what makes me significant or different to the next person?' 'What is my contribution?' These all point to a similar concern: 'what then makes me a leader if I am not doing what I believed a leader was supposed to do?' There have also have been some interesting reactions to the approach that I have increasingly been taking: at times people have been openly hostile but more usually they been more subtly antagonistic, misrepresenting what I am doing as and idealistic 'just being and experiencing'.

It is these very responses that Streatfield (2001) talks about. The common understanding of management, he argues, is that organisational movement requires the dynamic directing of leaders who guide the largely conforming human members toward preset goals in ways that uphold consensus (p126). Essentially, there is little attention to the present but a great deal of focus on the predictive and anticipatory skills of the leader. Any admission of inability to control into the future flies in the face of the dominant understanding of the leader's role as rational analyst and amounts to declaring one's own incompetence (Streatfield 2001 p77). In part this response is fuelled by the presentation of the issue of being in control as a binary opposite to being out of control (Ibid p127). Being in control is understood as having purpose, being certain, taking action, and being directive, whereas not in control is being indifferent, uncertain, passive and ambiguous, qualities of arguably low value in business life. What this ignores is the paradox of being 'in' control and 'not in' control at the same time. Streatfield (2001 p128) asserts that it is through engaging with the paradox of being 'in' and 'not in' control at the same time that the full essence of the lived experience becomes apparent. The tendency is however to think

of attending to conversational processes in the way that is proposed as embracing either polarity of 'not in control' where there is nothing to be done or 'in control' in that we must create special types of conversation that make 'dialogue' happen (Ibid).

I think then that the principal limitation on what I propose is the emotions and issues they arouse around control.

### **My contribution**

M&A remain a popular form of organisational growth. In 2004 more than 30,000 M&A, involving financial transactions that surpass the GDP of many moderate sized countries occurred (Cartwright and Schoenberg 2006 p1). Yet this is despite reported 'mixed performance' (Hunt 1988, Cartwright and Cooper 1996, Marks and Mirvis 1998, Dickerson, Gibson and Tsakalotost 1997) from the various stakeholders involved. In financial terms wealth growth has been seen to be negligible (Agrawal and Jaffe 2000) and more than half of the managers surveyed felt objectives were not met (Cartwright and Schoenberg 2006 ) whilst so called 'acculturation stress' has led to two thirds of surveyed leaders moving organisation during the first three years post merger (Krug and Aquilera (2005). As a consequence this is an area which has attracted much attention and though this has largely been related to investment and market strategy (Cartwright, 2005) a sea change has been occurring.

There has been a growing interest in the 'human factor' (Cartwright and Cooper, 1992) and how this plays a part in determining the outcome of M&A. Some research in this area has looked at the strategic fit between organisations (King, Dalton, Daily and Covin, 2004) and how shared values are created and knowledge transferred (Capron and Pistre 2002). Others looking at integration strategy (Ahuja and Katila, 2001) have focused on process and the effect of prior learning and experience of M&A (Haleblian and Finklestein, 1999). In other cases there has been consideration of 'cultural dynamics' (Nahavandi and Malekzadeh ,1993) looking at the clash of cultures whilst some looking from a different angle have studied the socio emotional impact on employees (Cartwright and Schoenberg, 2002). More recently social identity theorists have begun to bring their understanding of intergroup behaviour into the domain considering how identity is affected during the process of M&A (Hogg and Terry, 2001). In particular they have looked at how M&A affect the social and

security needs of individuals (Gertsen and Soderberg, 1998) and using Tajfel and Turner's (1979) approach have considered how group identification and continuity of identity lead to increased work performance, reduced turnover and positive citizenship behaviours (Haslam and Ellemers, 2005). There is also a plethora of literature relating to how to practically achieve 'successful' MD&A (Pritchett, 1997, Galpin and Herndon, 2007; Perrin, Crosby & Forster, 2004). Yet this is an area which remains 'intriguing' and 'confusing' for researchers (Cartwright and Schoenberg, 2006 p3). Cartwright and Schoenberg (2006) argue that despite more than thirty years of research and practice in this field, all offering rich advances in our understanding there has been little recognisable change in success rates. Looking at self report studies comparing figures from the 1970's with more recent reports the perceived failure rate remained stable at between forty and fifty percent (Kitching, 1974: Rostand 1994: Cartwright and Schoenberg 2006) and in financial terms with regard to investment return little had changed (Agrawal and Jaffe, 2000; Gregory, 1997).

At the beginning of Chapter 5 I examined the three reasons presumed to be the cause of this persistent problem. These were that

- M&A were initiated by management hubris, yet Seth, Song and Petite (2000) found this to be true in only twenty six percent of cases and so appeared irrelevant.
- The research message was not getting through. However, Cartwright and Cooper (1992) showed that most researchers in this area were also active practitioners and trainers so this was probably not the reason.
- The research to date is incomplete in some way (Cartwright and Schoenberg, 2006 p6). This remained a possibility.

In looking at this issue Schoenberg (2005) indicated that current research studies considered broad contextual variables, large data sets and used quantitative methodology. He posited the possibility that some new research impetus might be in the direction of understanding the micro processes at work in M&A using qualitative methodology. In particular he drew attention to the contextual factors that may be at work shaping attitudes and actions during these processes.

I have taken up Schoenberg's (2005) invitation by attempting to understand the micro processes occurring between people during M&A. I have done this through the use of reflexive narrative practice as a qualitative methodology. In doing so I am paying particular attention to processes of interaction occurring between people and describing how we as a group of participants involved in M&A processes are finding ways of moving along together. I do so by describing experiences of resistance, anxiety, fear, and collaboration in the conversations of those involved. The particular intricacies of conversational interaction are reported on as the subject of my inquiry because from this standpoint they are contextually what are 'shaping attitudes and actions in the process' (Schoenberg, 2005). This report of intersubjective experience is a little explored aspect of M&A practice and is unusual in that it takes a distinct methodological perspective reporting on micro experience as a participant practitioner and not as an external macro process observer which is typical of most of the research to date (Cartwright and Schoenberg 2006: Schoenberg 2005).

Within this I have been paying particular attention to the nature of transforming identity. This in itself is not unique. Social identity theory is concerned with the processes of shifting identity in organisational life and has made a valuable contribution to understanding intergroup processes during M&A. However, social identity theory has affinity with the dominant systems paradigm (Hogg and Terry, 2001). I have argued throughout this thesis, taking up Stacey's (1993, 2003) view, that systems thinking offers an inadequate understanding of what is occurring in organisational life. In contrast to social identity theory which understands identity as the interplay between models or concepts of self held by groups and individuals, I have, in line with Stacey's (2003) approach, been describing organisations as patterns of talk which organise people's being together in ways that reflect the prevailing power relationships. It is not the talk that organises but the interactions between people and so it is these interactions that are the subject of attention. These descriptions of how people are conversationally producing the conflicts, biases and differences between each other are in itself a contribution. Paying attention to these types of conversational patterns may be of help to the practitioner involved with merging or demerging groups.

Drawing on the theory of complex responsive processes provides a different concept of identity (Stacey, Griffin and Shaw, 2000). It is one where identity is formed in the public and private conversations occurring between people. Change therefore is not a matter of changing cognitions, mental models or perceptions but a matter of altered conversations. I am therefore distinctly offering two things. First, I am showing how it is possible to work using a complex responsive processes approach in M&A situations. This has not been done before. This involves a re –focus in practice which I demonstrate throughout the narratives and by tracing the movement of my own practice across time. I include in this the personal challenges, questions and struggles for these may be relevant and useful to other practitioners.

Second, I am offering a critique of the dominant way of understanding human beings as rational information processors and therefore the interventions that flow from these which as Cartwright and Schoenberg (2006) point out have been of limited use in their ability to bring about significant improvement in practice outcomes. I do so in an attempt to offer something different into the debate about what may be considered useful in addressing the human factor in M&A (Cartwright and Cooper, 1992).

I have developed a particular emergent interest in the effects of exclusion and inclusion on dominated groups. This was observable from the very first narrative in my thesis. It is also an area of research which Gaertner et al in Hogg and Terry (2001) point to as the group whose identity is most threatened by M&A but whose needs are least considered. As a step toward better understanding of the dynamics affecting these groups I have reflected on the insights about dynamics of inclusion and exclusion in established/outsider interaction as documented by Elias and Scotson (1994). I have described similar narrative and propositional themes presented in these interactions to assist practitioners in paying attention to how conversational processes may be interrupting the coming together of groups in M&A.

In the same vein but from a different perspective, I have looked at the issue of demerging through a process of outsourcing. This remains an area of minority interest perhaps because of the prevailing discourse that mergers are ‘good’ business (Hoare and Cartwright, 1997). Presenting the micro interactions at work in terms of defence against loss of belonging is a unique perspective, not only in the sense that it offers

knowledge in a novel area but also in that it also it raises dissent again about cognitive based interventions that have limited effect.

These then are the key areas of my contribution:

1. Consideration of Micro processes as part of a search for as yet not identified contextual factors affecting M&A outcome.
2. A description of the emergence and development of complex responsive processes practice in relation to M&A.
3. Provision of a critical alternative to the dominant discourse of systems and cognitive thinking in addressing the challenges of M&A.
4. A consideration of the impacts of M&A on the identity of subordinated groups and how they respond to this in communicative interaction.
5. A contribution to the field of demergers research which is much neglected.

From a pragmatist perspective (John Dewey, 1929) the usefulness of such knowledge is that it illuminates ordinary everyday experience and the challenges this offers. It should in effect say something about 'what' people do, 'how they act', 'how they are acted upon', and how they suffer, desire and enjoy - in short processes of experience (Dewey, 1929, p9-10). I believe that what I have offered in my contribution are unique perspectives on what people, including myself as a practitioner, are experiencing in the process of M&A. It is my hope that this small offering will excite debate and provoke criticism in the form of a response that will produce further debate. In particular since it is directed primarily to practitioners it will provide enrichment of practice and give fuller meaning to the everyday things they are experiencing in these encounters in such a way that they can begin to take their experience seriously (Stacey Griffin and Shaw, 2005)

## **Conclusion**

In conclusion, research in the area of M,D&A has needed to take a new direction. Despite significant exploration into a variety of organisational approaches and guaranteed win-win methods, no clear success strategy appears to exist. Repeatedly, significant numbers of apparently lucrative business partnerships seem to go awry,

often costing tens of millions of dollars in lost time, investment and shareholder profit.

What I have argued is that they have done so because of excessive attention to macro-organisational processes and recourse to cognitivist-based thinking that asserts that people will make the choices that are right for the business if they have the correct vision and the appropriate rewards. On the contrary, I believe that it is attending to micro-interactions between people in the organisation that do in fact make the difference in successful business life, and those meanings drawn from interpersonal connections rather than rewards are the most effective motivators in employee engagement.

I have asserted that no one sets out to create an identity as a rational project. By the time we are cognitively equipped to do so, we already have one. Our identity is therefore a product of our relationships with those important others around us. Who and what is important and transmutes into various forms throughout our life span, but, for some considerable time in Western society, what we do for a living, who for and who with are important determinates of who we are. Even those who have recognised the importance of identity have often missed this point and too quickly assumed that identity and choice hang together.

What I have suggested is that identity is locked into interpersonal relating and that social structures emerge out of and sustains these patterns of connection; that personality structure and social structure are actually bound together and this is no more clearly seen in the psychology of group belonging when the dynamic of exclusion and inclusion is at play.

I have shown how business organisations are simply another form of a group and that M,D&As replicate processes of inclusion and exclusion because they threaten group membership. At the same time, alterations in how business structures are administered disrupt habitual patterns of interaction compounding the felt sense of anxiety between people. This is not a cognitive process but an embodied physiological reaction that has roots in our being bound in physical responsiveness to one another. When this occurs, physical and social defences are activated. These may at times prevent

engagement in conflictual dialogue that is part of our way of forming who we are and enabling identity to begin to transform. It has been my contention, and I have sought to illustrate this through the work I have undertaken with groups and the narratives I have shared, that paying attention to what is happening to individual collective identity during any M,D&A process will have crucial impact on the effective outcome of any such venture.



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