DAVID COGHLAN

# INSIDE ORGANIZATIONS

## EXPLORING ORGANIZATIONAL EXPERIENCES

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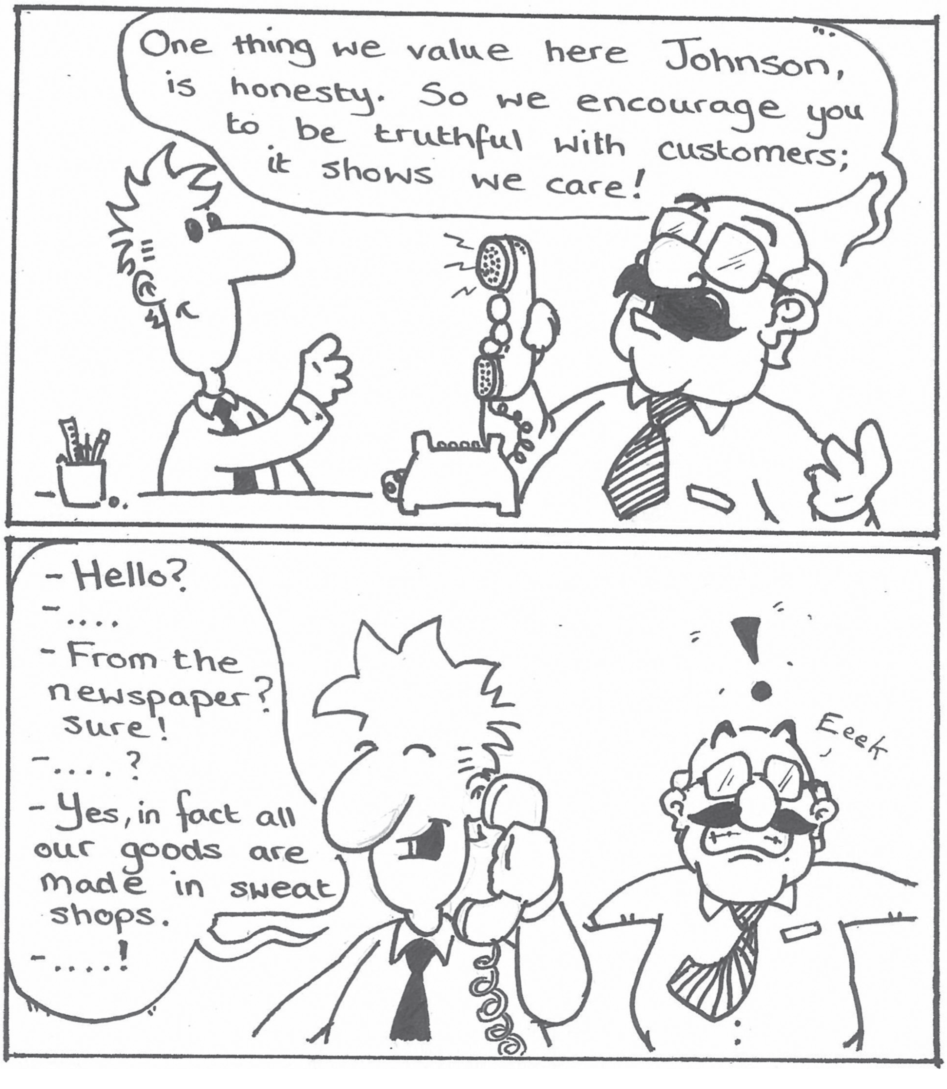
# 1

# BEING INSIDE ORGANIZATIONS

Picture a typical day in your organization. You are doing your work, whatever that may be – sitting at a desk working at a computer or on your feet serving customers. You observe what is going on around you and you hear what your colleagues say to one another as they engage in the work and in casual chitchat. Does anything puzzle you about what is going on? Do you notice when there seem to be contradictions between what is said and what is done? Does it seem to you that a problem was being sidestepped by how a manager responded to a query? Do you think that an individual is bullying in his/her manner and getting away with it? Do you catch yourself warning yourself to be careful and to tread softly? Are there times when your puzzlement is accentuated and you scratch your head asking yourself 'What is going on here'?

Welcome to your organization and, more particularly, welcome to your quest to understand it from the perspective of being an insider, that is someone who works in the organization in whatever capacity. You can learn a lot about an organization by being observant as you hang around and work in it. Because you are inside and interacting with work colleagues, both formally on the jobs you have to do and informally in coffee and lunch breaks, you can develop a theory of the organization that may be hard to put into words. You see things happening. You hear how these events are interpreted. You may see formal rules and procedures being enforced on some occasions and on other occasions being ignored. You have direct experience of managerial behaviour that you may judge to be effective, or perhaps ineffective. You may experience a dissonance between what the organization espouses and what it actually does. For yourself, you have expectations


One thing we value here Johnson, is honesty. So we encourage you to be truthful with customers; it shows we care!
- Hello?
- ....
- From the newspaper? sure!
- .... ?
- Yes, in fact all our goods are made in sweat shops.
- ....!
!
Eeek

and hopes about how you want to learn to perform and to get on with your bosses and fellow employees. You may have future career ambitions in this organization or you may be using the organization for your own short-term ends. Whatever way you approach your engagement you have to learn the world of the organization, its language and its symbols, and try to fit in and be productive. When you enter a new situation you do so with an expectation of what you expect to occur. You must learn to recognize the behaviour of others as recognizable or meaningful. You need to be able to understand the continuing conversation and actions that unfold in the situation so that changing expectations, perspectives and other circumstantial contingencies can be met and managed.

This chapter introduces the foundations on which the approaches to inquiring from the inside are constructed. The premise that underpins these foundations is that organizations are adaptive coping systems of acquiring, interpreting and applying information and that these activities are founded on shared meanings, many of which are implicit or covert and not easy to uncover. Actions and their accompanying meanings are the focus of this book's approach. The chapter is structured as follows. First, the notion of a theory of action that shapes organizational thinking and behaving is introduced. Second, the notion that organizations are social constructions created by meaning and held together by cultural rules is described. Third, the dramatic or dramaturgic approach focuses on organizing as unfolding practical and symbolic actions, with implications for how the self engages in roles. Fourth, the notion of being backstage provides a central dramaturgical image for insiders to observe and question the relationship between the formal and informal organization.

## THEORY OF ACTION

When you think about a situation, what you want to achieve in that situation, and then take some action to bring it about, then you have a theory of action. A theory of action is based on causal thinking that has three components: 1) in situation X, 2) do A, 3) in order to achieve goal B. You typically (as we all do) engage in doing what you intend without putting much thought into how it is that you understand what you are doing. It is when the actual outcome is different from what you intended that a question arises. You have probably said to someone at some point, 'What on earth were you thinking of when you did …?' You may even have had it said to you. Such a question is challenging you to think about your intentions and is a way of uncovering your theory of action.

Theories of action are rationales in your head that guide behaviour and help to you to make sense of others' behaviours. Two types of theory of action may be distinguished. One is the type that is espoused and which is expressed when you say what you are intending to achieve. This is called *espoused theory*. The second is *theory-in-use*, the theory that is actually employed, frequently tacitly and unbeknownst to you as you employ it. You have tacit mental maps with regard to how to act in situations. This involves the way you plan, implement and review your actions. It is these mental maps that guide your actions rather than the rationales that you explicitly espouse. Generally you are unaware of the maps or theories you use. One way of making sense of this is to say that there is a split between theory and action.

To access your *theory-in-use* you need to look to three elements: the assumptions or conditions that direct behaviour or action, the strategies, plans and actions used to enact the assumptions or governing values and the consequences, i.e. what happens as a result of the action (Figure 1.1). Consequences can be both intended and unintended. Where the consequences of the strategy that is used are what you intended, then your *theory-in-use* is confirmed. This is because there is a match between intention and outcome. However, there may be a mismatch between intention and outcome. In other words, the consequences may be unintended. While I develop further elements of theory of action in other chapters to explore what actually goes on in the organization, here it is important try to become aware of the notion of a theory of action and to begin to uncover your theories of action. Then you can begin to ask questions as you look at what people actually do and ask yourself what these actions mean in what they achieve, whether intended or not.

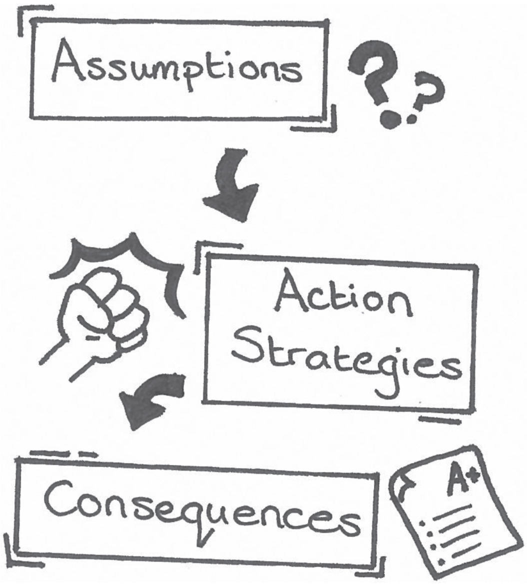


**Figure 1.1** Theory of action

## ORGANIZATIONS AS SOCIAL CONSTRUCTIONS

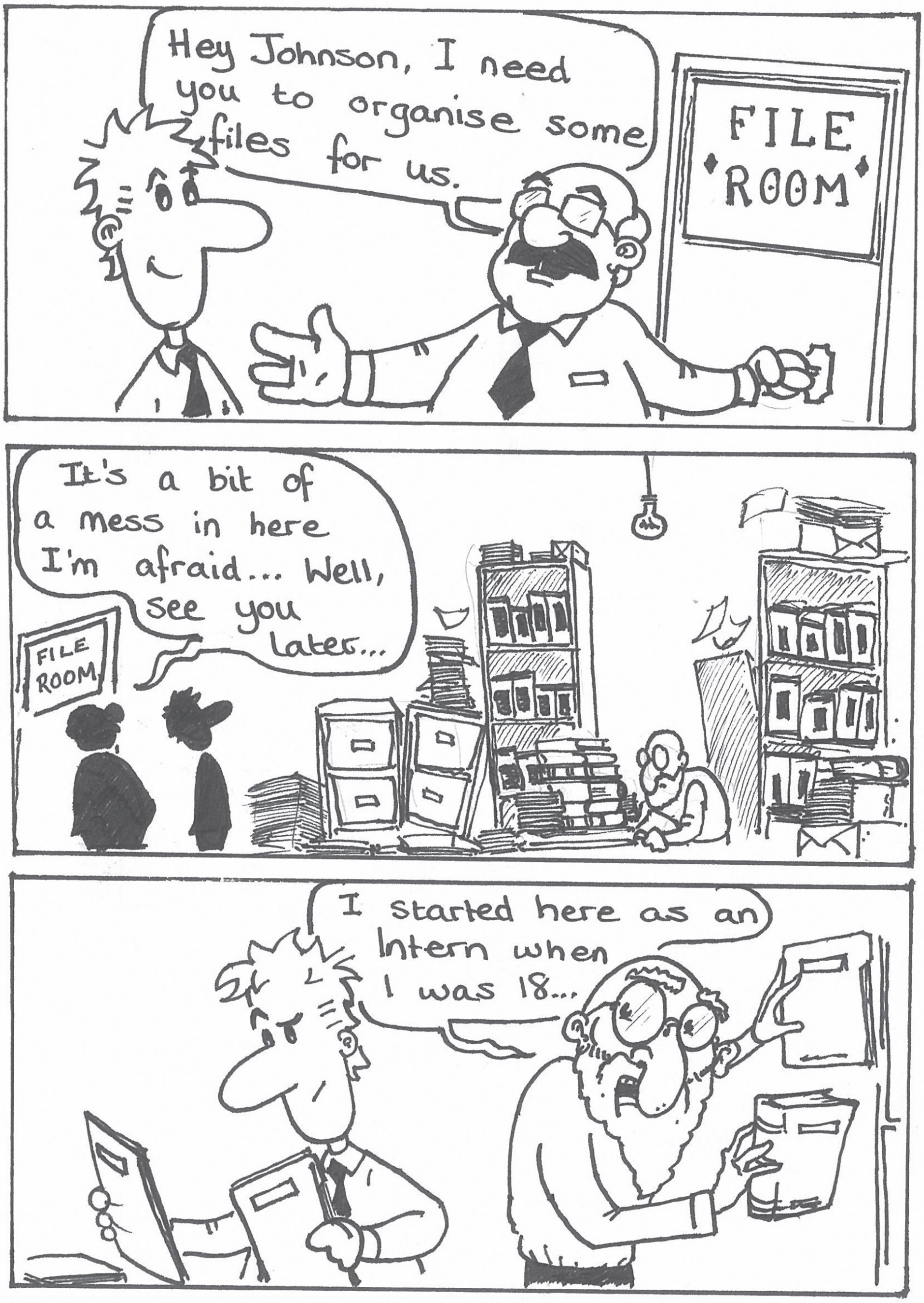
Organizations are understood to be social constructions. This means that they are artefacts created by human beings to serve their ends. They follow processes that are shaped by human purposes and they do not exist independently of human minds and actions. They are systems of human action in which means and ends are guided by intentions, strategies and hoped-for outcomes. They are, in effect, created by meaning, with a rich tapestry of cultural rules, roles and interactions.

You live in a world mediated by meaning. Indeed, meaning is at the heart of human living. Meaning is understood as being constructed and maintained through social interaction; therefore, the source of meaning is intrinsically social. Social interaction is the process that *forms* human conduct, instead of being merely a means or setting for the expression or release of human conduct. As such, meaning itself is fragile because, as well as truth, there is error. There is fiction as well as fact, deceit as well as honesty, myth as well as science.

Meaning performs a number of important functions. It performs a cognitive function whereby you engage in acts of understanding in how you understand what events might mean. It performs an affective function whereby you have feelings and emotions about what events might mean. It performs an effective function whereby there is the world that you make through your intentions, your planning, your enacting and your evaluating. Meaning is not a simple matter, as several levels of meaning may exist in a given experience. At any one time, you may be concerned only with a single meaning in a given situation; other meanings may be ignored or left for later reflection.

Meanings are communicated through words and gestures. Any word or gesture may signify what the person who is making the gesture intends to communicate, what the person to whom the gesture is directed receives and the joint action that is to arise by the articulation of the acts of both. Any gesture has meaning not only for the person who makes it but also for the person who receives it. When the meanings of both the recipient and the sender are in alignment, they understand each other. When they are not in alignment there is confusion, communication is ineffective, interaction is impeded and joint action is blocked.

The field of organizations hangs on meaning. Organizations and communities are developed through acts of meaning. They are held together by common fields of experience, common modes of understanding, common measures of judgement and common consent. There are many carriers of meaning: language, symbols, art, shared assumptions, spontaneous intersubjectivity and the lives and actions of people, to cite the more important ones. Understanding organizational actions requires inquiry into the constructions of meaning that individuals make about themselves, their situation and the world, and how their actions may be driven by assumptions and compulsions as well as by values.


Hey Johnson, I need you to organise some files for us.
FILE ROOM
It's a bit of a mess in here I'm afraid... Well, see you later...
FILE ROOM
I started here as an Intern when I was 18...

Metaphors and imagery play a role in capturing how you may think about organizations as social constructions. For example, Morgan's book *Images of Organization*, which offers views of an organization as a machine, an organism, a brain, a culture, a political system and a psychic prison, may provoke you to think laterally, rather than in mechanistic terms. Bolman and Deal in *Reframing Organizations* present a four lenses framework: structural, human resource, political and symbolic ways of viewing and understanding organizations. Each of these is bringing a particular meaning to understanding organizations. These and others enable you both to be creative in how you seek to capture how you might understand an organization and to have an insight into how you may understand your organization as a social construction.

## THE ORGANIZATION AS A LILY POND

It can be said that organizations lead two lives – a formal and informal life. The formal life is characterized by what is essentially its official information. This comprises statements about its mission, its context, markets or service environment, its strategies and goals and reports on its performance (as in an annual report). Within an organization there is information about its management structure, management policies, human resource policies about duties and responsibilities, sick leave, holiday entitlements and benefits. There are policies about bullying, harassment, equal opportunities and so on. These are artefacts that express an organization's formal life that is accessible through documentation.

There is also the informal life of an organization, which is the organization as it is experienced, and which can only be known by being an insider. Here you find the organizational underworld, characterized by assumptions, cultural rules, emotions, attitudes and relationships. While the formal organization acts on the implicit assumption that the only emotions that exist in the organization are goodwill based on satisfaction, motivation and energetic commitment towards the organization's goals, experience shows that organizations are more complex than that. Organizations are full of emotions: ambition, jealousy, envy, anger, frustration, hate, alienation, demotivation, love, friendship, enthusiasm and so on. Experiences of working in an organization may form attitudes that it is a nice place to work or that it is not a nice place to work. It may be that individuals perceive membership of the organization as providing a solid career path or not. Work relationships may be fraught with jealousy and contaminated by naked ambition and back-stabbing, resulting in low trust and minimal cooperation. Cliques may dominate participation and control communication. Knowledge of what is going on may be largely based on rumour and gossip and false positivity. There may be cultural assumptions that mean that whatever changes are made things remain the same.

These two lives of an organization are often portrayed as an iceberg. The formal life captured by what is seen above the water line and the informal life by what is hidden and below the water line. You know that the vast bulk of an iceberg is actually hidden below the water. So it is with the informal organization. Schein critiques the iceberg metaphor as presenting the informal organization as frozen and static. He suggests the alternative image of the lily pond. The flowers and leaves that you see on the water are the visible artefacts. What is below the waterline is not a frozen mass, but rather a vibrant dynamic ecosystem as the roots are fed by the nutrients to create and nourish the flowers and the leaves that come to the surface. So it is that the cultural rules and meanings as played out under the surface are what drive the visible actions of organizations. In your insider inquiry you are asking questions about the behaviour that you see and hear and what such behaviour means, for the individuals involved and for the organization. You may also have a felt sense that there is more than meets the eye, that is what is hidden below the surface that is not visible, and you try to understand what that is and how it contributes to what is on the surface. In other words you are searching for your organization's theory of action.

Now I invite you take a reflective pause in which you are invited to apply what you are reading in this chapter to your experience in your organization.

### REFLECTIVE PAUSE

Think of an incident in your organization:

- Who said what to whom? How did that person react? What happened then?
- Does this incident fit a pattern (previous incidents …)?
- How did you have access to this incident?
- What do you know about it and what do you not know about it?
- What might it tell you about the organization?

## ORGANIZATIONAL CULTURE

A significant construct for exploring the hidden life of organizations is that of organizational culture. Edgar Schein presents organizational culture in terms of shared assumptions that a given organization has learned as it solved its problems of external adaptation and internal integration and that worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to these problems. He describes three levels of culture which go from the visible to the invisible or tacit. The first level is the artefact level. These are the visible things – what you see, hear and feel as you work in the organization – the visible layout of the office, whether people work with their door open or closed, how people are dressed, how people treat one another, how meetings are conducted, how disagreements or conflicts are handled and so on. The difficulty about these visible artefacts is that they are hard to decipher. You don't know why people behave this way or why things are this way. They often don't know either. When you ask these questions you get the official answers, the espoused values that the organization wants to present. This is the second level of culture – organizational values. Open doors are a sign of open communication and teamwork, first-name greetings are a sign of informality – sort of thing. Yet you know that this is not always true, that organizations, not unlike individuals, do not always live up to what they espouse, not necessarily due to any deliberate, nefarious or conspiratorial reasons to deceive but for complex, unknown, hidden reasons. A more common answer to your question is likely to be, 'I don't know; they did things this way long before I joined and I got the message early on that this is how we do things here'. So you come to the third level of culture, that of shared tacit assumptions. These are the taken-for-granted assumptions, its theory of action, which have grown up in the organization and which have made it successful.

Culture is embedded in the experience of a given group. You can't have culture on your own. The group needs to have been together for long enough to have shared significant problems and had the opportunity to work at solving them and see the effects. These ways of solving problems become taken-for-granted and are passed on to new members. As ways of thinking and feeling they are deeper than the manifest behaviours. They are typically tacit or hidden because they have been passed from generation to generation within an organization and organization members don't see them anymore because they are taken for granted.

Therefore, culture is much deeper than open doors, plants and bright colours and mission statements and strategic plans. When you look at initiatives and why they haven't worked or achieved their intended outcomes, the answer is likely to be that the initiatives violate some taken-for-granted assumptions that are embedded in the organizational psyche because they were successful in the past. That is the key to understanding culture. Because something is successful at some point in time it gets passed on as 'the way we do things around here'. Schein sees culture as the sum total of all the taken-for-granted assumptions that a group has learned through its history. Therefore, an organization's culture is deep – it controls organizations more than organizations controlling it. It is broad and it is stable as it sets predictability and normality and hence changing it evokes anxiety and resistance.

While the notion of culture is abstract, its expression is very concrete. There is no right or wrong, better or worse culture. Appropriate or inappropriate culture only makes sense in the context of what a particular organization is trying to do and what assumptions an organization needs to hold to be successful in its environment.

What are the important elements of forming culture in a new organization? Schein declares that the primary mechanisms that embed culture in a new organization are found in the behaviour of the leaders. What do they pay attention to, measure and control regularly? How do they react to critical incidents and organizational crises? What criteria do they use to allocate scarce resources? What behaviours do they role model? If organizational leaders are the primary sources of culture, then efforts to develop leadership skills are an essential strategy in cultural change. But leadership behaviour is not enough by itself; it needs to be supported by other organizational mechanisms. Some secondary mechanisms that embed culture are the structure of the organization, the systems and procedures, the rituals, the design of physical space, the stories and legends that are told about people and events and, probably least, the statements of organizational philosophy and mission. Take teamwork for example. An organization may espouse teamwork; that is, it says it wants people to work together, to share information and be co-responsible and co-accountable. At the same time, performance is measured individually and ultimately promotion is based on individual work and, perhaps, individual work that is achieved at the expense of others. Hence the message goes around, 'what really matters here is individual work', and so the espoused focus on teamwork is actually negated by existing, more powerful structures. To take another example, the organizational values espouse clarity, but the tacit shared assumptions may be that seeking clarity gets you into trouble and that keeping things close to your chest or deliberately vague is what is rewarded. Consequently, efforts to develop clarity get nowhere. In short we don't examine culture in the abstract. We try to see what shared tacit assumptions are operative in a concrete issue.

Take a reflective pause and consider this section on organizational culture in the light of your experience in your organization.

### REFLECTIVE PAUSE

Think about the visible artefacts around you and the behaviours you observe:

- Is there anything that puzzles you, particularly if you have worked in other organizations and have points of contrast?
- Ask someone who has been in the organization for some time why they are this way.
- Does the answer satisfy you?

## THE DRAMATIC PATTERN OF EXPERIENCE

Life as drama is a commonly used metaphor. You are familiar with Shakespeare's 'All the world's a stage and all men and women merely players' and you use words like 'role', 'character' and 'acting a part' about everyday life quite freely. Through this metaphor organizing may be viewed as theatre and drama, where there is a combination of the practical and the symbolic, where people have roles and they enact a plot. Drama is about the concrete tensions and struggles that emerge in human communities and organizations. There are several inherent tensions in a drama: within characters and between characters; and there are two dramas: the inner psychological drama and the outer social drama.

The inner psychological drama is about self-identity and the challenges to adapt to the outer circumstances of the organization and to learn. In the dramatic pattern of experience the self is understood as a social process. In other words, your behaviour is shaped by social expectations, the behaviour of others and how you understand them. You present yourself differently to different audiences because of the different roles you are required to play in different settings. You are like the stage actor playing the role that is required. Hence much of social life is a matter of consciously and unconsciously shaping your self-presentations to make them fit whatever situations in which you find yourself. Difficulties arise when you do not know what role is required of you and when you are not sufficiently skilled in presenting the desired image which may or may not sit comfortably with you. The self in any social situation is defined by three components. First, there is the performance itself through the word, gestures, actions and props that describe behaviour in the given situation. Second, there is your interpretation of others' responses to your performance and that interpretation can be in advance, concurrent or reflective afterwards. Third, there is your inner response to the performance and the feelings you have about the responses of others. Your actions are *instrumental* (i.e. in the service of some objectives) and *expressive* (a symbolic representation of the kind of person you are striving to be).

The outer social drama is a function of how roles are constructed and played out, such as between manager and staff. Plots are a way of coordinating roles and characters to one another in an ongoing dialectic. The dramatic metaphor allows you to conceive behaviour as emerging from behaviour of actors who consciously select their lines of action.

## BEING 'BACKSTAGE'

Erving Goffman adopts a dramatic approach and points to a distinction between the 'front region', where performance is public for the benefit of clients and customers, and the 'back region' or backstage, where public access is restricted. In the front region you are onstage with clients or customers and you are performing for them. You are representing the organization and its official values and are confined to behaving congruently according to these values. This front region may have physical features as, for instance, in a restaurant or a shop where you are on the floor serving customers or at a front desk meeting clients. There are physical props to support your work – layout, forms of furniture, clothes on racks, cash desks and so on. There are personal expressions of the front region. You may be wearing a uniform and go through specific routines. You have to keep a polite, pleasant and friendly demeanour, make friendly gestures and enact your role with care and decorum. Others' dress may indicate social or organizational status and their manner may warn you of how they enact their role. When you are in the presence of others, especially those of higher status, your behaviour needs to communicate signs that portray your desire to present a good front and then your performance needs to confirm that good impression. Critical to the success of your performance is its dramatic realization. In other words, you must make your performance significant by the skilful presentation of self and by fulfilling others' expectations.

Once you go backstage and are physically away from customers and clients you can relax, step out of role, drop the façade you had for the customers, and say what you like about them. There may be physical forms of the separation between the front and back regions, such as being upstairs or in a room at the back. You may be in a room where walls separate you from the public. If, as is often the case, there is a contradiction between what is publicly presented in the front region and what is done and said backstage, then the physical barrier is important. Thin walls may separate you visually from the customers but you may be overheard. Glass panels may block the sound but you may be seen. Backstage settings may be a staffroom, canteen, toilets, kitchens, your home, indeed anywhere away from the customers.

At the same time there are challenges backstage. You cannot relax to the extent that you are indiscreet or damage others' perception of you. Even if you are venting frustration about an interaction with a customer you need to be aware of what behaviour is acceptable with your colleagues and be aware of what impression you are creating about your competence and professionalism. So the jokes you tell and the remarks you make need to be tempered. Similarly with social media. You might think that you are backstage in using social media but you have to be careful about what you post on it.

Goffman's point is that social behaviour is regulated and that you work to maintain the social order. There are rules of interaction based on assumptions about what is appropriate behaviour. If you cannot find others to maintain your dignity and protect you from embarrassment or from losing face then the social order becomes unstable. You have to believe that others won't take undue advantage of you and you have to show by how you behave that you can be trusted.

Now take time for another reflective pause and apply Goffman's notion of front and back stage to your organization.

## REFLECTIVE PAUSE

Sketch out the front region of your organization:

- the setting (physical layout, furniture, props)
- the personal front (uniform, gestures, routines, facial expressions)
- the norms of its performance for others (official values)

Sketch out the backstage region of your organization:

- the physical barrier from the front region
- the behaviours that go on there
- the inconsistencies with the front region

What might these tell you about the organization?

## CONCLUSIONS

This chapter has introduced the study of organizations from the insider perspective, what may be called the organizational underworld. The underworld is hidden from the view of outsiders and can only be accessed by those who can enter this underworld and be unnoticed and, therefore, experience the normal patterns of relating and behaving in which its members engage. The dramatic metaphor provides a perspective on what goes on in the front- and backstage regions and enables tracing it in terms of characters, roles, plots, actions and performance. These reflect the nature of human identity in everyday life and provide a device for standing back and seeking insight into the constructed nature of play-acting that characterizes behaviour in organizations. The dramatic pattern holds both the practical and the symbolic and uncovers what may be understood under the surface of the lily pond of your organization as basic assumptions of a culture and may reflect patterns of organizational defensive routines. The challenge is to uncover what gestures, symbols and cultural rules are actually being used, and how they are socially constructed by exploring what they mean for whom and how they drive action.

How do you study organizations from inside when, as we have seen, there is so much going on that is covert and symbolic? To develop a methodology for engaging in insider inquiry we move to the next chapter.

# 2

# INQUIRING FROM THE INSIDE

A conversation between a student engaging in insider inquiry and his lecturer:

Student: Management doesn't care.

Lecturer: How do you know that management doesn't care? It could be that your interpretation is wrong or that you have missed or overlooked some evidence. What is it in your experience that has led you through interpreting to the conclusion or judgement that management doesn't care? It could be that management does care but doesn't know how to show it. Or it could be that you are so angry and alienated that you are blind to any caring efforts management might be making.

Student: This is a tough question. I need to go back to my notes and reflections to see how I worked through all that to get to that judgement.

The previous chapter introduced the study of organizations through the lenses of organizations as social constructions whose meanings are played out in dramaturgical form within and between employees as actors, particularly backstage, and which hold collective assumptions that form a culture and reflect theories of action. It invited you to pay attention to the dynamics that go on around you in the organization. In this chapter you are invited to turn inward by attending to how you think about what you observe and experience in your organization. While this may seem to be the opposite of the outward-oriented focus of the organizational dynamics that run through this book, this is not so. Learning how you think is an essential part of approaching the exploration of