Telling the story of organizational effectiveness

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Introduction

What is meant when organization managers and leaders invoke the term organizational effectiveness? If we are seeking an answer to its sustainability into the next century, then surely we must have some means of defining this concept and “getting a handle” on it, so to speak. It is a concept that we are encouraged to pursue. For example, no less an authority than Drucker (1985) has argued: Effectiveness reveals itself as crucial to a man’s development, to organization development and to the fulfilment and viability of modern society.

The pursuit of effectiveness is a taken-for-granted in modern organizations where, it is said, the only constant is change and that we must develop abilities not only to cope with change but to find the means by which we can generate change. For Senge (1990) organizations need to engage in “generative” learning that leads to the creation of knowledge. Change is therefore an opportunity and a challenge that can come from within organizations by a critical questioning of current practices and processes. Many of the change projects in the last 20 years have used the pursuit of effectiveness as a justification, e.g. BPR, TQM, culture, learning companies. Yet, by most readings, the record of such pursuits is not entirely convincing. For example, a recent benchmarking survey by KPMG (1996) found that while respondents believed that learning and adaptation must be accelerated through innovative and creative means and was the key to their organization’s survival and success, they often faced difficulties in finding support and achieving results.

A crucial feature of the notion of effectiveness is the plethora of meanings that surround the term. If there are different meanings, this would suggest that different people will not always find agreement on what it is they are talking about. Indeed there is a tendency, because of the difficulty in finding meaning, of falling back on a lowest common denominator such as money. Hitt (1988) comments that many organizations rely on financial measures of effectiveness such as ROI or ROA. The reduction to financial measurement finds a great deal of resonance with the conventional wisdom of organizations focusing on goals which are defined, understood and measurable. However, such measures “do not seem to capture all the salient features of effectiveness”. A further difficulty with financial measures is that they seem to discourage further discussion on effectiveness and come to represent a sealed box or a closed loop. The precise form of measurement is very difficult to argue against even when it is obvious to other voices that all is not well.

Recent years have seen a shift of attention away from financial goals only towards the customer. Baguley’s (1994) notion of effectiveness, “the right service at the right place or time”, places the emphasis on organizations achieving service targets brought down to earth by another range of measurements which potentially provide a further closure of the discussion on about effectiveness.

It is clearly possible to vary the measurement according to the key forces identified in the environment. Butler (1991) argues that organizations are constrained by their environments and set the criteria for effectiveness via “performance norms” underpinned by essential values. It is accepted that there may be compelling or contradictory norms but management have the crucial task of translating the norms into an “internal ideology” which provides the foundations for decision making and actions. Measurement can be operated in several ways, externally via benchmarking, or internally by setting targets for disparate sections and the formation of competency frameworks for the assessment, and sometimes development, of people.

There are many other notions of organizational effectiveness and it is not my intention to subject them to further examination. It seems that they all emerge from and are applied to a version of organizations as a unified and stable entity where processes can be identified and measured against enduring standards of effectiveness. I want to argue that such enduring standards are not possible and that the difficulty for managers is that they can never achieve total success in the project of saying they are. However, managers dare not admit this and resort to the pursuit...
Organizing and stories

Meanings of organizational effectiveness can be understood as a feature of an unfolding story that can be set within wider narratives that allow us to make sense of the world. This view of organizational life draws from the work of social constructionist writers such as Gergen (1994) and Shotter (1990) where language is central to the way we describe and explain our world but also constitutes our experience of that world and our practices in it.

There are a number of crucial elements of the social constructionist position which can help explore the notion of organizational effectiveness. First, definitions and meanings of effectiveness that are taken-for-granted rely on the presence of linguistic categories which allow sense to be made in a particular time and place. Thus what is accepted as a “truth” or a “fact” of organizational effectiveness may, as Gergen (1985) argues, be “highly circumscribed by culture, history or social context”. There will be different meanings of effectiveness between and within different countries, different organizations and so on. These meanings are unlikely to remain constant over time.

Second, meanings of effectiveness are formed and emerge from interchanges within relationships. Social constructionists emphasize relationships as the unit of social life where language is used to create local meanings within an ongoing story. We tell stories to make ourselves intelligible to others providing coherence to events and a direction for the future. Our skill in telling stories contributes to the construction of meanings with others which are accepted as true and real. These local meanings provide versions of reality, a “local ontology” (Gergen, 1994). Through narration and conversations we construct the ongoing story which others must reference if they are to have any impact on what is regarded as meaningful and sensible within a particular setting.

Third, there is not just one story around. In any situation, we are able to draw on meanings developed in past relational contexts. We have learned therefore to draw upon different “interpretative repertoires” (Potter and Wetherill, 1987) to pursue different ends that we might value. I will argue that this pursuit can be closely connected to notions of effectiveness. Since we live in a variety of contexts and within different relationships, we need to use different repertoires with a variety of valued ends according to the situation. While mastery of one repertoire from one context is no guarantee for participation in another, it raises the possibility of a continuing unfolding story and revised versions of reality provided that there is the space for relationship and interchange.

All these elements make the idea of a stable, single and unified organization more difficult to accept and probably not very helpful to the pursuit of sustainability. Language has helped with the illusion that organizations are real things; however, on closer inspection, it is difficult to observe if organizations are really there (Sandelands and Drazin, 1989). If the words are found and have their impact within relationships, a good story is created and it is not difficult to see how terms like organization, organizational growth and development and organizational effectiveness can come to represent a truth giving grounds for practices of control and measurement.

However, we should also be aware of the potential for a vast range of interchanges and relationships, all of which can provide the impetus for the ongoing construction of life at work. The crucial effect of such processes is whether they provide the meanings that lead to collective actions. Czarniawska-Joerges (1993) see organizations as “nets of collective actions” where actions are taken based on the meanings and realities constructed by exchanges within relationships. Organizing occurs through the adoption of a set of shared meanings and practices which will provide members with a sense of a shared reality resulting in, through repetition, a sense of “palpable order” where terms used become a taken-for-granted and literal description of what does happen and what is supposed to happen (Gergen, 1995). Managers can only have a limited view and understanding of the practices that occur within the “nets” where they have failed to participate in the construction of joint meanings. This limitation may be reinforced by the continuing tendency to provide managers with models and theories which are learned in abstract from...
the unique situations where practice occurs within communities. The continuing emphasis of managers as “scientists” (Shotter, 1995) who can find and apply the appropriate theory may serve only to distort the view of practice. It may also leave managers with an impression that affairs, which they do not understand but nevertheless appear to have moved away from their meanings of effectiveness, need to be brought under tighter control. Management meanings of effectiveness may have no meaning where they are not part of a mutual process of constructing meaning.

**Effectiveness and the local**

Local meanings that form a “local ontology” (Gergen, 1995) and an unfolding story provide community members with a version of their common sense. It also allows the development of emotional commitment where events are endowed with a “moral existence” (White, 1990). As we talk, language is used to achieve certain actions which are valued, judged as legitimate and justifiable (McKerrow, 1990) and which can be understood as effective. Thus every community’s story will carry the valuational dimensions which will be used to argue, persuade, discuss, accuse, judge and make a choice between competing alternatives. There will be widespread agreement for-granted and regarded as common-sense, and presented within versions of a rational argument. However, clashes between communities, each with their own story will reveal, the valuational discourse as each community attempts to force “correct” and more effective behaviour from the other. The membership of communities and use of the values is an important source of identity for people and also the way they position themselves in relation to others. If each community has its own story incorporating its own values and notions of effectiveness which do not acknowledge each other, this will create the conditions for possible breakdown and confusion. As Davies and Harré (1990) have written:

> The relative nature of positions not only to each other but to moral orders can make the perception of one almost impossible for the other, in the relational position, to grasp. [italics added]

I contend that it is within the valuational discourse of communities, as expressed through the stories that are told, that we can find the various meanings of effectiveness that live in the workplace. In the example that follows, a story told by Tony, an HR manager in a financial services organization in the north of England, is used to uncover the “moral orders” of a community as it faces up to a challenge from another.

Tony is a member of a project group of HR practitioners who have been charged with the production of a competency framework to link strategy and performance. It is regarded as a difficult piece of work but not beyond the group’s capabilities if they work in a “disciplined” way. Half-way through the project, David, a non-HR project manager is appointed from another part of the organization to manage the group. David already had a reputation of being “obstructive, pedantic and basically a very difficult person to deal with” but since Tony had not had any dealings with him so far, he had been “prepared to keep an open mind”. Tony’s story reveals his position within a specific community of HR practitioners who, based on a set of shared agreements about their work, co-ordinate their actions and, until David’s arrival, were able to make progress with the project. The HR project group accepted that they faced a challenge of a “complex piece of work” but if they worked in a “disciplined way”, achieving a satisfactory outcome would not be beyond the group’s capabilities. By the time David had arrived, Tony could claim that “we had a pretty good understanding of what it was all about”. However, David’s arrival as project manager soon disturbs the way the group is working. He is viewed as an “outsider”, part of a group of project managers who had been displaced from another section of the company. David had soon acquired a reputation among some members of the HR group as being “obstructive, pedantic, a difficult person to deal with. He seemed to be working with a different view of the project and began to set up “project-type admin reporting lines” and was soon “pushing strongly for delivery dates”. He apparently admitted that he didn’t “understand HR issues”. Despite all this, Tony could claim that he was “prepared to keep an open mind” about David. The following extract from Tony’s story shows what happened next:

Things came to something of a head last week. I have been working on the attributes model research and was planning to produce the findings during week commencing 8 July. Part of the research was to include running focus groups here to gain involvement from people and also to find out people’s perceptions. However, the business suddenly found itself with serious backlogs and all non-core activity was suspended, so I couldn’t run the groups. However, in
the mean time I had approached some consultants, the same ones the bank had used for its corresponding work, for advice about the way forward. Their initial proposals sounded good so I made the decision to provisionally give them the go-ahead to start setting up some critical incident/rep grid interview sessions to help define the first of our attributes. The agreement was based firmly on their cross-skilling a group of people here including the project team, and for them to be used on an advisory/mentoring basis rather than doing the work for us in its entirety. This meant this part of the project was starting to drift into the next phase before formal completion of the research findings. However, the original idea was to include some staff participation as part of the research; timings particularly with the backlog situation meant that part of the “research” would move into the design/build phase and I made the judgement that, with the reasoning behind inviting those particular consultants in, the whole thing made a lot of sense.

The story reveals some of the values that are being used by the HR group to judge their own actions against the actions of others; these are their notions of effectiveness. It is their local ontology which they will value and use to discourage and repel contrary versions. Thus the group wanted to “gain involvement from people and also to find out people’s perceptions” and include “staff participation as part of the research”. While the “whole thing made a lot of sense” to Tony, it did not to David who objected to the messy way the project was being delayed and merging of project phases.

Tony’s position in the HR group affects his positioning of David who is expected to adopt the values of the HR group. However, Tony does not seem to respect the local values; he has brought a different version to the project with a different notion of effectiveness based “purely on project disciplines”. It is a version that means he will refuse to adopt the positioning of the HR group. Tony’s view of the HR group’s approach, which argues that the project is complex, cannot be reduced to neatly packaged elements, should involve people and find out what they think. These are all value statements that highlight how this HR group will judge what is effective. They reflect a wider HRM discourse that emphasises the satisfaction of individual needs, interdependence between units and an emphasis on processes for survival, growth and development. This frame of an organic generative metaphor (Schön and Rhein, 1994) contrasts with the mechanistic metaphor which David, according to Tony’s story, seems to be using. The adherence to controls that set clear targets and reduction of complex processes means that he is not a “good listener”. His view of what is effective is antagonistic to the moral order of the HR group.

A battle seems to be developing between different versions of the world and it had been expected. As Tony and David pursue their own stories, they deny the positioning of each other and construct the conditions for behaviours that they would both wish to avoid including cycles of attack and defence, tit-for-tat actions leading to breakdown and confusion. This would certainly be regarded as ineffective by both of them but it appears unavoidable. Both are driven by the power of their story-lines and almost block out each other’s claims.

Almost but not quite. An interesting feature of Tony’s story was how he had already showed signs of moving to a different position and embracing other notions of effectiveness. This relates to the wider HRM discourse where, as argued by Tyson (1995), HRM “operates at the nexus of competing values”. To maintain their authority in dealing with the complexity of the employment relationship, HRM practitioners have to employ rhetorical tactics to reconcile competing demands (Legge, 1995). Such an effort often gives HRM arguments a “dilemmatic quality” (Billig, 1988), where practitioners are able to appreciate the reasonableness of different interests. For Tony, however much he would adhere to the involving, participative and complexity values of the HRM group, he also sees the importance of working in a “very disciplined way” and the “need for project disciplines”. He is willing to show more “trust and belief” in David’s experience although this will require some “give and take” by David. If this can happen, a space can open between their positions to create a new chapter in the story incorporating notions of effectiveness that command sufficient acceptance.

**From organizational effectiveness to communities of meaning**

It is hardly surprising that the search for agreed meanings of organizational effectiveness that contribute towards sustainability remain elusive. We may have been looking for a phenomenon that simply is not there although it can still sound persuasive to believe that a unified organization working towards unified and agreed goals by agreed means is possible and normal – such is the strength of the dominant story. Managers can continue to apply their meanings of effectiveness as though it is taken for granted.
that others will respond. This is bound to end in disappointment even where success is claimed in the short term. Of course, we do not need to share the same stories nor inhabit the same communities to continue working together.

We need to see our workplaces as a sea of relationships which construct, through stories, meanings and actions from which people derive their identities. These communities of meaning will be found throughout the workplace— they are the workplace. Each will carry its own notion of effectiveness that matches the values found in their stories. From time to time, values will clash and we become aware of them but mostly they disappear and become a taken-for-granted feature of life in the community. Managers may seek to establish their meanings of effectiveness as though these were part of a higher moral order, an absolute that should command adherence. This must be seen as an impossible dream or part of a story which competes with others which will be seen as just as truthful and valued. It does not mean giving up hope, it means working harder in relationships and creating the spaces for the co-constitution of meanings of effectiveness by telling stories together. This could not be the end of the process, since once formed it inevitably sets in motion the means by which other versions of reality can be storied into existence.

References