CHAPTER ONE
MANAGING AND ORGANIZATIONS

Managing, Organizations, Sensemaking

LEARNING OBJECTIVES

This chapter is designed to enable you to:

■ Appreciate many of the meanings behind the words managing and organization
■ Explain the relation between managing and organization
■ Understand why individuals and groups within organizations can be a challenge to manage and that managing is a difficult job to do well
■ Identify the impact that changes in the contemporary world are having on managing
■ Explain how traditional conceptions of organization and management entail issues of identity, hierarchy, and rationality
■ Explain why ‘rationality’ is sometimes less rational than it seems
A theory is an account of how things work, which is, at its best, coherent in its terms and applicable to phenomena that it seeks to interpret, understand, and explain.

INTRODUCTION

The book that you have started to read will be, for many readers, a first introduction to the theory and practice of managing and organizations. While you may be familiar with organization practices of many kinds, you may not be familiar with the theories that may lie behind those practices or that enable us to make sense of them. Thus, in this introductory chapter we will do two main things:

1. Define the relation between our two key terms of ‘managing’ and ‘organization’.
2. Stress the importance of ‘sensemaking’ and ‘rationality’ both for management practice and as central organization devices.

We will argue that while it is important to have management tools and techniques in place to run organizations effectively, we should never lose sight of the fact that it is people who are doing the managing. However much managers may believe that the management systems and tools that they have designed and adopted are well thought out, people still have to use them. In using them people will make different sense of these devices and the contexts in which they are deployed – this is what we call sense-making. What connects the activity of managing to the structures, practices, and processes of organizations is sensemaking. That is why we have chosen it as the central theme of this introductory chapter and why it will recur so frequently as a theme in the book.

Let us begin with the subtitle first – with the theory word before we move to consider practice.

WHY THEORY?

You may find theory difficult and wonder why we have to have it. The point is, however, that we are all tied up in theories of one kind or another. The way your university or college is organized is underpinned by a theory, just as much as is the McDonald’s that you might have worked in while at school, the production line that your grandfather may have laboured on, or the organizations in which your parents are employed. How we make sense of these things depends on the theory we use. We live within the designs and assumptions of past theory about effort and its organization every day at work. However, if we are aware of the theories that hold us
captive we at least have the chance to understand the ties that bind us, and, maybe, we might even be able to change them.

You need to be clear about the theory that you are using just as much as you need to be clear about the theories that frame the organizations in which you are working. Remember, theory makes sense of the world – and theory need not be scary!

WHAT IS PRACTICE?

Practice is what connects disparate actors, material things, and ideas (see Antonacopoulou (2008) for a much fuller analysis of the idea of practice). In practice, managers situate themselves and are situated within knowledge that enables them to be coordinating, controlling, and communicating with various others. These others may be thought of as stakeholders – people who have an interest in the organization, such as employees, shareholders, customers, suppliers, and governments. In addition, they are interacting with various things: with immaterial artifacts such as software, systems, models, and accounting principles as well as with material artifacts such as buildings, computers, and machines.

These relations often form routines in organizations that are reflected in historically evolved collective patterns of interconnected actions, activities, and modes of knowing. These collective patterns are governed by a purpose, certain rules, formal and informal routines – in short, organization – which are embedded in technological and societal contexts. Although not necessarily the most important part of this complex scheme of things, these arrangements all depend on individuals designing, maintaining,
and reproducing them. So let us look at individuals next, before we get to the main title – Managing and Organizations.

INDIVIDUALS IN A SOCIETY OF ORGANIZATIONS

*Individuals wrapped up in chains*

The French philosopher Jean Jacques Rousseau (1712–1778) wrote that ‘Man is born free, but everywhere he is in chains.’ When he wrote these words in pre-revolutionary France in *The Social Contract* (2006 [1762]), the ‘bonds’ he had in mind were those of feudal, monarchical, and religious privilege. The modern world, in contrast, has been shaped by the principles of *liberté*, *égalité*, and *fraternité* (liberty, equality, and fraternity). If Rousseau could be transported forward into the present, would he find then that the chains binding individuality have been dissolved by more than two centuries of progress?

In the contemporary world the bonds of organizations shape our lives: from being born in a hospital, entered into the Registry of Births, Marriages, and Deaths – which tracks the whole population and changes in it – enrolled in formal schooling in kindergarten from an early age, proceeding through primary, secondary, and then higher education, to be employed by an organization to earn a salary or wage, perhaps going to festivals, concerts, cinemas, or joining clubs for recreation, being a member of various spiritual, social, and sporting organizations, checking train and bus timetables, flying on airlines for holidays, having children of our own, enrolling them in school, seeing them into work, growing old, looking forward to the pension or superannuation, planning the retirement experience, perhaps moving into a ‘sunset home’ in our old age, and then dying, and being re-entered for the last time into that Registry of Births, Marriages, and Deaths.

Almost every aspect of our everyday life – and, indeed, our deaths – will be shaped by organizations of one kind or another. Billions of individuals – all of who can lay claim to uniqueness – are every day being organized as members of organizations – as employees but also as students, customers, and clients. While each of us is both alike and unique – our essential biology is remarkably similar, irrespective of ethnicity, marked only by gender differences – is this also the case of the many organizations through which we pass?

Consider those organization types that you have already experienced. One, mentioned already, deals with your birth, marital status, and death while the other concerns your education. The Registry of Births, Marriages, and Deaths and the university both chart individual progress through life through entries in databases. The university deals with a slice of life while the Registry deals with the whole of life. Both employ many experts in different fields to enter and interpret the data. Each has quite sophisticated routines in place for registering the information that they then attend to, from records of births signed by medical practitioners to classroom records of attendance, assessments performed, and grades recorded. The uniqueness
of each individual is the subject of a vast amount of organizational effort in the modern world, rendering that uniqueness into statistics, into data, creating a record that is, from some perspectives, the sum of you.

**What are individuals?**

Being an individual means that each body – and all that it contains – is as unique as the fingerprints we leave or the DNA that constructed us. You can only really ever be you and not another person – although as an actor you may assume the identity of another person. Identity is a concept that cannot be defined easily, other than to say that identity refers to the way a person constructs, interprets, and understands who they are in relation to others in their life world. Identity may be more or less stable, more or less fragmented, more or less problematic, and more or less secure. The personal identities that we emphasize in one space may be very different from those that we emphasize in another. Thus, the identity that we develop and project at work may be very different from that which we project when clubbing or playing a sport. We have multiple identities.

Not all acting occurs only on stage or on screen. In everyday life we often are said to be actors, acting out parts, learning to be siblings, lovers, parents, and members of many and various organizations. So our identity is not fixed but fluid, within the genetic inheritance that defines our uniqueness. We may have a relatively fixed genetic appearance but exercise, diet, styling, aging,
A frame is a term that comes from the cinema: a director frames a shot by including some detail and omitting other detail. A frame defines what is relevant. Frames enable us to do framing. They focus us in on specific relevancies: by framing we decide on what is relevant from the infinite number of stimuli, behavioural cues, sense data, and information that surround us.

Managing is an active, relational practice which involves doing things. The things that managers do are supposed to contribute to the achievement of the organization’s formal goals.

Organizations are systematically arranged frameworks relating people, things, knowledge, and technologies, in a design intended to achieve specific goals.

and surgery can modify that quite markedly. We may have a definite personality, but, once again, ill health, drugs, diet, and life experiences can reshape the ways that we present ourselves to the world, often quite dramatically.

Some celebrities in popular culture are famous for their shifting iconography, the way they style themselves and hint at their changing personality. Within our unique bodies most of us like to think we have a uniquely free will. Only we are master or mistress of ourselves, a sentiment particularly strong in toddlers, but certainly not absent from more mature manifestations of will. To think otherwise is to accept that the fates, the stars, the gods, society, or some other transcendent entity guides our lives as preordained. Often, our glimpses of celebrity seem to offer another, more exciting world than that which we live in. But even celebrity does not escape routine: rehearsals, performances, organizing glamour weddings in between checking in and out of rehab, the divorce courts, and the gym. As individuals we have power to shape organizational practice; we can vote in elections or choose to support various products. Each time we make a purchase we make a decision whether or not to support a particular organization’s products. However, individual choice is constrained. These constraints may be as obvious as a police officer forcing you to comply with the rules imposed by the structure of the state, or as discrete as the behaviour encouraged by the language one uses in conversation with one’s peers.

When we become organization members each of us has to surrender some of our autonomy to the control of others and other things such as schedules, machines, routines, and deadlines. In return we receive wages, salaries, or fees, identifying us as workers, staff, or independent professionals. Actually, we receive far more than mere income. We are able to bask, as unique individuals, in the ambience of a unique organization. Its brand helps define who we are: we are US Customs Officers, or Australian Tax Officers, or London Police Officers; we are Oxford academics or college professors; we are Vogue models or Chelsea football players. Sometimes we bask in a reflected light: we may be Chelsea football fans rather than supporters of Arsenal, wear Armani rather than Dolce & Gabanna, or wear Nike rather than Adidas. We can attach our identities as individuals to organizations quite easily.

MANAGING

Framing managing

A key term in theory is the idea of there being a frame through which we understand things. We will use this introduction to develop some key terms with which to understand this book.

All managing involves framing: separating that which deserves focus from that which does not. One thing that managers have to do all the time is to differentiate between the relevant and the irrelevant, just as do the authors of textbooks, trying to manage their expectations of their readers. To do this we, much as managers, frame some things as more relevant than others.

We can differentiate between managing as a practice, as something that we do, and organizations as a goal-oriented collectivity, in which we
are organized. We begin with organizations and then move on to the tasks of managing them, arguing that both are changing radically. We relate the formal rationalities of management – the plans, design, and other procedures – to the necessity for individuals and groups within organizations to make sense of them.

What do managers do?
Managers use different technologies, knowledge, and artifacts such as Lotus Notes, memos, or Microsoft Outlook to help frame what is relevant and then manage it. Diary appointments, to-do notes, agendas – these are all devices that frame the relevancies of the working day and enable us to manage our time; however, we should never mistake the technical devices that management uses for management itself. For instance, using accounting techniques or financial management programs is only a part, a small part, of what a manager does. Great managers are not merely good technicians but also expert managers of social relations – between themselves and others as well as between themselves, others, and things such as plans, documents, and data analysis.

Managing signifies being in charge of something, being responsible for its smooth running and its rational conduct, handling and controlling it as if it were a well-oiled machine; thus, it is a relational term. Managing takes place in organizations. In terms of everyday usage it means handling, directing, controlling, exercising skill in executive ability – the acts done by the person in charge of controlling and directing the affairs of an organization. Managing entails framing.

Managers strive to be rational and much of organizational life consists of routines that make this rationality easier to enact; hence they practice management.

To be organized means being an element in a systematic arrangement of parts, hopefully creating a unified, organic whole.

Management is the process of communicating, coordinating, and accomplishing action in the pursuit of organizational objectives while managing relationships with stakeholders, technologies, and other artifacts, both within as well as between organizations.

Being rational means systematic application of various techniques to achieve some given end or goal.

Rationality: Action that is produced according to some rule; action that is not random or unpatterned.

The etymology – the origins in language – of the key terms ‘management’ and ‘organizations’

In Italian, the terms manegge, with maneggiare meaning to handle, train (horses), with the stem deriving from mano, from the Latin manus, for hand, were well known from the seventeenth century. The term manager has its origins in English in the period 1555–1565. Shakespeare used it in the late sixteenth century, in A Midsummer Night’s Dream, in the context of theatrical management. He talks of a character being a ‘manager of mirth’. The terms management and manager had become known by about 1600, although the term manager did not enter into everyday English use until the nineteenth century.

The root stem of the word organization is the Greek organum, meaning, in an archaic sense, a wind instrument, but more recently, since about AD 1000, a mechanical device or instrument; it is closely related to the Greek term organon, meaning implement, tool, bodily organ, musical instrument, akin to érgon, the word for work. In general use since at least the late fourteenth century, when the archaic form was organizacion. Etymologically, organizations are therefore tools designed for a specific purpose.
Managers always manage as interpretive individuals, as people who are trying to make sense of things – and sometimes these things may be confusing, ambiguous, and puzzling. Things become even more puzzling and ambiguous at times of rapid change. We will discuss the major trends shaping, and being shaped by, organizations and their impact on managing later in this chapter. We consider technological changes; the shifting international division of labour; globalization; the compression of conceptions of time and space; and the emergence of new generational values.

Although the origins of the term manager are manual – the stress on handling things – it would be quite wrong to think that management is a job that is principally premised on manual labour. Instead, it is largely a job that involves interpreting, understanding, directing, cajoling, communicating, leading, empowering, training, politicking, negotiating, enthusing, encouraging, focusing, explaining, excusing, obfuscating, communicating – a job full of action words that are all to do with the manager as a speaking subject, a person who manages to shape and express directions, in writing and in speech. The mastery of different forms of meaningful expression, in writing, talk, and images, is usually referred to as a mastery of discourse. Central to discourse is rhetoric; indeed, a skilled master of business will be a master of rhetoric. Rhetoric means the tools of persuasion and argumentation, the ways of producing agreement and of making a point. Managers have to be skilled at talking because their expressive capabilities will be the most used and useful assets that they have. In a world of individuals, all capable of going their own way, the manager’s task is to steer, guide, and persuade people to pull together in a common enterprise – an organization – when this may not be the instinctive desire of those being addressed. To be an effective manager requires a combination of power and knowledge: power to be able to bend others to executive will and knowledge enough to be able to interpret both the nature of that will, resistance to it, and the effects of changing circumstances, contexts, and contingencies on its implications. Managers must constantly be interpreting the people, technologies, and environments that they enact and with whom they interact. Hence, managers must blend technical skills with sophisticated social skills to be effective.

ORGANIZATIONS

Organization characteristics

Organizations all differ in what they do. Think of some of the organizations that you will have encountered thus far in life. Schools, designed to educate; police, intended to regulate, or media, functioning to communicate. Irrespective of the rationale of any specific organization, they will all be purposive, with specific objectives and goals, giving rise to the following characteristics:
The organization and its actions are consciously shaped by the organization’s design, expressed through its routine practices and specific structure.

The organization is not time- and motion-less: changes will occur as organizations revise their practices intermittently in the light of experience.

The organization will be future oriented, as the members of the organization seek to achieve a desired and planned future. Often this future will be expressed in terms of key performance indicators or targets.

The organization will employ hierarchy and a division of labour to create distinct and related roles that are laterally separated and stratified vertically. A hierarchy is a systematic arrangement of powers of command and control with reciprocal obligations of obedience and consent lodged in those being managed.

Responsibilities are defined for roles, and actions, roles, and responsibilities are revised in the light of experience as future actions unfold.

As future action unfolds the preferential weighting of actions, roles, and responsibilities is systematically revised by programmes of change management or organization reform.

Behind all organizations’ roles, relations, and responsibilities are rules: organizations are built on rules. Rules provide for rationality. A rule tells how things have been done in the past and how they should be done in the future. If organizations follow rules it is thought that they will minimize opportunities for error. Rules protect organization members; they ensure rationality.

Brunsson (2006: 13), a leading European management thinker, suggests that organizational actions are not just guided by formal instructions and directives but also by informal rules. Additionally, as Brunsson (2006: 14) suggests, experience-based learning and imitation will also play a role. The first often tells us how to short cut rules that we find inconvenient. We follow the rule but, on reflection, think that there is a better way of doing it. Learning to drive is like this – when you pass the driving test you have to ‘do driving according to rule’ in a way that you will probably never do as you become a more experienced driver, and your driving becomes more fluid. So you drive without risk or danger on a country road a little above the speed limit because you are an experienced and safe driver and there is little traffic on the road. When the speeding ticket arrives in the mail a few weeks later you wish that you had followed the speed rules, or more likely had seen that speed camera so that you could slow down until out of range. Rules, especially as they have legitimate authoritative sanctions attached to them, which are then applied to you, can be a powerful experience – especially when rules are paired with punishment (you speed, you get a fine).
Organizations can be thought of as huge repositories of rules. These rules often have different origins and rationalities supporting them, and, as a result, they may often come into conflict. From the above examples it is also clear that these organizational rules originate from both individuals comprising organizations as well as from the social relations and institutions embedded within organizations. These produce some unlikely similarities: consider the following questions.

1. What essential features does a kindergarten share with a university?
2. In what ways could a university be compared with a fast food restaurant?
3. In what ways might a McDonald’s be similar to a car factory?

Organizations go on while members change

Organizations have an embedded, structural reality that endures irrespective of their members. People may come and people may go but the organization retains an identity separate from the individuals who comprise it. Think of the educational institution in which you are reading this book: every year a new cohort of students enters, staff retire or resign, and new staff are employed, but the university or college carries on regardless. The same routines – enrolment, lectures, tutorials, seminars, and assessments – are carried out year to year irrespective of who is doing them.

Organizations are huge repositories of rules

Let us take a closer look at what we mean by ‘rules’. Here are some common distinctions:

1. **Formal rules**: You will arrive at a certain time and leave at a certain time. This is often a really stupid rule as it slows everyone down as the roads clog with people all trying to get to the organization at the same normal time – often making many people late. Should people be able to come and go as they please at work?

2. **Professional rules**: These are the rules that you have internalized, perhaps as a result of a professional accreditation, achieved in, or in conjunction with, your higher education. But sometimes the organization that employs you will require things of you that simply cannot be done as and when is required using the internalized rules. Which rules should you follow – the professional rules or those of the employing organization, if there is a clash between them?

3. **Legal rules**: These may be directives that are explicit, compulsory, and have a clear source and target within the organization. For instance, you shall not use organizational resources for personal purposes. But even a simple rule such as this can be difficult to follow. Should you not call friends and relations on the office phone?
4 **Standards:** Many organizations do many things according to standards authorized by explicit rules that are designed by independent standard-setting organizations, such as British Standards, Standards Australia or the International Standards Organization. These may cover many things from the correct lighting and plumbing standards, through health and safety standards, to quality standards or environmental standards. Standards can be very powerful devices in shaping similar behaviours in many organizations. What standards can you think of that shape organizational behaviour?

5 **Informal social rules:** For instance, about clothing. Men will wear jackets, shirts, and trousers and women may wear shirts, trousers, and skirts, but men usually do not because that would be ‘cross-dressing’. In most organizations it is OK for women to wear trousers but this was not always the case. What happens if the men are Scotsmen, or Pacific Islanders? Is it then OK to wear ‘skirts’, if they are called kilts, sulu, pareau, lavalava, or sarong? If they are men in hot climates, are shorts acceptable? How long should they be? Should they be worn with socks? Should the socks be long or short? Should the shoes be white, black, or can they be sandals? These informal rules can be quite complicated.

**QUESTION TIME**

Choose three of the following organizations: what do they have in common?

- Hospitals
- Correctional organizations
- Schools
- Railways
- The police service
- Orchestras and bands
- Military organizations
- Banks
- Disneyland
- Airlines
- Rock festivals

Organizations’ arrangements are usually thought of as attempts at systematically rational approaches to goal achievement. Most organizations strive to be rational – that is, to be consciously designed to achieve specific ends in an ordered and systematic way, such as fitness, punishment, and training – sometimes even in one organization, such as the military.

Hierarchy is often seen as a necessary feature of any complex organization, involving delegation and authority, with communication, coordination, and control centralized on the top management team. Additionally, in most organizations, different roles are clearly distinguished and prescribed. Members and non-members are usually clearly differentiated, whether the latter are defined as clients, customers, patients, or civilians.
Organizational identity

Organizations have distinct identities. Corporate organizations often strive to shape their organizational identities in ways that reflect their conception of the corporate image.

In addition, they often seek to present a coherent corporate identity to the world. That an organization should prove to be a source of identity is not so surprising. Since the late nineteenth century it has been established that corporate bodies – organizations – have a distinct ‘legal personality’. Attributes such as logos create familiar signs and symbols, which help to reinforce the brand. Most people have a fairly clear idea quite quickly of what organization they work for or are visiting. Some of what these organizations do as everyday activity helps define them: the accounts they keep, the orders they ship, the web pages they maintain. Other, more intangible elements, which are often referred to as ‘organization culture’, which we discuss in Chapter 6, are also important.

Brunsson (2006) suggests that identity, whether attached to the qualifier of either organizational or individual, is typically used to alert us to the unique properties and characteristics that individuals and organizations use to differentiate their unique features. All notions of identity are relational: distinguishing something means denoting a difference from something else just as much as it may be an affirmation of likeness and similarity with others. Organizational identities are becoming increasingly complicated: firms that enter into alliances to deliver products, projects, and services blur the boundaries of their unique identity. Alliances are one of the most common of the new organizational forms (see Chapter 14), involving the forging of innovative collaborations, partnerships, and networks. For instance, many companies such as Oracle have hundreds of licensing arrangements with other companies as channels to market. Fashion leaders such as Benetton (Clegg, 1990) comprise a core firm that remains independent but linked to many suppliers and outlets by IT. The suppliers receive detailed small-batch orders for specific models and sizes of garment, using information derived from the sophisticated IT that each franchised outlet uses to send sales data to Benetton HQ.

MINI CASE

Zara

Zara operates a vertically integrated demand and supply chain – a network of organizations that collaborate to deliver a product or service to an end-user or market. Zara studies its customers’ demand in the stores and tries instantly to modify just-in-time production schedules to meet the shifting patterns of demand. Zara’s designers can ‘interpret’ the latest catwalk fashions from Paris, London, New York, or Milan and have them on the racks in five weeks. Zara uses IT to communicate directly with suppliers and designers in Spain. Shop managers use personal micro-computing devices to check on the latest clothes designs and place their orders in accordance with the demand they observe in their stores. Zara’s speed is the secret of their success.

What management and organization aspects of Zara’s business model help to make it so successful? Use the web to research the case.
Many other firms, especially in high-technology organizations and in major project-based organizations, working on projects such as major pieces of infrastructure, use alliances between different organizations to produce a consortium of skills that in alliance can do what none of them can do independently (see Pitsis et al., 2003). None of these types of organizations are characterized by a clear-cut identity that maps easily to any one legal identity. Their identity is tied up with the networks that they form and is indistinguishable from them.

Organizations as professional institutions

Especially in knowledge-intensive organizations that employ many professionals, such as universities, hospitals, high-technology firms, and R&D (research and development) labs, it is often the professional boundaries and identities that are most meaningful for the individual employee. Their identity might stem more from the profession they belong to than the organization they work in. Further, organizations are subject to many institutional demands from their environment and, as many organizations share the same environment of legislation and standards, they tend to end up looking very similar – they all have the same ISO standards in place, they all have to comply with EEO (Equal Employment Opportunity) legislation and OHSS (Occupational Health and Security) laws, and so on. Large consulting companies, for example, offer similar solutions to the various problems that they face and so they end up with similar recipes: quality management, business process re-engineering, or knowledge management. As we will explore in Chapter 13, these institutional tendencies make organizations less distinctive and more alike.
Institutions are recognizable in as much as specific practices are widely followed, accepted largely without debate, and exhibit properties of endurance.

Hierarchy implies status differentia based on relations of super- and subordination and associated privileges and distinctions.

According to Scott (2001), one of the main scholars in the field, institutions are social structures that persist and endure and, in doing so, strongly shape the way that people, especially professionals, in organizations do the things they do. Institutions have been conceptualized as being made up of various elements. If the emphasis is on cognitive elements then we tend to talk of common mental maps or archetypes among professionals; if the emphasis is on more normative elements, then we focus on the informal rules and expectations that surround an institution, while regulative elements usually refer to either state regulation, often coercive in kind, or more subtle regulation by institutionalized standards, such as ISO 9000. These, together with associated activities and resources, provide stability and meaning in our sense of the organization of work, business, and everyday life.

Institutions are formed from habituated action that is routinely repeated and sometimes changed. The agents of change are often referred to as institutional entrepreneurs, and may be either particular individuals or organizations, such as Richard Branson and Virgin, changing business models in related fields such as trains and airlines by cross-pollinating ideas from one field to the other.

The reality of complex organization means that hierarchy does not always work well. Sectional interests often prevail. At the operational level what makes sense to do is what appears to be in a department’s best interests rather than that of the organization as a whole. Interestingly, this has been a recurrent phenomenon in very hierarchical organizations, such as military, intelligence, and government bureaucracies, where departments and services have competed for political attention and resources, such as seeking funding for new battleships rather than new tanks, or for domestic surveillance rather than foreign operations. Where the parts are completely coordinated and controlled from the centre then important cues can be missed, ensuring a lack of flexibility and adaptability, as the behavioural theorists of the firm realized (Cyert and March, 1963). It is at the boundaries and interface of the organization with other organizations – suppliers and customers, information analysts and service providers, other companies and civil society groups – that crucial behavioural cues can be enacted and shape action – but not if everyone is following central management dictate. In some management textbooks the job of being a manager looks pretty simple: it is the task of managers to have an overview of everything that is going on and steer the organization accordingly. Of course, this is absolutely unrealistic in anything but a small business – and even there it is sometimes difficult to work out where one’s stock is being pilfered, or why customers are not returning.

Total control rarely occurs in any organization – if it did, there would be no need for the extensive literature on the gap between decision-making and implementation that we discuss in Chapter 7. As Brunsson (2006: 32) suggests, the implementation gap can in fact be a good thing – it creates space for subordinate and marginal views to get a hearing. Also, it allows managers to talk the talk that people expect without the risks of walking the walk – the risk that their decisions will lead to action is minimized. As Brunsson says, this can be especially useful ‘when organizational action is
The top management team comprises the senior executives in any organization, the people who set strategy, direction, and purpose.

Capital is an abstract concept that might take many material forms. Traditionally, it was thought of purely in economic terms, as wealth invested in an asset with the intention of delivering a return to the owner of that asset. As such, capital implies complex sets of relations of ownership and control of the asset and employment in its service.

Sensemaking

What is sensemaking?

Top management teams are supposed to set a common frame within which organization members, customers, suppliers, investors, etc., can make expensive or awkward, or when organizations encounter inconsistent demands from their environment’ (Brunsson, 2006: 32).

Often, an organization’s managers will say one thing and do something different. There can be several reasons for this. First, they are creating cover for what they really want to do; second, they may be quite wrong in what they want to do and their subordinates or those on the margins are trying to tell them so, because they are closer to the action and have a better insight into what can be done. Smart managers will listen and do something different, accepting good advice in good spirit. Not so smart ones will probably carry on regardless.

Smart managers know that their actions and those of the people around them shape – or should shape – their preferences. Those who cultivate the illusion of acting emphatically, carrying a metaphorical big stick, usually come unstuck. They seek to act out their projects but in a way that can only be a kind of fantasy that does not connect with the reality in which they find themselves. Typically, managers report to a top management team, which in turn reports to an ultimate governing body: a board of directors, a university council, or (in government) a cabinet, for example. Again, as Brunsson (2006: 33) suggests, if the top management team’s managers want to be able to implement decisions they are better making them in alignment with the preferences of their subordinates rather than against them.

What do top management teams do? In profit-oriented organizations the crucial factor is to maintain a sustainable flow of earnings and profits; for other organizations, it is more complex. In not-for-profit organizations there is a great deal more to manage than the bottom line.

Some organization theorists suggest that it is not just financial capital that needs to be managed but also other kinds. In the case of a university, for example, there are different types of capital, each of which needs to be managed. There is the financial capital, required to ensure that the university is a ‘going concern’, and there is also, very importantly, social capital (above all, that intangible thing called ‘reputation’). Social capital refers to whom you know rather than what you own or what you know; social capital is the set of relations and knowledge embedded in those relations that you are able to mobilize. For instance, in business schools students not only learn from the formal curriculum but also make social contacts that they can relate to later in their business career.

Recently, it has become common to talk of intellectual capital, meaning knowledge that is worth something, that can earn its owner a return on the investments made in acquiring it. The most obvious example would be where one has intellectual property rights to benefit from a specific innovation or invention.

Sensemaking

What is sensemaking?

Top management teams are supposed to set a common frame within which organization members, customers, suppliers, investors, etc., can make
common sense of the organization – what it is and what it does. If the members of an organization cannot negotiate some commonsense and shared understanding, goal achievement is difficult.

We all make sense of everything around us all of the time. Organization and management theorists refer to this as sensemaking. One way to think of sensemaking is to compare it with driving: as you drive you interpret and try to make sense of other road users’ and pedestrians’ intentions and behaviours, as well as of all the traffic signs around you. You are constantly making sense of a mass of detail, data, and interpretation.

Much of what happens in organizations entails a constant process of sensemaking. Organizations are a little like a busy intersection through which a great deal of traffic is moving. Managers may be thought of as ‘drivers’ – they seek to steer things, make things happen as they are intended to. Some managers are driving for performance, for instance production managers; others are driving marketing or sales; some others are driving human resource management.

Sensemaking characteristics

What are the characteristic activities that bind such different kinds of managing together? Consider the definition of sensemaking given in the margin above and explore each of its terms in a little more detail:

1 **Ongoing**: We are always making sense – we never stop doing so, even when asleep – our dreams are ways of making sense of deep issues that we must deal with in our wakeful moments. Our sense of what we are experiencing is always of the moment – fleeting, experiential, changing, and contextual.

2 **Retrospective**: We make sense of something as it is elapsing and we are constantly reviewing the sense we make in terms of additional sense data.

3 **Plausible**: We never make perfect but provisional sense, sense that is good enough for the matter and people at hand. It allows us to go on with what we are trying to do. While accuracy may be desirable, reasonable constructions that are continuously updated work better as directional guides, especially when things are changing fast.

4 **Images**: We often work with representations of things – models, plans, and mental maps – as we navigate our way around unfamiliar territory. We hear what the other is saying and try to accommodate it to things we already know and carry round with us as our stock of knowledge.

5 **Rationalize**: We rationalize the meaning of things that are confusing to make them clearer and justifiable.

6 **People**: Although organizations contain many things that act which are not people – such as computers and keypads – it is people who do the sensemaking.

7 **Doing**: We do things through thinking and action, which define one another. Weick uses a rhetorical question, ‘How can I know what I think until I see what I say?’ The point he is making is that when people act they discover their goals, which may be different even when we think we are dealing with the same cues.
We all make sense of things all the time and sometimes the sense that we make may be quite different from another person’s – even though we might think we are dealing with the same cues. In organizations, managers should aim to have their employees make the same sense.

We make individual sense of what’s happening around us. We use our sense data – sight, sound, touch, taste, and smell – to assemble impressions of unfolding events and then we use our cognitive capacities to make a pattern from the data. The sense we make is always our sense – you make the sense – but you never do so in isolation. You use many cues to make sense: past experience; what others say they think is happening; likely stories that you are familiar with that seem to fit the pattern that appears to be forming; and so on. People will not use these cues in a uniform way, because they are individuals and, as a result, people can make wildly different senses from the same set of cues.

**Why are organizations interested in sensemaking?**

Organizations have a considerable interest in their members making common sense. Any organization appears to be only as good as its people, products, and services, and if these people are consistently ‘on message’, making a sense that is common across customers, suppliers, shareholders, and employees, then this is a vital factor in assisting the organization to produce consistent products and services. Common sensemaking is important for organizations.

It is because common sensemaking is important for organizations that a vital part of the management task is to try and produce many cues for common sensemaking. An important part of the manager’s job is to create, adapt, and use common frames of meaning that characterize the organization and its members. However, making sensemaking common is no easy matter in a world of individuals. We are all, in principle, free to interpret things as we please. But of course, practically, we usually try to obey the law when doing so; we follow habits and routines; we interpret using familiar categories and concepts that are customary in our language. Managers also employ many different tools to help develop common sense. Have you ever received or experienced any communications from your university, old school, sporting club, or favourite shops that could have shaped your sensemaking practices?

As we have said, management is not dissimilar to driving. Driving is not only a complex activity in itself, involving acute hand, feet, eye, and brain coordination, but it takes place in a complex environment of signs. Some of these signs are advisory; others are prescriptive. These signs are cues for you to use to manage your flow in the traffic on the road. When you drive, you immediately enter into a complex system – the car – of whose workings your knowledge is likely to be less scientific and more a matter of ‘know-how’. Once you are driving the car you are interacting with a great many other road users as well as interacting with the environment that they share with you. As you share this environment you also constitute it because the sense that you make of the road becomes a factor for the sensemaking of all those other drivers in proximity to you.
You constitute a part of the environment for these others as they constitute a part of it for you. You cannot control what these other drivers do but you can signal your intentions in many subtle ways such as the way that you drive and the traffic signals that you give. Meanwhile, your driving is framed by all the prescriptions that surround you: Slow Down! 50 km zone! Stop!

Road signs are visible cues and artifacts that provide prescriptions for driving. They seek to shape the environment in which we do driving. When we drive we make sense of the signs and cues that surround us. Managing is similar. Organizations want their members to drive in unison and harmony, with a common understanding, and no nasty accidents. They provide many cues and artifacts that try and frame this common sense. The most obvious ones would be uniforms, which visually position the individuals they employ as members. Hence, many organizations, such as large-scale bureaucracies, including the churches, police, military, hospitals, railways, and airlines, dress their members in uniforms. Thus, we may say that organizations often reinforce the way that they shape the identity of their members by dressing them up in uniforms. Probably the first uniforms were military ones – it helped to distinguish who was friend and who was foe on the field of battle – but we find uniforms today in many walks of life, from small settings such as car rental counters or restaurants, to large complex organizations such as hospitals or armies. In some of these organizations the subtle distinctions between gradations of rank are encoded in uniform: take a look at Images 1.4 and 1.5 – can you see any signs of different status in common identity?

The uniforms are sometimes more symbolic and culturally valued than they are functional; the soldiers in the picture guard the Royal Palaces in Copenhagen and, rather like the guards at England’s Buckingham Palace, have to wear a uniform and headgear that is neither comfortable nor practical – but it has enormous symbolic value, denoting them as Royal Guardsmen. More often than not the function of uniforms is as much symbolic as functional; the other photo shows bar and restaurant staff in a corporate uniform. When we see people wearing clothing that identifies them corporately as members of an organization we know that management is positioning them not just as employees but as employees who ‘belong’ to the organization.

Management seeks to establish rules and rational routines that will make individual sensemaking predictable. Uniforms help to do this because they code in a shorthand way what rank people have, what they might know and do.

**Tools and sensemaking**

Most managers try to be people who are not just managing but doing the best that they can with the best tools and advice available. Just like drivers, they are trying to follow the signs, interpret the complex situation, make sense of it all, and get somewhere – that is their goal – as they do so. Drivers do so using a tool – the car – and their capacity for sensemaking.
Managers also use tools to get things done: accounting systems, resource planning models, and so on. These tools are designed to be rational instruments to aid managing. But, just as the car is a tool, and will not go anywhere if it is not driven, so it is with management tools. They only work insofar as they are made sense of and driven. Managers are the drivers and...
those people with whom they interact in and around the organization are the sensemakers.

Tools do nothing on their own; they have to be used; they have to be made sense of in terms of the specific context of their application, the time available to do something, the information that is at hand, the skills and capabilities that are available. Thus, managing is actively constructed – made sense of – by ordinary people going about their everyday organizational life, using such resources as come to hand – including rational tools, instruments, and designs. But the important thing is the use to which they are put – not that they merely exist – and that there is a distinct individual who is the user and who is making sense of the context and situations of use. A number of factors thus enter into sensemaking.

Aspects of sensemaking
Sensemaking is a complex phenomenon. It involves:

- **Social context**: Sensemaking is influenced by the actual, implied, or imagined presence of others. If other people think that a particular interpretation makes sense then you are more likely to do so as well.

- **Personal identity**: A person or group’s sense of who they are is important in sensemaking. Certain situations may subvert or reinforce this sense of identity. Think of yourself reading this book. By now you should be thinking that managing – which might have seemed such a new idea – is now more familiar because you are able to relate it to your identity as a driver.

- **Retrospection**: What people notice in elapsed events, how far back they look, and how well they remember the past, all influence sensemaking. Organizationally, this is extremely important because, sometimes, the most important decisions are often the least apparent: decisions made by minutes secretaries – what to keep and what to discard – can provide the basis for any later sense that can possibly be made by organization members. While these are not strategic or conspicuous decisions they construct the organizational past.

- **Salient cues**: When we read detective novels and try to work out ‘who done it’ we are doing sensemaking. Managers will use sketches of what is going on and who is who in making sense, which they have derived from their past experiences; thus they project their pasts onto their futures.

- **Ongoing projects**: Stuff is always happening. We provide structure to divide the unfolding of events into different patterns. Often situations are structured in such a way as to assist you in doing this: for instance, football is a game of two halves; symphonies have different movements. In a football game, for example, one goal can change the whole meaning and tempo of a game. While these are not strategic or conspicuous decisions they construct the organizational past.

- **Plausibility**: To make sense is to answer the question, ‘What’s the story here?’ Sensemaking is about creating meaning that is sufficient to carry on with current projects.

- **Enactment**: Actions can modify that which is being observed. Something seems to be overheating and you take steps to cool it. Your action enacts your understanding of the situation – it’s overheating – and what you do changes the situation – now it’s cooling down.

- **Drafting**: Sensemaking involves redrafting an emerging story so that it becomes more comprehensive as events unfold and are interpreted.

- **Doing**: Sensemaking involves framing details as relevant, to isolate particular themes in an emerging story and provide an answer to the question, ‘What’s going on?’

(Adapted from Weick, 1995; 2008)
Unions can be defined as an association of wage-earning employees mobilized and organized in order to represent their constituents’ interests. These interests can often be counter to the interests of employers, but not always necessarily so.

Multiple sources of sensemaking in organizations

Organizations often have multiple sources of formal meaning regarded as official. For instance, many organizations contain members who are represented by unions, which will formulate views on official policy of the organization that is equally formal and official but may well conflict with that of management. In a pluralist organizational setting, it is recognized that management and the unions will often hold competing but legitimate views on an issue. Unions are formal organizations that need to be managed; just as other organizations they use IT, maintain websites, and offer benefits and services to members.

Some people consider unions that seek to bargain collectively for the betterment of the rights and conditions of their members as illegitimate representations of irrational interests queering the pitch for the rational employer and loyal employee to collaborate harmoniously. Unions are secondary organizations because they can only ever organize in a space already organized by employers. To the extent that these employment spaces become increasingly global, the creation of solidarity by the union becomes far more difficult to manage.

Unions are sensemaking devices that many employers and conservative political parties antagonistically oppose because they regard the sense they make as a restraint on the free market. From this perspective labour is a commodity to be bought, sold, and used (or not used) just as any other commodity, and its sale should be at a market rate determined only for individual cases rather than at some collectively bargained price.

Management, employers, and the political parties that seek to represent their interests often regard unions with hostility, despite the many positive things that unions can achieve, such as legitimate grievance resolution, which can often minimize turnover with all its attendant costs, or obliging employers to be more innovative in the use of capital because the price of labour cannot be pushed lower. They want to exclude union sensemaking

Sensemaking is endemic in organizational life. Organizations are full of plausible stories – rumour, gossip, official statements, business plans, and websites – each sensible in its own way but none necessarily coherent with the others. People talk all the time at work. Much of what they say is formal: the transmission of instructions and information; the making and taking of orders; the analysis of data and artifacts; debating issues in meetings, or making speeches and presentations. Yet, even more is not formal, which is to say that it is neither constitutive of, nor mandated by, the occupational and organizational roles that organization members fill.

Everyday talk in organizations engages an infinite variety of topics as matter for discourse. Some of these relate to the currency of intimacy: talk of one’s appearance, family, friends, and significant others; while others deal with more generalized others to be found in sports, media stories, politics, or a new movie. Sometimes this talk makes a difference to the formal organizational world: the resignation due to stress, illness, or the holiday necessary to recuperate from a gruelling project. Mostly it is just about being at work.
Managerialism is the view that organizations should be normatively integrated by shared values expressed within a single source of authority, legitimacy, and decision-making embedded in the managerial hierarchy and serving the interests of the owners of that organization. An ideology is a coherent set of beliefs, attitudes, and opinions. The meaning is often pejorative, with a contrast drawn between ideology and science.

From the picture. Often employers, managers, and the parties that seek to represent them have a unitarist frame of reference that espouses what is termed managerialism. The belief in management as a means capable of solving any problem elevates the necessity of management into an ideology of the modern world.

Where the owners are shareholders then the assumption is that the decisions that management makes can always be rationalized by reference to the maximization of shareholder value. In such a conception of the organization, resistance to management decisions is regarded as illegitimate and irrational.

In recent years managerialism – or new public management as it is known in the public sector – has come to pervade most aspects of organizational life. Managerialism involves the attempt to remake organizations in an idealized image revolving around a strong corporate culture, entrepreneurialism, quality, and leadership, and focused on achieving targets. The targets are often measured through audits – of culture, quality, job satisfaction, customer satisfaction, etc. These can be used to rank organizations according to a range of criteria. Power (1999) has argued that this is a sign that we live in an ‘audit society’ in which rankings of organizations are increasingly common, and where league tables determine the sense that is made of organizational performance.

How organization relations actually pan out will always depend on the specific sensemaking that we find in local situations, discourses, and practices. For instance, Scandinavian managers would expect to be union members; British and other English-language managers would not. Their attitudes to unions will differ in consequence.

When managerialism is expressed politically at the national level it can take the shape of a systematic mobilization of bias against collective representation, contracts, and rights, stressing instead the individual nature of employment contracts and effort bargains. When it is expressed politically at the organization level it is usually through the discourses of human resource management (HRM) in which mechanisms that create employee commitment to the organization are stressed, such as performance-related pay, regular performance appraisals, team working, empowerment, and skill development programs (see Chapter 5).

Among the major sensemaking tools in use in organizations are rational management plans, designs, structures, and theories – it is these that provide the categories and labels with which managing is done. Sometimes these work smoothly and paper over the little cracks that may occur in our understanding of the situation. We should expect to find a great deal of managerialism and rational planning in the organizational world. For one thing, trying to fix everyone’s sensemaking on management’s terms is a powerful device but, equally, we might also expect that some people might have a fair degree of cynicism and contestation about managerial interpretations when doing so.

Different types of sensemaking occur especially where things are uncertain or where things are not as we would have expected them to be, when sense just breaks down, or cannot be made, and normal expectations do
not work. The computer messages that the system transmits are just plain puzzling and seem wrong, your colleagues are acting strange (what do they know that you don’t?), and so on. When we make sense of breaches in everyday understanding, suggests Weick (2008), we look first for reasons that will enable us to keep on doing whatever it was that we were doing – we are averse to change. We make sense using devices such as what everybody knows, or apply rational analysis, or we ask others what they think is going on.

**Sensemaking can be a matter of life and death**

Organizations are often difficult places to make sense in, especially as we cross their rational boundaries. Consider the example of hospitals. Despite being focused on patient care they can in fact be dangerous for the patients. One reason for this is that the patient’s body becomes the point of intersection of many different professional practices, such as radiography, anaesthetics, operative care, post-operative care, and so on. At each handover point there will be inscriptions – readings, charts, data printouts, briefings – that are passed from one team to another. Unfortunately, these present lots of opportunities for people to make different sense of the situation. Sometimes inscriptions will be misunderstood, sometimes improperly read or communicated, sometimes they will be faulty, and sometimes they just get it wrong. Organizations are full of handoff situations: when inspection comes into play; when training takes over; when memos are sent and instructions issued from one subunit to another. All of these offer ample opportunity for recipients to make plausible sense of incomplete details – and hopefully, not have to be accountable subsequently for the sense that they did, or did not, make at the time (Weick and Sutcliffe, 2003).

**Sensemaking produces what we take to be rational**

So, sensemaking is what all people in organizations will do routinely while they go about their busy organizational lives. Essentially, it is a process of pattern-making. We fit clues and cues together and make meaning out of them. We trace a frame, enabling us to connect things together and make a coherent and connected picture, often using metaphors to do so. Once we have the frame then we can make sense. Metaphors frame understanding to produce rationality.

One metaphor has long been dominant where management is concerned: the metaphor of engineering. The idea of there being a specific managerial rationality first emerged in the 1880s in the USA (Shenhav, 1999) from which early management writers created a new language of rationality, one that American engineer Frederick Taylor (1967 [1911]) popularized in the famous *Principles of Scientific Management*. The father of modern management, Taylor insisted that under rational management ‘all of the planning which under the old system was done by
Metaphors use terms other than those of the subject under discussion to describe it. ‘Dream-machine’ is a recognizable metaphor.

Check out the Companion Website www.sagepub.co.uk/managingandorganizations3 for free access to an article by Joep P. Cornelissen, Mario Kafouros, and Andrew R. Lock (2005) if you want to learn more about metaphors.

The division of labour produces a more specialized labour force. Instead of everybody trying to be a jack-of-all-trades and a master of none, capable of doing everything in an organization, labour becomes more specialized by breaking down large jobs into many tiny components.

the workman, as a result of his personal experience, must out of necessity under the new system be done by management’ (Taylor, 1967 [1911]: 38). Here decision-making is taken to be the domain of the superior intellect of the manager such that the manager (usually) can deploy a scientific rationality in order to find the ‘one best way’ proposed by Taylor’s approach.

The divorce between decision and execution has been a central tenet of management science. Usually, the model of decision-making is described as a perfectly well-organized, rational, and logical process. Problems are defined, the relevant information is analysed, possible solutions are generated, and the optimal solution is decided upon and implemented. Deming’s ‘plan–do–check–act’ (PDCA) cycle is an excellent example of how this is done in many contemporary organizations (see Deming, 2000).

Organization members become disciplined and reflexive extensions of the corporate mind, able to exercise discretion, but in corporately prescribed ways. Much of modern management thinking follows this vector. It is framed by a simple assumption that what management does is nearly always necessarily and inherently rational.

METAPHORS FRAMING RATIONALITY

While the essential tool of the driver is the car, the essential tool of the manager is often said to be rationality. However, while cars are very tangible and real, rationality is always a metaphor. A metaphor cannot be pointed to as if it were the new BMW in the street outside, although when asked about the car, the owner might use a metaphor to describe it, such as saying it is a ‘dream-machine’.

Creating a metaphor always involves the literal meaning of a phrase or word being applied to a new context in a figurative sense, says Grant (2008: 896). Metaphors influence the way we describe, analyse, and think about things. As Morgan (1986) has argued, it is the metaphor of the machine that is most preponderant in its application to managing and organizations. So when rationality is attributed to managers and organizations it is often done so in terms of machine-like properties, such as ‘the organization runs on clockwork’. We will look at three influential metaphors used in thinking about managing organizations as rational enterprises.

Metaphors of division

A very specific idea of rationality, one tied up with the division of labour, became embedded as the common sensemaking of modern management. Discussion of the division of labour goes back at least to Adam Smith (1723–1790), with his praise for the rationally divided pin-factory and its labours in The Wealth of Nations (1961 [1776]). Economic growth, according to Smith, is rooted in the increasing
division of labour. Where there is a division of labour, each employee becomes an expert in one task, saving time in task-switching and thus increasing efficiency.

A smart organization divides all its tasks in terms of different roles and responsibilities and assigns these to different occupational titles, suggested Smith. In turn, these titles describe in shorthand the jobs that people are supposed to do.

Smith’s ideas connected with many currents in the US, the home of modern management. In the military, especially strong after the US Civil War, West Point engineers were very influential in promulgating efficient engineering solutions to many problems. One man, in particular, F. W. Taylor, fused the engineering stream with one that emerged from the Deep South. Many of the practices used to manage slaves were based upon the idea that the people being managed were basically stupid and that therefore the means of control and direction needed to be very simple. Taylor adopted the idea that the best worker was a simple creature and he sought to design efficiently engineered solutions for designing and managing work based on the assumption that these simple employees were not to be trusted. What intelligence they had, he thought, often became manifest in cheating on their employers.

**Metaphors of the organ**

Another key metaphor for modern management and organizations is the assumption that organizations are analogous to an organ.

Putting the organ into organization, some people like to think about organizations as having brains and other organic characteristics. The brains are usually seen to be in the ‘head quarters’ (headquarters), the hands on the factory floor, and so on, all working in a harmony and unison designed by the brain. Such metaphors are essentially organic – they assume that the organization is akin to an organism – and have been around for a long time. They are especially popular with top management teams who think that they are the brains of the organization.

The problems with conceiving of organizations as an organ are evident. Only the top management team is allowed to have ideas; everybody else has to follow these. Thus, there is little scope for innovation to arise from anywhere other than the top. If good ideas emerge from elsewhere the odds are they will not be captured. Often they are not sought. A desperate Henry Ford asked why he always got stuck with the whole person rather than with a pair of hands. Hands were what he hired, but troublesome bodies with querulous minds were what he so often got, despite many systematic attempts by the Ford organization and the agencies it hired to screen out troublemakers and those morally unfit and insufficiently temperate in their habits for the regime on Ford’s production line. The metaphorical body corporate easily reduces the literal body of the worker to be considered only as exemplary if the worker behaves as a puppet to the commands issued through the managerial pulling of strings (ten Bos and Rhodes, 2003).
Rational choice is a concept that adopts the view that all social interaction is a basically economic transaction undertaken by self-interested, goal-oriented individuals who exercise choice among alternative known outcomes that are based on their knowledge of, and the incentives that exist in, their immediate environment.

To talk of bounded rationality means accepting that there are limitations and constraints on human behaviour. People are cognitively limited, producing satisfactory rather than optimally rational decisions (March and Simon, 1958; Simon, 1957), which is referred to as ‘satisficing’, meaning accepting decisions that are both sufficient and satisfying. Conditions of uncertainty are often characteristic of decision-making situations. In situations of uncertainty individuals act inconsistently (and thus irrationally).

Metaphors of choice and rationality

Sometimes it is assumed that everyone who works in whatever job they do so because of a Rational choice, otherwise they would exit. Of course, this is to deny the many ways in which opportunities are structured historically, economically, socially, culturally, and so on.

Rational choice theories, beloved of economists, assume that individuals have an established preference or utility order. The rational person, it is assumed, will always maximize individual benefits and reduce costs in the choices that they make. There are many things wrong with the assumption that individuals exercise rational choice. The criticisms point to the neglect of individuals:

- **Ideas and preferences**: These are always socially and organizationally formed and cannot be treated as independent and voluntary casual variables. You are Jewish or Muslim and abhor pork, for example, while I am Hindi and cannot bring myself to eat beef.

- **Motivations**: Individuals sometimes have interests not only in their self and particular others, such as family members, but sometimes act on behalf of members of particular categories of person, such as women (feminist organizations; battered women’s shelters), or religious orders (youth or social clubs). Individuals often act from rational motives that are not economically self-interested. Individuals’ rational preferences are frequently shaped by irrational factors, such as emotions: think of the sports teams you love and hate.

- **Knowledge**: Individuals never have perfect knowledge of alternatives and thus cannot weigh up preferences rationally.

- **Calculations**: Individuals do not have an economic calculus for every action; some actions have value that is expressed morally, ethically, and socially rather than economically.

- **Habit**: Many actions are considered very poorly, or very quickly, as matters of instinct or habit.

Individuals’ choices made in the spirit of self-interest do not necessarily maximize the collective benefit; poor managerial choices can destroy things of great value, such as employment, careers, shareholder value, the environment, and social harmony. Indeed, if one takes a longer term perspective, choices made in the spirit of self-interest may not be of benefit over a longer period: for example, burning fossil fuels can further climate change; using common land to feed one’s animals, because it is a free resource, leads to the depletion of the resource.

Social scientists are skeptical about the capacity of human decision-making to be utterly rational. Instead they prefer to see people as only ever rational within the bounds of their knowledge and ignorance. They see people as characterized by bounded rationality.

From a bounded perspective, rationalized practices are seen as essentially cultural, expressed through managerial talk and writing (Dobbin, 1994).
Fligstein (2002) showed how different managerial groups sought to promote their own expertise as the basis for organizational rationality in the emerging multi-divisional form of organizations that superseded bureaucracy, as we discuss in Chapter 14. The crucial thing is to appear to be rational by having all of the symbols of rationality in place.

We could not express ourselves fully if we did not use metaphors. Yet, as we can see in these three cases, metaphors can be dangerous. Each of the metaphors that we have looked at assumes that rationality inheres in each of them. However, these assumptions of rationality dissolve when the metaphors are interrogated. In fact, we find that rational divisions of labour can produce irrational employees; that the organization conceived as a rational organ can stultify innovation; and that rational choices can sometimes be irrational.

WHY ARE ASSUMPTIONS OF RATIONALITY SO INFLUENTIAL?

Rationalist views are attractive to many managers. Such views place them in control. They tell them they know what they are doing. They make them feel authoritative. They place them clearly in the centre of their own frame. They legitimate these frames. They make them feel important – big men and tough women in business – even as their pretensions may be mocked by their subordinates, contradicted by their failures to make the world of work correspond to the ideal model, and compromised by the endless ways in which they have to ad hoc and cobble together compelling accounts of what they have been doing, which they know do not correspond with the reality that they have lived.

Sometimes, as some feminist critics suggest, managerial rationality seems a peculiarly masculine view of the world (Freeman, 1984), which we discuss in terms of gendered communication in Chapter 8. The rational attributes of decision-making are equated with male characteristics by contrast to the way that women have been represented as being emotional, capricious, unsystematic, and irrational (also see Calás and Smircich, 2006).

To maintain a rational model of organization would mean being able to closely control events and people, according to a tight script, even at a distance. As we will see in Chapters 11, 12 and 13, this is the very essence of bureaucracy. But any organization that ran like this would be not only a disaster in any environment subject to change but also impossible. It would be a disaster because there would be no deviance, no opportunity for learning or innovation (see Chapters 9 and 10), just a kind of Stepford Wives rationality (Oz, 2004). It would be impossible because we cannot help making sense, and we cannot help but make sense using a plurality of devices, as social beings. It takes a lot of training to have total tunnel vision; many failed organizations seemed to have thought it worthwhile to attempt it in pursuit of rationality.
How do organizations’ managers know that they are being rational? Brunsson (2006: 34) suggests that they can do so by following rules, or imitating the ways in which other organizations operate, or through experimenting. Following rules is a sure-fire way of keeping out of trouble, even if the results are unfortunate, as we will see in Chapter 12. In reality, rule following is usually less about getting things done and more to do with keeping out of trouble. Similarly, if managers imitate what other managers who are perceived as being successful do, they can claim legitimacy for their actions – even if they fail – while experimentation may mean that they hit on something that they could never have arrived at intentionally (see Chapter 13).

Rational models are best thought of as descriptions of action that will usually be compelling for most organizational audiences – thus they are a handy tool with which to provide accounts of action – but they are not necessarily the best basis for determining what managing actually consists of. The metaphors of rationality have great legitimacy – in part because they have been around for a long time and in part because they have been associated with strong programmes for reforming organizations.

The opposite of rationality is irrationality. Given that the most powerful people in any situation usually get to define what rationality is, then it is not surprising that they also define what rationality is not, and thus what is irrational. Irrationality usually looks a lot like what the powerful oppose or that which opposes them. For instance, when managers implementing reforms encounter widespread resistance to change they tend to see the resistance as irrational. Resistance to change serves as additional evidence for managers of the rightness of the reforms being resisted and so a vicious cycle of more control generating more resistance often ensues (see Chapter 7).

A belief in rationality can become a self-fulfilling prophecy: if what managers define as rational is resisted then the resistance simply shows the irrationality that has to be reformed (Fleming, 2008). There are two types of resistance to change:

- **Resistance by omission**: Passive attempts at undermining what is being presented as rationality by withholding consent or support, demonstrating a lack of legitimacy of the rationality in question.
- **Resistance by commission**: More active attempts at blocking, thwarting, or otherwise sabotaging what the organization is trying to position as its rationality (Fleming, 2008).

Resistance can sometimes be thought of as an attempt to assert an alternative rationality. Claims to management knowledge that position it as rational often assume all other claims are merely the promotion of sectional, self-interested, and irrational strategies. Such views presuppose a unitary framework: that there is one correct way of seeing things. The unitary view of organizations is a major strategy in promoting managerial rationalities. Often, the argument is that where there is resistance then more work must be done in building commitment on the part of HRM (see Chapter 5);
otherwise, people would not resist! According to this view, if reason prevailed there would be total commitment and no resistance.

Many social scientists suggest that rather than restrict the category of rationality to plans that rarely work out in practice we should instead study the practical, situated rationality that people display in their everyday life – what is sometimes referred to as mundane reality. Hence, there are rationalities, rather than rationality per se. People make sense through their understanding of the world, their interpretations of other people and those things that populate their world. They have many categories and devices for making sense of this world; some of these will be shared with other members of the organization and some will not. Some will be regarded as legitimate by the organization while others will not. Organization members build their practices on their understandings.

We should not just study the formal rationality that characterizes modern organizations – the plans, documents, and devices of the top management team – but we should look at what people actually do with and to these. In other terms, rationalities will be plural, they will consist of both the words and the deeds that are done – and sometimes not done – in and around organizations.

Many of the strategic errors that managers make can be attributed to the fact that they manage as if the world depicted and represented in their tools and plans was actually as controlled and controllable as these make it appear to be. Rarely, given the ingenuity that we all bring to sensemaking, can this illusion be sustained, because we rarely use a shared common sense to make sense. We work from different interests, different disciplines, and different knowledge, with different power relations, striving to make sense using those terms that make sense to us. Of course, if we are all doing this, then we should expect managing to be a highly politicized and contested activity – which is precisely what management is.

THE CHANGING CONTEXTS OF MANAGING AND ORGANIZATIONS

We all learn to make sense of the situations we are in. However, just like a fast-flowing river, these situations are often changing in imperceptible ways. Before too long we find that the ways we have been using to make sense leave us out of our depth! Managers find that what they took for granted no longer helps them survive as well as it did in the past. Well-established direct techniques of the past, such as management by rules and instructions, by oversight and surveillance, by command and control, on the part of hierarchical managers, are changing. Today, what they seem to be changing to is use of more indirect techniques, such as managing in and through vision, mission, culture, and values, leading to a lot less imperative instruction and command and a great deal more dialogue and discussion. When everyone can be connected to anyone everywhere, when the value basis of employees is shifting radically, and when the organization laces
Check out the Companion Website www.sagepub.co.uk/managingandorganizations3 for free access to an article by James G. March (2007) if you want to learn more about how the study of organizations and organizing has changed since the Second World War.

**Paradigm:** A coherent set of assumptions, concepts, values, and practices that constitute a way of viewing reality for the community that shares them, especially in an intellectual discipline, in which the views are widely shared as a result of training and induction into the methods of the discipline. In more mature disciplines, there is usually a single dominant or normal paradigm, whereas less developed disciplines are characterized by a plurality of paradigms because there is a lack of shared agreement on what the discipline entails.

**Outsourcing** occurs when an organization decides to contract a service provider who specializes in a particular area of service provision to do more economically and efficiently something that it previously did itself, such as catering, cleaning, maintenance, or IT.

Organizations and technological changes

The shift to a digital world means that digital capabilities enable organizations to be moved offshore – hence the spectacular rise of Bangalore in India as an IT and call centre ‘district’ – a region of the global economy in which a particular part of organizational activity is often done for many firms, using the English-language skills of Indian graduates, as well as those of the many fine computer and engineering graduates produced in this vast sub-continent. Of course, the main reason is that wage costs in India are far less than, say, Indiana or Aberdeen. Since it is much cheaper to live there, employers pay far less.

**Outsourcing** involves contracting the provision of certain services to a third-party specialist service provider rather than seeking to deliver the service from within one’s own organization. Usually, outsourcing is entered into to save costs and to deliver efficiencies and productivity benefits. By not concentrating on services and tasks that are peripheral to the main business, an organization can better focus on those things it needs to do well while leaving the peripheral tasks to organizations that specialize in the delivery of those services. Often, areas such as HRM, catering, IT, and equipment and facilities maintenance are outsourced.

Outsourcing is not a new phenomenon: in major production industries such as automobiles, the outsourcing of initially non-core and latterly core functions and services has been progressively used since the 1930s (Macaulay, 1966). The development of outsourcing, burrowing away at the innards of organizations, hollowing them out, and networking them into other organizations’ capabilities and competencies, is often regarded as being a part of a shift that has been underway in organizations since the late twentieth century. The outsourcing of sectors such as IT and telecommunications, and business processing, occurred with the dawning of advanced digital telecommunications services. The imperative to outsource – as distinct from the opportunity to do so – was a result of other dynamics of the digital age, which we will shortly consider: primarily globalization and increased competition, leading to a continual need to improve efficiency from productivity and to increase service levels. Thus, vertically integrated services were no longer seen as the best organizational arrangements for itself over the globe and employs many of the diverse peoples that the globe has to offer, the old certainties are harder to hold on to.

Having considered sensemaking, we now move on to consider the contexts in which people work. We will first look at the generic changes that we think are important; then we will look at their impact on managing and organizations, relating them to specific chapters later in the book. The reasons why paradigms for management are changing are several. We need, however, to distinguish between academic paradigms and business paradigms. The former are ways of theorizing about an activity; in the case of the latter they would be the activity itself. For something to be a paradigm it must be accepted as an ideal model and exemplar, something that shows people how to practice something.
gaining competitive advantage. Extending the organization’s capabilities, whether core or non-core, to a third party became synonymous with efficient and effective management.

Many new industries have developed on the back of the digital revolution, often referred to as knowledge-intensive industries, those which we find at the forefront of contemporary global competition, such as Google, IBM, Microsoft, and Dell. In these organizations we find new organizational forms that challenge the older, more bureaucratic structures of the past, new organization structures that we will explore in Chapter 14.

Digital capabilities have transformed the world – some journalists such as Friedman (2005), of the *New York Times*, suggest that digital capabilities have made the world ‘flat’ – by which he means that advances in technology and communications now link people all over the globe. This may explain the rapid development of India and China, and the growth of global businesses that exploit the opportunities of the Internet to create and design goods and services on a 24/7 cycle – globally – taking advantage of different time zones to work on accounts, data, and designs seamlessly. The world has speeded up to a state of immediacy: any reader of this book would know how to find the authors in a matter of seconds and send them feedback immediately. (We would like you to let us know what you think about the book – we like to hear from our customers!)

Managing technological changes  

Shorter life cycles, virtual connectivity, and disaggregation spell many changes in ways of managing. The dominant trend is that there has been an increasing separation of routine processes from more essential work, which is often reflected in a spatial division of labour. Thus, for instance, as we will see in Chapter 14, in call centres the work is as routine and scripted as in any work process designed in an early twentieth-century bureaucracy by one of F. W. Taylor’s scientific managers (see Chapters 12 and 13). The means for storing the rules may have shifted from paper to software and the nature of the work may be less physical, but there are still essential similarities.

There are consequences for other jobs when much of the routine is extracted and repositioned elsewhere. The remaining core staff – rather than those that are peripheral – will need to be more skilled than before. They will be working in technological environments subject to rapid and radical change. New competencies and skills will be required. Managing will mean more developmental work oriented to renewing staff’s specific skills and general competencies rather than seeing that they follow the rules, issuing imperative commands, and generally exercising authority. Managing will mean negotiating the use and understanding of new technologies, contexts, and capabilities, and facilitating the understanding of those who will be operating with the new tools and environments. As Sandberg and Targama (2007: 4) note, citing Orlikowski’s (1993) influential work on Japanese, European and US firms, many technology implementation projects fail because of what the employees do – or do not – understand. Changing technological paradigms mean that managers must be able to make sense of the new technology for all those who will use it.
Traditionally, organizations were neither very responsive nor flexible because of their bureaucratic nature, as we will see in Chapter 12. They had tall hierarchical structures, relatively impermeable departmental silos, and many rules. Such organizations offer little incentive for innovation and, typically, innovation was frowned on because precedents went against the rules. Such organizations could hardly be responsive – they were not designed to be.

More responsive organizations should have employees who are capable of problem solving rather than having to refer any problem, deviation, or precedent to a higher authority. Such people need to be trained and engaged in styles of managing and being managed that reinforce empowerment, using far more positive than negative approaches to power, as we will see in Chapter 7.

New technologies attach a premium to a flexible, timely approach to customer requirements. In order that such flexibility can exist in an organization it has to be premised on ways of managing employees that allow them to be responsive to customer requirements in developing products and services. As we will see in Chapter 13, the critique of bureaucracy has been particularly acute in the areas of public sector management. Especially in the Anglo-Saxon countries, from the 1980s onwards, the extensive adoption of strategies of deregulation, privatization, and contracting out, often on the back of significant changes in technology, have led to profound changes in the nature of public sector work. Something known as new public management (Osborne and Gaebler, 1992) has had a profound impact on the public sector, in the public (or civil) service, education, universities, and health care, especially. The clarion call has been for more entrepreneurial managers and less rule following. Whether this is a good or bad thing has been the subject of lively debate, which we discuss in Chapter 13.

Changing relations of service and production

Look at your computer; check the clothes you are wearing; what about your shoes? Where do your things come from? Bet they were made in several countries and none of them may be where you live. Bet also that China was one of the countries. Today, ‘Made in China’ is a ubiquitous label – we find it on virtually any manufactured product that we are likely to wear or use in the office or home.

Supermarkets such as Wal-Mart represent the end of a supply chain that invariably starts somewhere in China. The concentration of much global manufacturing in China is a relatively recent phenomenon, which really gathered pace in the 1990s. Just as much of service work has been disaggregated into lower value-adding elements such as call centres that can be located anywhere, much of what was once produced by a domestic blue-collar labour force in the then heartlands of Europe or the USA, is now produced globally, often in China.

One consequence of the shifting international division of labour is that the developed world is increasingly based on the production of services
rather than goods. Material things—such as computers, clothes, and household goods—are increasingly being produced in the developing world. One consequence is that the nature of work and organizations is changing rapidly in both worlds. In the developing world peasants are rapidly becoming factory workers; in the developed world there has been an explosive growth in what is referred to as knowledge work, done by knowledge workers in knowledge-intensive firms. Chief among these are IT firms (Alvesson, 1995; Starbuck, 1992), global consultancy, law, and accounting firms, as well as the universities, technical colleges, and schools that produce the new knowledge workers.

Shifting locations, shifting managing An increase in knowledge-intensive work means that organizations have to employ—and manage—different kinds of employees. Brains not brawn, mental rather than manual labour, are the order of the day. Employees need to be capable of working with sophisticated databases, software, and knowledge management systems. These have to be related to customer requirements often on a unique and tailored basis that deploys a common platform while customizing it for specific requirements. Thus, technical and relational skills will be at a premium.

Knowledge-intensive work, according to Alvesson’s (2004) research, depends on much subtle tacit knowledge as well as explicit mastery. In such a situation, working according to instruction and command will not be an effective way of managing or being managed, especially where the employee is involved in design and other forms of creative work on a team basis, often organized in projects. In such situations, increasingly common in contemporary work, ‘because of the high degree of independence and discretion to use their own judgement, knowledge workers and other professionals often require a leadership based on informal peer interaction rather than hierarchical authority’ (Sandberg and Targama, 2007: 4). As we will explore in Chapters 4 and 5, some of the old theories and approaches to leadership and project work need updating.

Going global Digital technologies, together with a growing international division of labour between economies specialized on services and production, make the world economy increasingly globalized. Competition is based less on traditional comparative advantage as a result of what economists call ‘factor endowments’, such as being close to raw materials, and more on competitive advantages that arise from innovation and enterprise. IT means that enterprise and innovation can now be globally organized. No industry is more indicative of this than the financial services industry, where firms such as American Express, Citicorp, and HSBC span the globe. These multinational behemoths operate as integrated financial services providers almost everywhere. Global competition goes hand in hand with outsourcing in industries such as these, as such firms exploit technology to disaggregate ‘back-office’ routine functions and locate them in cheaper labour markets, as we discuss in Chapter 15.
Managing globally  Doing business internationally in real time, enabled digitally, produces ample opportunity for cultural faux pas and misunderstanding. Work groups may be working in serial or in parallel with each other on projects that are networked globally. Global organization means managing diversity: it means developing appropriate ways of managing people who may be very different from each other – from different national, ethnic, religious, age cohort, educational achievement levels, social status, and gender backgrounds (Ashkenasy et al., 2002). One consequence of globalization and diversity is that HRM must be both increasingly international and equipped to deal with diversity, as we will see in Chapter 5.

Diversity is increasingly seen as an asset for organizations: people with diverse experiences can contribute more varied insights, knowledge, and experience than a more homogeneous workforce. (In the terms that we use in Chapters 6, 7 and 10 we can say that it is a good thing to introduce more polyphony into organizations.) An evident reason is that if a business wishes to sell globally it must understand all the specificities of the local markets into which it seeks to trade. One good way of doing this is to ensure that the organization has employees that understand that market. Moreover, in certain markets, such as the Middle East, where etiquette and rituals are of considerable importance in everyday interactions, then it is enormously beneficial to have employees who do not have to learn through making costly mistakes because they have an intuitive understanding. Moreover, as we will see in Chapter 11, organizations whose members are not representative of the populations the organizations draw on and serve risk being seen as discriminatory in their recruitment policies. There are ethical issues concerned in managing diversity.

Changing conceptions of time and space

Technological developments such as the Internet and other telecommunications seem to make the whole world something that can be present here and now – as users of Google Earth no doubt know. E-mail can fly around the world in seconds, as quite a few people can testify who have pressed the send button inadvertently on something they might have preferred not to share globally.

While time and space are two fundamental coordinates of the way we relate to the world, the ways in which we make this representation are not fundamental but socially constructed. The earliest concerns of modern global management were with the centrality of clock time in the time and motion studies of F. W. Taylor. Indeed, in these studies the central motif was that of time–space relations, as we will see in Chapter 12. Stopwatches measured in terms of microseconds to prescribe ways of doing tasks. Space was rigidly defined in order to maximize the speed of work. These notions of space and time as phenomena under strict organizational control are hardly relevant in the age of the Internet. With a computer, camera, and broadband connection any organization member can simulate immediacy with anyone anywhere in the world similarly equipped.
In such a situation time and space are eclipsed. Organizations can be global, navigating anywhere.

Managing time and space  Immediacy through the eclipse of space presents problems. Work is much more accountable and transparent as others can be online anytime, anywhere, challenging the understandings that the other has developed. Often these understandings will be embedded in a sense made in a cultural, linguistic, religious, ethnic, and age and gendered context that is simply foreign to partners elsewhere. Great cultural sensitivity, as well as a capacity to handle circadian rhythms, is needed in the interest of global business. In such contexts there will be a great deal of doing by learning as managers seek to make sense of others whose cues are not only unfamiliar but often mediated by the limitations of Internet communication. Managing communication in these circumstances poses especial challenges, as we will see in Chapter 8.

Changing demographics; changing values  
The era from the 1960s onwards has been dominated by the ‘boomer’ generation, who are now slowly moving out of the workforce, to be replaced with people drawn from Generation X and Y. Generation X, broadly defined, includes anyone born from 1961 to 1981. In the West, Generation X grew up with the Cold War as an ever-present backdrop. During their childhood they saw the dismantling of the post-war settlement and the advent of neo-liberal economics (such as Thatcherism) and the collapse of communism. They often grew up in single-parent households, without a single clear or guiding moral compass. They had to negotiate the hard years of global industrial restructuring when they were seeking their first jobs; they experienced the economic depression of the 1980s and early 1990s; and saw the decline of traditional permanent job contracts offering clear career structures. Instead of careers they were invited to accept insecure short-term contracts, unemployment, or junk jobs in McDonaldized organizations, or to get educated. Many of them ended up overeducated and underemployed, with a deep sense of insecurity. Not expecting that organizations will show them much commitment, they offer little themselves.

Generation Y includes anyone born in the late 1980s and 1990s, sometimes to professional boomer couples who left childrearing later than previous generations or, as a result of boomer males mating with much younger women, maybe entering into reproduction the second or third time around. Young people born in this bracket are the first digital generation for whom the computer, Internet, mobile, iPods, DVDs, and the Xbox were a part of what they took for granted growing up. While Generation X was shaped by de-industrialization in the West and the fall of communism globally, Generation Y developed into maturity during the War on Terror, grew up reading *Harry Potter*, and, until 2008, enjoyed relatively prosperous economic times, in part because of the success – for the West – of globalization. If you want to know more about the generations
and the differences they are inscribed in, you could talk to your parents or grandparents – if they haven’t already talked to you about these things!

Managing changing values  The employment of Generation X members offers real challenges for managers seeking to motivate and gain commitment from employees. As we will see in Chapter 3, the issues of commitment and motivation are increasingly central to managing. The X generation will be more cynical than its predecessors and less likely to accept rhetoric from management that is not backed up by actions. For Generations X and Y, according to Sennett (1998: 25), there is a predisposition towards high uncertainty and risk-taking as defining features of the challenges they want from work because they do not expect commitment. In part this is because they do not expect anything solid or permanent: they have seen casino capitalism at close quarters as brands they grew up with moved offshore or were taken over, or radically changed by new ownership, and so tend to distrust prospects of long-term or predictable futures.

Using traditional management control and command devices to manage people who desire to explore is not appropriate. Instead, the emphasis will have to be on creativity and innovation, as we explore in Chapter 10.

If there is one value that binds these disparate generations together it is the sense that the previous generations have really made a mess of the planet; green values are very strongly held, and saving the environment through sustainability is high on the list of value preferences. Consequently, as we discuss in Chapter 11, issues of corporate social responsibility, especially those addressed to sustainability, are high on the values agenda. Such changes pose major implications for how organizations attract, select, retain, and treat employees, as we see in Chapter 5 on HRM.

USING MANAGING AND ORGANIZATIONS

The basic argument of this text is now established. In this book, as we have foreshadowed, we will introduce you to the main lines of management and organization theory, and we will situate these in the major changes marking the present-day world. These, we will argue, make the ideal of the wholly rationalistic organization evermore difficult to believe in principle and secure in practice. However, most of what you will learn as a management student makes assumptions about the rationality of organizations and management. We will outline these assumptions, and the associated arguments, in each case.

We will not assume that there are two types of entity involved in organizations: the organization’s (objective) systems and the (subjective) people within it. This kind of thinking, often called dualistic in the social science literature, leads to the view that if you change the objective systems then the subjects framed within these systems will change in ways that the objective changes should predict. If you start from these premises then the appropriate strategy is to seek relationships between changes in the objective
conditions and the effects of these on organizational behaviour – what the people in organizations actually do.

By contrast we argue that if we do not understand the sense that the subjects make of objective changes we will understand and manage very little. What people choose to do will depend on their understanding of the contexts and the resources that they find at hand. The choices are theirs and their choices are grounded in their understanding, in their stocks of personal knowledge, in the way that they socially construct reality, as well as in the way that they are constrained by other people’s social constructions.

Managing will rarely if ever correspond with the management presumed in rational plans and principles. Management consists of a series of devices and resources for making sense while managing. Managers seek to be rational but they can never be sure that they will be. As the old phrase has it, even the best laid plans can go awry as the immutable individuality of different ways of making sense, of interpreting and making meaning of the world, intervenes. Managers use sensemaking to construct the situation that they are in. They draw on professional disciplines, organization rules and routines, as well as everyday stocks of knowledge, to make this sense. Even though organizations have hierarchies that seek to sustain top management’s ways of making sense as the natural attitude of those who are subordinate, there are so many competing sources of sensemaking that the social construction of a shared reality is always an enterprise that is likely to crack up and break down.

People who share only organization membership, but neither gender, ethnicity, age cohort, religion, families, interests, friends, pastimes, nor anything else, are hardly likely to find it easy to make common sense other than in a superficial way, without rational designs, plans, and structures binding them together.

Organizations go to great lengths to try and ensure that stocks of knowledge are shared as widely as possible within the organization, as we will see in subsequent chapters, and do so in ways that are reflected in each of the subsequent chapters:

1. Creating induction programmes (Chapter 2), which socialize individuals into an organizational frame of reference; they train individuals in teamwork and groupwork (Chapter 3).
2. Hosting leadership development, coaching, and training for common understanding (Chapter 4).
3. Building highly rationalistic HRM plans and seeking to implement them (Chapter 5).
4. Emphasizing strong, common cultures (Chapter 6).
5. Designing lots of rules to frame everyday behaviour in the organization (Chapter 7).
6. Managing power, politics, and decision-making so that plans are implemented, not resisted, and so sectional and specific interests are well aligned with rational plans (Chapter 7).
7. Communicating these rational plans, their culture, and other messages to organization members (Chapter 8).
8. Capturing all of what their members know and embedding it in management systems as they try and practice organizational learning (Chapter 9).
9 Managing change, introducing and effectively using new technologies, and ensuring innovation (Chapter 10).

10 Incorporating new mandates arising from social issues and concerns articulated by new stakeholders and influential social voices, such as sustainability, ethics, and corporate social responsibility (Chapter 11).

11 Implementing global management principles in the organization (Chapter 12).

12 Adjusting the structure of their organization to fit the contingencies it has to deal with, be they size, technology, or environment (Chapters 12 and 13).

13 Designing the organization in order to empower (some) people and distribute (some) knowledge while not empowering or sharing with others (Chapter 14).

14 Managing to manage globally, to manage globalization, and to deal with the added complexities that managing in a global world entails (Chapter 15).

SUMMARY AND REVIEW

In this chapter we have introduced some key ideas as well as many of the topics that will frame the remaining chapters.

We have introduced the two key terms that comprise the title of the book: managing and organizations. We chose to begin with organizations, as this is the more conventional point of departure. Next, we considered managing, the other key word in the title of the book. Managing is an activity, something that we all do. We all manage our everyday lives, more or less competently. While managers are specialists in managing – it is the job that they are paid to do – this does not make everyone else they work with a non-manager. They do not give up managing their affairs because someone called a ‘manager’ has come on the scene.

The core competency of managing is sensemaking: making sense of others, of situations, of material things and immaterial ideas, plans, and documents. It is possible to make sense on one’s own but it is not advisable. Sensemaking is what we do when we make sense of situations, people, and things. Most of what is important about situations, people, and things is the sense that others are making of them, and if we do not have a good grasp of the range of sensemaking that is going on we cannot begin to act as effective managers. Being an effective manager means getting things done, and to get things done we have to act with and through others: we must form alliances and coalitions, use power, build relations, develop cultures, and so on.

We never manage in a metaphorical ‘green field’. There is always too much history, too much past sense that people have made of the same situation or situations that they define as being similar. That’s how people make sense – they make comparisons using what they know. People bring past experience to bear on the situations in which they find themselves. Different people often make different sense of what appears to be the same situation. Managing has to deal with these different definitions of the situation.

Organization is, in many ways, a prescribed state, and a great deal of management and organization theory seeks to prescribe its states. But managing is never static, always dynamic. Managing means accomplishing organization in action. If rules are not followed, if routines are not repeated, if standards are not reproduced, then the organization is not being achieved in the terms that those who seek to control think it should be. Contrary to much conventional thinking, lack of control may not be such an error. Creativity and innovation rarely come only from following rules or orders: it is often the exclusion of error, according to plans, that makes organizations more fallible and likely to fail, precisely because they have minimized opportunities for learning.
For the individual, becoming an employee in an organization means renouncing some degree of freedom of choice and freedom of sensemaking. As the old adage has it, you have to fit in – and organizations will go to great lengths to try and ensure that you do, from selection, through training, to performance-related pay. Much of HRM is oriented to achieving desired organizational behaviour. As an employee, you have to make sense on terms that are largely prescribed for you – and for those who are managing you and those whom you are managing. There will always be areas of agreement and areas of conflict and some things that just do not make much sense.

Managers use many artifacts with which to manage: organization charts, standards, routines, rules, technologies, and, above all, formally planned and prescribed ways of relating to and using all these devices. Because of sensemaking they may actually use these devices in creative and different ways. The devices used by managers do not prescribe what management does: managers choose how they will use what they use and what they seek to position it as meaning, just as do all those other people in and around their organizations – subordinates, colleagues, rivals, suppliers, customers, etc., who have an interest in the situation being defined and managed.

Sensemaking is always more problematic when situations are changing rapidly and their definition is contested or unclear. The world of organizations is changing rapidly at the present time such that ever since the development of new digital technologies, particularly the Internet in the mid-1990s, writers have been noting that paradigms of management were changing (Clarke and Clegg, 1998). In this book we focus not only on new technologies but also on changing international divisions and specialization in the production of goods and services, and the skill implications of these for managers; we also look at the effects of globalization and the increased diversity that this creates for organizations to manage; also, we consider the role of changing values, particularly those concerning corporate social responsibility and sustainability, values often held dearly by the younger generations, and consider what it means to manage in a world that is not only speeding up but becoming evermore integrated. All these trends are deeply corrosive of traditional modes of organization.

EXERCISES

1. Having read this chapter you should be able to say in your own words what each of the following key terms means. Test yourself or ask a colleague to test you.
   - Managing
   - Technologies
   - Values
   - Organizations
   - Sensemaking
   - Identity
   - Rationality
   - Hierarchy
   - Metaphors

2. What do you think are the major changes that are shaping the contemporary world and what do you think their impact is on management?

3. What happens to one’s sense of individuality in organizations?

4. How is your world flat?

ADDITIONAL RESOURCES

1. If you want to find out more about ‘sensemaking’, then the key resource is Weick’s (1995) book, called Sensemaking in Organizations. It is not an introductory book, though, and may be hard going if you are new to this subject.

2. Three excellent books on problems with the rational model of organizations have been written by the Swedish theorist, Nils Brunsson. These are The Irrational Organization (1985), The Organization of Hypocrisy (1989), and Mechanisms of Hope (2006). Together they form a remarkable trio of organization analysis at its best. Again, however, they are not for the introductory student. There is also an interview with Nils Brunsson on www.sagepub.co.uk/managingandorganizations3.

3. Rational choice theory is dissected economically and clearly by Zey (2008a).

4. If you want to know more about the major changes shaping the contemporary world of business you could take a look at Clarke and Clegg’s (1998) Changing Paradigms. It is dated now, but still has several interesting points to make about globalization, digitalization, and so on. This book is not too difficult for the introductory student.

5. A good overview of approaches to understanding and sensemaking in organizations is
provided by Sandberg and Targama (2007), in their excellent book *Managing Understanding in Organizations*.

**WEB SECTION**

1 Our Companion Website is the best first stop for you to find a great deal of extra resources, free PDF versions of leading articles published in Sage journals, exercises, video and pod casts, team case studies and general questions, and links to teamwork resources. Go to www.sagepub.co.uk/managingandorganizations3.

2 For state of the art briefing on how to manage organizations effectively, please visit the Henry Stewart Talks series of online audiovisual seminars on Managing Organizations, edited by Stewart Clegg: www.hstalks.com/r/managing-orgs, in particular, Talk #1: Introducing the field of managing organizations, by Stewart Clegg.

3 A great resource site is www.criticalmanagement.org/. It is packed with useful and searchable bibliographic references and links as well as pod casts.

4 We assume that most readers of this book will be either students in business or intending to be so. If this is the case then you might find the following website useful: http://www.business-administrationdegree.com.

5 A good site for the fashion retailers, Zara, is to be found at: http://www.zara.com/.

6 Yale University hosts a site with many interesting and relevant interviews, articles and debates – well worth exploring: http://yaleglobal.yale.edu/.

7 Good pages on sensemaking are to be found at http://communication.sbs.ohio-state.edu/sense-making/.

8 Pearltrees has an interesting site on sensemaking: http://www.pearltrees.com/#/N-u=1_16309&N-f=1_343513&N-s=1_343513&N-p=2062093&N-pw=1.

9 There is a special issue of the journal *Organization Studies*, one of the consistently best journals in the field, on ‘Making sense of organizing: In honor of Karl Weick’, which is available at http://oss.sagepub.com/content/vol27/issue11/, if your institution has viewing rights. Otherwise, the issue is Volume 27, Number 11, 2006.

10 An important research article on sensemaking and organization by Karl Weick, Kathleen M. Sutcliffe, and David Obstfeld is available from http://tinyurl.com/2dsopq.

**LOOKING FOR A HIGHER MARK?**

Reading and digesting these articles that are available free on the Companion Website www.sagepub.co.uk/managingandorganizations3 can help you gain deeper understanding and, on the basis of that, a better grade.

1 Universities are similar to McDonald’s – or at least, some are! This is the conclusion that Parker and Jary come to in a 1995 paper on ‘The McUniversity: organization, management and academic subjectivity’, *Organization*, 2 (2): 319–338.

2 In an article highlighted in the chapter, by Karl Weick (2006), titled ‘Faith, evidence, and action: better guesses in an unknowable world’, *Organization Studies*, 27 (11): 1723–1736, there is a good and accessible account of his approach.


4 How management ideas are used in management practice is a topic of perennial interest, given the role of business schools and subjects such as the one that you are probably doing now! Andrew Sturdy’s (2004) ‘The adoption of management ideas and practices: theoretical perspectives and possibilities’, *Management Learning*, 35 (2): 155–179, is a good place to get an overview of some current views.
