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Narrative in strategic change

Richard Dunford and Deborah Jones

ABSTRACT

Sensegiving constitutes a key process in the management of strategic change. Often this takes the form of narratives that provide a portrayal of events surrounding the change. This article reports the findings of research into the strategic change narratives that emerged in three organizations in which the senior management were seeking to respond to deregulation of the economy in which they were operating. The results illustrate both the existence of such narratives and the variation in form that they can take.

KEYWORDS

deregulation ■ narrative ■ sensemaking ■ strategic change

Introduction

According to Araujo and Easton (1996: 371), 'the primary task of management is . . . to construct a discourse of corporate coherence'. This is especially so at a time of change. The ubiquitous concept of 'vision' in prescriptions for the management of change (see, for example, Kotter, 1996) captures some of this idea but is a concept that only touches the surface of what is implied by the notion of the social construction of meaning (Berger & Luckmann, 1966). A more detailed perspective is provided by the concepts of 'sensemaking' and 'sensegiving' (Gioia & Chittipeddi, 1991; Taylor & Lerner, 1996; Weick, 1995). At times of change, organizational members will construct an interpretation of events and of the implications for them (sensemaking). The senior management of an organization cannot prevent this process occurring, but they can seek to have a major influence on the interpretations that are arrived at by presenting their own construction of events (sensegiving).

Strategic change involves the constituting of a new reality in the minds of organizational members. Language is heavily implicated in this process. It has an 'active [rather than a passive] relation to reality' (Fairclough, 1992: 42), that is, it does 'not simply describe the social world, but categorise[s] it . . . [and] bring[s] phenomena into sight' (Parker, 1992: 4). Language affects both what we constitute as objects of concern, and the actions we conceive. It frames the way people understand and act with respect to an issue (Pentland, 1999; Watson, 1994). In respect of the role of language in organizational change, Sillince (1999: 493) argues that 'what little evidence there is suggests that it is critically important'. For Evered (1983), organizational change necessitates a language change to be successful. Similarly, Marshak (1993, 1996) argues that managing the language is a critical competency for the successful leadership of change, while D'Aveni (1994) argues that a new language is of central importance in enabling managers to conceive of how to act in a 'hypercompetitive' environment.

Language use in organizations will often take a narrative form (Czarniawska, 1997; O'Connor, 1995, 1999). We take 'narrative' to be a textual form in which a story is told: 'events and happenings are configured into a temporal unity by means of a plot' (Polkinghorne, 1995: 5). This process of configuration gives a 'narrative meaning' to events: they are drawn together by thematic threads, and the actors in these events are seen as purposefully engaged in the world, contributing to and influencing the final outcomes. Time is always the central configuring theme, as argued by Le Guin (1989: 38):

Narrative is language used to connect events in time. The connection, whether conceived as a closed pattern, beginning-middle-end, or an open one, past-present-future, whether seen as lineal or spiral or recursive, involves a movement 'through' time for which spatial metaphor is adequate. Narrative makes a journey.

Narratives are especially likely to be of significance during times of strategic change; in this situation 'stories about directionality are variously appropriated, discounted, championed and defended' (Barry & Elmes, 1997: 432). Central to this 'directionality' is the nature of the narrative as something that is intended to persuade others towards certain understandings and actions. From a narrative perspective, the success of a strategic story may depend less on such tools as environmental analysis and strategic planning than on whether it is an engaging, compelling account that encourages the actions desired by the authors of the narrative (Barry & Elmes, 1997; Shaw et al., 1998).

Research

In this study we look at the strategic change narratives that have emerged in three organizations in New Zealand. The study was undertaken to take advantage of a circumstance that had some aspects of a natural experiment. New Zealand has been the site of extensive economic reform. This has included deregulation of the financial market (including the removal of interest rate and foreign exchange controls and the introduction of a floating exchange rate), deregulation of the goods market (including the removal of agricultural subsidies, export assistance and import licensing), deregulation of the labour market, and reform of government organizations (including corporatization, privatization and contracting-out) (Evans et al., 1996). Although individual constituent elements of these reforms have been applied elsewhere, the New Zealand situation is unique because of the particular combination of the range of reform, the depth of reform and the pace of change (Campbell-Hunt et al., 1995; Evans et al., 1996).

Our working assumption was that these circumstances were likely to provide the 'discursive space' (Araujo & Easton, 1996) within which the production of new strategic change narratives could be expected to emerge. Deregulation, as well as taking the form of the above-mentioned practices, can itself be seen as a narrative that presents a story of 'growing up, achieving independence and asserting one's individuality in the face of old-fashioned and traditional social restrictions' (Duncan, 1997: 66). Our

interest was in identifying narratives that constitute a thread through the change initiatives of organizations in this situation.

Method

We obtained our data through semi-structured interviews with managers in three organizations. Following Miles and Huberman (1994), the selection of the cases was treated as a sampling issue and was given high priority. The three that were chosen were selected so as to represent industries likely to have been affected in quite distinct ways by the extensive deregulation. Pseudonyms are used to provide anonymity. The first organization, Infotech, was a multinational information technology company from a sector characterized by extensive competition prior to deregulation; Telco, a telecommunications company represented a sector subject to substantial deregulation as a result of the reforms; and Govtdept, a government department, was selected from a sector of the economy that was a major target of the reforms.

The interviewees included the CEO and the majority of the top management team in each organization. This group comprised two-thirds of the interviewees. The remaining third were selected from the top three tiers of management in the organizations. The focus on the most senior managers was because we specifically wanted to talk to those managers who were most involved in discussions and decisions about the strategic response of the organization to the changing conditions in which it was operating. It was only on this basis that those managers not in the top management team were selected as interviewees. The 'identifiable narrative voice' (Pentland, 1999) is that of these managers.

There were 45 interviews undertaken, 15 in each of Infotech, Telco and Govtdept. Multiple managers were interviewed in each organization because our interest was in narratives that were 'collective property', that is those that pervaded the ranks of senior management in the organization rather than those that were idiosyncratic. Interviews ranged from 40 minutes to 1 hour and 40 minutes in length, with most being around 1 hour and 15 minutes. The interviews were semi-structured, in that all respondents were asked a series of common questions, but they were also open-ended. This approach ensured some commonality of topic across interviews, while also encouraging managers to expand into issues that they saw as important. The interviews were carried out between June 1996 and July 1997.

In order to improve confidence in the findings, as recommended by Eisenhardt (1989), multiple investigators were used; both researchers carried out interviews in each organization, and in some cases both researchers participated in the interview, in particular, for the first few in each organization.

The interview schedule involved an iterative development, consistent with a grounded theory approach (Glaser & Strauss, 1967). The two researchers met after each interview (or occasionally after two had been completed) to discuss the content of the interview(s). On this basis the original interview schedule was progressively complemented by questions that reflected recurring issues from earlier interviews. Interview material was supplemented by documentary material, including annual reports, press reports and internal memoranda, although these failed to have the richness of language or the detail provided through the interviews. While providing a form of triangulation, the documentary sources did more to confirm the value of the interview approach.

The content of all 45 interviews was fully transcribed. The transcripts were then read independently by both researchers with the objective of identifying the nature of any recurring narrative in the way in which the managers discussed strategic change in their organizations. Although these readings were independent, they took place on the basis of the high degree of interdependence that characterized the iterative data collection stage. The process of identification of narratives followed Reissman (1993) and Pentland (1999) in recognizing that they take on many forms. While some may conform to a classic, self-contained, story format (for example, Boje, 1991), others will take the form of a pattern of themes that recur in management discourse.

The Infotech narrative

Infotech is the New Zealand branch of a multinational information technology company. Poor financial performance followed by major downsizing through the early to mid-1990s meant that the senior management of the local company was focused on strategic change that was intended to re-establish the financial viability of the company. The Infotech strategic change narrative takes the form of an interconnected set of themes which are regularly used by Infotech managers as they discuss the need for change in response to the business context that the company faces. The recurring elements are: 'The rebel days', 'The 1000-day journey', 'We must stand on our own two feet' and 'Re-globalization'.

'The rebel days'

The heavy financial losses were a world-wide phenomenon for Infotech's parent company. In this context, Infotech's poor performance was only a very small part of the total problem that faced the parent company. This had opened up an opportunity for Infotech 'to go it alone'. Its parent's global

auditing processes were ignored. These were the ‘rebel’ days for Infotech. In the words of one manager:

We were real rebels . . . because we were, we were in stretch. I mean we had no resources, we had no money and we had virtually lost [two-thirds of] our people so our culture had walked out the door too.

As an Infotech training video puts it – in a mixed metaphor – this was the time to ‘overturn the sacred cows of the Infotech past’, and ‘rebuild the mind-set and behaviour patterns of the company’.

‘The 1000-day journey’

The Infotech managers referred to the process of strategic change as requiring a ‘1000-day journey’ of transformation. The journey image was framed in terms of a round-the-world yacht race – a sport in which New Zealanders have been successful in international competition. In the opening sequence of a video based on the ‘1000-day journey’, Infotech was presented as ‘racing to recover faster than our competitors’. The recovery of Infotech was firmly located in the context of ‘the Kiwi way’, the Kiwi being the indigenous bird which has become an icon for New Zealand national identity. The ‘Kiwi way’ was presented as the capacity to change things quickly and show ingenuity in the resolution of problems, the latter often being characterized as ‘Kiwi ingenuity’.

‘We must stand on our own two feet’

The organization’s relationship with its parent company was reframed as ‘standing on our own two feet’. This metaphor was used in conversation and ‘formalized’ through its use in the Infotech training video referred to above. A map of New Zealand was displayed along with references to the need for an ‘an ethic of stand on your own two feet’ and a recognition that ‘the world doesn’t owe us a living’. In this way the transformation of Infotech was linked to the social and economic narratives in New Zealand that were increasingly dominant in the late 1980s and early 1990s. The United States parent-company narrative that centred on competitive advantage combined with a local political narrative that emphasized ‘market forces’ to create a nationalist narrative in which ‘standing on our own two feet’ was created as a natural imperative for New Zealand, and for Infotech.

‘Standing on our own two feet’ was also a metaphor that was applied to the nature of the relationship that managers were to have with the ‘new’ Infotech. Personal responsibility was seen as central to driving the momentum

of deregulation. Culture change – which began with a major downsizing – has included the end of the expectation of life-time employment. This shift involved negatively valuing what was construed as ‘dependent’ behaviour. In the past, organizational loyalty was related to life-time employment ‘in a cradle to the grave environment’ as one manager put it, evoking the link to the welfare state. Just as ‘dependence’ on the welfare state was now considered obsolete, dependence on the employing organization was considered bad for the organization – a form of dis-loyalty, in effect. The re-structured manager was to be a new type of manager with a new relationship to career and organization. The ‘new’ managers are expected to have ‘new attitudes’, ‘new values’ and ‘new behaviour’. Some managers saw certain personalities as doing well in the new environment and others as not going to ‘make it’:

To be honest the solution was they either accept it [if] they can – I mean adapt to doing things differently – or if not then was Infotech really the place that they want to continue working in? Because I mean we, the nature of our business, was going to continue to change. There are some people though that [don’t] want to do that.

Others saw all staff as able to be shifted into the new environment if they are managed well:

You’ve just got to find the right spot for them within the organisation. I’m not a, aah, not a socialist at all about this but I’m really concerned a lot of people just get rid of people . . . you’ve got to look at how you apply those skills they’ve got.

It was interesting to note here that this manager makes the slightly defensive comment that ‘I’m not a socialist about all this . . . but’. This comment indicates the connections between the narrative of personal responsibility and the ‘welfare’ of employees with the broader political and economic changes in New Zealand during the 1980s and 1990s. The social welfare system that had characterized New Zealand prior to deregulation was positioned as obsolete, like the ‘cradle to grave environment’ mentioned earlier.

‘Re-globalization’

However, the elements of the Infotech strategic change narrative are not all mutually reinforcing. As the parent company was turning around its performance internationally, its attention was returning to various constituent parts of

the international operation. Talk of 're-globalization' began to emerge. At the core of this concept was the idea of re-integrating the various parts of its global presence into a more unified set of structures and practices (given a perception that 'the crisis had passed'). However, for the managers at Infotech, this was a mixed blessing. The doctrine of 'stand on your own two feet' which they had been pushing was one that had been successful in terms of its effect on the 'mind-sets' of staff and, in particular, of the managers who themselves had been the main proponents of the message.

Resistance to this process of re-globalization was expressed by managers in terms of an unwelcome return to a dependency relationship. The 'rebel days' when the local operation was cut loose from the global corporation, was the beginning of a time when Infotech was not able to depend on the corporation to bail them out of their massive losses. They were facing a real risk that Infotech might not survive, but were free to manage themselves and to 'overturn the sacred cows'. Infotech was 'standing on [its] own two feet', and regaining profitability through local changes in strategy and culture. Managers proudly relayed stories about the new independent spirit of Infotech, 'reborn' as a company that they saw as 'entrepreneurial'.

We had the Asian heavies at one stage telling us we've got to do something and [saying to us] 'this isn't a choice, it's a mandate'. And we're all going, 'Oh no'. But . . . I said, 'Well this isn't a mandate and we are doing it this way, and we're going to continue because we're only a small country and we don't have a few thousand people to do all these things.'

In particular, the associated re-imposition of global processes was unwelcome because it was seen as involving a return to the 'bureaucracy' associated with the 'old' Infotech. 'Just do it' was one of the key statements supporting the Infotech vision: the idea that 'we'll find a way and we'll do it'. While urgency was also an aspect of the global corporate rhetoric, there was concern within Infotech that, in practice, re-globalization would hinder its capacity to be flexible and fast moving.

One of the strengths of downsizing – and being this entrepreneurial company – was that we were seen to [have], I guess less rigid processes. Now that's not to say that some of the things we're doing aren't important in terms of reducing our risk in the marketplace and those sorts of things. But there was a danger that because we've got our profitability back that we were going to have imposed on us again the

sorts of things that – levels of processing and overhead – that we really don't need.

The change narrative around the theme of 'standing on our own two feet' was associated with the introduction of changes both at the level of the way Infotech did business and at the level of the conceived relationship between employee and Infotech. However, its apparent success in terms of becoming embedded in the consciousness and practices at Infotech was setting up some barriers for the newer component of the change narrative with its emphasis on the child returning to the rule of the family having experienced the rewards of independence.

The Telco narrative

Telco operates in an industry in which deregulation has led to the privatization of the government-owned telecommunication organization – which previously had a monopoly in the provision of core elements of the telecommunications industry – and to the development of intense competition from international telecommunication companies which have moved into the New Zealand market (Telco managers regularly referred to it as being the most deregulated telecommunication market in the world). This deregulation has led to sharp falls in price in the bulk commodity part of the business (telephone calls) leading to a focus on cost reduction, revenue growth and the development of value-added commodities. In this context, a recurrent message is that Telco staff must focus on what one manager described as 'the fascinating and demanding challenge of delivering constant change'. The Telco strategic change narrative takes the form of an interconnected set of themes which are regularly used by Telco managers as they discuss the need for change in response to the business context that the company faces. The recurring elements are: the sense of threat, the need for alignment of individual perspectives with corporate objectives and the importance of taking personal responsibility for achieving business outcomes.

'We're under threat'

Telco has the largest market share in most of its markets. Despite this, a key theme in the way Telco managers discussed the company's situation involved the image of the organization as being under threat. In this situation the company was described by one manager as being 'very obsessed with market share, so even losing a point or two . . . is seen as a major

calamity'. Another commented that they were so 'keenly aware of the competition that is out there in every aspect of the business [that] . . . we're close to paranoid'. A sub-theme related to a perception that competitors were free to 'take shots' at Telco while they were constrained in their capacity to act in this way because, according to one manager, 'any proactive litigious activity – adversarial activity – would be seen as the wielding of a dominant position'.

In the light of the size of the market share that Telco had in most of its markets, the threat theme may seem to be exaggerated. However, a core concern of the senior management was to counter the complacency that might otherwise arise in a company with a dominant market position. The message was that while market share must be maintained, that by itself is not enough. Telco had to be competitive as an international company: 'we see ourselves as competing to deliver to our shareholders . . . the kind of returns that they might expect internationally'.

The message that was being delivered was that the standards expected of Telco staff must conform or exceed international best-practice; that shareholders, in the words of one manager, '. . . are entitled that we [Telco] be an international benchmark in terms of how a telco should operate'. To do this major change was necessary; staff had to focus much more intensely on the customer – 'they really had to turn it [Telco] right around and if they didn't focus on the customer it was going to die'.

'We must have alignment'

For Telco to be able to respond to this situation, 'alignment' was advocated. The concept of alignment arises in regard to discussion of the relationship between the way managers manage and what are seen as necessary skills in the deregulated environment. Emphasis is placed on the managers needing to be 'aligned'. This is connected to a practice of bringing in managers from outside the organization where the management style and disposition is seen as more important than industry knowledge. Alignment is also a concept used to describe the need for a unity of purpose by all staff which in turn is associated with an advocacy of individual contracts for all staff.

We are interested in alignment. We want people who are committed to going forward in the direction that the organization wants to go forward. . . . What we don't want is a situation where we've got people who basically don't want to go in the same direction. Life's too short for that!

The basis of the employment relationship is seen as performance: the organization provides opportunities for the individual to learn and develop competencies, and in return the individual must perform. The employment relationship is strongly defined in terms of the one-to-one relationship between manager and employee. The accountabilities in this relationship are seen as the basis for the alignment between the individual and the organization, and are seen by most senior managers as best represented by the individual employment contract.

The strength of any organization is going to be to get alignment of the owners and workers . . . alignment is absolutely critical. . . . Our aim is to have all [staff] on individual contracts because we believe that is the best way of getting alignment. . . . It is that one-on-one relationship that is really the critical component of making people feel good about working for us and wanting to work for us.

The Telco philosophy of the employment relationship is strongly linked with organizational philosophies on the value of privatization and deregulation, applying to labour markets as well as to specific telecommunications industry contexts.

I believe that the role of trade unions has long gone. . . . I used to think that if we didn't have unions, the capitalist owners, they'd be screwing everybody. I've come to the conclusion that if that is the way that we as managers and our owners think, well we might as well give up.

It is seen as essential for staff to move from what is seen as an obsolete dependency relationship to an independent stance based on confidence in their employability outside the organization. It is seen as necessary to educate staff – or to force them – to see the need and the opportunity to look after themselves and make sure they are employable. This confidence is seen as potentially creating a relationship of greater mutuality.

Today the deal is 'hey, look, come and work; we'll give you the opportunity to perform; you're going to have to develop real fast because we're probably going to thrust you into a bigger job and this organization is in a state of flux and, you know, at some point it may be that things will change and we won't need you anymore'. . . . It's got nothing to do with whether or not you're good, it's just got to do with how this organization is changing . . . the deal is you could leave here having advanced in terms of your capability and therefore your employability in the labour market.

The dominant view is that 'loyalty' is a spurious issue, which may in fact indicate a wish to return to previous 'dependency' relationships between the organization and its staff. Work achievement is seen as the basis of future employability. Career paths are seen as largely irrelevant to the new organization where structures are constantly in flux. Individuals are seen as themselves responsible for thinking about their own needs for career development and for looking for opportunities that enable it.

It's about the environment you create, I think, rather than sort of an old fashioned institutional loyalty. It is more a loyalty to the power of ideas and the fun of working with them.

For those employees still concerned with issues like security of employment, the advice is direct:

Security in this day and age is your ability to do a job individually and working for a successful organization.

'Take personal responsibility for decisions'

The stress on individual contracts is extended to an emphasis on 'personal responsibility' as a key part of the Telco way.

The culture that the management of this company want to see thrive is a culture that is . . . highly individualistic in the sense of encouraging people to take personal responsibility for decisions. . . . It's not a team that is collectively responsible for finishing something. It's an individual who's responsible for making sure that they have all the necessary inputs they need to deliver the best possible product that they've been charged with coming out with.

This capacity to take personal responsibility was connected to the key attributes sought in Telco managers; they had to be 'good thinkers', 'people who can deliver' and people with 'robust personalities'. In particular, as one manager put it, they must be 'people who don't need stroking all the time . . . we can't afford to have people with frail egos'.

One of the notable features of the Telco narrative was the lack of stories as a means of carrying the narrative. In this sense, the narrative style within Telco stands in stark contrast with the imagery-rich Infotech narrative. The sole example of a story-driven element that we encountered related to the theme of taking personal responsibility, in this case, for getting rid of obstructions that

are in the way of progress. It involved a story that a manager told his staff at an annual 'retreat'.

There's a movie Paton with George C. Scott. There's a scene in the movie where they're advancing on Germany and all the column comes to a halt and they're being straffed by planes; it's snipers and this sort of thing and all the men are being shot up and Paton jumps in a jeep, goes to the front line and says, 'What's holding this column up? Get moving!' They say, 'We can't' and there is this French peasant on this bridge, with this sort of cart and these two donkeys which won't move, and Paton saying, 'You're meaning to tell me my men are being shot, my equipment is being blasted out of the air because these donkeys won't move!' He pulls out his guns and he shoots the donkeys. . . . This theme has just swept like wildfire and we've got this email sort of thing and hardly a week goes by without somebody saying, 'I shot the donkey!'

A notable feature of the Telco narrative was the high degree of commonality of view espoused by the managers. Only one of the interviewees expressed any concern about the wisdom of the Telco approach.

There're three stakeholder groups, there's shareholders, there's staff and there's customers. And I believe if you don't look after staff you can't look after the customers and you won't look after the shareholders. . . . [However, Telco] is seen by its staff to rate 10 out of 10 on focusing on shareholders, 6 out of 10 on customers and 3 out of 10 on staff. It's seen to play hardball with its staff.

The Govdept narrative

Govdept is a traditional government department in the sense that it is a government-sponsored monopoly. However, with deregulation came a focus on 'reinventing government' in terms of its role in the provision of services (Boston et al., 1991; Stace & Norman, 1995). A number of government departments were privatized or reconstituted as state owned enterprises (SOEs). Within Govtdept this development has led to the senior management giving a lot of time to consideration of the implications of what 'reinvention' means for their organization. The Govtdept strategic change narrative takes the form of an interconnected set of themes which are regularly used by Govtdept managers as they discuss the need for change. At the centre of this

narrative is one dominating theme: 'We must think of ourselves as a business'. Supporting themes were 'think of the public as customers' and the somewhat threatening 'we mightn't be here in the future'.

'We must think of ourselves as a business'

Govtdept managers talked in various ways about a move to a 'business' model for the organization. In this model the central concept is the provision of cost-effective services based on the level of funding received, and it was contrasted with the previous model of public service culture, where the 'public good' was central. The shift that Govtdept was still going through was, in the words of one manager, 'from thinking of ourselves as a public service to thinking of ourselves as a business'. For one of the managers, the core of the challenge at Govtdept was described as 'trying to make a government agency think like a business . . . trying to get some mentality with the people that work here that it is a business'.

The notion of 'core business' is used to continuously re-evaluate what (if anything) the department should continue to do. Opportunities to out-source are sought and explained as being based on the need to find the most efficient and effective service delivery, regardless of whom delivers the services. Also, although Govtdept is a state-sponsored monopoly, other government agencies are defined as competitors on the grounds that the decision to keep certain activities inside the public sector does not preclude re-allocation of responsibilities to other departments.

'Think of the public as customers'

The move to be more 'business-like' involved some difficulties in the translation of key terms. For example, the use of the term 'customer' caused some confusion. It was a term applied to the public; staff were encouraged to think of them as customers. Yet at the same time the government and the Minister are sometimes spoken of as 'the customer'. Funding for the department's operations is not based on revenues created through customer relationships, but is allocated by the Minister – who is in a sense the key 'customer'. Again, the 'business' narrative is strained as the 'customers' do not pay for the 'services' of Govtdept – in fact they often actively resist them, because Govtdept also has an enforcement role. The business analogy is further complicated by references to the government as 'the shareholder', 'the purchaser' and 'the owner'. Senior management explain their responsibilities as being to respond to the 'shareholder's [the Government's] directive to maximize revenue and minimize costs', much as a private sector

business would be expected to do by its shareholders. The outcome of this is described by one manager as:

The government as purchasers and owners [will be] demanding more and more from us . . . and they'll be looking for efficiency savings that we can hand back. So that's not going to change and that is becoming harder and harder to do and the outcome of this is that we have to look for more and more radical ways of doing things.

Govtdept's strategic narrative does not fit without strain into a story of 'deregulation' in which businesses select strategic options, develop and have clearly defined revenue-generating customers. The sensemaking role of senior managers is to create a convincing narrative of steady progress towards being 'business like', while at the same time maintaining an accountability to the Minister as customer, and 'serving' customers who might prefer that they were left alone. What is proposed at times is more like a tactical withdrawal from the market. This narrative also involved the idea of smaller government; Govtdept is to be part of this wider move 'so we intrude as little on people's normal lives or business lives'.

This approach is consistent with the move to making decisions on the provision of services within a framework that utilizes the notion of market segmentation. Like many customer-oriented organizations, Govtdept has been analysing 'the market' to see which are the key strategic customer relationships in terms of maximizing revenue, and so is moving towards major corporate customers, and seeking to minimize personal customer contact.

'We mightn't be here in the future'

The discussion around the concept 'core business' is connected by the managers to a rejection of two basic assumptions traditionally held in Govtdept. The first of these is that the activities they carry out are 'naturally' undertaken by a state-funded monopoly; the second of these is that the monopoly carrying this out would be them. This has led to a consideration of the long-term future of Govtdept. A particularly interesting extension that arose from the 'meet the needs of the customer' logic, that was espoused by some of the managers, was the idea that at some point this might best be served by Govtdept ceasing to exist. The department's senior management express the view that the organization must put effective delivery of services ahead of the organization's survival (at least in terms of its traditional activities). In the words of one manager:

Well there wouldn't necessarily be a Govtdept in the future. . . . I think attitudes are changing . . . and certainly have done so in the last 10 years and if you project that forward . . . then I don't think there necessarily has to be a public body who [does what we do]. . . . I don't think we treat ourselves as having the monopoly for long . . . put it that way. . . . Look at the function we perform. . . . Another organization could easily do that. There is no reason why a public sector organization has to do that.

The serious discussion of a future without Govtdept brings into stark relief the notion that under deregulation no traditional government monopoly is sacrosanct. The senior managers want to see the department survive as the most credible provider of its services but articulate the argument for this to occur using a competitive logic rather than one based on the traditional argument of necessary state monopoly.

Conclusions

This article began with the assertion that 'the primary task of management is . . . to construct a discourse of corporate coherence' (Araujo & Easton, 1996: 371) and that this is especially so in times of change. At these times, organizational members will construct meaning for themselves (sensemaking). A key input to this process can be the interpretation of events, and of their implications, provided by managers. Acting in this way managers are sensegivers. New Zealand in the aftermath of deregulation of unique range, depth and pace, provided a context in which organizations across a wide range of sectors sought to 'make sense' of their changed circumstances.

This study looked at three organizations in this context – Infotech, Telco and Govtdept – with particular focus on the repeated themes that pervaded their senior managers' descriptions of the imperatives for action in this deregulated world. The concept of narrative was applied to the collection of themes that were identified. In Infotech, the narrative revolved around a number of figurative images – 'The rebel days', 'The 1000-day journey' and 'We must stand on our own two feet'. The impact that these had was revealed when a new theme – 'Re-globalization' – entered the language with implications that challenged the practices that were the underpinning of the established narrative themes.

In Telco, the narrative element was in one sense much less obvious as it was much less adorned, that its constituent elements were, by comparison, austere exhortations rather than the more traditionally understood narrative

structure with its more recognizable story form. None the less, it is in our view, every bit as much a narrative, in that it has mutually reinforcing elements that 'tell a story' even if not of the traditionally understood form. The recurring elements are: the sense of threat, the need for alignment of individual perspectives with corporate objectives and the importance of taking personal responsibility for achieving business outcomes. Telco was also notable for the high degree of commonality of view expressed by its senior managers, a quality possibly due to the fact that many of these managers were relatively recent appointments who had self-selected into Telco on the basis of an awareness of the management philosophy of the CEO. One aspect of the narratives that linked Telco and Infotech was the dependency motif which connected intra-organization practices to a key societal theme in the economic restructuring of the country. In Telco, in particular, the link between what was being done in the two spheres was explicit in the accounts of managers. In Govtdept, the third of the organizations, there was one dominant narrative theme, the 'need' for it to think of itself as a business. As an outcome sought by government organizations in deregulated contexts, this repeats an orientation that has been well documented (see, for example, Du Gay & Salaman, 1992). This goal of thinking like a business was to be striven for, even if its successful achievement were to be the removal of the need for it to exist.

It is interesting to speculate on the effect of strategic narratives on the managers themselves. In doing the interviews, there were several instances where the managers concerned seemed to be involved in a dialogue with themselves. This idea that the 'audience' for such accounts includes the speakers themselves is also noted by Watson (1995a) and is consistent with the idea that the sensegiver is 'giving sense' not just to some 'other' but also to him or herself (Weick, 1995).

Finally, it is appropriate to note some limitations in the study. First, the interview is a particular type of social interaction and so the researchers may have received a particular type of account. However, there is reason to believe that this is not a significant limitation. The consistency of repertoire between interviewees in an organization suggests that they were drawing from a common narrative within their organization. Also, the documents that were accessed as part of the research gave no indication of the existence of a parallel narrative. Second, despite this, the interpretation given in our analysis may not be the only possible 'reading' of the data. As Brown (1998: 40) note, the construction of narratives by the researcher is 'not just a "writing up", but an artful process involving the manipulation of research material to produce a plausible account'. As Pentland (1999) notes, our own theorizing is a narrative product (see also, Watson, 1995b). Similarly, Parker and

Burman (1993: 156) note 'discourses are not already there waiting to be found but emerge (as much through our work of reading as from the text)'. Third, we do not have the sort of data that would allow some comment on the correlation between narrative and outcomes (see, Barry & Elmes, 1997). This requires further, longitudinal, study. The relationship between 'ways of seeing' and outcomes is a complex one (see, for example, Palmer & Dunford, 1996). Moreover, language does not enter a discursive vacuum; the effect of a narrative will depend on the nature of its interaction with the existing, pre-constituted objects and subjects (Fairclough, 1992). Finally, it should be noted that these are the change narratives of one particular social group – senior managers. While not strictly a limitation in the sense that the study does not purport to be anything other than this, other players involved in the processes of response to deregulation would be expected to have different perspectives on the changes according to where they 'sit' (see, for example, Kelsey, 1995).

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Richard Dunford is Associate Professor of Management in the Macquarie Graduate School of Management, Macquarie University, Sydney. He has held academic positions at a number of universities in Australia and New Zealand. His PhD is from the Australian National University and his main areas of research are corporate restructuring, the development of new forms of organization and discourse in organizations. His work has been published in international journals, including *Academy of Management Review*, *Administrative Science Quarterly*, *Journal of Organizational Behaviour* and *Journal of Change Management*.

[E-mail: Richard.Dunford@mq.edu.au]

Deborah Jones is a Senior Lecturer in Organizational Behaviour at Victoria University of Wellington, New Zealand. She has an MA (Hons) in English and a PhD in Management Studies. She has worked in a number of positions and as a consultant in organizational communication. Her current research interests include managing diversity and other approaches to equality and difference within organizations, teamwork, action research and discourse analysis and poststructuralist theory in organization studies.

[E-mail: Deborah.Jones@vuw.ac.nz]