#### ARGUMENTA OECONOMICA No 2 (23) 2009 PL ISSN 1233-5835

## Łukasz Sułkowski \*

# INTERPRETATIVE APPROACH IN MANAGEMENT SCIENCES

Nowadays the interpretative approach is getting more popular in management sciences. It is based on several assumptions. Its key factor is the understanding of the organizational reality as a social construct and in the framework of management sciences, as a temporary consensus of the "communicative community" of researchers and practitioners. It is supposed to lead to the identification of language games which take place in the discourse on management, within individual trends and theories, and even on the local scale within organizations. The researcher's involvement means agreement to intervene in the cognizable corporate world. Neo-pragmatic orientation balances the casual and scientific discourses. Perception of the meaning of hermeneutic and symbolic processes stresses the historic and non-universal character of management knowledge. It is postulated to use humanistic methodology derived from cultural anthropology, humanistic sociology, linguistics, pedagogy, cognitive sciences and psychology. Accepting suggested assumptions, we can propose the reinterpretation of basic management notions and concepts which concern strategy, structure and corporate culture.

Keywords: interpretativism, interpretative-symbolism, antropology of organization

### 1. INTRODUCTION

Within the last several years in management sciences there has been the development of concepts which can be situated in the symbolic-interpretative trend. They are based on similar assumptions derived from humanities. Symbolic interactionism, considered as the beginning of the interpretative perspective, first appeared on the grounds of sociology, cultural anthropology and its influence can be perceived also in philosophy, linguistics, historical and political sciences (Blumer 1969). The reception of rich and heterogeneous interpretative trend into management is more distinct now and therefore it is worth identifying its basic assumptions adapted by management sciences.

<sup>\*</sup> Jagiellonian University in Kraków, Academy of Management SWSPiZ in Łódź

#### 2. SUPPOSITIONS OF INTERPRETATIVE TREND

#### 2.1. Social constructivism

The epistemological origin is the perspective of the reflexive cognizing subject who is entangled in relationships with other people. Social constructivism means accepting the assumption of social creation of reality. Weick, in relation to the organizing process, similar to Berger and Luckmann in the area of social processes, decided that reality was created by social actors (Berger, Luckmann 1966). Bonds among people, communication within a group, exercising authority, leadership or supervision are not beings or objects which exist objectively. They are intersubjective, hence they are created by group and individual processes of negotiation of meaning. Their ontological status is different than the one of material objects. One cannot ignore the fact, however, that the organization world is also based on material bases, which carry a certain meaning but they are not limited to those meanings. Material aspects of organizational functioning have, then, the ontological status of objective beings, and not only of intersubjective ones. This applies for example, to machinery, equipment, raw materials and material products. Nevertheless, we can put forward the thesis that in the organizational world a kind of feedback is created between the objectively existing reality, which undergoes the process of interpretation and giving meaning. Social conventions are both created around the material reality and influence this reality. Thus, the ontology of intersubjective world of social groups and organizations is being formed, which is harmonious with the objectively existing objects.

The interpretative approach demonstrates moderate social constructivism, as opposed to radical post-modern options (Boje et al. 1996). In the constructivist epistemology man is the creator of the world. Interpretation processes give meaning to his environment and form it in cognizable and formable beings. The interpretative approach stresses the feedback between the discovery and creation of the world by man in the process of cognition. Of course, the reality is not just a social or linguistic construct, however cultural components participate in the creation and perception of the organization world. In this sense, the subject is not only an explorer but also an artist.

The social constructivism prejudices the scientists focused on the symbolic-interpretative perspective to perceive organizations predominantly through the prism of social processes, related to granting and reading meaning. Among many examples of constructivism in management one can find concepts of organizational culture (e.g. Smircich, Schein),

organizational subcultures (van Maanen) or dominant strategy logic (Smircich 1983, van Maanen and Barley 1984).

### 2.2. Organization as social consensus

According to the interpretative scientists, the organization order does not exist objectively but it is constantly maintained, re-constructed and modified by individuals and groups active within and around organizations. Organization and management processes are formed by groups in the institutional, authorizing and internalization processes and they have a contractual character – they are collective consensus (Berger, Luckmann 1966). Interests and economic influences have the same effect as political, social and psychological ones.

Of course, the process of the negotiation of meaning is not only rational. Participants of the organizational life accept the contractual reality as something given and obvious, while unconsciously they conduct social negotiation games. Organizational hierarchy, charismatic leadership, authority, informal group, subcultures and even strategies have a conventional character, which stabilized into social consensus and which are maintained by the participants of interactions themselves in a given organization. Strength, duration and rationalism of those contracts are varied. An organization also exists due to strong social conventions, which are reflected in its law. In other words, involvement in the social game and unconscious belief in the durability of weak conventions maintains the organizational continuum.

## 2.3. Cognitive role of language

After the "language breakthrough" in many trends of social sciences it is accepted that a language is the cognitive base for the world understanding (Whorf 1957). The language which is far from the idealized image of formal language and closer to cultural understanding. Wittengstein's definition of "word family" transferred on the management grounds would refer to the fluidity of meanings given to varied notions in the organizational world. Organization and management processes are intrinsically ambiguous. Definitions related to them which form the whole organizational and management areas, such as: authority, leadership, supervision, organizational structure, strategy, organization culture will not have one designate and they will be defined and related in many different ways.

The interpretative trend stresses the changeability of social notions closely related to constructivism assumptions. Different ways of thinking

and speaking form a kind of discourse among many management trends, which cannot be unified. Hence the multiplicity and ambiguity of management draws from the very social nature and linguistic character of cognition, which, similar to other social sciences, cannot presume to create general syntheses and universal theories. The desire to create a uniform discourse in management is utopian and reminds us about Lyotard's "great narration", typical of epistemological fundamentalism (Lyotard 1984). The interpretative approach is different from the post-modern one, because of the assumption that there are the processes of cognition and changing reality, and not just self-repeating language games. The language forms a multiplicity of interpretations, which shape the fluid net of meanings. The acts of cognition and thinking about organizational and supervision processes are situated in the hermeneutic circle (Figure 1). Rejection of the idealized concept of a language as a medium that perfectly reflects the reality for the sake of the constructivist and pragmatic approach (language shaping the described reality) brings about significant epistemological effects. The language marks the perception borders (Wittgenstein 1961, th. 5.6). Contemporary discourse in management sciences imposes intersubjective thought constructs in the form of organization, enterprise, environment as well as strategies, structures and cultures.

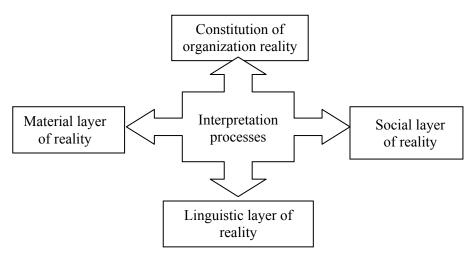


Figure 1. Ontological status of organization reality

Source: author's own work

## 2.4. Entanglement in praxis

The interpretative trend asks the question about the unity of the research and change processes in the organization reality. Accepting the pragmatic approach, it can be observed that in management sciences, epistemology is entangled in practice. In its very beginnings management was related to the engineering approach, the nature of which is designing, implementing and control of optimization processes. The discovery of the complexity of organizational matter related to the social life has led to the rejection of overly simplified deterministic tools aimed at change for the sake of more sophisticated ones, requiring the reflexive approach. However, the objective of those activities is still pragmatic, hence they are orientated on designing and changing the world and not just on pure reflection and description (Rorty 1979, ch. 6).

An interpreting organizational researcher loses his role of an objective, uninvolved observer for the sake of the subject who is actively involved in the change of the researched activity. The very undertaking of research is equivalent with the reality change. The feedback a scientist-cognized reality should be described as an entanglement in the cognizable and changeable reality. Mayo in the Hawthorne experiment observed that an organizational scientist significantly influences his researched objects. Therefore, in management, similar to other social sciences, the division into the cognition subject as opposed to the cognition object should be rejected.

In management a common sense explanation is primeval or at least equivalent and harmonious with scientific understanding (Schutz 1972). One can observe the concentration on the categories from everyday life: "everyday epistemology" (Suk-Young 2001). Specialists in the field of management use hermeneutic theory language or colloquial practice language. The problem of incongruence of those discourses is distinct, however as specialists in management, we are doomed to evaluate both terminologically sophisticated concepts of theoreticians and practical, well grounded in colloquial discourse, ideas of management gurus (Micklewait, Wooldridge 1996).

The concepts pointing out the entanglement of organization processes in praxis, which results in the inability to create the objective cognition subject-object process, appear on the grounds of change management, human resources management, strategic management organization learning and culture. Croizier describes change processes based on the involvement of an intervening researcher, who uses common sense categories (examples:

SNCF and Air France). This involved a social researcher becoming a participant in the dynamic process of change, which has been worked out and determined by a group. Similar presumptions are common for many concepts and methods promoted by the consulting sector.

## 2.5. Management as symbolic activity

Man in an organization looks for meaning, is value-oriented and involved in a research situation. A cognition act is entangled in the language and culturally relative, so it constitutes a symbolic activity. Organizations and management are based to the same degree on manipulating things and meanings. Organization roles are identified and communicated by symbolic actions. Symbols of status, function, position and organization rights are visible manifestations of authority. The organization culture creates its symbolic system. Strategic, cognitive and structural processes in organizations are also based on the systems of meanings, which results in the entanglement of management in the language and meaning context.

The mechanism of self-fulfilling or self-destructive prophesy, as described by Merton, can be an example of the symbolic action in organizations, which is, of course, related to the assumptions of constructivism and the linguistic context of cognition (Merton 1996). In organizations and in the market, the forecast of significant changes in the areas of strategy or ownership structure causes a whole sequence of reactions which greatly influences the planned process. In personnel management expectations towards co-workers very often become self-fulfilling prophecies (Livingston 2003, pp. 97-106). Researchers of the organization culture stress the aspect of management as a symbolic activity. Hatch suggests the description of the culture as a dynamic process of the creation of artefacts, symbols, assumptions and values through interpretation and symbolism (Hatch 1993).

## 2.6. 'Soft' methodology

Methodology in management includes the issues of cognition and improvement of management sciences. In the interpretative trend the division between those spheres is very vague. The cognition process in management is a kind of social intervention and leads to organizational changes which cannot always be foreseen. The methodology related to the interpretative-symbolic assumptions develops quickly and is very

heterogeneous. The usage of interpretative methods and research techniques is more and more common in management sciences.

In management methods of organizational anthropology (organizational ethnology) have appeared. Smircich, Rosen, Hatch and Kostera in Poland point out the opportunities to use the involved and participating methods, drawn from cultural anthropology (Smircich 1983, pp. 160-172). They include the following techniques: participating observation, in-depth interviews (biographical, anthropological), text analysis and other qualitative field research. In management sciences there appeared the usage of methodologies similar to organizational anthropology but derived from sociology, such as: ethnomethodology, intervention sociology, grounding theory, method of extended case studies and participating research.

The interpretative trend covers the epistemological assumptions, which are reflected in many concepts and management methods. Together with the above mentioned interpretative concepts of the organizational culture, strategies and structures, one can enumerate: localization and transfer of meaning (Sampson 1994) organizational learning (Schön 1983), life history methodology (Jones 1983, pp. 147-159), creation of cognitive maps (Bougon 1983, pp. 173-188), dramatic perspective (Mangham, Overington 1983, pp. 219-233). The interpretative approach describes the organizational reality entangled in the hermeneutic circle. Understanding comes through the movement of thoughts, anticipating in the part the sense of the whole, and forming the sense of individual parts in the unity of the whole (Gadamer 1975).

The usage of the interpretative project in management sciences leads to the functional understanding of organizational processes, which may be considered from the perspectives of creation and interpretation, strategy, organizational structuring and the creation of organizational culture.

## 3. INTERPRETATIVE UNDERSTANDING OF ORGANIZATION STRATEGY

"Strategy" is an ambiguous notion, which can be used in many areas. The understanding of an organizational strategy through analogy leads to war or game metaphors. A strategy in the military context means a part of martial arts covering preparation to and conducting wars, aiming at overcoming your opponent. The understanding of a strategy from the point of view of game theory is more general. A strategy means a set of

movements which could be done by the subject in a given information set. War strategy, game strategy or enterprise strategy have a common core related to foreseeing your enemy's moves and choosing those actions which may lead to obtaining dominance. The process of rational decision making seems to be the foundation of the concept of strategy.

The strategy theory in management sciences is based on the assumption of rational decision making by the managers. The idealized image of strategy rationality finds its reflection in the usage of game theory in management (Saloner 1995, pp. 155-194). It can be noticed, however, that nowadays even in the game theory extremely rationalistic assumptions were rejected (Camerer 1995, p. 218). It seems that the social context of decision making processes significantly reduces the assumptions of strategy rationality. The classical management trend accepted certain assumptions concerning the strategy creation:

- 1. Strategic decisions are made rationally.
- 2. A manager creates and implements his strategy.
- 3. The organization environment is predictable.
- 4. A strategy is a long-term, formal action plan.
- 5. A strategy is based on the biggest possible amount of information.

Those assumptions, which can be regarded as "dogmas" of the dominant trend of strategy management, are doubtful.

- Ad 1. Rationality criteria are at least to a certain degree culturally conditioned (Winch 1958, p. 100). Organizational objectives may be varied. There is not any fully rational answer to the question what is better: profit, market share or social responsibility. The choice will be derived from the value system of the society and individual.
- Ad 2. Strategic management treats organizational actions as the results of key management decisions (Barney 1995, p. 58). It is accepted that the strategist's decisions are fully reflected in the organizational activities. In fact, the organizational activities are influenced by managers' plans and decisions, as well as other factors which are beyond their direct control. Decision making by varied organizational players does not only mean the simple maximization of profits. The perception of the market reality is varied, objectives, needs and expectations are varied, hence the activities of the people who influence the strategies are not easily predictable, particularly in the situation of authority dispersion. The fight for authority within an organization and conflicting interests of different influence groups do not promote making entirely rational strategic options. Strategic decisions are the consequence of the reality perception. According to the assumptions

of the cognitive process, the human mind does not reflect the objectively existing reality, but it reconstructs it, based on the human cognitive apparatus. Therefore, the perception of the reality depends on individual and social experience (culture), which has a crucial influence on the decision making process. The manager who makes a decision, is biased with stereotypes and perceives the reality through his cultural "filter" (Makridakis 1990).

- Ad 3. The statement that the organizational environment is turbulent and unpredictable is a cliché. Organizations are under the pressure of changes related to the development of science and technology, globalization and the fast rate of social, political and cultural transformations. Therefore the strategies based on pre-determination assumptions turn out to be utopian (Mintzberg 1994, pp. 221-225). In the conditions of permanent changeability one cannot foresee interdependent social, economic and political variables.
- Ad 4. The creation of objectives and action plans are basic cognitive constructs. In strategic management it is accepted that effective planning should be formalized and long-term. Formalization means that planning becomes a process based on algorithm, and it is no longer heuristic (Mintzberg 1994, pp. 212-225). Due to the methods of strategic analysis one should obtain the appropriate strategy from reliable market research. This way of thinking turns out to be misleading. Methods of strategic analysis just aid strategy formation, while heuristic processes play the key role. Organizational management remains an art and cannot be put into deterministic categories. Long-term planning creates significant dangers in the conditions of environment changeability. Firstly, dynamic changes in the environment make the plan lose its relevance very fast. Secondly, the fixation of organizational activities on strategic objectives may make the organization lose its flexibility and not take advantage of short-term opportunities.
- Ad 5. The process of obtaining market data is undoubtedly useful for strategy formation. However, no method gives fully reliable data, and the process of collecting and interpreting information is not cognitively neutral. One part of the data just creates noise, while the other is filtered by the managers and interpreted in order to confirm the decision that has already been made. In the situation of surplus information their selection may be a significant problem.

Pointing out overly idealized assumptions of strategy rationality, which is predominantly reflected in the concepts of planning, resource and positional

schools, it is worth considering if it is worthwhile to develop the strategy concept, and if so – in what direction.

In criticizing planners' unrealistic assumptions we can consider the development of management sciences without a strategy theory. The strategy without the determination of its key objectives and without the planning process seems to lose its basic sense. Perhaps instead of talking about a strategy, we had better exclusively speak about objectives, opportunities and other terms which are more clear and less biased with theory. Perhaps strategies in management sciences are treated too literally. The strategy, understood non-literally, for example, as a metaphor will simultaneously stress certain aspects and disregard others. It seems that our attachment to the strategy theory is related to the designing of understanding and implementing strategies, which has become popular and applied in practice but has not given the expected results. Maybe we should get rid of strategy from the management repertoire?

The need to develop strategic management may be supported by three arguments.

The first one is pragmatic – managers think in terms of strategy formation. Of course they can see the drawbacks of this radically rational version of strategic management. They know that the usage of strategic analysis tools does not guarantee success, that over-attachment to their mission and objectives limits taking advantage of market opportunities. However, the notions and tools of strategic management are rooted in management practice. It is hard to imagine communication in organizations without such terms as strategy, objective or mission. Therefore, from the pragmatic perspective we had better correct the theory of strategic management rather than reject it.

The second argument is social. A strategy, according to Koźmiński, is a "hit" of management theory and practice. Management sciences are institutionally separate, they are popular and easily identified also due to the concept of strategy (Koźmiński 2004, p. 36). Rejection of such a popular research domain, even if it is in crisis, would be unreasonable.

The third argument is epistemological and in our opinion it is most important. It seems that teleological and predicative thinking characterizes human cognitive apparatus. It means that in perceiving and interpreting ourselves and the environment, we use the categories of aim and time. Planning is, then, intrinsic to the human mind. Perception and action in an organization will always have its objective and happen in time. If we assume that a strategy can be identified with the planning of goal realization through

management, then we have obtained the epistemological basis of strategic management.

Pointing out the epistemological sense of strategic management does not mean that we postulate leaving the strategy in the chains of hyperrationalistic thinking. On the contrary, we believe that we should develop interpretative approaches which have been present in strategic management. What would be the qualities of such a trend?

- 1. The process of strategy formation and implementation will have an imperative character. It can be noticed, then, that it does not mean reading the objective truth about the reality and forecasting future changes, but it means the interpretation and creation of the organizational reality. Weick argues for adopting the concept of emerging strategies, i.e. the strategies which are not pre-formed but which emerge during the organizational actions (Weick 1987, pp. 22-23). Quinn describes logical incrementalism in strategy formation, which is an example of the interpretative approach (Quinn 1978, pp. 7-21).
- 2. Strategy formation is cognitive. The strategic map which is created in managers' minds is not the reflection but the design of the organizational reality. The strategy is not the fruit of rationalism but the emanation of manager's attitudes and fantasies. Information is specially filtered and categorized. The dominant tendency is to accept only this information which supports the decisions consciously or subconsciously made by managers (Schwenk 1984, pp. 111-128).
- 3. The strategy is a cultural construction, which means that in its formation and implementation the culture participates together with its value system and criteria for rationalism, standards and stereotypes. The strategy must be socially explained and communicated.
- 4. Strategies are social and they should be formed on the basis of the assumption of limited rationality, which results from the limited access to information as well as the significant influence of social factors, in which the organizations are immersed. For such a strategy the understanding of authority structures and communication is crucial. The organizational strategy is, then, the reflection of interdependence between the social and economic subjects.
- 5. Interpretative strategy is assumed to be ambiguous, relative and ideological. It is based on creative and heuristic processes, which cannot be put into algorithms. The game metaphor, in which the element of uncertainty is important, determines the area of strategy formation which is based on the postulate of limited rationality. The war metaphor brings to our minds

ideological and emotional components, while the comparison of the strategy to the language game focuses on interpretation processes of the social actors.

- 6. In the understanding of a strategy, irrational elements can be found which convinces us that organizational reality is not given but it is being constructed by managers and other social subjects during their interactions. Brusson promotes the interpretative approach based on decisional irrationality, according to which rational decisions do not always support effective actions (Brusson 1985, p. 22). A researcher can have doubts, while a manager should quickly make his decision, communicate it without any hesitation, persuade others to do it and implement it wholeheartedly. If we stress only the rationality of decisions, then often the more important elements of involvement, communication and leadership may suffer. Clarke points out the dangers related to the formation of plans with a symbolic dimension. They can make the managers less alert, indicating that everything is recognized and under control (Clarke 1999).
- 7. We must not omit the role of emotional factors, which participate in the process of decision making. Damasio, investigating the hypothesis of a somatic marker, argues that emotional and intuitive factors play a significant role in the selection of most decision variants (Damasio 2002, pp. 191-250).
- 8. According to the social constructivism assumptions, the border between descriptive and normative understanding of strategy is vague. Management practice acknowledges that strategy is more often interpreted retrospectively than planned prospectively. Therefore, the actions are not the consequences of the planning process but they are intertwined with the interpretation processes of the organizational reality. The strategy may be identified with organizational actions entangled in the hermeneutic circle (Figure 2).

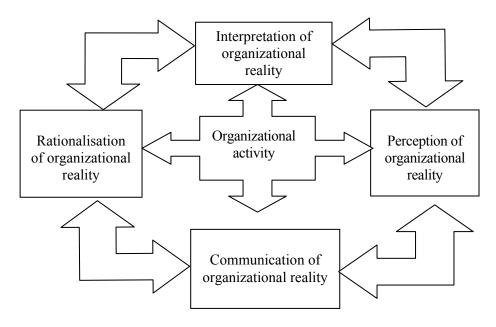


Figure 2. Process of strategic management – interpretative paradigm

Source: author's own work

## 4. ORGANIZATIONAL STRUCTURE AND PROCESSES OF AUTHORITY AND KNOWLEDGE DISTRIBUTION

From the perspective of the management sciences, we can observe two basic ways of understanding the structure. The first one, which is more general, is typical of social sciences; it is related to the process of the social structure formation in organizations, teams and nets. It is identified with the informal structure. The other, which is specific for management, is related to the notion of the organizational structure. It concerns, then, a formal structure. At the foundation of those two processes there are the processes of authority distribution and knowledge flow.

Contemporary organizations and organization nets are, similar to other social structures, integrated with authority and communication bonds. Coleman observes that the contemporary notion of a social structure should be broadened from the relations among people on the relations among organizations (Coleman 1974, p.13). Structuring can then, be seen as a form of authority. If it leads to lasting and strongly integrated structures, it results

in the lack of flexibility, reducing the net of contacts with the environment and the lack of resistance to fast changes in the environment. Hence in contemporary management flexible, heterarchic and amorphic organizational nets are becoming more and more important; as learning and autopoietic systems they can be quickly adopted to environmental changes and spontaneously adapt themselves to those changes (Maturana, Varela 1998). The shift in the direction of the net organization does not mean the total rejection of the idea of organizational structure, but its fluid organisation around the communication processes of knowledge flow (Toffler 1990, ch. 16).

Have the information, knowledge and value flows minimized the authority meaning?

Are not contemporary organizations and connections among them based on authority distribution?

The increase of the significance of knowledge transfer processes in organizational nets is undoubted. The learning organization draws knowledge from the potential of relations with other active subjects. Communication between the net knots is the sine qua non condition of the development of learning organizations. Some researchers point out that in conditions of the net society development, the logic of reign has fallen. Selfconstructing webs would mean building connections which are based on the search for the subjects who have knowledge, but do not have authority. The relation of mutual transfer of knowledge promotes partnership and limits domination. However, in the solutions used in the net management, such as: virtual and fractal organizations, keiretsu and holding net, the issue of exercising authority and supervision is not marginal. It seems that authority still exists alongside with knowledge, which is a constitutive structural element both within and among organizations. However, it is no longer hierarchical and total authority, but it is dispersed and decentralized. Owners, management and trade unions are just selected parts of the authority structure. The authority takes symbolic form, shifting in the direction of exercizing influence and control than pure domination (Foulcault 1988, p. 19). Many examples of this "soft" authority are being analyzed, such as: "symbolic violence" (Bourdieu, Passeron 1970, part 1), cultural dominance (Chomsky 1997, ch. 1), authority over discourse and language (Levi-Strauss 1964), authority of science and knowledge (Horkheimer 1987), control of information flow (Morgan 1986, ch. 6), authority nets (Hardt, Negri 2001, pp. 160-182). It means that authority and structuring are not based on physical strength but on control and influence in the economic, social and cultural areas. Authority gains a more subtle form of manipulation, authority pressure (personal, traditional and competence), leadership and persuasion. The authority relation, leading to the imposing of some people's will on other people, still remains, although in disguise. Individuals and groups in decentralized nets are not subject to the authority of one hierarchical centre but of many dispersed authority cores who want to reach their own objectives.

The issue of organizational structures has become a crucial problem for management, somehow overshadowing the issues of authority and knowledge flow, which are hidden behind. The formal structure reflects stable and lasting sets of organizational roles, which are connected with authority and communication bonds. Facing the pressure of making the organization more flexible, the formal structure more often takes a variable form, not quite stable, reminding us of the net. The significance of informal structure increases, hence the social structure of an organization and market. The social structure is created by structuring, which means by human action aimed at the stabilization and reproduction of social relations, based on the relations of authority and communication. Due to structuring, people through social practice form social roles, institutions and organizations, which constitute the social order. The durability of those beings is relative, as they are maintained by social consensus, hence by the faith and tacit agreement of the social actors, which builds institutional stability and social order. However, the structuring process is also related to the changes in the social order, in the case when significant elements of the stable structure are being undermined by people, under the influence of social, economic, political and technological factors. The informal structure hides then, a dynamic set of action patterns for people and groups, which reflects the authority and knowledge flows. In conditions of great complexity, it is important to pay attention to the significance of the informal structure and structuring, which has been omitted in management. It is worth realizing, however, that the broad understanding of the social structure in management brings about epistemological problems related to the separation of the structural sphere from the cultural one in organizations and organizational nets.

### 5. EPISTEMOLOGY OF ORGANIZATIONAL CULTURE

Organizational culture creates many epistemological problems.

- 1. Definitions of the organizational culture itself are unclear, ambiguous and contradictory.
- 2. We do not know if the term "organizational culture" should be understood literally or metaphorically.
- 3. The propositions of paradigm description are varied as well as the descriptions of cognitive approaches, on the grounds of which theories of organizational culture develop.
- 4. Different research of organizational cultures does not form a complementary image of culture and does not explain clearly its effect on the organization.

The analysis of cognitive issues related to the research of organizational culture leads to the question if it is worthwhile to maintain the functioning of such an unclear notion.

The cultural trend in management examines varied dependencies between social values, standards, patterns and organizations. The statement that organizations are affected by the social culture is an obvious cliché, However, the assumption which is the foundation of the organizational culture theory goes even further: organizations create their own cultures. Being realistic, one should assume that organizational culture exists – it is a real being (Stróżewski 2003, pp. 19-21). From this perspective the ontology of the organizational culture makes sense (Fryzeł 2003). However, one can have many reservations concerning the ontology of organisational culture. Every social group, organizations included, creates its own culture. Nevertheless, in the case of many social groups and organizations we lack basic cultural components which are present in many definitions and models of the universal culture. Can we always speak about the culture of an enterprise, office and even family? It is often difficult to assume that they create a separate language, which is a constitutive cultural element. Similarly, organizational values can be secondary in relation to the social culture. Maybe we can speak about a certain potential - organizations may create cultures. Accepting this attitude may lead to incoherence, because using the assumptions of the cultural potential, some organizations will have their cultures or be the cultures themselves, others – will not.

Continuing the criticism of the ontic understanding of organizational culture we can suggest grounding this theory on the epistemological level. According to this assumption we cannot say anything about the ontology of

organizational culture, but we can use it as a cognitive construct. The organizational culture, and perhaps also strategy and structure, will be, then, the ways of perception and interpreting of the organization world. Adopting the assumption of the epistemological nature of the organizational culture, we can refer to the concept of metaphor. The organizational culture is the metaphor of an organization, which is a kind of perception and interpretation as well as the basis of actions (Morgan 1986, ch. 6, p. 403). Therefore, we can learn about the organization, adopting a cultural prism, but we must remember that our cognition is relative and incomplete. The cultural metaphor will, by its nature, stress some aspects and omit others (*ibidem*). The organizational culture shapes the organizational image which is based on the values. It is the image of the non-deterministic community which creates a symbolic heritage.

The proposition of the multiparadigm image of social sciences used in management sciences in relation to the organizational culture is presented by Burrel and Morgan. They are differentiated by their social orientation (regulation and radical change) and assumptions concerning the science (objective, subjective) (Burrell, Morgan 1979). In this way four paradigms have been presented: functionalism, interpretative paradigm, radical structuralism and radical humanism. The theory of organizational culture was created on the basis of the cultural concept drawn from humanistic sciences. In the sciences where the culture is a fundamental notion, such as cultural anthropology and sociology, three cognitive approaches are used: functionalism, symbolic-interpretative trend and post-modern approach. In contemporary humanistic sciences imperativists and postmodernists dominate, while few scientists adapt strictly functional opinions. The situation in management sciences looks very different, here functionalism dominates, while imperativism and postmodernism do not occupy a significant position. Such accentuation is not accidental, as organizational culture is usually related to organizational effectiveness. In the management sciences the instrumental approach to the culture dominates, stressing the necessity of its conscious formation.

Hatch suggests the distinction of four paradigms in the management sciences: classical, modernist, interpretative – symbolic and postmodernist. The trend of organizational culture did not function in the classical approaches to management. Modernism perceives the organizational culture in functionalistic terms, as one of organizational sub-systems and refers to the methodology of representative comparative research. The necessity of organizational culture management is suggested which could lead to its

instrumental treatment. The interpretative – symbolic approach describes the organizational culture as the process of creating and reading of the organization reality, which consists of a language, symbolism and rituals. Qualitative methodology is preferred, e.g. organizational ethnography, although the possibility of instrumental shaping of the organizational culture is evaluated rather sceptically. Postmodernism stresses defragmentation, cultural and epistemological relativism, textual and narrative approach. The sense of methodology creation is negated and deconstruction becomes its most distinct method (Hatch 1997, ch. 7). An extensive analysis of the cognitive foundations of the organizational culture concepts can be found in Smircich's work. The author reviews the paradigms which serve as the base for the concepts relating the culture to the organization (Smircich 1983, pp. 50-172). She finds five common areas: 1. comparative intercultural research; 2. internal enterprise culture; 3. cognitive organizational theory; 4. organizational symbolism; 5. unconscious and subconscious processes in the organization.

Pointing our many ways of understanding and examining the organizational culture, we must consider relations between the "paradigms" of the organizational culture. Several different relations between the paradigms are possible:

- 1. Paradigms contradiction.
- 2. Paradigm inconsistency.
- 3. Paradigm integration.
- 4. Paradigm crossing.

Ad 1. From the logical perspective, it is not possible for two paradigms to be true. The concepts are opposed, they create paradoxes. In the sphere of organizational culture it is not possible to agree the modern approach with the post-modern one.

Ad 2. Inconsistency means that the concepts cannot be harmonized. The discussion on the incoherence of paradigms was started by Kuhn (1962). The extreme position, which assumes that it is impossible to have a rational argument, to reach compromise and even communicate is represented by the cognitive relativists, such as: Feyerabend, the Edinburgh School and Postmodernists (Feyerabend 1981). Functionalistic understanding of culture, represented for example by Schein, cannot agree with the interpretative defragmentation image, typical of some interpretative concepts (Deal, Kennedy 1982). The understanding of values, standards and cultural patterns is varied within those concepts.

- Ad 3. Integration means combining the paradigms through searching for common points and leaving the disputable issues for discussion. Morgan noticed that, thanks to the synergy effect, the co-existence of several paradigms gives to the social and organizational sciences new opportunities for development (Morgan 1984). In future, it may turn out that the contradictions between the paradigms of the organizational culture can be overcome and that they create the complementary organizational image.
- Ad 4. Paradigms crossing is also possible. Some cognitive approaches may convey creative propositions for other approaches. The example of this game between the paradigms can be found in the crossing of some organizational culture ideas between the functionalistic paradigm and the interpretative one, based on post-modernism critical tools (Schultz, Hatch 1996).

Different cognitive perspectives, which describe and examine the organizational and the whole culture, often constitute an epistemological problem. From the perspective of ontological realism, we face contradictory images of the examined phenomenon, as we cannot answer the basic question: "what is organisational culture?" and "what are its qualities?".

Can we simultaneously adopt different cognitive approaches, even if they are contradictory? If we assume that the organizational culture does exist, then — we cannot. However, if we assume that it is a cognitive epistemological construct, just the metaphor which helps us understand the organization, then the incongruence, and even contradiction is no longer a problem.

#### 6. SUMMARY

The above presented assumptions of the interpretative-symbolic trend are of course idealized. In many concepts, there appear just selected elements from the described range. However, the interpretative approach seems to offer the moderately stable epistemological perspective, on the grounds of which research methodologies, theories of organization and management are created. The reconstruction of this trend foundation includes several postulates:

- 1. Examination of the organizational reality as a social construct.
- 2. Search for the areas and scope of social consensus in management.

- 3. Identification of language games which take place on the level of management discourse, within individual trends and theories and even on a local scale within organizations.
- 4. The assumption that a scientist intervenes in the cognized organizational world and changes it under the influence of the examination process.
- 5. Acceptance of the equivalence of the scientific and common discourses in management sciences.
  - 6. Perception of the meaning of hermeneutic and symbolic processes.
- 7. Usage of humanistic methodology, drawn from cultural anthropology, humanistic sociology, linguistics, pedagogy, cognitive sciences and psychology.

Accepting the proposed postulates, we can suggest the re-interpretation of the basic management notions and concepts concerning the strategies, structures and organizational culture.

#### REFERENCES

- Barney, J. B., Beyond Individual Metaphors in Understanding How Firms Behave: A Comment on Game Theory Models of Firm Behavior, in: Rumelt R. P., Schneidel D. E, Teece D. J., Fundamental Issues in Strategy. Harvard Business School Press, Boston, 1995.
- Berger, P.L. and T. Luckmann, *The Social Construction of Reality: A Treatise in the Sociology of Knowledge*, Garden City, NY 1966.
- Blumer, H., *Symbolic interactionism: Perspective and method.* Englewood Cliffs, NJ: Prentice Hall 1969.
- Bougon, M. G., Uncovering Cognitive Maps. The Self-Q Technique, in: Morgan, G., Beyond Method. Strategies for Social Research, pp. 173-188. Sage, Beverly Hills-London-New Delhi, 1983.
- Bourdieu, P., Passeron, J.-C., La reproduction. Eléments pour une théorie du système d'enseignement, Les Editions de Minuit, part 1. Paris, 1970.
- Brusson, N., The Irrational Organisation: Irrationality as a Basis for Organisational Action and Change. John Wiley, Chichester, 1985.
- Burrell, G., Morgan, G. Sociological Paradigms and Organisational Analysis. London, 1979.
- Camerer, C. F., Does Strategy Research Need Game Theory?, in: Rumelt, R. P., Schneidel, D. E, Teece, D. J., Fundamental Issues in Strategy. Harvard Business School Press, Boston, 1995.
- Chomsky, N., Year 501. The Conquest Continues. South End Press, chapter 1, Boston, 1997.
- Clarke, L., Mission Improbable: Using Fantasy Documents to Tame Disaster. University of Chicago Press, Chicago, 1999.

- Coleman, J. S., Power and Structure of Society. New York, 1974.
- Damasio, A. R., Błąd Kartezjusza. Emocję, rozum i ludzki mózg. Rebis, Poznań, 2002.
- Deal T. E., Kennedy A.A., Corporate Culture. The Rites and Rituals of Corporate Life, Reading, Mass, 1982.
- Deschamps, J.-C., Les théories de l'attribution, in: Deschamps, J.-C., Beauvois, J.-L., Des attitudes aux attributions. Sur la construction de la réalité sociale, pp. 220-221. Presses universitaires de Grenoble, Grenoble, 1996.
- Feyerabend, P. K., *Problems of Empiricism*, "Philosophical Papers" Vol. 2, Cambridge University Press, Cambridge, 1981.
- Foucault, M., *The Ethic of Care for the Self as a Practice of Freedom,* in: Rasmussen, D., *The Final Foucault*, p. 19. MIT Press, Boston, 1988.
- Fryzeł, B., Ontologia kultury organizacyjnej [Ontology of organizational culture], "Organizacja i kierowanie" No. 4 (114), pp. 33-53, 2003 (in Polish).
- Gadamer H.-G., Truth and Method, Seabury, New York, 1975.
- Hardt M., Negri A. Empire, Harvard University Press, Cambridge, Mass., 2001.
- Hatch, M. J., Irony and the Social Construction of Contradiction in the Humor of a Management Team, "Organisation Studies" Vol. 8, No. 3, pp. 275-88, 1997.
- Hatch, M. J., The Dynamics of Organisational Culture, "Academy of Management Review" No. 18, 1993.
- Hatch, M., Organisational Theory: Modern, Symbolic and Postmodern Perspectives, Oxford University Press, Oxford, 1997.
- Horkheimer, M., Krytyka instrumentalnego rozumu [Critique of instrumental reason] in: Społeczna funkcja filozofii. Warszawa 1987 (in Polish).
- Jones, G. R., Life History Methodology, in: Morgan, G., Beyond Method. Strategies for Social Research, pp.147-159. Sage, Beverly Hills-London-New Delhi, 1983.
- Koźmiński, A. K., Zarządzanie w warunkach niepewności. Podręcznik dla zaawansowanyc [Management under uncertainty. An advanced handbook]. PWN, Warszawa, 2004 (in Polish).
- Kuhn, T. S., The Structure of Scientific Revolutions: International Encyclopedia of Unified Science: Foundation of the Unity of Science, Vol. 2, No. 2. University of Chicago Press, Chicago, 1962.
- Levi-Strauss, C., The Savage Mind. University of Chicago Press, Chicago, 1964.
- Livingston, J. S., Pygmalion in Management, "Harvard Business Review", January 2003.
- Luhmann, N., Social Systems. Stanford, 1995.
- Lyotard, J. F., Post-Modern Condition. University of Minnesota Press, Minneapolis, 1984.
- Makridakis, S., Forecasting, Planning and Strategy for 21st Century. Free Press, New York, 1990.
- Mangham, I. L., Overington, M. A., Dramatism and the Theatrical Methaphor, in: Morgan, G., Beyond Method. Strategies for Social Research, pp. 219-233. Sage, Beverly Hills-London-New Delhi, 1983.
- Maturana, H. R., Varela, F. J., The Tree of Knowledge. Boston, 1998.

- Merton, R. K., *The Self-Fulfilling Prophecy*, in: Sztompka, P., *Social Structure and Science*, pp.183-204. The University of Chicago Press, Chicago, 1996.
- Micklethwait, J., Wooldridge, A., *The Witch Doctors. Making Sense of the Management Gurus*. Times Books Random House, New York, 1996.
- Mintzberg, H., The Rise and Fall of Strategic Planning. The Free Press, New York, 1994.
- Morgan, G., Images of Organisations. Sage, Newbury-Park-London-New Delhi, 1986.
- Morgan, G., Opportunities Arising from Paradigm Diversity, "Administration and Society", Vol. 16, No. 3, pp. 306-327, 1984.
- Quinn, J. B., Strategic Change: Logical Incrementalism, "Sloan Management Review", Vol. 20, No. 1, pp. 7-19, 1978.
- Rorty, R. Philosophy and the Mirror of Nature, Princeton University Press, Princeton, 1979.
- Rosen, M., Coming to the Terms with the field: Understanding and doing organisational ethnography, "Journal of Management Studies", Vol. 28, No. 1, pp. 1-24, 1991.
- Saloner, G., Game Theory and Strategic Management: Contributions, Applications and Limitations, in: Rumelt, R., P., Schneidel, D. E, Teece, D. J., Fundamental Issues in Strategy, pp.155-194. Harvard Business School Press, Boston, 1995.
- Sampson, S., Money without Culture, Culture without Money: Eastern Europe's Nouveaux Riches in: "World View. Political Behaviour and Economy in the Post-communist Transition", "Co-Editor Birgit Muller" Vol. 3, No. 1, 1994.
- Schön, D. A., Organisational learning, in: Morgan G., Beyond Method. Strategies for Social Research, pp.115-128. Sage, Beverly Hills-London-New Delhi, 1983.
- Schultz, M., Hatch, M. J., Living with Multiple Paradigms: The Case of Interplay in Organisational Culture Studies, "Academy of Management Review", No. 4, 1996.
- Schutz, A. The phenomenology of the Social World, Heinemann, London, 1972.
- Schwenk, C. R., Cognitive Simplification Processes on Strategic Decision Making, "Strategic Management Journal", No. 5, 1984, pp. 111-128.
- Smircich, L., Studing Organisations as Cultures, in: Morgan G., Beyond Method: Strategies for Social Research, pp. 160-172. Beverly Hills-London-New Delhi, 1983.
- Stróżewski W. Ontologia, Wydawnictwo Znak, Kraków, 2003.
- Suk-Young Chwe, M., Rational Ritual. Culture, Coordination and Common Knowledge. Princeton University Press, 2001.
- Toffler, A., Powershift: Knowledge, Wealth and Violence at the Edge of the 21<sup>st</sup> Century. Bantam, New York, 1990.
- Van Maanen, J., Stephen, S. R., *Cultural Organization: Fragments of a Theory*, in: P. Frost, M. Louis and L. Moore (eds.), *Organization Culture*, Sage, Beverly Hills, 1985.
- Van Maanen, J. and S. Barley, *Occupational Communities: Culture and control in organizations*, "Research in Organizational Behavior", 6: 287-365, 1984.
- Weick, K.E., Organization culture as a source of high reliability, "California Management Review" 29 (2), pp. 112–127, 1987.
- Whorf, B., Language, Thought and Reality in Language, Thought and Reality, MIT, Boston, 1957.

Winch, P., *The Idea of a Social Science and its Relation to philosophy*, Routledge and Paul Kegan, London, 1958.

Wittgenstein, L., Tractatus Logico-Philosophicus, Routledge and Paul Kegan, London, 1961.

Received: January 2009