This theoretical paper explores the nature of narrative by examining its key characteristics as a communication tool and an independent mode of thought in the form of a literature review. The first section describes stories or narrative. The second section establishes links between narrative, change, and learning through the concept of sense-making. It discusses how changing a story equals learning in at least two different ways, although this learning process is most often unconscious for the individual. The main issues are illustrated by interview material from a current case study in a United Kingdom manufacturing company. The third section introduces the types of stories prevalent in business organizations and discusses using interview excerpts. The fourth section focuses on the function of narrative as the basis of organizational culture. The conclusion argues that mainstream management literature is still missing the mark by widely leaving out narrative as a key instrument in the management of change and organizational learning. (Contains 36 references.) (YLB)
Narrative, Organisational Change, Development and Learning.

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NARRATIVE, ORGANISATIONAL CHANGE, DEVELOPMENT AND LEARNING

Abstract

This theoretical paper explores briefly the nature of narrative by examining its key characteristics as a communication tool and an independent mode of thought in the form of a literature review.

The author establishes links between narrative, change and learning through the concept of sense-making. Changing a story equals learning in at least two different ways, although this learning process is most often unconscious for the individual. Despite being a theoretical paper, the main issues are illustrated by interview material from a current case study in a UK manufacturing company.

The types of stories prevalent in business organisations are introduced and discussed using interview excerpts, focusing also on the function of narrative as basis of organisational culture.

The author argues that mainstream management literature is still missing the trick by widely leaving out narrative as a key instrument in the management of change and organisational learning.
NARRATIVE, ORGANISATIONAL CHANGE, DEVELOPMENT AND LEARNING

Introduction

The last few decades witnessed not only global macro-changes, but also profound changes in society and personal identities (Alheit and Dausien, 1999), and the structures of employment (Cross, 1981). On a global level, these changes are summarised by the term ‘globalisation’ (Castells, 2000a), being widely, and sometimes controversially (e.g. Gorz, 1999), discussed. The enormous technological developments, especially in information technology, since the Second World War are often regarded a major reason for this trend as well as for the major societal changes (Castells, 2000b). As a result, people have to adapt to a number of changes at a personal and professional level at rapid pace, which increases the need for learning (Coffield, 1998).

Despite a general shift in the social sciences, sometimes called the ‘interpretive turn’ (Geertz, 1973), focusing on meanings, symbols, values and human interactions (Sztompka, 1999), it seems that the literature on management is missing a trick: there is a lack of understanding how people construct a meaningful world through stories. The propositions of the management discourse can only make sense to individuals if they are put into a context and communicated through stories. Thus, this paper is going to show the narrative character of organisational life on the basis of a literature search, illustrated by data from a current case study in organisational change and development. It is also going to explore how narrative analysis can serve as a useful tool to enrich management theory with regard to the understanding of organisational change, development and learning.

Narrative and Method

The majority of information we give other people is not in the form of clear and logic arguments, but through stories (Riessman, 1993). From gossip through descriptions and explanation up to newspaper articles information is communicated in the form narrative. One reason for this may be the fact that stories make information more interesting, ‘words breathe life into history’ (Thompson, 1978:15). Additionally, narrative represents an individual’s identity through the speech-act itself, the actions taken and the person’s involvement with the world (Funkenstein, 1993). It has to be pointed out that stories are not told, but lived in the first instance. As a result, the analysis of narrative can either reconstruct biographical meaning on the basis of experienced life history, or reconstruct present meanings and temporal order (Rosenthal, 1993). By putting the stories in such a context, narrative analysis leads to what Geertz (1973) labels ‘thick description’ in the form of a ‘human inquiry’ (Reason and Rowan, 1981), which allows a joint learning process in a certain context.

One major reason for the popularity of narrative in everyday life is that people construct meaning by telling stories. Thus, narrative enables us to make sense of what is going on around us and to construct social reality (Berger and Luckmann, 1966). Narrative helps to make the tacit explicit and to put thoughts, feelings and personal views into a real context. If we are talking about a problem or writing our thoughts down, a solution often appears nearly automatically and links to other areas can be established. Since the situation has changed by letting the thoughts out of one’s mind, this is a reflexive process. In this context, it has to be emphasised that a story told a second time is a different story due to the reflexive character of narrative.
The power of narrative becomes clear when it is not only thought of as a form of story-telling, but as an independent mode of thought (Bruner, 1986). Narrative establishes verisimilitude and emphasises likely particular connections between two events full of emotion. Narrative requires a means for emphasising human intention and action; a sequential order to be established and maintained; a sensitivity to what is canonical; and finally something that approximates a narrator’s perspective (Bruner, 1990). Bruner (1986) furthermore argues that lifelike narratives start from a legitimate steady state, followed by its breach and resulting in crisis, followed by redress. This process is clearly referring to a situation of change.

**Narrative, Change and Learning**

Learning is an outcome of ‘sense-making’, a concept in which organisational language and symbols are important influential factors (Weick, 1995). In this context, the social component of making sense has to be emphasised, referring to terms like ‘network’, ‘shared meanings’, and ‘social interaction’ (Walsh and Ungson, 1991). Since stories comprise all these social elements of the sense-making process, they can act as a sense-making and learning tool. Morgan (1993) argues that when a situation has changed, the story behind this situation has to be replaced by a new story to make sense of the new circumstances.

Changes in business are manifold, they do not only comprise external changes in technology, legislation and competition, but also touch the ownership of a business organisation, the succession of its leader, and partnerships (Eccles, 1994). With regard to change management, mainstream management literature focuses on building a new organisational culture, systems and procedures, (Majaro, 1992), vision, strategy, empowerment of employees, ‘widespread dissatisfaction with the current state of affairs’, ‘constructive conflict’, ‘winning attitudes’, ‘cumulative learning’ and ‘strategic communication’ (e.g. Hambrick et al., 1998) as main procedures. Additionally, improvement programmes like Total Quality Management (TQM) and Just-In-Time (JIT) are also offered as change management tools (Dawson, 1994). On a more personal level, advice like ‘change starts with you’, ‘adjust your mind-set’, ‘believe you can make a difference’, and ‘letting go’ can be found (Clarke, 1994). Although many writers acknowledge the difficulties of making employees embracing change (Collins and Porras, 1996), the advice offered for motivating staff to change is often abstract and taken out of context. The element of narrative and changing stories to management change has widely been left out so far.

When including narrative into a context of change and learning, the relation between these three issues can be established as follows. Whenever a situation changes, people tend to change the story behind the situation to make sense of the new circumstances. These narratives are likely to include changes in the person’s identity as well. As a result, the new story represents the new situation in the individual’s interpretation. Learning has now occurred in at least two ways. On the one hand, learning has been achieved by making sense of the new situation through stepping back and rethinking former and present circumstances. On the other hand, by acquiring new knowledge to be able to replace the old story, learning took place as well. In short, these relations can be summarised as ‘change in narrative equals learning’ in one form or another, but most often unconscious for the individual himself.

Alheit and Dausien (1999) have discussed such processes at the individual level using the concept of ‘biographicity’. The notion of narrative invites questions about how changes in personal identities are bound up with changes in the stories that legitimate change at the level of the organisation. The research that informs this paper is based on a process of collecting
organisational narratives, initially in a UK company and later in Russia and South Africa in a study that will enable some inter-cultural comparisons to be made.

In the case study of TKA Tallent Chassis, a UK manufacturing company, a clear replacement of the prevailing story can be identified in the course of its history. Forty years ago, the members of this organisation made sense of their role and position in the market by the story ‘we are a medium-sized company producing domestic household appliances’. Today, the company regards itself as ‘competent player in the automotive industry of world-class standard’. This shift in the story was accompanied by the classical management tool of ‘strategic positioning’ (Tallent Engineering Ltd., 2000). Taking the fact into consideration, that household appliances are less complex than automotive chassis components, a learning process can be identified with the workforce being relatively stable over the years. This change at an organisational level is incorporated in a number of personal stories through subtle shifts in the narrative. The development of new narrative is equivalent with managing change and learning, and the narrative is lived and symbolised in a variety of ways. At Tallent, for instance, the current story of competence and world-class standard is symbolised by a collection of awards in the reception area of the main office building, as well as a display area showing the company’s development through the products itself, but emphasising the key elements of their present story.

At Tallent, learning and development are key issues in the course of its history, which is taking place in a number of ways. First of all, there is ‘learning at work’ as identified by Jarvis et al. (1998), which comprises the rapid learning curve when first starting a new job and the continuous learning about and from change. The company assists their new employees by a structured induction period, as one of the personnel staff interviewed pointed out. Second, informal learning (Garrick, 1998) is achieved by mentoring and ‘learning by doing’. One interviewee with management responsibility who comes from a merely technical background emphasised that he got his knowledge about management and business mainly through mentoring by his superior and through daily training. Third, learning takes also place in the form of formal courses and seminars, which enhance the employee’s self-development. Tallent actively encourages staff to participate in formal college courses to stay up-to-date with innovations in a number of key areas, as one manager made clear during the interview. Due to the fact that Tallent is a customer-oriented and quality-conscious company that empowers its staff actively, it fulfils most of the criteria of a learning organisation as suggested by Longworth and Davies (1996).

**Narrative In Business Organisations**

In business organisations, four types of stories can be distinguished (Williamson, 2001). The first criterion refers to the level of agreement of a story. Agreed in this context means that the management of the organisation approves of the content of the story. Contested stories are not authorised by the management. The second criterion is whether the story is told overtly or covertly. Overt and agreed stories are open and willingly revealed to outsiders. These stories represent the company to its stakeholders, like customers, suppliers, government officials, employees, but also to the wider public. Overt and agreed stories can be found in brochures, annual reports, and other publications of the company, for instance information material on special occasions. But these stories are also communicated through the local or business press, particularly in relation with good news. The overt and agreed stories of TKA Tallent
Chassis are summarised in a book on the occasion of the company’s 50th anniversary (Tallent Engineering Ltd., 2000).1

On the other hand, agreed stories can be covert, which is ‘insider knowledge’. Such stories are communicated among the members of the organisation, but normally not revealed to non-members. They often include what is commonly understood as ‘business secrets’, which is knowledge that should remain within the organisation. In the context of ‘products and services … more and more distinguishable by the “knowledge work”’ (Gee, 2000:185), these narratives fulfil an important function. They enable the members of a business organisation to understand their unique strengths and what makes them different from their competitors. In the case study, detailed information about profit margins and a change in the work structures not available to the public was revealed to the researcher in a meeting with one of the managers.

As a third form, overt contested stories are often used in trade unionism. They are overt because they are communicated openly to a wider public. But they are contested because they contradict the official stories of the company. Finally, covert and contested stories are part of an oppressed opposition, but also contain gossip and rumours. For example such stories are told among a group of employees who are not satisfied with their work and company. They are likely to shape the organisational culture and working climate differently from the official version, leading to distrust and conflict. In practice, there may be different such stories among different groups of employees, who are dissatisfied with different issues.

It may seem that the latter types of stories are very difficult to research in practice due to their covert character. However, in his article ‘The Stranger’, Georg Simmel (1908, in Levine, 1971) points out that the researcher takes the role of a stranger, who does not belong to the group initially and thus brings new qualities into the group. Simmel sees the role of the stranger as a ‘specific form of interaction’ (p. 143), which is characterised by ‘a distinct structure composed of remoteness and nearness, indifference and involvement’ (p. 145), making him look objective. In a research context, this often means that the research subjects build up trust with the researcher and, as a consequence, reveal covert information to her/him. Nevertheless, such contested stories have not been exposed so far in the research process, but may turn up in the near future.

Narrative and Organisational Life

The stock of stories in an organisation forms its organisational culture. Since the employees make up the company, their life stories, experiences, attitudes and perceptions build up the culture of the company (Gabriel, 2000). As a result, all four types of stories can be found in this context, and they all shape the culture, working climate and trust relations of the company. The overt and agreed stories are communicated among all members of the organisation and its stakeholders, while covert and agreed stories may only circulate among, for instance, top managers. At Tallent, information about changes in the work patterns is only official among senior managers at the moment. Overt and contested stories are likely to be communicated among members of a certain group, in this case of trade union affiliates. Covert and contested stories, including gossip, only circulate among certain groups of employees.

1 The company published the book in the name of ‘Tallent Engineering’ before being renamed TKA Tallent Chassis.
Staff identifies themselves with the company through the organisational culture or stock of stories. Additionally, narrative integrates new members of staff by telling them the prevalent stories, i.e. teaching the organisational culture, and thus helping them to identify themselves with the company. But they also teach new employees the language used in the organisation, including the company-internal slang. One employee commented on this topic with the words: ‘after six months of Tallent, it is starting getting into you. It’s a very dynamic organisation, very dynamic.’ In this function, new employees are told the overt and agreed stories first through the job advert and then during the induction period. Later, both covert agreed stories and covert contested stories may be added as the integration continues and after trust has been established in the socialisation process with peers.

Narrative also reveals the basic values of the organisation. The following excerpts of interviews will help to illustrate this. For instance, the concentration on the relevant and important areas of the organisation’s purpose, namely the production of world-class products, is reflected by one interviewee’s comment: the ability of shop floor workers to service and maintain their machines was seen ‘vital because we have a lean manufacturing policy’. Furthermore, the organisational culture and communication structures seem to be built on trust and confidence in the staff. Employees are granted a certain amount of autonomy in their daily work with the result that the company ‘does sort of broaden your knowledge and lets you get on with it. It gives a lot job satisfaction. When you don’t have to report and ask permission to do certain things’. An interesting link into motivation, learning and job satisfaction can be identified here as well, linking to criticism of Sennett (1998).

Narrative can help to shape the future of the organisation, as it can help to make stories true (Kundera, 1988). This applies in particular for organisations with a visionary leader, who has the skill to imagine the future of their organisations very clearly. Additionally, these people are able to live the future actively and communicate it in an intrinsically motivating way, so that their employees can understand the planned change in narrative and go for it. A good example for this role of narrative in organisational life provides the following element of the company’s vision (Tallent Engineering Ltd., 2000:iv): ‘Be visionary and develop a clear strategy to deliver the vision and be determined to succeed’. Although in a rather abstract way, all interviewees so far agreed that the vision ‘cascaded down’ the organisation from the top management to managers, from managers to supervisors, from supervisors to workers through regular team briefings and an open communication structure.

Additionally, a function the researcher has not come across so far in the case study, narrative can assist the analysis process in business organisations by exploring the informal structures and networks within the organisation. With the increasing popularity of management concepts like knowledge management and organisational learning, these tacit structures gain in importance. It is now commonly accepted that all elements of the organisation have to be in line with each other to provide optimal results (Peters and Waterman, 1982). Narrative analysis can be a powerful tool to go ‘behind the scenes’ and grasp such hidden networks, serving then as a basis for necessary changes with the implementation of such concepts.

**Conclusion**

Narrative fulfils a number of important functions in the tacit life of business organisations due to its popularity in everyday life and its social character. These roles include the make-up of the organisational culture through the stock of stories, integration of new staff, and communication of the vision to build up a corporate identity. The main function of narrative in recent times with increasing pace and complexity, globalisation and fierce competition can
be seen as learning and sense-making tool. In this role, narrative enables staff to change their stories and their identity as well to make sense of new circumstances, narrative helps them to learn and develop as individuals, finally leading to a learning process of the organisation as a whole.

Despite the importance and constant presence of stories in organisational life, narrative has been widely left out by mainstream management literature. Particularly with regard to managing change and organisational learning leaving out narrative may lead to the high rate of failure of such concepts experienced by many companies. However, people tend to think of the complicated solutions first before thinking of the more obvious: that the organisation is made up of individuals and that their narratives build the life history and identity of the company as a whole. With increasing emphasis on employees and their stories, organisational learning, development and the management of change may be facilitated considerably.

References


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