



## Management Innovation

- researching reflexivity with reflexive means

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# Introduction

*... who we are and what we do at HealthCare Excellence (University of St. Gallen)*

## Theoretical lens

How 'things' are produced and reproduced within the ongoing flux of organizing  
(Langley et al., 2013; Hernes, 2008)



## Interest in organization studies

How do organizations stabilize themselves and change? (see Langley & Tsoukas, 2017)



## Methodological approach

ethnographic, longitudinal, qualitative studies to capture organizational reality "in flight"  
(Pettigrew, 1990)

## Empirical context

Hospitals as pluralistic organizations  
(Baker & Denis, 2011)

# Management-Innovation

Why?

## The world becomes complex

- ... with highly entangled, global, sectoral... relationships
- ... with increasing speed of innovation
- ... with decreasing stability and need to expect the unexpected



## Organizations become expert organizations

(Senge, 1991; Drucker, 1957)

- ... knowledge-intensive work, autonomous actors with plural perspectives, interests; ambiguous power relations (Denis et al., 2007)
- ... who question the idea of hierarchy as the «holy order»
- ... that requires leadership to legitimize itself from how it leads, not from what it knows
- ... that means that employees (also) observe their superiors (Schumacher, 2015)

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## A need for management innovation ...

Problems that are never solved, are never solved because **managers experiment with everything except with what they themselves do and think.** (Karl Weick, 1979: 219)

## Management Innovation

... is considered the (latest) source of sustainable competitive advantage (Birkinshaw & Mol, 2006; Hamel, & Breed 2007)



# Why in hospitals?

*Research context for studying management innovation*

## **complexity of the environment:**

diverse environment, interests, rationalities, changes

- Differentiated awareness
- Coordination of divergent stakes

... to sustainably secure the organization's resource base and allow strategic positioning



## **complexity of the organization:**

core value creation, significance of pre-conditions (resources); pluralism

- Need for coordination
  - Efficient use of resources
  - Continuous development
- ... for a patient-centred value creation

## **«bilateralism» - the enacted management praxis of who decides on what, when and how**

Bilateral agreements between the parts in informal networks to situatively work through decision necessities

- stabilizes the organization (initially) and the position of decision-makers (network members)
- Maintains the autonomies of the parts



## **limits**

- procedure: resource intensive
  - Time: delays
  - Factual: general growth and focus on parts (not: whole)
  - Socially: in-group vs. out-group
- strategy: «wish list – truce»

The enacted decision-making praxis reaches its limits because of rising complexity and necessities for decisions → need for management innovation



# Management-Innovation

*What: on a first glance it appears as an (iterative) but linear process*

## Definition

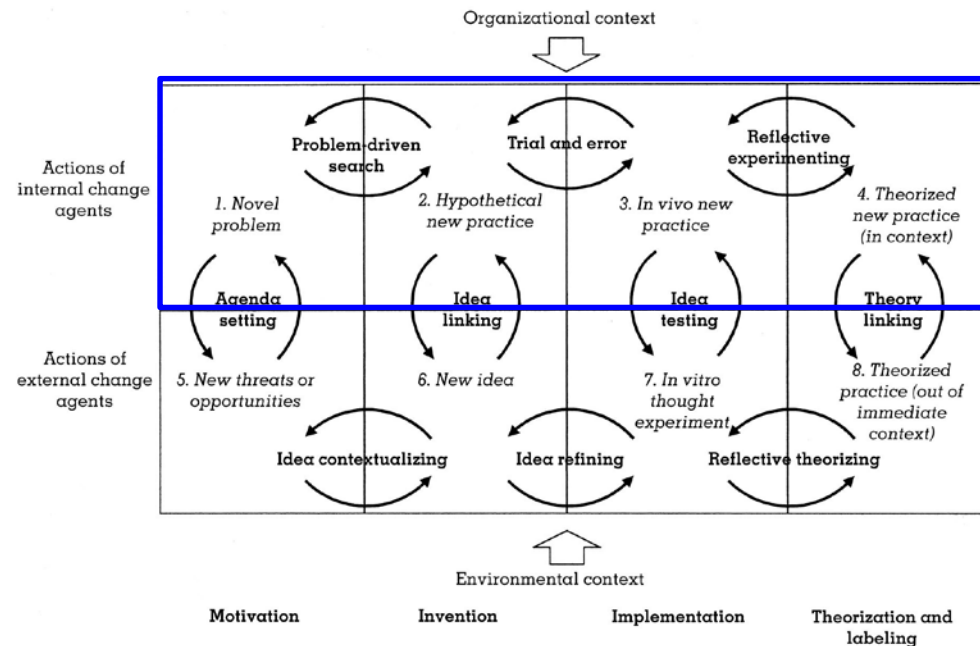
«Management innovation ... refers to alterations in the way the work of how management is performed» (Volberda et al., 2013: 2)

## ... a 4 step process:

1. *Motivation*: internal & external Observation of problems and of opportunities
2. *Invention*: interacting external & internal «change agents» (that relate organizational and environmental context)
3. *Implementation*: through praxis, trial & error, reflective experimenting
4. *Theorizing and «Labelling»* for legitimacy

## Visibility

... means to establish new management practices, processes or structures (Birkinshaw et al., 2008: 829)



(Birkinshaw et al., 2008: 832)

Management 1

Management 2

On a first glance, management innovation appears an exogenous process, like organizational change (Weick & Quinn, 1999) or innovation of products, services or business models (Volberda et al., 2013; Gassmann et al., 2016)

# Management Innovation

... on a second glance: a dynamic, self-referential process

Management 1

Management 2

## Process of management innovation ...

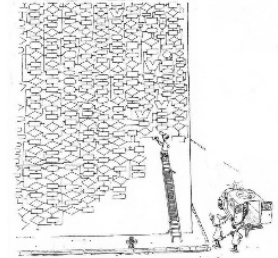
... is self-referential, endogenous:

Management innovation "... must involve substantial changes in how the organization is managed..." (Volberda et al., 2013: 3)

## Known characteristics...

- embedded in a specific organizational context (Volberda et al., 2013)
- addresses: organization's own management praxis and its own understandings of management (Jay, 2013; McCabe, 2002)
- thus: involves ambiguity and uncertainty (Birkinshaw et al., 2008)
- requires a high degree of legitimization in the organization (Birkinshaw et al., 2008: 831)

Management X



## Karl Weick (1979: 219) ...

Problems that are never solved, are never solved because **managers experiment with everything except with what they themselves do and think.**

When people try to change their surroundings, they have to change themselves, their own thinking and acting – not someone else (Karl Weick, 1979: 152)

Management innovation rests on reflexivity on one's own management praxis (Cunliffe, 2009)



# Approaching self-referentiality through reflexivity

*Views on the literature of reflexivity (Gutzan, 2017)*

## What

- question underlying assumptions (Cunliffe, 2009) including power relations to (re-)create meaning (Pässilä et al., 2015), implications for... (Gorli et al., 2015)

## Who

- individual: reflective practitioner (Schön, 1983; Holland, 1999), embedded in history and future (context) (Vince & Reynolds, 2009)
- group: Reflection in the co-presence of others (Vince, 2002; Cunliffe, 2009) as authors of reflection (Gorli et al., 2015) and collective voicing (Pässilä et al., 2015: 81)
- organization: ? structures that reflect (Nicolini, et al., 2004) → reflexivity as a 2<sup>nd</sup> order observation (Luhmann, 1991)

## How

- cognitive process (Hollariu, 1999)
- dialogic communicative practice (Cunliffe, 2009) and
- a dynamic interplay of thinking and doing (Cunliffe & Jun, 2005; Czarniawska, 2008)

- ?



# Management Innovation via lean production

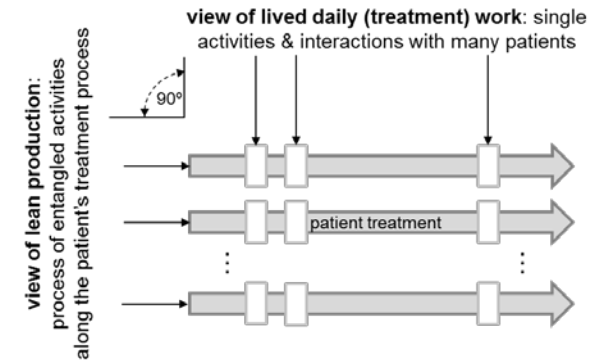
*lean production opens up the view on the organizational complexity at work*

## Lean Production: optimizing value creation

**Lean Production** opens up the view on the organizational complexity at work

- *Process orientation*: geared to the value creation process for the customer / patient → focus on distributed activities
- View on the pre-conditions of the value creation (material, IT, infrastructure, communication, ...)
- *focus*: value creation - «waste»
- *Kaizen*: continuous improvement
- *procedure*: Initiation (principles) → «Gemba-Walks» → Improvement workshops → implementation (with adaptations in rooms, technology, process,...)

enables



## management innovation

Reflection and further development of the grown bilateral and person-oriented praxis of decision-making ...

- ... of inter-professional and inter-disciplinary collaboration
- ... on environmental developments outside the own area of expertise
- ... for a timely and complexity adequate handling of decision necessities while mobilizing the requires expertise, responsibility and affectedness



# Example: management innovation at an ECU

*lean production («Lean Hospital») – management innovation – lean production (see Gutzan, 2017)*

**2011: problem identification**  
(CEO):

Efficiency pressure, rising patients, shrinking employee satisfaction

**2012: CEO travels to US**  
**(with consultants)** and visits Virginia Mason Hospital, Boeing etc.

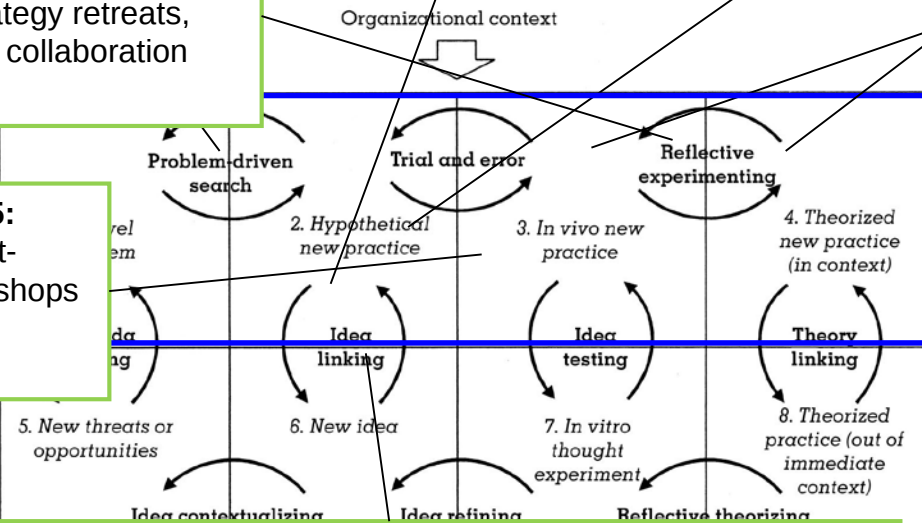
**Fall 2013: Workshop**  
**with head personnel** to introduce Lean Hospital with consultants in 5 clinics, including ECU

**Spring 2014:** consultants implement Lean in the ECU (GEMBA-Walk, Implementation Workshop, adapting infrastructure, IT...)

**Since November 2015:** adapting processes, Huddle meetings, strategy retreats, meetings with collaboration partners...

**January 2015:**  
«Management-Circle»; Workshops at ECU; work groups

Actions of external change agents



**2014: Lean praxis in crisis (MTE)**

«I have to make the detour of involving those consultants and go for lean, only that I adapt my work afterwards again ...» (physician)

«In general I feel left behind. ... And the medical leadership has not supported us either» (nurse)

«He (ECU head) has basically no impact ... But if I am honest, we can also undermine every of his orders» (nurse)

«There is hardly any self-reflection in the clinical daily work. We did not do that in the past ... Our mistake was that we did not reflect enough in the beginning ...» (physician)

**Summer 2014: restructuring ECU leadership and organization**  
(from single leader to team of nursing, surgery, medicine)

«We asked ourselves – what do we need, what kind of leadership and organizational structure? And what does the relation of the ECU to the other clinics look like? ... That was a learning process. We did not entirely pause the lean introduction, but it became the 2<sup>nd</sup> priority with the structural question as 1<sup>st</sup> priority»



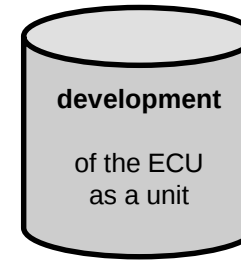
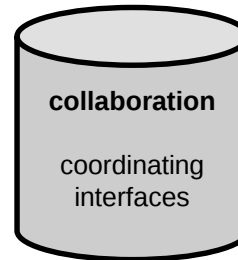
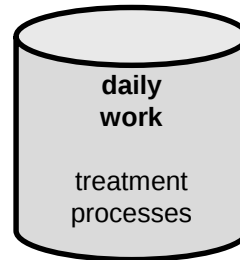
# Insights of management innovation at ECU

*Structuring communication by establishing platforms (Gutzan et al., forthcoming)*

## Insight 1: management innovation ...

... requires the establishment of systematic reflexivity within the organization:

... topic:



... participants:

Nurses and medical doctors involved with patients

Clinic for surgery, inner medicine, intensive care, room service

Leaders of ECU (nursing, surgery, inner medicine); guests

Leaders of ECU (nursing, surgery, inner medicine); guests

... rhythm:

daily, monthly

fortnight

twice a year

fortnight

... example:

CIRS-meeting, Huddle, Work groups

in leadership meetings of surgery, inner medicine;

strategy-retreat, Employee workshops,

Management-Circle

Management innovation: further development of the decision-making praxis by structuring which topics, are decided by whom when, and where

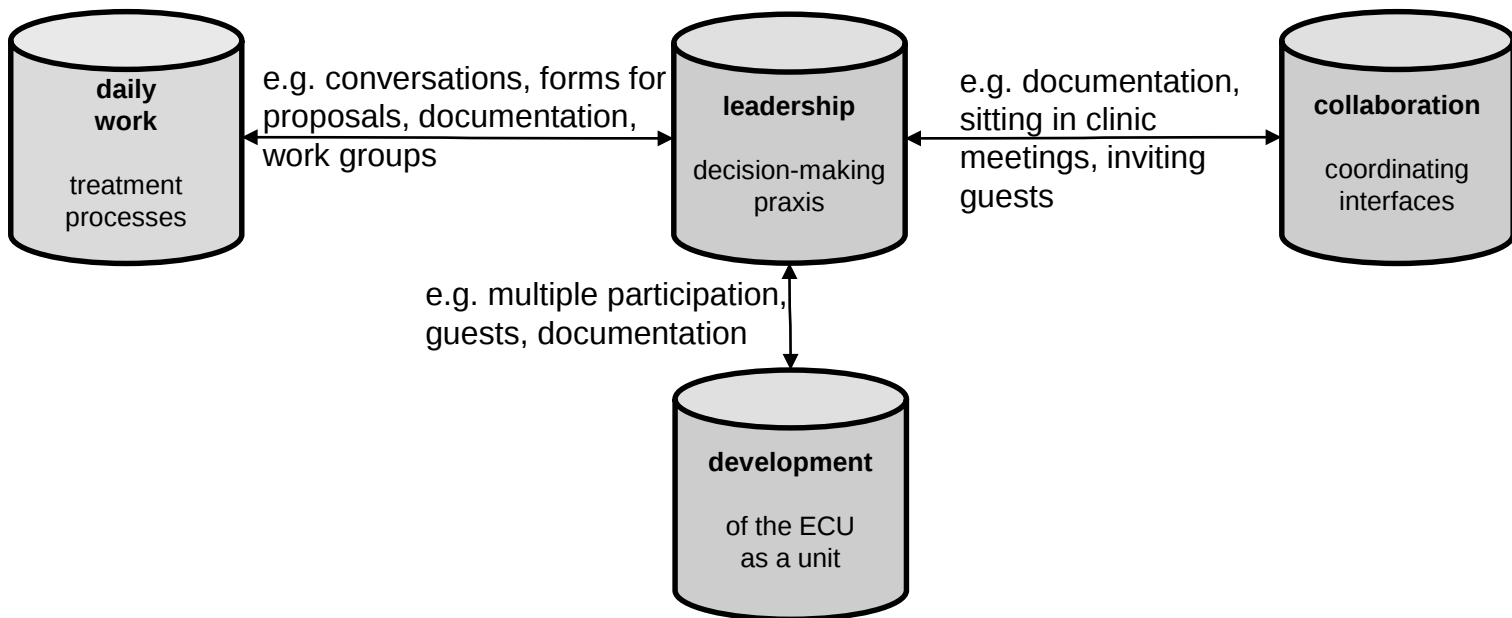


# Management Innovation requires «orchestrating»

... of the platforms to enhance coherence of reflexivity in the organization (Gutzan et al., forthcoming)

## Insight 2: management innovation ...

... requires the systematic orchestration of the (reflexive) platforms



## Impact...

... of the management-innovation (s. Volberda et al., 2013):

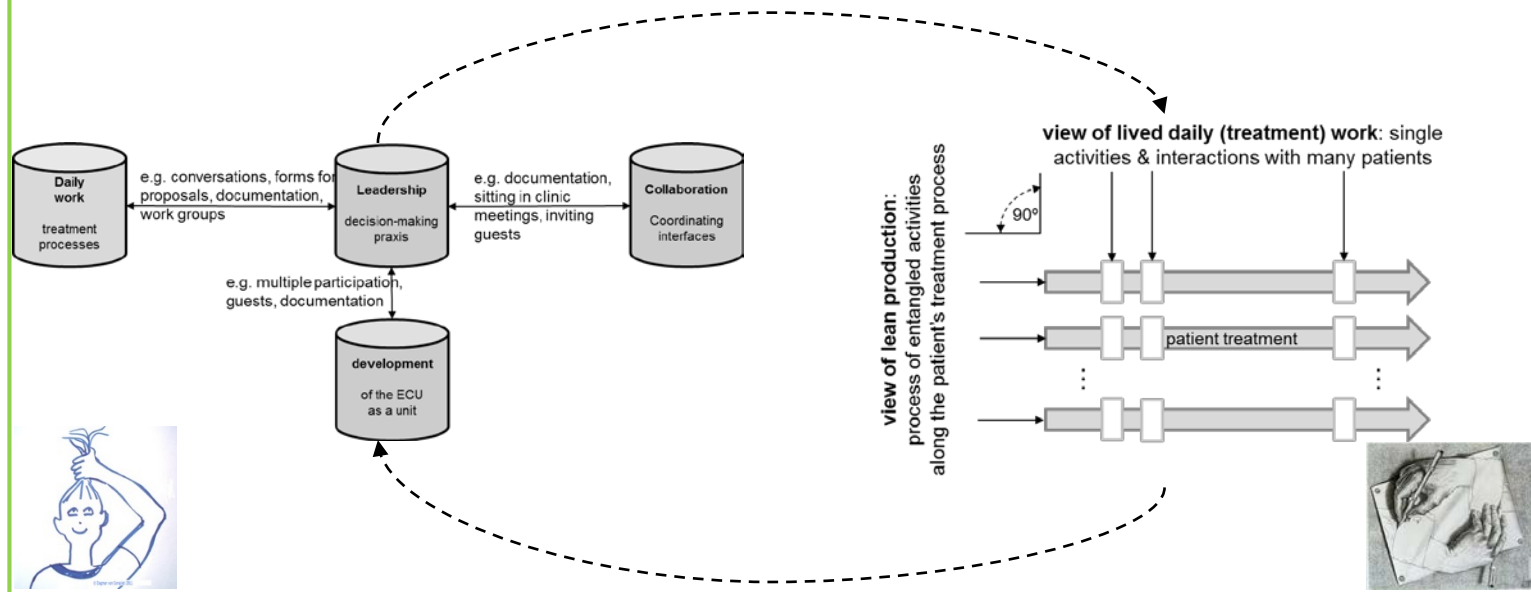
- *structure*: changed leadership and organization
- *processes*: systematic observation and working through the four topic areas
- *practices*: from bilateral-personal to a more rule oriented, communicatively structured decision-making praxis

# Management Innovation and lean production

... form a duality that evolves through establishing and orchestrating organizational reflexivity

## Insight 3: management innovation ...

... becomes the pre-condition to implement lean production and vice versa, through enhancing organizational reflexivity in terms of platforms and their orchestration.



## Preliminary conclusions on management innovation in hospitals:

- rising decision necessities require the further development of the decision-making praxis
- This development depends in (pluralistic) organizations on the capacity of the communicative practice (Wimmer, 2017)
- ... and involves the establishment and orchestration of platforms to enhance organizational reflexivity (e.g. as in the topic areas of the ECU studied)

# How do we research this management innovation process?

*Corner stones for a reflexive methodology (Tuckermann & Rüegg-Stürm, 2011; Tuckermann, 2013)*

## Criteria of management innovation ...

- contextual: organization specific
- reflexive: the organization's own management praxis and understandings
- processual: dynamic unfolding over time

## ... and of reflexivity

- contextual: history, future, power
- cognitive: questioning assumptions
- communicative: dialogic in co-presence
- processual: dynamic unfolding over time



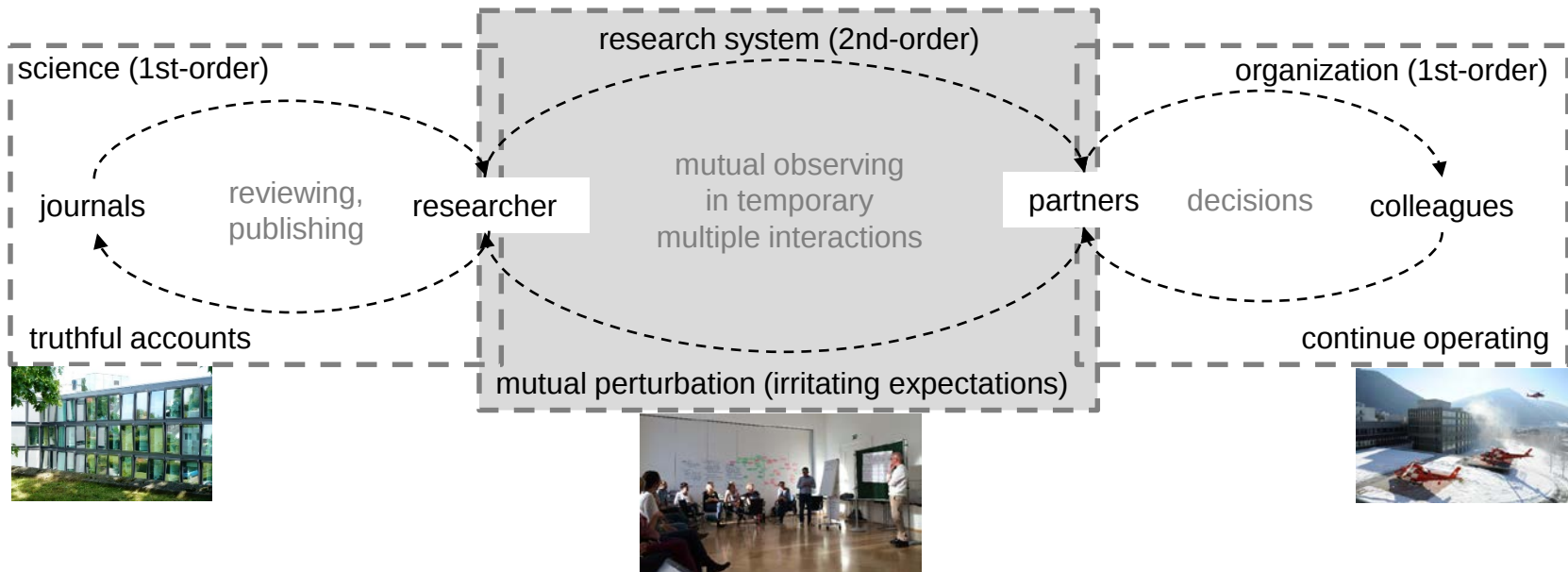
## ... imply a reflexive methodology for a consistent research practice in the field

- research design: contextual, longitudinal case studies with direct observation over a longer period of time (e.g. 4-5 years)
- team approach: in principle 2 researchers on site
- communicative approach: research takes place as communication (Luhmann, 1991), between researchers and research partners of an organization
- “observation”: foundational communication in practice and research (Luhmann, 1991), defined as: an operation that distinguishes and marks one side of the distinction
- research (2<sup>nd</sup> order observation) concerns what, how, and why an organization operates (1<sup>st</sup> order observation), thereby illuminating what might be latent in the organization

# Reflexive Systemic Research Heuristic (RSR)

*Reflexive research in the field (Tuckermann & Rüegg-Stürm, 2011; Tuckermann, 2013)*

## Characteristics: RSR...



## Implications: ...

- 4 entangled practices (triangulation)

→ organizational, relational, research, academic

- context specific

→ evolving mutual expectations → dynamic

- locus of data: research system

→ limited and observer-dependent insights

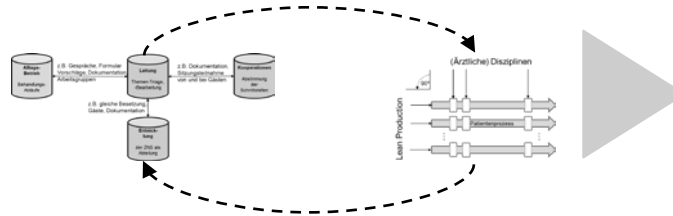
- blind spots

→ of partner AND of researcher

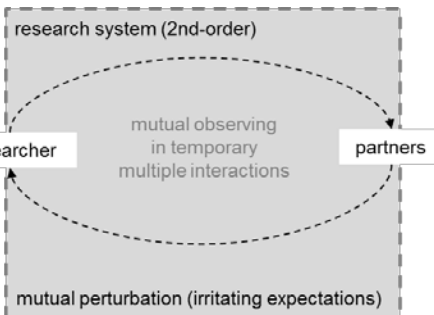


# Reflexive Systemic Research Heuristic (RSR)

What we do...



Management X



## Feedback Workshops

... an invitation to collectively reflect...

- guided by... observations, emerging researcher's insights on the management innovation process
- roles: content, facilitation, documentation
- structure: resonance in content (is that your unit?), reflection (what goes through your mind...?)
- duration: 3 hours
- outcome (practitioners): identifying «construction sites», inspiration for further development
- outcome (researchers): intense data on the collective reflection

a reflexive, (potentially) generative space (a starting point) for managers to engage "with what they themselves do and think." (Karl Weick, 1979: 152)

# End

*Thank you for your attention...*

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