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Review of Pure Reasoning: The Frame of Reference

Let us begin with the following proposition that has already been formulated several times: it is all the more difficult to change an organization when the actors in the organization - leaders as well as employees - have a poor understanding of how it functions. For the leaders, as is often observed, this puts a damper on their ability to make decisions over which they feel, however confusedly, that they have no control. This is what managerial rhetoric calls prudence. Similarly, this leads them to various protection strategies (bluntly called the "cover your ass syndrome" in America) which determined sociologists have been studying for some time now.

For the members of the organization, this lack of knowledge leads them to behave with mistrust and resistance, heightened by the fact that they do not understand what the problem is that is being dealt with, and that what they are told does not seem to them to correspond to reality - their reality - so that, this being the case, change is for them accompanied by guilt: their former practices are seen to be under fire for no good reason. Consequently, access to knowledge of what we called in part I the real organization, is the result neither of scientific aestheticism nor of some humanistic or philosophical bias. It is a key factor in getting people to both accept and implement change. Moreover, in the preceding chapter, it was pointed out that this is in fact a fundamental point on which authors agree - authors of different cultural back- grounds and of sometimes contradictory points of view. We won' t be going back over that.

The problem facing us then is that of carefully working out this knowledge - making a diagnosis – in as much as the actors perceive it, even if their perception is of course fragmentary, compartmentalized, disconnected and partisan. What matters is the systemic dimension that is to say the link between the different parts and between these parts and the whole. It is this added value which is lacking in spontaneous knowledge, in the "quick glance", however well founded it might be on actual experience. The following examples demonstrate this

clearly and explain why the actors in an organization, faced with the results of a sociogical diagnosis, can be surprised by the facts presented to them, and yet can accept them provided that a coherent - systemic- presentation of the facts gives them the real feeling of having been listened to. it comes both as a revelation and as a release mechanism with respect to the usual practice of dividing reality, cutting It up, classifying it, a practice which for its part produces problematic side-effects which wind up, with use, locking the system up: the behavior of each individual, taken alone, is *de facto* linked only to the actor who exhibits it. Behavior appears as the problem when most often it is only a symptom, and attempts to modify it usually focus on the actor alone. An appeal is made to his or her goodwill, convictions or at best personal interests, meant here in the most basic, mechanistic sense of "motivation".

  We encountered this kind of organization earlier on, which, overcome by an urgent need to be "customer oriented", tries to do so by blaming the attitude of employees who work directly with customers. In so doing, they point a bold finger at the guilty ones - those who must change - and obscure the systemic dimension of their behavior. No doubt this the more comfortable, simple solution, but as Indicated earlier, in the end, changing employee attitudes only becomes all the more difficult, since they now feel with good reason that no one has even listened to them, that is, that no one has understood the real

world in which they work and within which their actions have meaning. We will see later on, in a particularly striking case study, that some actors support a bureaucratic way of thinking "by default", since they have no other models, since they believe that tried and true bureaucracy alone can protect them; when they are presented with something else in the name of "good management", or out of sheer theoretical or ideological criticism of bureaucracy, they rebel, fearing the effects that change might have on themselves and upon the reality which they have worked out for themselves, but which no one has taken the time to understand

The systemic knowledge proposed here requires a frame of reference, which might also be called a mode of reasoning. Developed on the basis of Herbert Simon's early work on bounded rationality, it has since given rise to heated debate and to an impressive body of literature, which is not the concern of this book. It will be presented quite simply, beginning with the author's own work in seminars, developed slowly but surely in the hope of making this mode of reasoning available to the actors themselves. Beginning with a seemingly ordinary example, which is in fact extremely rich, we will attempt to answer the burning question at the very heart of the work of both social scientists and managers wishing to undertake change: why, within organizations do people do what they do, and consequently why do they not do what they are asked to do? Once this mode of reasoning

has been explained, it will be made real through the use of "tools" which are only its physical interpretation - such as the strategic analysis grid, presented In this chapter, and the sociogram, developed in the next chapter.

The dilemma of the shampoo girl

Pure chance led the author to the following case study. It is hoped that the professionals Involved will excuse the way I have presented the facts here, intentionally simplified and adapted for pedagogical reasons. A particular company, a world leader in the cosmetics industry, was faced a few years ago with the following question: just like Its competitors, the company sold its retail hair products through various distribution networks: super-markets, specialized shops, drugstores, and so on. Traditionally, the hair-dressing salon was not used for direct customer sales. In the salon, the company had only offered so-called "technical" products, available exclusively to hairstylists who could use the products on customers in the shop. Quite naturally, there arose the question of developing specific product lines for hairdressing salon customers. The company took a major step forward and decided to invest in this new sales initiative.

 This was, first or all, a sizeable strategic gamble, insofar as the company had first to create new brand names which would then be offered in competition with existing brands, some of which already bore the

company name. But it was a major business opportunity, given the number of potential sales outlets: in France alone there are more than 40,000 active hairdressing salons, that is to say, individual shops. There was also financial risk, requiring new personnel, display shelves, publicity campaigns, and so on.

Once the decision had been made, the company began implementing the plan with its usual efficiency and know-how. Marketing studies were carried out, the products developed and tested, a sales strategy carefully thought out, sales staff recruited and trained, and even though salon owners seemed a little reluctant, in some countries at least, the company's influence and its relationship with the profession allowed it to attract those whom it considered to bear the heart of the business.

Then, a long way into this great business venture, a particular question arose which on the surface seemed rather unimportant: In the hair-dressing salons, who was going to offer the products to customers? The old theory of how Individuals are motivated financially whispered the answer, and, in fact, freed the company from having to take a closer look at the real situation: someone who is paid relatively little wishes to make more (a mechanistic vision or human behavior within organizations). Certain salon employees flt this description: if, as "motivation", they are given material, financial or other stimuli, they will begin selling the products , no doubt taking full advantage or the

enticements offered them. These actors- the "shampoo girls" – are generally young, low-paid apprentices who, as such, should see in the new project a good opportunity to increase their monthly earnings.

Let us take a moment to understand in simple terms what mechanistic reasoning is, as opposed to systemic reasoning. The first takes into consideration only two actors, in appearance the only ones directly involved in the problem: the shampooer and the customer, independent of the context in which their relationship takes place. Direct action on one or these actors (the stimulus offered to the shampooer) should thus affect his or her behavior vis-à-vis the other (the shampooer will offer products to customers), This approach assumes that the behavior of these actors is predictable - especially that or the employee, based on a universal model (motivation) - which does away with the need for

more careful "listening" to the salon as an organization.

By extension, It can moreover be observed that the use of models - behavioral, organizational, and so on - supplants more difficult awareness or reality. Their use is reassuring since it promises solutions, although they are never based on real knowledge of the problem but on *a priori* hypothesis, on simplistic postulates, or on statements which, after several repetitions, begin to be misconstrued as universal law.   This simplistic approach, so typical or the "substantial" theories of management as they are currently taught in many business schools, is a return to Taylorian unique

rationality - if indeed we ever really got away from it. Once the main characteristic of an actor has been identified, how he or he will react in the future is "known", regardless of the setting – the organization - in which this actor is employed. In so doing, human intelligence, the actor's adaptive ability, and the strategic dimension of his or her behavior have all been reduced to nothing, but which, as we are about to see through the example of the shampooer, are absolutely essential.

Let us return to the example. A few months after the new sales plan had been implemented, the company conducted its first in-depth analysis which turned out to be rather disappointing: the results were not there, especially in France, and a quick look at the situation reveals why: despite the benefits granted them, the shampooers were very reluctant to offer products to customers. The company redoubled its efforts, offering new forms of enticement as well as Increased pressure on sales representatives, and through them on to the shampooers, but these were just as unsuccessful. The reluctance to sell products was just as great, which led the company to conclude, although with a little over-statement here, that the Intellectual limitations of the shampoo staff combined with their lack of enthusiasm prevented them from taking advantage of this opportunity.

And yet why should the "intelligence" of an actor be questioned? In fact, to do so reveals that the solution is inadequate, that company decision makers have not succeeded in understanding the problem, the real

problem, since understanding presuppose, a different mode of reasoning, not the application of an abstract, theoretical model

What mode of reasoning? Let us begin with a simple postulate which we will develop later on: in organIzations, as in collective life in general, actors do what they do, not because they are dumb, stupid or ill-intentioned, but because they are intelligent. In other words, the problems which we find In organizations are the result not of human stupidity, but of human Intelligence. Intelligence is not to be understood here as the ability of an elite group forced to understand everything, to control everything, to master and eventually reformulate everything in some kind of perfect formal logic. Rather, it should be understood as the modest ability of the actors, within the specific context in which they work, in the here and now, to find a solution which is, at least as far as they are concerned, the least bad or first acceptable of all possible solutions, however one prefers to say it. This is indeed what Simon called "bounded rationality", which he contrasts with sole rationality, which applies to the models mentioned above: financial motivation in that case of the shampooers. "An example is the difference between searching a haystack to find the sharpest needle in it, and searching the haystack to find a needle sharp enough to sew with", write James March and Herbert Simon, decisively establishing with this simple metaphor the difference between sole rationality and bounded rationality.

Let us take a more careful look at March and Simon's proposition: say, one morning, as you are putting on your last clean shirt you notice that a button is missing. In order to sew it back on, you need a needle, and you have very little time if you want to make an important meeting. You have at least two possible solutions.

The first, the result of a careful and scientifically flawless analysis, leads you to look for the sharpest possible needle, the one best suited to repairing the button without damaging the shirt. You will then go about looking for the sharpest needle In the haystack - the sewing kit - since this is the scientific solution... and as a result, you will miss your meeting

The second solution leads you to consider the different constraints: I cannot leave home with a button missing, I have to be on time for my meeting, finding an appropriate needle in a disorderly sewing kit is not easy, and so on. At this point, you will not select the best solution (sole rationality), that is the best in technical terms; rather, you will select the one which will help you solve then and there the contradictory problems of the moment. Perhaps the needle is not the most acceptable, but you did not spend 15 minutes digging for it either, and the button can be reattached in time for you to make your meeting: this is bounded rationality. This is not the abstract "best technical solution", but the least bad, the first acceptable one. In sociological language, you have unconsciously adopted a rational strategy, which does

not mean that you made a correct choice, nor that we must approve of your solution, but which demonstrates the real meaning or "intelligence" mentioned above.

It is thus understandable why speaking of the actor's rationality or, to say it differently and rather more brutally, affirming that irrationality does not exist in organizations (unless in the shape of pathologies, that are very individual and do not form a management problem) does not make any value judgment in advance on the merits or otherwise or taking action. This is a framework of reasoning that helps one to understand (but not necessarily approve) all human behavior. To take an extreme example, it was an Israeli expert, Ariel Merari, who stated that terrorists are not crazy, that they follow their own rationality, but they are not irrational.

And so, to help the company make some progress in its hair-product

Sales initiative in salons, the line of reasoning must be turned around, and we must try to understand how - for the shampooer who is intelligent, like other people – the fact of not offering products to her customers can be rational behaviour (strategic dimension) in a world that is much more complicated than the simple one-on-one scenario of vendor/consumer (systemic dimension). To do this, we have to take the time to piece together the world of the hairdressing salon in a;; its complexity, beyond its apparent simplicity, and

modestly observe what is happening, letting ourselves be surprised.

Early on in Chapter 3, we observed the taylorization of this small world, in the fact that as part of the classic production process of the salon, what is moved about is not the worker but the product to be transformed, in this instance the customer's head (movement from the sink to the seat). Let us add that in this compartmentalized world, there are "rules of the game", as in any organization, that is to *say* a set of codes or proper behaviour, unwritten of course, which each person must respect in order to survive, or more concretely, to avoid being rejected by the other actors. In a more sophisticated form, this is what we would call "culture": the set of formal and informal rules which evolve over time, encoding the rights and duties of each person vis-à-vis all other. The understanding and acceptance of this "culture" are both a condition for the sustainability of the organization and a mark of integration. In the hairdressing salon, the rule which provides the most structure is the one by which someone belonging to an "inferior" category in terms of qualifications has no right to discuss with the customer what someone belonging to a "superior" category does or will do. Put more directly, this means that the shampooers must not discuss with customers the technical aspects of the stylists' or technicians' job. If they do, they will face a situation of conflict, which, if it is prolonged, will cause those employees to be fired by the owner who

knows it is easier to hire a shampooer than a good technician.

Now we have begun to use systemic reasoning. To understand the relationship between the two actors (the shampooer and the customer), and the strategy of one of them (the shampooer's refusal to offer products to the customer), we have had to bring in other members of the organization, who at first glance do not seem directly involved (the technicians and the owner of the salon). Here "systemic" means that each of these actors develops a strategy - a strategy to preserve autonomy in the case of the technician – and that these strategies are interconnected, and can only be understood as a whole, not in isolation.

Let us go a little further into the hairdressing salon, and observe that there are no old shampooers. The reason is obvious: as young apprentices, they have the simple goal or becoming technicians themselves. Either they attain that goal and continue along the path, or they fail and go on to something else so as not to have to continue shampooing and sweeping the floor the rest of their lives. As we continue developing our frame of reference we will say that they have a "problem to solve" which is to become a technician. Here "problem to solve" does not mean to confront a momentary difficulty, but to try to obtain something, and in this pursuit - we have come full circle - the actor develops some rational strategy. This concept is very different from that of

"motivation", the one first used by the company to get its new plan under way.

The idea – "from outside" we might say - that low-paid actors want to make more money is neither true nor false. It is simply useless insofar as these actors have not been heard out In an attempt to understand, beyond general abstract models, what they themselves want concretely when they do what they do in the context in which they find themselves. Note that, for shampooers - to become technicians, that is - the solution to their problem is to be promoted. But this profession is just like every other. Promotion requires a minimum level of stability, a certain time in one place, so that employees can demonstrate their professional competency and ability to be integrated into this human world, which is an equally important factor of success. As we said earlier, each conflict between technicians and shampooers will turn against the latter, possibly ending in their departure in search of a new salon, where they will have to start again as apprentices.

Let us now bring in, say, customer Jane Doe, and suppose that, as she makes her way over to the "sink"• area, the shampoo girl offers the line of haircare products. Through careful observation of this interaction we learn that the customer responds to this offer by two highly risky questions insofar as the young shampoo girl is concerned. The first is whether

the technician - supposedly the knowledgeable one In the matter - uses these products herself, which of course would make the offer all that more credible. But what can the shampoo girl say if the technician uses a different product, one which she developed herself, for example, In the course of her profession, but which has nothing to do with the one being offered? In fact, to sell a product to the customer forces the technician into a corner, face to face with the *fait accompli* making It almost obligatory that she too uses the product line. And yet as we saw, the technician tries to preserve her own autonomy. for her own differentiation. Whatever "backs her into a corner" is going to annoy her, resulting in conflict, and we already saw what the result of that would be.

 The second question which the customer might ask after being presented with the line of products concerns the possible effects of the product on her perm or hair colour ... on whatever work the technician may do. In selling the product, this implies that the shampoo girl will have to field questions with respect to what is going to happen, with respect to what other actors are going to do legitimately, as part of their job, the very ones who deny her that right. Again there is conflict, again the risk of a lost job , which goes against the resolution of the "problem to solve" which we identified: being promoted. In light or this context, knowing that she is intelligent, the rational strategy developed by the shampoo girl is

understandable: do not offer products to customers; this is her strategy regardless of her desire to make more money. This is the bounded rationality of the actors; this is what must be understood, "listened to" as we have said, if we want to have some chance of glimpsing the reality behind organizations, and therefore to change their functioning.

It should also be added that even though we have analysed a rather simple setting - the hairdressing salon - with what we might call a sophisticated concept - bounded rationality - not at all new in the sciences, this concept stands largely misunderstood, victim of the dream of a "best solution" which the actors could find If only they were provided with adequate information. This is the illusion which Alan Ehrenhalt exposes when he writes:

Modern economists probably know more than astronomers in the Middle Ages, but they are themselves prisoners of a simple Idea which dominates their thinking: most people in daily life are rational people who carefully calculate what is in their own best interest. They are, in economic jargon, "maximizers of utility". If they are given sufficient Information, they succeed every time in coming to a logically correct decision."

The idea of maximization of profit is not the problem. This was explained in clear terms by authors such as Alben Hirschman, Raymond Boudon and even,

surprisingly, by Alexis de Tocqueville . There is a logical flaw in the idea of a "logically correct decision" which goes back again to the old notion of "one best way", of "the sharpest needle", and so on. From this standpoint, it would be possible to make the actors predictable - which is the fantasy of every manager who wishes to implement change- simply by giving them the information which would allow them to be "reasonable". "What I have just said could be understood by school children", said the president of a large French company undergoing some hard times, having lost almost all hope in the face of fierce opposition to his rescue plan on the part of unions and even salaried employees. In fact, he saw that even when provided with frank, honest, accurate information, actors were still unreasonable, at least from his point of view.

To put It another way, one of the most surprising consequences of this intelligence in actors involved in the implementation of change is that, in organizations, the common-sense aspect is not neressarily considered entirely by the the actors themselves. Most of the time, "common sense" is the conclusion that Imposes itself when one has pushed a given logic to its limit - but nothing more than a single logic, that of economic efficiency or social justice, no matter which. However, as soon as such a logic is confronted with the actor's reality, with his or her own ability to find a more or less suitable solution to the context, then it loses its authenticity and apparent universality. That is why, quite simply, one can never convince anybody in

organizations of what each of us has actually experienced. If actors do what they do because they are intelligent, there is not much point in trying to convince them to do things differently. Maybe It would be more useful, and above all more effective, to try and place them in a context in which it is to their advantage to act differently. Further on in this book, we will call this "using leverage".

In parallel, we are beginning to anticipate that sharing knowledge does not mean convincing others that we are right but rather helping them to grasp the real and systemic nature of problems. Afterwards, but only then, will come the time for negotiation of solutions.

Bounded rationality therefore does not imply that the actors are right, nor that they should be told they are right. It is not about giving permission. It expresses the calculations (in the sense of choices) which people make so as to solve one or several problems, the most urgent ones, based on an evaluation of their resources and their constraints. Even If this short definition seems to rule out the perfect predictability of an actor's behavior - at the most, we might be able to say something about how consistent an actor's behavior may be - we will see later on that it nonetheless opens some Interesting pathways in dealing with the management of change.

How to identify the relevant actors

Let us now turn to a pedagogical exercise which consists of going back to the different concepts used to analyze the so-called case of the "shampoo girl", explaining them one by one. By explaining we do not mean just coming up with "tricks" or techniques - we will still be relatively powerless before the two-dimensional paradox of human behavior: unpredictable and yet intelligent. Rather, it means shedding light, step by step, on a mode of reasoning which makes a little more cognizable the organizational complexity which this book has emphasized over and over again. How this is done will be presented with a grid, a tool which should help readers actually put into practice this new way of reasoning, applicable to any human system for which one can put together enough relevant Information.

There Is nothing mathematical about this tool. There Is no recipe which guarantees that such a grid can be filled in without error. There is no scientific proof for a correct solution. But a discussion of these five basic concepts - to which we will later add two more, power and uncertainty - will enable us to reason in terms of the entire collective unit, and to construct a methodology for conducting change.

Actors	Problems to solve	Resources	Constraints	Strategies

Every attempt at understanding organizational reality - whether concerning the relationship between actors, or the strategy developed by one of them - assumes that all relevant actors can be identified, that is, those who must be taken into account if we want a reliable interpretation of the phenomena in question. Of course, here "actor" is not the same thing as "individual". An actor frequently has a collective dimension (flight attendants, customers, and so on). Furthermore, relevancy does not mean one's direct and visible involvement in the problem. We saw this in the case of the hairdressing salon, where our attempts to understand why refusing to offer products to customers was a rational strategy for shampooers led to the discovery of actors above and beyond the two directly involved (the apprentice and the customer): namely, the owner of the salon and the technicians, who are part of the relevant context of the relationship.

Note once again that the concept of an actor, once it is well understood, facilitates the use of systemic reasoning beyond a linear, causal or structural vision. More specifically, the actor concept allows us to see that problems are more concrete than structures: to analyse the functioning of a structure usually gives a rather poor result. Actors within a structure are not necessarily connected, and in daily life are typically not concerned with the same questions. On the other hand, to start with the problem (in this case the symptom) one can identify rather quickly which actors

are directly or indirectly involved, regardless of the official structure of which they are a part.

A quick illustration of this: a beverage company with a high sales volume complains of trouble in the purchasing department and embarks on an investigation to help it make some crucial decisions. The study involves conducting interviews which, understandably, the company suggests should take place within the purchasing department, in particular with the department manager, the product managers and the purchasers. Here the relevancy of the actors is likened - reduced, one might say- to the structure of which they are a part, the one which is thought to be the cause of the problem. Supposing now that we ask those in charge to express in concrete terms what they see as the principal problem. They explain in no uncertain terms that they are not able to convince their purchasers to avoid overstocking packaging materials, In other words, to limit their purchases to the immediate needs of production.

Let us say, then, that there is one main problem, the purchasing of packaging materials, and that around this problem a certain number of actors interact, regardless of the particular structure of which they are part: the purchasers of course, but also the production manager who is the one most bothered by the problem of surplus inventory. These two actors are part of the company, but work in different departments. Furthermore, how could we understand what is going on if we do not take into account the

suppliers, who, moreover, are non-members of the company, and a fortiori of the purchasing department? They are, by definition, key actors. In short, around the problem in question there is a network of actors whose connections form what is called a system, provided that these connections are more or less stable. Obviously, if purchasers' job performance is evaluated on the unit price or the item purchased, their shared interests with outside supplier will be stronger than with the production managers in their own company.

Two conclusions can be drawn from this simple example: the first Is that in such a context, without any doubt the purchase of huge quantities of bottles is for the buyer a rational strategy, in the sense that this expression was given earlier in this chapter: the second is that once again in understanding organizations, the concept of a system is much more useful than the knowledge of structures which, like everything related to rules and procedures, is relatively abstract with respect to the real behaviour of the actors.

Finally, note that in an attempt to cast some light on organizational reality, identifying the relevant actors does not necessarily happen in one fell swoop. It Is the result of careful reflection. This was illustrated in the analysis or the public system of ground transport carriers in France - the appearance, at the end of work, of the insurance company as a key actor in the system, permitting the

externalization of costs on to all motorists. This shows us that talking of "problems to solve" for an actor does not mean that he or she "has problems" in the normal sense of this term, nor that something negative is happening. It simply implies that

this actor is seeking to achieve something and that therefore, hypothetically one might say, all actors have problems to be solved, even if this only means staying quietly in their corner. One might object by saying that it would be better to choose a less ambiguous description such as "objective" but all such descriptions have a different connotation in management jargon. The important thing here is not the vocabulary, but an understanding of what the concept contains.

 Let us now take a brief look at why this concept is so crucial to this reasoning: actors are rational not with respect to a general, abstract, scientific or ethical model, but with respect to what they have set concretely as their own goals. As was said earlier. one can only modify an actor's behaviour - or at least control this attempt at modification - once one has grasped the rationality of such behaviour (and thus the problem that it seeks to resolve). Why? No doubt because the "problem to solve" is the key concept, as well as the most difficult one. Once again, there is no recipe to come up with the "right" answer; no "strings" which guarantee a correct interpretation; only the necessity of listening to the actors in the true sense of the term, and with this

listening to develop a hypothesis, continually questioning, continually verifying what they are trying to achieve.

"Listening", a critical and hazardous exercise

There are three reasons why this exercise is particularly tricky and uncertain. In explaining them, we will be able to say a little more about "listening" before taking the concept even further in the following chapter.

The mayor, the Jobs and the land

It was stated earlier that a system is a network of interdependencies among actors, related around a single question. The first difficulty lies in the obvious fact that it would be somewhat naive to jump from the idea that these actors are all concerned with the same question, to the idea that they all have the same problems to be solved, which might be, for example, the resolution of the question. A quick example serves to illustrate this point. In the 1970s, a labour conflict arose In France, typical in its day, concerning joint worker-management control. The company in question was called Titan Coder, a truck trader manufacturer.

Government officials in charge of business matters of the day, absorbed in eliminating "lame ducks", decided that there was no way a French trailer manufacturer could make money in a tight market, and tried to

interest foreign investors (primarily Americans) to take over the struggling company. The conflict which ensued quickly became an issue of national concern, and employees took over the three manufacturing plants (Maubeuge, Marseilles, and Chalon-sur-Saone), deciding to produce and sell trailers, themselves. Everyone got involved, just as had happened around the closure of the famous French watchmaker Lip: the prefects, the sub-prefects, local and national elected officials, chambers or commerce, union and employers' associations, government ministries, and so on, to such an extent that when we used this case study in the classroom, students would come up with at least 20 relevant actors.

Student, were invariably astonished by the actions taken by the mayor of Marseilles of the day going so far as to call him stupid, saying that the mayor was incessantly suggesting a replacement solution which would allow saving 300 jobs at risk, even though they would be sent to another town. Asked why they felt this strategy to be somehow "Irrational"," the students would point out that a mayor always tries to save jobs in the area for which he or she is responsible. Yes of course, no doubt, in most cases: but that Is an a-priori model, and just like every model, it dismisses anything incongruous or incomprehensible which cannot be made to fit.

Here the error lies in identifying the problem to be solved: upon closer inspection, it becomes pretty clear that the mayor in question wanted to recover

some well situated pieces of land in his own district currently occupied by the manufacturer. This being the case, he was not really worried about the possible loss of jobs; it was not the main issue, even if, like everyone else, he made quite a fuss about It. It was a resource, an opportunity. Getting ahead of ourselves a little bit here, we could say that in this case the mayor's problem to be solved is the recovery of the land, his resource the threat over jobs, his constraint that he cannot by himself evict the manufacturer, and that his strategy is to suggest that it go somewhere else: no value judgment, no ethical or ideological considerations here. We have done a simple "reading" of reality, which, once again, is subject to error. Let us add that this mayor acts no differently from those around him. To put it bluntly, we could say that saving 300 jobs is the problem to be solved only by the 300 people whose jobs, are at risk.

 All the other actors, beyond the question which concerns them all and which everyone is making a fuss about, are dealing with their own particular problems, for this is how human organizations work - there's no point in taking offence. Moreover, this shows that the key problem of management is not obtaining some abstract consensus on the general values which people adhere to, especially if these values do not interfere too much with their daily lives. Rather, it is understanding the whole set of strategies, and then finding the levers by which they

can be made to move in the direction which leaders intend, since this is their job as leaders. We will return to this point later on.

Frequency of meetings

A second difficulty has to do with the fact that identifying actors' problems does not mean that they are themselves conscious of those problems. It is a simple truth that you do not have to know what you want in order to want it, and that even without knowing it, you can still obtain it. This assertion brings us back to the problem of listening mentioned above. To listen to the actors is not to ask them what they want and then to act receptive and listen to what they have to say. Typically, the actors do not know what they want, and the very question will only give them a guilt complex about it. To Illustrate this point, whenever a leader says to a subordinate "You do not know what you want", the latter could very well respond by saying that it is the leaders' jobt o know what their subordinates want. That is listening, and once again, its interpretive nature must be emphasized. To sum up, listening takes what one individual has to say about reality, and compares it to what others have to say about the same reality, so as to form a hypothesis on what the actor - once again, an individual or group of individuals - is trying to solve.

Let us take as an illustration the following classic experiment which anyone might try. Take two individuals, A and B within any organization,

knowing that A is the hierarchical superior of B, and ask them a simple, clear, precise question. In theory, we should not question the answers to this question once we have made the mistake of believing that the actors "should" tell the truth. We will see that they do not tell the truth, but not because they are lying - as soon as we start thinking in terms of truth or lie, good or evil, we are no longer "listening" to anyone - but because there is no truth, or at least, its existence is far removed and abstract with respect to everyday life. Actors, when interviewed or simply spoken with, do not tell the truth, they express their way of seeing reality, or the perception which they think they should communicate to their environment.

The question we are going to ask two particular actors is how frequently they meet in the context of their job. Say that Mr A states unhesitatingly that he meets with Mr B four times a month, and that Mr B with no more hesitation reckons that they meet five times a week. Must we conclude that one of the two is lying? Of course not. Instead, we should use this discrepancy in their perception of the same reality to help us see that for Mr B, their relationship is more important than It is for Mr A. The question is then: what problem does Mr B seek to solve since he has such a high, or perhaps overly high opinion of his relationship with his boss? Let us consider one response taken from a hundred possible situations, and suppose that this example takes place in one of

the classic bureaucracies which is the very subject of this book. B is himself a mid-level executive who is in charge of a certain number of subordinates (call them C, D, E, F, and so on). These employees cannot deal directly with boss A, insofar as they have to follow the overall hierarchy of the organization. On the other hand, in a bureaucracy where everything is governed by rules and procedures, B has very little control over his own employees. He does not grade them, review them, promote them, decide when they can take their vacation, and so on. The only way he can get something from them is to assert each morning that he just met with the boss, and that he learned something important for everyone, without ever saying what it is about. To introduce a concept which will be elaborated later on, he creates uncertainty. What simple truths have we learned? That Mr B's problem to be solved is controlling his subordinates. Does he know this? It is of no consequence. And the strategy which he uses to secure control is at once to monopolize on access to the boss, and to underscore or even exaggerate how often they meet. How is this kind of analysis useful, even in such a simple case, in everyday life? Say that a new Mr A is appointed, who has no advance knowledge about the organization he is joining, but is equipped with solid principles - models - which he learned in the very best business schools. When in charge of an organization, leaders must, he has been taught,

open their door to everyone. Once involved in his new job, he does not ponder the problem, but applies solutions, which are going to prove his worth. Summoning C, D, E and F into his office, he tells them how he hopes to have a direct relationship with them and that his door will always be open if they would like to talk. The employees, who see no harm in the situation, begin to speak openly with their boss with whom previously they had no contact. A little while later, what do we observe? Mr B is withdrawn, he ceases to involve himself in his work, no longer participating in the group as a whole. And Mr A will be able to say that his excellent education allowed him to diagnose the situation of his new organization in less than two weeks: mid-level executives (Mr B here) have no motivation!

Of course this conclusion misses the mark. Mr A has not really understood anything, and because he applied a model a priori, without investing in knowledge, he has not learned to control the effects of his decisions, which, even on the micro-social scale of this case study, produced the wrong results.

Let us go back to the beginning, using the proposed grid: Mr B, "low-level leader" of a bureaucracy, seeks to control his handful of subordinates. This is his problem to be solved. He has a powerful resource which is his monopoly on access to the "high-level leader", and his principal constraint is his

lack of real power over the members of the organization. His strategy, as we said, is to preserve his monopoly. From the outside, one might be led to say that he is "not very open", that he "keeps tight control", and so on. In fact, he has a rational strategy which consists in preserving and using his main resource. When the new Mr A decides to establish a more direct relationship with his employees, he is applying an abstract principle, and the only concrete result on the existing system is to eliminate Mr B's only way of staying in the game, say his only resource. And what is the rational strategy of an actor who is out of resources? It is to withdraw from the game because the actor is intelligent, and not as a consequence of some theoretical lack of motivation. Here again, real discussion of the problems which actors have to solve opens new doors to managing change.

The coordinator and the delay

The third difficulty which we mentioned deserves a rather lengthy digression, for it allows us to tackle the problem of uncertainty and power in organizations. Whether the actors are or are nor aware of their own problems to be solved, it is rarely in their interest to say so, to put it in full view, unless they can be absolutely sure that it will not lock them into a situation of dependence.

And indeed, in any human system, as soon as actors know what is important for one or their group - what that particular actor seeks to do - they can assess in what ways they control that actor - the uncertainties - and thus the power which they derive from them, that is to say, in short, their ability to negotiate with this actor from a position of strength.

To illustrate this crucial point, which will take us back to the conditions for cooperation mentioned in Part I, we will use an example from the air transportation industry, which for reasons of clarity we will modify somewhat. One need not be a specialist in the business to know that, on one hand, the less time planes spend on the ground and how on time they are on the other, are two conditions for the profitability of any airline. In particular, the so-called "hub" system makes it especially important to minimize late arrivals, otherwise passengers will miss their connections, and the company will have to absorb any associated costs. Let us consider a large European company, a key carrier on the continent - Let us call it X Air - which has established its hub at the principal airport in the country of origin. For X Air, as for the others, and especially given the climate of stiff competition which exists throughout the Industry, on-time nights are a crucial factor around which the company tries to get all actors to work. And yet it is not easy to get a flight off on time, since preparing the aircraft, especially for long-distance nights, requires a whole set of complex

operations. Even if we oversimplify, there are at least eleven important tasks to be accomplished, eleven specialized trade associations working simultaneously around the aircraft, so that it can take off at the scheduled moment

Indeed, integrating these different activities is the key. On-time departure depends upon it, but such integration is very hard to achieve since the way X Air divides up its specialists means that each team working on the plane belongs to a different department or division, each under a different leader. The maintenance crew has little in common with the freight crew, and even less with the food-service crew in the traditional organization of the company. one actor has been set up to ensure the coordination of all of these activities – we discussed the term earlier on - the coordinator. We have all had the chance to see a coordinator of this kind in operation, the last person to rush into the flight cabin, papers in hand, confirming that all is ready and that it is now up to the pilot to decide when to get under way. In the past, everyone agreed that X Air's coordinators did their job well, getting all of the different parts to work together well, which put the company among the top ten airlines for on-time flight statistics! Concerning this harmony, many had emotional, even mythical interpretations: it is aviation. it is about reaching for one's dreams - manners were sometimes rough, but they were to the point, and in everyone's best interest.

Several years ago, in the face of growing difficulties, X Air reorganized in the traditional sense of the term, that is, it changed structures and tried to adopt the classic organization of a profitable modern airline. Suddenly, following the reorganization, activity around the aircraft deteriorated, fewer and fewer flight were on time, and cooperation gave way to conflict and complaints. When questioned, the consultants who were in charge of setting up the new organizational chart emphasize that they did nothing to change the situation. In particular, they note, with good reason, that previously coordinators had no hierarchical power to get the different teams to cooperate; the current situation is no different. They add that the current situation is probably either more tense, goodwill more difficult to find, or perhaps the coordinators themselves are younger and less hardened against people who are not easy to handle. In short, their interpretation of the concrete and radical changes which took place speaks about personnel and individuals, but not systems, and would clearly leave any person in charge both confused and powerless. This is why the question must be asked in a different way, in more concrete and practical terms. What was there in the previous situation that made cooperation with the coordinator a rational strategy for the members of the different teams working around the aircraft? Or in other words, using the concepts which were just introduced: what kinds of uncertainty did the

coordinators previously wield over these teams to get them to cooperate?

This way of asking the question leads to another form of investigation, of pursuing the facts. It avoids concentrating on structures, definitions of functions, and so on, and focuses attention on contextual elements, perhaps commonplace and unimportant in appearance, but which can turn out to be the very ones around which the system is structured. In short, it leads us to curiosity, to listening, in a situation that is unclear, that is, without turning to interpretive models which do not belong to the specific reality which we are trying to understand.

Here let us add straightaway that coordinators, in addition to their integrational task, are responsible for assigning, when the aircraft is ready to go, what is called the "late code". This means that if, after all, the plane does not leave on schedule, it is the coordinator's job to deter- mine and indicate who is responsible. This is all we need to know to see that they control uncertainty which is all the greater since there are so many complex, interwoven causes that can make a plane late, among which coordinators, in the end, can choose as they please.

The analysis does not end there, however: uncertainty controlled by an actor only gives that actor power if it is relevant, that is, important in respect to a problem which one or several other actors, or the organization itself is trying to solve. The notion of relevancy helps us understand why it

is hardly in the actors' best interest to reveal themselves: "Tell me what you want, and I'll know if I've got you under my control!" In this instance, the assignment of the late code is a relevant uncertainty not only because the remuneration of the different crews can depend partly upon it, but because their autonomy depends upon it. Remember that the quest for autonomy is often a crucial problem to be solved within organizations. A single example of this is that so long as the maintenance crew is not responsible for late departure, their boss will leave them relatively free to do their work as they see fit, to choose their own teams, to schedule their own breaks, and so on. As soon as their team bears the responsibility for late planes, bosses are forced to "intervene" to prevent a bad situation from getting any worse.

The power of the coordinator therefore has nothing to do with the official hierarchy. It can often be even stronger than what has been described here. If, for instance, there is a latede parture, but all members still seem to have done their job, the coordinator is the only person who can negotiate on their behalf so that no penalty is assigned. The last ones to enter the cockpit, coordinators can always ask pilots to accept the late code, since they are never penalized on account of their absolute freedom to decide whether or not the plane is ready to takeoff.

What happened then during the "reorganization" which might explain the abrupt change in the

behaviour of employees and the sudden increase in late departures? As is often the case, it was the result of good intentions based on principle, but without knowledge of reality. The organizers believed that, given the important role of the coordinators with respect to on-time departures, it was useless, even absurd, to ask them also to carry out bureaucratic tasks, such as the assignment of the late code. This was therefore taken away from their Job responsibilities so as to leave them more time to devote to work "on the job". But in terms of concrete consequences, this was to take away the only real power they had, and for this reason made it much less rational for the different teams to cooperate with them.

What consequences might this have for the development of a frame of reference, as well as for managing change? Organization is not structure. I said it early on in this book and confirm it here, seelng at the same time that power is not hierarchy. But If both statements are true, changing an organization is not changing structure - as we saw - nor "positioning" certain actors within the hierarchy so that they have more power. Much more profoundly, it is changing the real distribution of this power, giving to the pivotal actors real, practical levers which they can use, which have a bearing on the reality of the problems which the actors we want to see cooperate are themselves trying to solve. Cooperation, once again, is not about goodwill or common sense. It is or is not a rational

strategy for the members of the organization. It cannot be decreed; It is built up.

The leverages for change

From this point on, understanding the concepts of resources and constraints is easy. A resource is what an actor can put to use in the resolution of a problem; a constraint is what must be confronted. The result is that for actors, resources or constraints are never abstract: they exist only in relation to what they (the actors) wish to obtain. Here again there is no ready-made model; emphasis is on the unknown, and thus on listening: one aspect of the picture which, at a given moment, is a resource, can become a constraint, and vice versa. It all depends on the problems which the different actors are trying to solve, and around which relationships are built. Note that this ability to change constraints into resources is precisely what is called, in a traditional approach to business, opportunity management.

 There is a classic example of this used to explain the notion to young students: let us say there is an organization in which a rule states that work begins at 8:00 am. To ask whether for employee Y this rule is a resource or a constraint is abstract, so long as one has not yet identified the problem which Y or Y's boss - for simplicity's sake - wishes to solve. If on Monday morning Y would prefer to come in at 11:00 am because of some personal matter, then the rule

in question is a constraint. It will require Y to negotiate with the boss's goodwill. But if on Tuesday, the boss asks Y to come in on Wednesday at 6:00 am to deal with an emergency situation, then this same rule can be a resource.

This example is not trivial, for it takes us back to two of the main themes: on one hand, the nature of rules and procedures within an organization; on the other, the nature of change. As for the first theme, we see that rules and procedures do not define what the actors do. They use them both as resources and constraints, make them their own, and in a sociological sense, play with them.

This is nothing new: formal structures, written or customary rules - culture, one might say - form the context of the actors, to which they adjust with the intelligence which we believe them to have. But we can go further here: the intelligent adjustment which actors make, suggested here, not only affects their strategy (the context having been changed, I adapt my strategy) but also the problem to be solved, which in the end opens up many new possibilities for managing change. The order in which this argument has been presented here - actors, problem to be solved, resources, constraints and strategy, was chosen for the demonstration. It does not necessarily reflect the line of thinking of actors whose intelligence leads them naturally to give top priority to means rather than ends. More bluntly, they focus on possible

goals, those which they think they can achieve in the context in which they find themselves. The result is that one modification of this context can lead these actors to change priorities, to focus on new problems, and afterwards, and only afterwards, to adapt their strategy to them.

A simple example: participants from all over the United States have come to attend a week-long seminar on the Bloomington campus of Indiana University. Having come by plane and then by limousine, they are left with no personal means of transportation. For their first evening off, this "constraint" will lead them, ast he problem to be solved, to focus on spending the best possible evening in Bloomington. Now suppose that a professor announces, near the end of the afternoon session, his intention or going to Indianapolis for dinner or to attend an evening football or basketball game. A participant might now consider this professor to be a resource, and can focus on a new objective - spending the evening in Indianapolis - without even having to have decided what to do there. That can be determined upon arrival. The problem demonstrated by this example clearly opens up a whole new set of possibilities for introducing change into organizations: the fact that intelligent actors in the end select their own goals out of what is possible leads us to view certain contextual elements as levers which can be used in

such a way that the actors will modify their priorities and strategies.

Here we why rules of human resource management, taken in the largest sense - salary, review criteria, promotion, and so on - have tremendous potential concerning the transformation of organizations in general and bureaucracies in particular. Some commercial banks in America have understood this, setting as the number one criterion for employee review the ability to cooperate: rather surprising in a world where numbers are king! The banks measure this ability, for Instance, as a function or the volume of business that customer representatives generate on behalf of their co-workers, or the number of customers they work with in conjunction with other members of the organization. In this case, cooperation is no more natural than in any other classiC bureaucracy, but it becomes one of the strategies adapted by actors whose problems to be solved have been modified through the use of levers. From the all-important quest for autonomy, they have moved on to the necessity of cooperating so as to satisfy the criteria upon which they are reviewed. Bringing this clarification of resources and constraints to a close, let

It be said that the other actors must be included. Of course, this has nothing to do with our affection for them, even if we have the natural tendency 10 like our allies and dislike those who arc In a position to

block our way. But in organizations, alliances and confrontations, just like other contextual elements, are frequently turned upside-down.

There remains the concept of strategy, which has already been developed to some extent. It can be defined, in short, as the rational calculation made by the actors to solve the problem which seems to them either most attainable or most urgent, after an evaluation of their resources and constraints. "Calculation" is not used here in the sense of "mathematical determination". The actors very rarely sit down, head in hands, thinking through what to do. Such methods would cause them to err just as often as a more spontaneous method!

Calculation is used to convey the freedom of the actors, never fully backed into a corner, always able to maintain all or some of their unpredictability, and who are continually making choices which translate into their strategy or strategies. The idea of choice in the day-to day experience of management is always hard to accept because it implies the enormous responsibility of the choice maker, who, of course, would rather claim that a decision is simply the "only possible solution", and that, consequently, anyone would come to that same decision. This is not the case, and this is why it is so difficult to run an organization, perhaps even in the end impossible, if we understand the expression in the voluntarist sense which it is often given. Organizations do not respond to a set of clear

guidelines which actors would be willing to follow because they are fair, logical or reasonable. Organizations are the whole set of rational strategies which develop over time, one strategy in respect to another, and upon which each contextual modification has an influence, in a way which most often seems unpredictable or random, because we do not first bother investing in the knowledge of human systems. We do not have the time. and because we do not have the time we lose even more.

To those who wish to use the frame of reference which has just been presented, a final word of advice. Since reality is of such great complexity, I have suggested a grid with boxes to be filled in. It is reassuring to have something other than emptiness staring us in the face. But I have tried to emphasize that what is important is not the grid, which must not be reified as a tool which can always be trusted or which leaves little room for error. What is important, once more, is the line of reasoning. If this has been grasped, we might as well abandon the grid now; in using it, let us keep in mind these three principles:

1) It is perfectly legitimate to leave "gaps" in the grid. These might indicate a lack of resources or few constraints on a given group or individual - the question mark alone is revealing. Gaps might

also reveal our own lack of information or understanding.

2) The grid cannot be filled out ·bureaucratically" by starting with actor A, actor A's problem to solve, resources, and so on - then actor B, and so on. It works like a puzzle, piece by piece, by trial and error: It cannot be filled out all at once.

3) Above all, it is not an end, but a means: a means to understand the problem or problems at hand. In the example of the public system of ground transport carriers in France, the grid would have allowed us to see that fraud is a rational strategy for the helpless truck drivers, just as subcontracting out the most complex contracts is a rational strategy for those who are much less helpless. But the job does not end there. The problem is that these strategies arise because their cost Is externalized on to the public as a whole through Insurance companies. To move from the grid to the problem or problems: there is the process of listening.