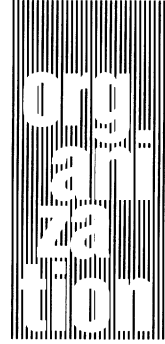


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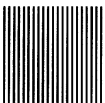
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Organizing and the Search for Excellence: Making Sense of the Times in Theory and Practice

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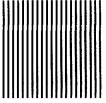
Abstract. *This paper seeks to draw out commonalities between the organizational/practitioners' and academic agenda and to explore the idea that academe may not only reflect the times but also help to create them. In so doing, it examines the extent to which In Search of Excellence, a significant and timely exemplar of the organizational agenda, in effect operationalized The Social Psychology of Organizing. If, it concludes, sensemaking is retrospective, then how can it help us to think about current issues that require action and shape our conversations and sensemaking about time future? To this end, much of academic management treats much of management practice as beyond the pale and, for that reason, what matters in this paper is not just a consideration of how to break out of Hambrick's closed loop, but also how others can be encouraged to break in. We see this as part of an ongoing conversation that matters.*



'Time present and time past
Are both perhaps present in time future
And time future contained in time past.' T.S. Eliot, *Burnt Norton*

'Each August, we come to talk with each other; during the rest of the year we read each others' papers in our journals and write our own papers so that we may, in turn, have an audience the following August; an incestuous, closed loop. It is time for us to break out of our closed loop. It is time for us to matter.'
1993 Presidential address to Academy of Management, Hambrick (1994)

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In a paper that started out as a talk to the American Academy of Management, Van Maanen (1995) says that, because the very process of theorizing helps create the organizational properties we find in an all too real world, it is a matter that is far too important to be left to a small set of self-proclaimed experts. The purpose of theory, he says, is to communicate understandings and to persuade readers—the more the better—that not only do we have something to say but that what we have to say is correct, important and well worth heeding (1995: 134). Theory thus works by making sense of times and situations for readers and audiences but, because this always involves rhetoric, it is a matter of words, not worlds; of maps, not territories; and of representations, not realities.

Our paper presented here was also given as a form of talk (symposium) at the 1997 Meeting of the Academy,¹ and also starts from the position that there are very real practical consequences of taking organizational theorizing seriously. But, for our particular project, Van Maanen does not go far enough, and he is at risk of becoming one of the people he warns us against. His remarks are addressed to members of the Academy and he tends to round up and, some might say, round on the usual bunch of suspects from where he stands. But where he stands (and to where he directs his remarks) is still within the pale of academe. In our view, organizational theorizing does not stop at the boundaries of the Academy, hence our other starting position is that theory has had a powerful influence in defining the doing of management for academics and practitioners.

This would seem to be at odds with Hambrick's rather dismal assessment of the Academy's ability to have any relevance or influence outside of itself. However, if you look for influence, not so much through the originators of organizational theorizing but in the writings of others who translate and transport such ideas to a wider practitioner audience, then you get a more optimistic assessment. You also get a view of theory which entertains the idea that academe may not only reflect the practices of the times but also be instrumental in creating them. To explore this argument, we have chosen to reflect on a management book which set new publishing records when it first hit the bookstands in 1982. Some 16 years on and close to the millenium, *In Search of Excellence (ISOE)* (Peters and Waterman, 1982) is still in print, still selling well and, it will be claimed, has made accessible, and disseminated via some seven million copies, organizational theory which has subsequently impacted on practice.

If the purpose of theorizing is to provide maps (Van Maanen, 1995), then we propose that the map provided by *In Search of Excellence* is as good as any to help academics and practitioners make sense of what is happening. Sensemaking is integral to this argument: not just providing a means of understanding the appeal of the book, but also representing the type of organizational theorizing it was translating. This is typified through Weick's (1979) *The Social Psychology of Organizing* where the sensemaking approach was first outlined and more recently expanded in



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Sensemaking in Organizations (Weick, 1995). The idea that there were strong parallels between *ISOE* and *The Social Psychology of Organizing* and that indeed the former could be seen as a more accessible translation of the latter was first commented upon in this journal (Colville, 1994), this subsequently serving as the opening lines in the ongoing conversation amongst the authors which resulted in the Academy talk. Sensemaking is used here both as a resource and a topic. As a resource, it explains why *ISOE* proved to be such a useful map for the times. This view of sensemaking stresses its retrospective nature which seems appropriate, given the time from which we are now reflecting on this business of excellence. Viewing sensemaking as a topic shifts attention quite clearly to its more academic basis and to a closer consideration of the contemporary nature of interaction and translation between theory and practice. This could make for a rarified and exclusive debate but because the topic of sensemaking is best described as an ongoing conversation—more a set of ideas with explanatory possibilities than a body of knowledge—this allows for a conversational style that, while still wordy, encourages those with an interest in management to pull up a seat and join in.

These three themes effectively provide the structure to the paper. First, we will reflect on the story of *ISOE* and why it was ‘a hit’ (time past). Second, from a more contemporary standpoint, we will explore the relationship between excellence and the social psychology of organizing and sensemaking together (time present). This will then lead us to speculate (time future) on the future of bridges between theory and practice. In an age in which butterfly logic has become a motif of the times, predictions, particularly those about the future, would, as Niels Bohr says, seem to be an activity for fools. We hold that the future has always been unknowable but how we talk about it and how we go about structuring and making sense of the unknown helps shape the future.

Reflections on *ISOE*: Time Past

The movie actor Harrison Ford recently recounted an experience that epitomizes why *ISOE* has had such impact. Early in his career, Ford was talking to a producer who insisted Ford would never make it in the movies. The producer said, you don’t act like a star, going on to use as an example the very first time Tony Curtis appeared in a film. Curtis merely had a walk-on part where he delivered a sack of groceries, said nothing, and then walked out. The producer exclaimed, ‘the moment you saw him, you said, now *that’s* a movie star!’. Ford’s immediate comeback was, ‘I thought you were supposed to say, now *that’s* a delivery boy.’

Ford reminded the producer what actors were supposed to be doing. The *ISOE* book reminded managers what they were supposed to be doing. In both cases, people had lost sight of these fundamentals when they were caught up in appearances rather than substance. In the case of *ISOE*, those misleading appearances included the presumed superiority of the rational



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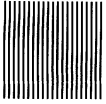
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model, its dominant use as the standard by which managing was to be defined, rationality being seen as the pathway to regain competitive advantage that had momentarily been lost to the Japanese, and the prevailing fiction that people could anticipate the future. What the book said to managers was, we thought you people were supposed to be walking rather than sitting, creating rather than counting, doing rather than planning. It then went on to say, actually that is what's happening right now in some of the better companies and here is our attempt to capture the lessons we learned from them. Too many of these lessons became equated with the (in)famous eight attributes and, indeed, that is all some remember of the book.

This is no accident, even though it was unfortunate. As Miller (1956) pointed out, most people seem to have a capacity to remember seven (plus/minus two) items. This is why the seven 's' model is memorable and the 10 commandments, whether of change (Kanter et al., 1992) or of the Bible, seem to push people to the limits. It is unfortunate because it detracted from the main intention of the book which was to understand the relationship of the eight attributes and the performance of the companies by developing new theory (Peters and Waterman, 1982: 89): new theory that started from a recognition of the limits of the rational approach and a recognition of basic human needs in organizations (Peters and Waterman, 1982: 102). This was a book dragging human behaviour and theories about human behaviour, not of the count-and-classify variety but those honouring meaning and purpose, back to the organizational centre stage. If it was reminding managers via the excellent companies what they ought to be doing, then it was also saying to academics that not only have you been focusing on the wrong things but your research methods also need to change if you are to engage in the type of theorizing that can account for what it is the excellent companies were doing. And, if there was one striking feature of excellent companies, it was the ability to manage ambiguity and paradox (Peters and Waterman, 1982, Chapter 4), which was a feature that was beyond the scope of much of mainstream organizational theory and nearly all of the planning-dominated strategic literature of the time. The book thus spoke to both managers and academics and found the common medium of story telling as a means for getting the audience's attention and, subsequently, their intention. Even its very title tells a story . . .

The Story of ISOE

In Search of Excellence was exactly the right title, because 'in search of' is something we always do but never quite find. It is the continual searching that is important because, like organizing, it puts the emphasis on the dynamics of the *ongoing quest*, a search that is forever being reaccomplished, a distrust of the statics of organization and the routines of formalization. A big mistake, partly because of the way it was presented but largely because of the way it was interpreted, was the idea that



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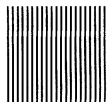
somehow you could *find* excellence and, having done so, if you kept faith with the eight attributes then it would remain with you for ever and ever, amen. This was to miss the point that it was the process of searching rather than that of finding that brought the reward. In a changing world, fit is more to do with process than position, with survival of the fitter replacing survival of the fittest.

If *In Search of Excellence* was the right title, it might be surprising to know that it was never planned to be that way. McKinsey had wanted to rethink their whole approach to organizational effectiveness and how it was possible for large companies to be innovative without being ensnared in the muddle of matrix. The question was posed as to how would you recognize an innovative or excellent company if you met one and that idea drove the research. Throughout the 25 drafts, they were called 'excellent' companies and dust jackets were printed with the title, 'The Secrets of Excellence', only to be vetoed by McKinsey who felt that this could be seen as giving away client secrets, and being just plain unprofessional. The title was ultimately inspired at the eleventh hour by Theodore White's book *America in Search of Itself* and, while it is impossible to say whether a book by any other name would still have sold as well, it does say something about strategy as 'informed opportunism'.

Why ISOE was a Hit

One reason why *ISOE* was such a big hit was that its basic message was presented over 200 times to major managerial audiences before the book was written, which helped refine the content and garner examples. This together with the 25 drafts is as good an example of 'text work' (Van Maanen, 1995, 1996) as you get. During this process it became apparent that, if the examples were retold in the form of a story, then they compelled attention and promoted retention. Complex frameworks, numbers, charts and graphs did not catch on, nor did the audiences like it when mid-level abstraction was used. Hayakawa (1972) urges the combination of high and low level abstraction and that informed the way the material was presented. And, while the seven 's' model was used as a heuristic for collecting and organizing data, each concrete story in the traditions of grounded theory had to be tied to a more abstract and conceptual category, mostly revealed in the form of the attributes. The rule of thumb was 'no illustrations, no generalizations'. This working rule honoured Kant's idea that concepts without percepts are empty but that percepts or stories without concepts are blind. It also generated some 22 attributes which, when fed back to those whose world they were meant to represent, were found to be too confusing not to mention also antithetical to the basic premise that it isn't as complex as you think if you pay attention to people (Peters and Waterman, 1982: 24).

The whittling down of 22 attributes to eight raises what might be the catch-22 of writing for popular appeal. Put crudely, this says that, if complexity and paradox are the order of the day, do we not need complex



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theories to reflect this situation? But, if we have complex theories, managers will not find them interesting and so good theory will not affect practice. Or so the argument goes. Is it possible to simplify without becoming simplistic? Is it possible to translate without traducing the integrity of the ideas? Must fashion and fads in popular management be equated with the misleading and harmful as some have suggested (Abrahamson, 1991; Hambrick, 1994; Mitroff and Mohrman, 1987). Even John Byrne in *Business Week* has questioned whether 'management by best seller' and dependence on gurus is a good thing (Byrne, 1986, 1992). (*Business Week* also carried a summary of the findings of *ISOE* written by Peters in 1980, representing at the time the biggest coverage the magazine had ever given to the theme of behavioural science and people, undoubtedly also helping the launch of the book.)

Our answer is that translation is possible, that fashion isn't necessarily bad, nor is it restricted to non-academic management. Indeed, fashion is just as prevalent in academia: Van Maanen (1995) talks of the influence of the fashionable French, such as Foucault and Bordieu in organizational theory, for example. In fact, notwithstanding the cache of McKinsey's name together with high profile organizations, one of the reasons *ISOE* was a hit is that it said pretty much everything there was to say about behaviour in organizations and got it right, by virtue of the experts it cited. After reading no more than the first 10 pages, you have already been introduced to the leading ideas and names of seven key thinkers in organizational studies, Chandler, Simon, March, Pettigrew, Mintzberg, Barnard, Weick. This is then later followed by the work of Kahnemann and Tversky (p. 61), Bateson (p. 62), Festinger (p. 71), Bruner (p. 73), Milgram (p. 78), Zimbardo (p. 79), one of Salancik's least known but most important studies (p. 81), Selznick (p. 85), Scott (p. 91), Martin (p. 104), Williamson (p. 113), Pfeffer (p. 116), and Meyer (p. 116). These are *not* names that sell books. But they are the names of people who know their way around theoretical issues in organizations. This is a powerful set of resources who can explain big chunks of variance in organizational action.

The book is not even out of its preface before we are shown the intricacies of simultaneity in action and duality (p. xxi). Soon thereafter, we are introduced to bounded rationality (p. 5), improvisation (p. 7), value-driven behaviour (p. 14), organized chaos (p. 15), love and intensity (p. 16), meaning (p. 29), the unknowable world of quantum theory (p. 31), caring (p. 38), narratives (p. 55), attribution (p. 58), social comparison (p. 71), self-control (p. 73), acting one's way into feelings (p. 73), culture (p. 75), transcendence (p. 76) – this in the context of the assertion that people need to find meaning and transcend mundane things, and are able to do so in the excellent companies like Cat, Bechtel, and Johnson and Johnson—the illusion of control (p. 80), agenda setting (p. 82), transformational leaders (p. 82), managed evolution (p. 106), learning organizations (p. 110)—the phrase is even italicized—and punctuated equilibrium (p. 115) with a discussion of Gould's work. And so on.



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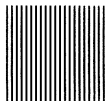
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The success of *ISOE* is often attributed to the fact that it brought good news in bad times and had an upbeat message. Normally, that description is used as an explanation to dismiss the book as a transient phenomenon. But one can also make the case that this book is Cooperrider's (1986) 'appreciative inquiry' writ small. Peters and Waterman focus attention on what people are really good at, what their great moments feel like, and ask them to remember times when things went really well. Articulating those moments is the heart of appreciative inquiry.

Hence, the book took academics seriously: they took ideas seriously. Part Two of the book is 'Towards New Theory' which the publishers wanted banished to an appendix. It captured those pieces of academic thinking that made sense of things that managers found confusing in their own behaviour. So how does *ISOE* help people with sensemaking? Aside from the academic flavour of the book, there are also several tacit messages that had not been heard much before: creating a sense of agency; a sense that a wider range of issues are controllable than people may have thought previously; that feelings matter and it's okay for guys to have feelings; that you should do something, anything, but don't take yourself so seriously; and if the world is not tidy and neat, that's not your fault; people who espouse rational models of decision making want you to feel responsible for the disorder in the world, but don't for a minute let them get away with that silliness. Fundamentally, the book made the point that meaning matters. This same point was made more recently by Batchelor (1997) in his insightful observation that 'Life is neither meaningful nor meaningless. Meaning and its absence are given to life by language and imagination. We are linguistic beings who inhabit a reality in which it makes sense to make sense' (p. 39). *ISOE* cautions that you cannot change other people nor can you really control outcomes. Instead, the best you can hope for is to be able to change yourself and to have some control over inputs, both of which are likely to happen if you keep showing up and ask, what next. Finally, *ISOE* introduces an aesthetic dimension into managing; it says beauty as well as efficiency has a place on the bottom line.

Discussions of *ISOE* often focus on the observation that many of the precepts being advocated are little more than motherhood items. In a project on high reliability organizations Weick et al. (forthcoming) reported that they also kept running into motherhood items. Perrow (1987) conveniently lists them and they include things like the value of high commitment, intense effort, group trust, complete knowledge of how everything works, no mistakes by anyone, alarms that go off when things go wrong, alarms that reach leaders, buffers to contain failure, clear specifications of jobs, thoughtful plans, ample resources, careful design of information systems, redundancy, conforming to rules, complex skills for complex work, constant alertness, continuous learning, open and frequent communication, and effective leadership.

However, the problem does not lie so much with the lists as it does with



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the simple fact that in a downsized, outsourced, acquisitive, divesting, reorganizing, insecure, competitive world, managers are not managing because, with too few resources, they just do not have time to do so. Absorption in details normally handled by subordinates keeps managers from coordinating, building overviews, increasing the capacity for resilience, and anticipating much farther than the next week, let alone the next quarter. Managers faced with these pressures are not just overworked, they are dangerous.

Thus we caution not to dismiss as 'mere motherhood' observations that sound mundane and obvious. Mundanity is more scarce than people realize. What people also forget is that mundanity has always been the aim of management, in the sense that it announces the removal of uncertainty from the administrative approach (Thompson, 1967) which in turn creates stable patterns of behaviour that allow for standardization and hence mundanity. The punctuated equilibrium model (Tushman and Romanelli, 1985) merely confirms that managers should search for those periods of convergence and stability because they allow you to use the cognitive economies of repetition and standardization without the problem of reinventing yourself and your business every day. If, as is touted, the periods of convergence are getting punctuated more and more often to the point where it might be renamed the punctuated disequilibrium model, this goes some way to explain why mundanity is getting more scarce by the day. It also suggests why you should prize it while you have it and why from a practitioner point of view the search for excellence is a search for mundanity (Chambliss, 1989).

In this way, if *ISOE* sounds a little like motherhood it is because it is not just about new stuff. Instead, it is about consolidating a set of ideas about things done right and then getting them done over and over. It is also about tight adherence to a handful of principles and latitude to make local adjustments in the spirit of those principles. In essence, *ISOE* is about searching for and exploiting mundanity.

ISOE and The Social Psychology of Organizing

In its attempt to derive new theory *ISOE* drew on a number of different academic sources which informed the collection and interpretation of the data. Of particular interest was a new style of theorizing that provided amendments to the rational model by focusing on social actors in open systems and which was represented by Weick and March (Peters and Waterman, 1982: 93). And, while the influence of Weick's organizing model is obviously apparent (not least in the way the book talks about proposing via the excellent companies a theory of *organizing*), it has to be remembered that March and his notions of the technology of foolishness, organized anarchies, and garbage can organizations featured just as prominently. It also has to be remembered that these ideas were emerging at the end of the sixties and Peters and Waterman had had some 10 years to incubate them before making sense of field notes gathered in the late seventies. Neither



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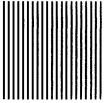
were they picking up on widely recognized work. As *ISOE* notes, this theorizing was far from 'mainstream' at the time: it was messy, largely obscure and tied to the 'real world' only by implication (p. 89).

But perhaps the best way to introduce the issue of the relation between *ISOE* and *Organizing* is simply to use Peters' own description of that relationship, in an interview with *Inc* magazine concerning his favourite books (Mangelsdorf, 1990). He mentioned *The Social Psychology of Organizing* but did so in a way that is unlikely to increase its readership! He recommended that *Inc* readers should study Kidder's (1981) *The Soul of a New Machine* because it provides a 'good, rich explanation of the mess and confusion of organization life'. The interview continues:

The Soul of a New Machine isn't Peters' favorite business book. That, *The Social Psychology of Organizing* ... isn't one he recommends for popular consumption: 'It's a thin, very academic text that I read in 1971. It set everything I thought I knew about anything from a professional perspective totally on its ear; it was just so completely antithetical to the great traditions of organizational thinking. A lot of it is stuff that today lesser mortals call corporate culture. The corporate culture-thing has been so simplified, cheapened, bastardized—but what Weick was writing was the real true grit without the phony labels ... Kidder is operationalizing what Weick is writing about—without creating the theoretical tangle. Then you put the two together and you've got magic.' (p. 66)

There are several things in Peters' description that are worth singling out for their relevance to theory–practice issues. Peters did not say antithetical to 'great traditions of organizational practice' but to the 'great traditions of organizational thinking' and clearly had in mind intellectual traditions. In 1971, when Peters read *The Social Psychology of Organizing*, he too was then actively involved in academia and doing research towards his PhD degree with Webb. Webb clearly had a key influence on Peters' life as can be deduced from a reading of *Unobtrusive Measures* (Webb et al., 1966), of which Webb was the senior author. The similarity with *ISOE* in style, tone, and spirit is striking. Both books are about fresh starts, making do, the fact that it's all in the details, the high value placed on being clever, the importance of browsing widely and being eclectic, being active, the power of small stuff, the value of the elegant solution, and irreverence towards traditions that have outlived their usefulness, all of which is conveyed with a buoyant, self-confident, carefree air.

Organizing was written in the Psychology Department at the University of Minnesota for other social psychologists, and was trying to add an organizational psychology flavour to the industrial psychology that Dunnette et al. (1976) were writing at the time. Business schools and business applications were not even salient in the thinking behind the book. That can be understood variously as a comment on discipline, business schools, application, the antecedents of originality, or whatever. What it does suggest, however, is that working against prevailing assumptions is one way to get attention. In the case of *Organizing*, the idea that organizations were not



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goal-oriented, and that their plans were retrospective reconstructions of elapsed actions that had functioned earlier like blind variations, was non-traditional. This is disconfirming the assumptions of other academics, not the assumptions of practitioners, for whom the argument after Davis (1971) was largely irrelevant rather than absurd or interesting or obvious. It is the ability of Peters and Waterman to translate the argument so that it *did* engage managers' assumptions which then led managers to find Peters and Waterman interesting and, by implication, the Weickian theoretical tangle that upended great traditions.

In Search of the Times

In describing the writing of *Organizing* as being 'the real true grit without phony labels', Peters could be read as making the point that the language of business often conceals dynamics that other language uncovers. For example, the people best able to understand process improvements such as total quality seem to be those who work with other labels (Sitkin et al., 1994; Sterman et al., forthcoming). Sooner or later, those other labels need to be transformed back into business labels. That translation invariably simplifies (Peters speaks of corporate culture as a simplification that loses a lot) but it also, as in this case the Kidder (1981) book, serves to operationalize and apply the idea. Fundamentally, those are two different things. The issue is not just application, it is also one of pointing out what the concept means as indexed by cues, observables, feelings, common experiences.

All of this is necessitated because of what Peters calls 'the theoretical tangle' of the *Organizing* book. Whether theory is inherently a tangle or whether this is simply a commentary on a style of writing theory (Van Maanen, 1995) is of some interest because the remedies differ. If theory is to inform practice, then we need either brokers who can untangle it and connect it meaningfully to other audiences or we need editors who can correct it meaningfully for the original author. However, we propose that it is even more complicated than this. Davis (1986) argues that classic theories retain sufficient ambiguity that they invite readers to impose their new projections of what they think the theorist is asserting. Once readers project their own interpretation, they fall in love with their own projections and give the author credit for stunning insights. Sandelands (1998), for example, insists that, since the world is eternally unfinished and incomplete and is energized by opposing tensions and questions, then it is better to have an unfinished alive theory infused with questions that resonate with the human condition than to have a finished dead theory whose very presumption that there are answers invalidates it.

Another part of the human condition, however, is a desire for completion. People need to find events that terminate and repeat. This is the mundanity of excellence, but just as readers are capable of exploiting ambiguity in the text to form projections that they fall in love with, so too are they capable of forming projections that have the opposite effect.



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Commentators, perhaps notably *Business Week* with its 'Oops! Who's Excellent Now?' cover in November 1984, have sometimes dismissed *ISOE* because several of the companies nominated as excellent did not stay that way after the book was published. This was anticipated in the book:

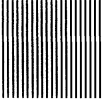
After experiencing continued growth for a while, managers in the industry come to believe that continuing growth is assured. They persuade themselves that there is no competitive substitute for their product, and develop too much faith in the benefits of mass production and the inevitable steady cost reduction that results as output rises. Managements become preoccupied with products that lend themselves to carefully controlled improvement and the benefits of manufacturing cost reduction. All of these forces combine to produce an inevitable stagnation or decline . . . It appears that evolution is continuously at work in the marketplace; that adaptation is crucial; and that few big businesses, if any, stay buoyant forever. *Many of our excellent companies most probably will not stay buoyant forever.* We would merely argue that they've had a long run—a much longer and more successful run than most—and are coming much closer than the rest to maintaining adaptability and size at the same time. (Peters and Waterman, 1982: 109–10, emphasis added)

The purpose of quoting here is not to defend the book but to illustrate that a balance has to be struck between the holding on (exploiting the time period in which standardization works), and the letting go (moving on and exploring the new) before you get trapped in out-of-date routines. This highlights the dysfunctions of success, as reflected in Miller's (1990) work on the Icarus paradox on the one hand, and the functions of failure, as reflected in Sitkin's (1992) on the other hand. Handy (1994) illustrates the tension and the need for balance in his idea of sigmoid thinking. The transient quality of excellence then speaks to the necessity to reaccomplish structures in a dynamic world. It speaks to the necessity for improvisation. It speaks to the inevitability of death.

Such talk of death must be reflexively applied not just to the companies but to the theory of excellence itself. After all, our interest is in the activity of theorizing as well as the product of theorizing coupled with the belief that the products of theorizing age quickly and have a short half-life (Weick, 1979: 26). As Jack Welch confirms in talking of the shift away from the rational planning model at GE, there are penalties for being out of step with the times:

We had constructed over the years a management approach that was right for its time, the toast of the business schools. Divisions, strategic business units, groups sectors—all were assigned to make meticulous, calculated decisions, and move them smoothly forward and upward. The system produced highly polished work. It was right for the 1970's, a growing handicap in the 80's, and it would have been a ticket to the bone yard in the 1990's. (Welch, quoted in Ghoshal and Bartlett, 1995: 88)

The direction of the shift closely matches the map outlined in *ISOE*—away from the left brain, strategic-planning-unit-sitting-atop-machine-



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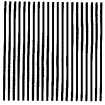
like-divisional-structures to more right brain, flatter and decentralized organizational forms (Mintzberg, 1976).

But, if we are looking for evidence of the staying power of the theorizing in *ISOE*, one case in point is AES Inc., an independent, power generating company, founded by Waterman and two colleagues in 1983 on the ideas in *ISOE*. This is what management theory, as collated and articulated by *ISOE*, looks like in practice. AES Inc. started as a fuzzy idea that something ought to be done about producing clean, cheap, reliable and socially responsible power (not nuclear). The company has grown from nothing (net worth was negative for the first couple of years) to a market capitalization of some \$6 billion, with a home office in Arlington and some 75 plants world wide in such diverse places as Hawaii, China, Northern Ireland and Kazhakstan. AES Inc. has four explicit shared values: integrity, fairness, social responsibility and fun which provide the tightness in an otherwise loosely coupled organization. 'Fun' is taken seriously and top managers' bonuses are cut in half if surveys say workers are not having fun. The organization has a radically decentralized structure based on the plants. The plants themselves have very little hierarchy, little or no staff, and are responsible for their own budgeting.

For example, the Medway plant in England² continuously produces enough power to supply one million homes in Britain with amongst the lowest pollution rates in Europe. It does so with 46 people (including a plant manager), who are empowered to raise their own funds in the market place, do their own DCFs (discounted cash flows) and are responsible for investing several million dollars. In this way, structure leads to strategy: radical decentralization reverses Chandler's imperative. The values act as a framing device that sets parameters although the strategy is created not by Arlington but by the plants. They do this by a process termed 'informed opportunism' (Waterman, 1987), which incorporates and expands on the concept of a bias for action in *ISOE* and enactment in the *Organizing* model. Informed opportunism is the response to the dilemma that, while strategy is needed, the future is unpredictable. It places equal emphasis on both words and is a fusion of the rational and the random: you acquire as much information as you can which helps you recognize opportunities when they probabilistically come along but you generate such opportunities by enacting environments. The informed aspect says you need complexity of thought to match the complexity of the environment, while the opportunism aspect says you take simple action to reduce the uncertainty of the environment.

Treat strategy as a series of successive approximations to the future. Inch into uncharted waters; don't test the water with both feet. Learn by experimenting. If possible make several opportunistic moves rather than one big one. (Waterman, 1987: 66)

A good example of informed opportunism comes from attempts to make the San Francisco Symphony Orchestra into a world class orchestra,



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which it plainly was not at one stage. For example, there were certain pieces which were not in the repertoire because the horn section was so bad. The general direction was set with the aim to be world class but strategy was realized incrementally. Some of the stages were predictable—raising money, turnover of weaker musicians and replacing them with better ones, etc. What did come as a surprise to Waterman and the rest of the management board was that, as the orchestra got better, the musicians found that a stumbling block to improvement was the acoustics of the building. Prior to this, the orchestra had not been good enough to hear that the acoustics were a limiting factor; now they were but there was no way of anticipating this three years earlier and it completely changed the strategy for becoming world class.

As Quinn (1996) suggests, we live by butterfly logic at the edge of chaos. Part of that logic is upbeat because small actions can have large effects. Thus, there is all the more reason to keep showing up, to keep asking what next, and to keep accepting that it is the very nature of any question that you finally know what it was about when it is too late to change: that's organizing, that's sensemaking, that's renewal, that's excellence, that's caring, that's life. People want to have good conversations about life and living. *ISOE* gave them the pretext to have those conversations openly and with feeling in the 1980s. *ISOE* continues to serve that purpose in the 1990s. That is why *ISOE* has had staying power.

Time Future?

Strategy as informed opportunism then becomes a matter of charting the environment one inch at a time because, while an uncertain environment does not make intelligent choice impossible, as Simon (1984) says, it puts the premium on the robustness of your adaptive procedures rather than in the strategic plan per se. The sensemaking perspective makes essentially the same point in likening strategic plans to maps in which the crucial feature is not the map.

Strategic plans are a lot like maps. Once people begin to act (enactment), they generate tangible outcomes (cues) in some context (social) and that helps them discover (retrospect) what is occurring (ongoing), what needs to be explained (plausibility) and what should be done next (identity enhancement). (Weick, 1995: 55)

It is the adaptive procedures (and note how this fits the Symphony Orchestra story) that make the difference rather than the map. This is true to the extent that the processes can still operate when based on an inaccurate map. This point is poignantly underscored in the well-known story of a small detachment of Hungarian soldiers who are sent out into the icy wilderness of the Alps only to get lost in a snowstorm. Just as they fear the worst, one of them finds a map which calms them down. They pitch camp, lasting out the snowstorm and eventually make their way back with the aid of the map. The lieutenant who had sent them out on



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this trip looks at the map only to find that it is a map of the Pyrenees not the Alps (Weick, 1995: 54).

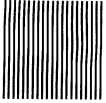
Accuracy in maps is overrated: for instance, the best-selling map in the world is that of the London Underground, which is neither accurate nor to scale! Hence, Weick has argued part of the moral of the story in the Alps is that, when you are lost, any old map will do as long as it gets you started, i.e. stimulates the adaptive processes. In addition, it also helps if the map is not too detailed because it leaves room to inscribe the results of the exploring and the charting. Too much detail and strategy risks becoming a map-reading exercise instead of a map-making one which is to miss the point which is itself one of process (Colville, 1997). The future is a foreign country where they do things differently and for which we have no reliable maps. But it was ever thus. The future has always been unknowable.

With so much contemporary rhetoric about the pace of change, it is questionable whether the world is changing or whether it is that the people thinking about the world have changed. The media figure prominently in this question: with no change, there would be no news. Hence, to what extent is the turbo-charged, changing, dynamic organization and its environment a media fabrication dripping with the drama of heroes, leaders, the leading edge, the bleeding edge, convulsions, ousters, successes that materialize out of nowhere, surprises, wrenchings, etc? The problem comes when people take these fabrications seriously, begin to act as if they were real, and enact a clear friction based on a mere fiction.

If talk about the urgency of change is breathlessness in search of a good story, if people take that talk seriously and change everything including their pockets of excellence (deep change, transformational change), then competitive advantage should go to those who do *not* act this way. This is certainly the conclusion of Collins and Porras (1994) who looked at the habits of long lasting and exceptional companies. The advantage should go then to the incrementalists, the people who sweat the small stuff. In the mapping of the future, you advance inch by inch and why would you do otherwise if, as chaos theory suggests, even the mere flapping of a butterfly's wings can have such large-scale effects? Note also that in each case, the story of AES, the symphony orchestra and our detachment in the Alps, it is a *local* story. The people doing the mapping are closest to the terrain which means they are the ones generating what is in effect a local strategy and at the same time creating a local narrative. Perhaps the postmodernists are right, there are no grand narratives (Lyotard, 1984), there are no grand strategic maps of the future that can be handed down from the top, there are only local ones.

Concluding Remarks

The local narrative is one about developing local knowledge (Geertz, 1983) and, as this local knowledge in the organizational world becomes



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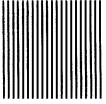
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more professional and strategic in nature, we see signs of a coming together of the projects of theory and practice. The past 100 years have seen organizations move away from a focus on mass production to one of mass innovation, and, according to Miles (1996), this has resulted in business becoming more like academia. A clear intimation of this trend is seen in the Chair of Knowledge, endowed by Xerox at Berkeley and held by Ikijuro Nonaka. Mass innovation, continuous processes of innovation, mass customization, all are variations on our (academic) craft of knowledge work, scholarship, and experimentation. The problem with locally generated professional knowledge is that it tends to be not only local but also tacit. In order to increase the effectiveness of such knowledge (Argyris and Schon, 1974), it has to be made explicit and shared and it is this question of the generation and application of knowledge with which Nonaka and, indeed, a growing proportion of the business world is wrestling: the nature of knowledge work. (See Nonaka and Takeuchi, 1995, and the *Economist*, 1997 for a portrait of 'Mr Knowledge'.)

In the terms adopted here, Nonaka is concerned with informed improvisation and local map making. And it is at this point that the themes underpinning this paper begin to come together. That is, time past, time present and time future, although unclearly bounded in themselves, have created the primary structure with its emphasis on process, as we looked back over *ISOE* and its role in map making for a whole generation of managers. It represented a bringing together of theory and practice to the extent that the book drew on a vast range of works by different theorists who, often working against prevailing assumptions, might not otherwise have been known in the world of practitioners. That is, Peters and Waterman translated and operationalized academic work in a way which spoke the language of practitioners. However, there had been many seeds sown in advance which have continued to be nurtured since. The fact is, though, that it took organizational theorizing seriously and had a very powerful defining influence on practice.

Time present is more difficult to disentangle because the postmodern world does not allow us the grand narratives which framed the time preceding *ISOE*: the current world of management is apparently much more fragmented, and, as theorists would describe it, boundaryless both in terms of career and organization (Arthur and Rousseau, 1995; Askenas et al., 1995). As for time future, it has always been an unknowable, unpredictable world, even if we seek to anticipate some elements of it by employing personal constructs (Kelly, 1955). The difference in the 1990s is we now have labels and metaphors involving complexity and chaos that appear to make it that much clearer what we are facing. Yet, despite that clarity, there are still no obvious remedies.

And this is where map making, using local knowledge, local storytelling with local meaning, is fundamental to both practitioner and academic. The difference is that, in the practitioner world, local map making is called strategizing and, for academics, it is called theorizing. This is not to



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say that they are making the same maps only under different guises: difference will always be important and our worlds need requisite variety. But a useful illustration of this point is perhaps the notion of a bias for action which seems quite contemporary if you put it in the context of Stacey's (1991) intriguing idea that, in a quantum world, tiny actions at the edge of chaos can escalate. If that is true then the distinction between tactics and strategy may have outlived its usefulness. Another way to put that is that, when it comes to organizing, it is all operations, tactics, actions in search of meaning, practices, details, and local conditions in which context is culture (Geertz, 1973: 14). That seems to lie at the heart of informed opportunism and adaptive processes, as Waterman clearly assumes when at AES he says, 'do your best and look for good opportunities'. That is not the stuff of grand strategy and grand narratives. It is the stuff of a respect for the fine-grained in the process of map making.

As we continue 'in search of' knowledge of our environments, the conversations continue and we are minded of the need to 'do whatever you can to increase the variety of the language with which you work' (Weick, 1995: 196). But that in itself is not enough. As Waterman's illustration of the San Francisco Symphony Orchestra reminds us, you also have to be able to hear the language. That is, as the players needed to get better in order to realize they needed better acoustics, perhaps also management academics need to get better before they too can attend to the acoustics of better conversations. This was, is and will continue to be, a conversation with that aim in mind.

Notes

- 1 In writing his talk, Van Maanen remarked that talks and papers are different modes of presentation and this presents difficulties, exacerbated here in our present task as we have three voices at play which makes the issue of rekeying (Goffman, 1974) our talk into a paper all the more difficult. At times, it may be obvious that one of the voices is speaking in its own right while at other times it will be far from obvious and indeed there will be a meld of voices. Good conversations, as is sensemaking, are social processes for bringing people and ideas together and conjointly creating something that was not there before. This was a genuine and convivial conversation in which ideas and words were exchanged before and after the actual presentation and it is one in which we all participated. But this does not mean to say that we speak with the same voice, or necessarily at the same time, and we certainly don't all speak with the same accent even if all three names are on the article. Extended conversations such as this are thus difficult to write, attribute and read. They can also be difficult to get credited as one of the reviewers for the Academy complained that they were unsure of the academic worth of the symposium proposal as it read just like a conversation. It should be recalled that the purpose of building the pale was to keep the unworthy out and thus, 'beyond the pale'. Too much of academic management treats too much of management practice as beyond the pale and, for that reason, what matters is not just a consideration of how to break out of Hambrick's closed loop, but also how others can be encouraged to break in. In



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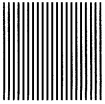
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the event, we took the criticism as a compliment and decided to sneak into the Academy and to see if anybody was interested in the conversation.

2 Research visit by Colville and Carter, 1998.

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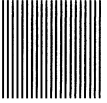
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