Management Innovation

- researching reflexivity with reflexive means

November 09, 2017, 11.35-12.35
Room FEA – 1 Congregação
USP, Sao Paulo
Introduction

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

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

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

Methodological approach
ethnographic, longitudinal, qualitative studies to capture organizational reality “in flight”
(Pettigrew, 1990)

Empirical context
Hospitals as pluralistic organizations
(Baker & Denis, 2011)
Management-Innovation

Why?

The world becomes complex

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

Organizations become expert organizations

(Senge, 1991; Drucker, 1957)

… knowledge-intensive work, autonomous actors with plural perspectives, interests; ambiguous power relations
(Denis et al., 2007)

… who question the idea of hierarchy as the «holy order»
… that requires leadership to legitimize itself from how it leads, not from what it knows
… that means that employees (also) observe their superiors (Schumacher, 2015)

A need for management innovation …

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

Management Innovation

… is considered the (latest) source of sustainable competitive advantage
(Birkinshaw & Mol, 2006; Hamel, & Breed 2007)
Why in hospitals?

Research context for studying management innovation

**complexity of the environment**: diverse environment, interests, rationalities, changes
- Differentiated awareness
- Coordination of divergent stakes

… to sustainably secure the organization’s resource base and allow strategic positioning

**complexity of the organization**: core value creation, significance of pre-conditions (resources); pluralism
- Need for coordination
- Efficient use of resources
- Continuous development

… for a patient-centered value creation

**“bilateralism” - the enacted management praxis of who decides on what, when and how**

Bilateral agreements between the parts in informal networks to situatively work through decision necessities
- stabilizes the organization (initially) and the position of decision-makers (network members)
- Maintains the autonomies of the parts

**limits**
- procedure: resource intensive
- Time: delays
- Factual: general growth and focus on parts (not: whole)
- Socially: in-group vs. out-group

➔ strategy: “wish list – truce”

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

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

Definition

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

Visibility

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

... a 4 step process:

1. **Motivation**: internal & external
   Observation of problems and of opportunities

2. **Invention**: interacting external & internal «change agents»
   (that relate organizational and environmental context)

3. **Implementation**: through praxis, trial & error, reflective experimenting

4. **Theorizing and «Labelling»** for legitimacy

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

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

Process of management innovation ...

... is self-referential, endogenous:

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

Known characteristics...

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

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

Karl Weick (1979: 219) ...

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

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

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

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

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

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

?
**Management Innovation via lean production**

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

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

**enables**

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

- … of inter-professional and inter-disciplinary collaboration
- … on environmental developments outside the own area of expertise
- … for a timely and complexity adequate handling of decision necessities while mobilizing the requires expertise, responsibility and affectedness
Example: management innovation at an ECU

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

### 2011: problem identification (CEO):
Efficiency pressure, rising patients, shrinking employee satisfaction

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

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

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

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

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

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

### 2014: Lean praxis in crisis (MTE)
«I have to make the detour of involving those consultants and go for lean, only that I adapt my work afterwards again …» (physician)

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

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

«There is hardly any self-reflection in the clinical daily work. We did not do that in the past … … Our mistake was that we did nor reflect enough in the beginning …» (physician)
Insights of management innovation at ECU

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

Insight 1: management innovation …

… requires the establishment of systematic reflexivity within the organization:

… topic:
- daily work
- treatment processes
- collaboration
- coordinating interfaces
- development
- of the ECU as a unit
- leadership
- decision-making praxis

… participants:
- Nurses and medical doctors involved with patients
- Clinic for surgery, inner medicine, intensive care, room service
- Leaders of ECU (nursing, surgery, inner medicine); guests
- Leaders of ECU (nursing, surgery, inner medicine); guests

… rhythm:
- daily, monthly
- fortnight
- twice a year
- fortnight

… example:
- CIRS-meeting, Huddle, Work groups
- in leadership meetings of surgery, inner medicine;
- strategy-retreat, Employee workshops,
- Management-Circle

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

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

Insight 2: management innovation ...

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

- daily work
- leadership
- collaboration

- treatment processes
- decision-making praxis
- coordinating interfaces

- e.g. conversations, forms for proposals, documentation, work groups
- e.g. documentation, sitting in clinic meetings, inviting guests
- e.g. multiple participation, guests, documentation

Impact...

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

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

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

**Insight 3: management innovation ...**

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

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**Preliminary conclusions on management innovation in hospitals:**

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

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

<table>
<thead>
<tr>
<th>Criteria of management innovation …</th>
<th>… and of reflexivity</th>
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<tbody>
<tr>
<td>contextual: organization specific</td>
<td>contextual: history, future, power</td>
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<td>reflexive: the organization’s own</td>
<td>cognitive: questioning assumptions</td>
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<tr>
<td>management praxis and understandings</td>
<td>communicative: dialogic in co-presence</td>
</tr>
<tr>
<td>processual: dynamic unfolding over time</td>
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… imply a reflexive methodology for a consistent research practice in the field

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

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

**Characteristics: RSR**

- Reflexive research in the field (Tuckermann & Ruegg-Stürm, 2011; Tuckermann, 2013)
- Characteristics: RSR…
- 4 entangled practices (triangulation)
- context specific
- locus of data: research system
- blind spots
- truthful accounts
- mutual observing in temporary multiple interactions
- organization (1st-order)
- researcher
- research system (2nd-order)
- partners
- decisions
- colleagues
- continue operating
- truthfule accounts
- mutual perturbation (irritating expectations)
- science (1st-order)
- journals

**Implications: …**

- → organizational, relational, research, academic
- → evolving mutual expectations → dynamic
- → limited and observer-dependent insights
- → of partner AND of researcher
Reflexive Systemic Research Heuristic (RSR)

What we do...

Feedback Workshops

... an invitation to collectively reflect...

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

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

Thank you for your attention…