This case is from a study Frances conducted in a large manufacturing company, using a qualitative methodology which involved interviewing numbers of employees. The purpose was for the company to improve the way it worked; but the study also yielded some useful insights into how to support—or get in the way of—innovation. From talking with people, it was clear that there were some pockets of real innovation—and not only that, but that about 75% of the innovations were coming from just two units: the manufacturing department and the sales department.

The question was: *why?* Digging deeper pointed to the managers of the two units, how they interacted with their direct reports, and how they interacted with the organization.

Here's a statement from someone who was in one of the units that was *not* innovating.

*"**The President** has these dinners where his direct reports report to the direct reports, so to speak. My boss is included, but I have never been invited to one of those meetings where everyone rubs shoulders. Here I am doing research and trying to determine the direction of my department and I'm not included in the meetings where these strategic things are discussed. I feel that by not*

giving me the necessary information, they mishandle my effectiveness. If I'm playing in a small game, my view vis-à-vis that game is small, If they give me a picture of a bigger world, I play a bigger game. Access is part of it. Take the example of the financial performance of the company. They have these staff meetings where they review with department heads the financial results of the year. I don't get to go to those meetings, but when I asked my boss about it, he gives me a copy of the figures, which is about two inches thick. And I do take them home and read them. But, just looking at the numbers doesn't give me the insights; it doesn't give me the total picture. I don't know how they are interpreting those numbers. I take the numbers and read them and try to spot problem areas and then I ask if my interpretations are correct. But, it is kind of humiliating to have to go and beg for this kind of information. Requests for information are always brushed off. I feel like I've put in a good performance—why don't I deserve to have that information? Why don't I deserve to be party to that inner circle?"

When this person says, *"I don't know how they're interpreting those numbers?"* it points to a problem in the social structure in the organizational system. It's what Giddens would say falls within at least two major structures. One is ***signification***, having to do with meaning. You can't always tell what

something means, and numbers is a good example. If you don't know how they're being interpreted—in other words, the meaning—then you don't know how to make sense of them. The person in this example is not being provided with the code of meaning that's being used by people who are higher up in the organization.

Another aspect of the challenge is the pattern which is part of the structure of ***dominance***. As is very, very common in hierarchies, meaning is being held closely by those who also have power and resources. The woman in this example is being kept away from the resources to make a change. What she's complaining about is that she wants to make a difference and to be creative and innovative, but she can't do it because she doesn't understand *why* the meanings and decisions are being made. And, she is being kept away from opportunities to participate in the organizational meaning-making and decision-making.

Here is a different kind of example, from one of the units which demonstrates innovative capacity:

"Personally, I feel that opening franchise stores would be a good idea and maybe even eventually franchising technicians. If we franchise the stores,

we would immediately improve our bottom line drastically because we would have to cut a number of salaried people. In the long run, the cost base gets lower and stays there. Six months ago, I talked to my division head about this and he said that franchising was only an option you looked at when you were resource poor. But then, last month, I got to thinking that it seemed to me the retrenchment process could be seen as a resource scarcity . . . we were scarce in people. So I did the calculations to see how it would look if we went to a franchise system and I could tell the V.P. was impressed with my logic. He's taken up the idea with the CEO. I enjoy working with him [the department head]. He's a very communicative kind of guy."

What this person is saying is that the department head is prepared to give him the codes of meaning, and some degree of access to power; and once he's got those, he can confidently think about doing something differently.

Innovation, even in just one area can have a broader impact on the organizational system as a whole. To increase the changes of this ripple effect, the people who are most aware of the problems have to, in a sense, have the understanding and access to other levels in the system to figure out which of those is going to make the biggest difference to the

hierarchy as a whole. We'll come back to that again.

It is very interesting to see the interactions across scales that are actually represented in the ways in which people communicate with each other, hand out resources, and create rules and laws. These elements, all based on the social structures that are accepted in the system, can create a context where people feel permission to do things differently; or where they're never allowed to do or even try things differently. The first context promotes innovation and the second does not.

A teaching case

Consider the following case and think about what could be happening at various scales that is affecting this situation We'll practice this type of analysis in more detail when we introduce the journey tool in a future segment; so, keep this example in mind.

The case: You have an adopted son, age 14, who has had increasing difficulty in school and has recently had violent outbursts at home. You began seeking help, but were unable to find a psychiatrist who had time to see him. These outbursts escalated in intensity until, last month, he physically attacked your husband/wife.

He was taken into custody and now has been placed in a program dealing with disturbed adolescents in a local facility. He finally saw a psychiatrist, who diagnosed attachment disorder. You had one meeting with the psychiatrist, who said he could not discuss details because as your son was 14. He was then assigned a social worker who you met at a group visit. Neither will now return your calls.

You do not think, based on your understanding of attachment disorder, that your son is getting adequate treatment. You have a few good conversations with him, but he is volatile and remains uncooperative. In the meeting, the social worker tells you that he feels he has a good rapport with your son.

The administrator in charge of the facility tells you that the program will end in two weeks and has asked you for a voluntary financial contribution to the program. You and your spouse refused. You now, finally, have a meeting with your son, the administrator, the psychiatrist, the social worker, and your son.

Thinking exercise: Take some time now to identify some of the accepted social structures that are causing problems for this teenager and his family. What role do values

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and beliefs play (structuration)? Are there power or resource distribution aspects that just don't seem to be working (domination)? What about laws, rules, and policies (legitimation)? If you had to choose one or two key structures to work to change in order to benefit this young man, what might they be?