Is the process organization an oxymoron?

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The Encyclopaedia Britannica (2014) defines an oxymoron as “a combination of contradictory or incongruous words (as cruel kindness),” or more broadly as “something (as a concept) that is made up of contradictory or incongruous elements.” The objective of this paper is to discuss whether or not the process organization is in effect an oxymoron – is a process organization at all feasible?

It is suggested that the modes of coordination determine whether or not the idea of processes is realized in an organizational setting; probably it is most fruitful when applied to cooperation between organizations. I base my discussion on two empirical examples of how the idea of the process organization was introduced in the Swedish public sector (Holmblad Brunsson, 2010).

Why processes?

A number of reasons help explain the popularity of the process idea. One is the pejorative connotations of “hierarchy,” which is often seen to imply “bureaucracy” and costly solutions to simple problems. Frederick Taylor (1911/1998), for one, classified the hierarchical organization as an outmoded inheritance from the military, and many have since followed suit.

Another reason is the many reports on management fashions which appeared from the late 1990s on (e.g., Abrahamson, 1996; Carson et al., 2000). “Management fashion” became an expression with negative connotations – who would want to make management recommendations that people saw as ephemeral from the start?

A third and related reason is that processes refer to something natural, which exists independently of human interference. Processes are there to be discovered, as pointed out Karl Weick (1969/1979) when advocating the idea of organizing, as well as Michael Hammer (1996) when describing the process organization in greater detail. In contrast to procedures, which are man-made and complicated arrangements, and subject to management fashions, processes were not invented, thus refer to something more stable and, presumably, more reliable.
Further, the word process has proved useful: many organizational phenomena are described in terms of “a process:” culture, strategy, leadership, innovation, marketing, political decision making, or practically any kind of change.

Processes in the public sector

While private enterprises soon tired of the process idea (Nilsson, 2004), it became all the more popular within the public sector.

In this sector management by objectives was the guiding principle for some 20 years. What the public organizations produced should be in focus, rather than how they organized their production (Brunsson, 1995). Over the years, the management by objectives was disputed: central authorities were criticized for either delegating too much or too little to the regional or local administration (Holmblad Brunsson, 2002). The process idea provided a radical alternative to management by objectives, as it concentrated on how things were done. Besides, the public sector was known to import management ideas from private enterprises with a time lag (Czarniawska-Joerges, 1988).

A process organization in principle

Karl Weick (1969/1979) saw the essence of an organization not in the organizational chart, but in processes of sense making: “How can I know what I think until I see what I say?” He used the idea of organizing (rather than that of the organization) to discuss how organizations create their environment by acting. Weick saw equivocality a natural feature of organizational life and distrusted authoritative (orderly and hierarchical) management. He found management to be most efficient when it was tacit, unobtrusive, and non-interfering, but nonetheless accepted hierarchical management.

More explicit elaborations of the process organization, such as that of Hammer (1996), illustrate the difficulties of eliminating hierarchy when describing an organization. Hammer defined a “process” as “a complete end-to-end set of activities that together create value for a customer” (p. xii). Efficiency was Hammer’s prime target; work that does not add value was classified as waste and should be eliminated. Almost lyrically, Hammer described a process-centered organization as a loose association of professionals – entrepreneurs, old-time artisans, or owners of small companies. This in turn meant job enlargement, teamwork and freedom to make decisions. “We are our own managers,” said one customer account manager (Hammer, 1996: 30).

But Hammer also acknowledged that there must be someone responsible for the initiatives of the organization. He did not believe that managers in hierarchical lines of authority add value to customers, but saw management as a necessary evil. Rather than managers (bosses) Hammer recommended a hierarchy of teammates to carry out peer reviews, process owners to design, support and represent particular processes, coaches to specialize on certain professions, and business leaders to “bring all the pieces together” (p. 132). In the end, he
proposed a matrix organization where the titles of managers were changed and a lateral line of authority added to the organizational hierarchy.

**The process organization at Statistics Sweden**

Statistics Sweden (Statistiska centralbyrån) is a Government agency, whose task it is to coordinate all public statistics in Sweden. In January, 2008 the agency launched its new process organization, arguably to forestall future problems, when many employees were to retire, but also to impress the Government by appearing progressive.

Centralization and standardization were the key guidelines for a complex reorganization. The agency defined only one process, the statistics process, but found that people working in different stages of this process needed support from both a process department and a development department. They were to buy such support with their internal budget money and in competition with other departments. The reorganization made Statistics Sweden into a matrix organization, where lateral interdependencies and new hierarchies added to the hierarchy already in place. The managers were reluctant to use this term, however; they preferred to call their organization a process organization.

The introduction of the process organization was criticized from the start. While elderly employees resignedly found that all new Heads of office want to either centralize or decentralize work, the unions feared bureaucracy, internal conflicts and de-professionalization of employees.

In the spring of 2009, the process organization was not yet fully implemented. The Head of office had left the agency, and the implementation was no longer seen as urgent. Previous failures with similarly popular concepts were called to mind – “TQM ended up a Jippo,” “the best practice recommendations stayed in the bookshelves.”

**The process organization at a local hospital**

In the mid-1990s the medicine clinic at the local hospital of Eksjö, a small town in southern Sweden, initiated its *Esther* project. In effect "Esther" was a code name for the process organization; Esther was a fictive patient, an elderly woman with a heart disease. The clinic decided that Esther should be the main concern for all decisions on medical and other care. This necessitated cooperation between different categories of professionals within the clinic, with other clinics, organizations outside the hospital, and relatives (Peterson och Bojestig, 2003). A network of collaborating professionals from different organizations was in place in the summer of 2000, when the clinic experienced an economic crisis. With the help of its network, the clinic succeeded in drastically reducing its number of beds. Routines were coordinated and responsibility delegated (also to the patients) and the clinic escaped many “normal complications” (Peterson och Bojestig, 2003: 6).
Esther was described as a success story and awarded for its innovative approach and contribution to efficiency. In 2009 Esther was a well-known person in the southern part of Sweden, and other clinics and regions began to copy the idea.

Though few used the word process, Esther epitomized the process idea: a healthier and more vital life for Esther was the end product, to be accomplished through cooperation between the clinic and a number of other individuals and organizations. The clinic made the fictive Esther “real” by providing a photo and by celebrating her names day with extra treats for the elderly.

The clinic, in contrast, though in effect implementing a similar process idea, invented a unique name for its efforts. It focused on Esther rather than on some abstract organizing principle, and hardly anyone could argue against giving Esther the best possible treatment and care.

The examples indicate that the young Juliet was mistaken when she questioned the importance of naming (What’s in a name? Shakespeare, 1597/1994). When it comes to the intricacies of management, the naming of proposed changes may indeed be important. Said Friedrich Nietzsche (1882/1987: 70): “it is much more important what things are called than what they are” (translated from Swedish).

Vertical vs. lateral

Moreover, the two organizations differed in the way they introduced the process idea. While Statistics Sweden focused on its own organization, the clinic engaged many in a cooperative effort.

In general, an organization is seen to be efficient because it allows specialization and coordination of work by means of authority (e.g., Lindblom, 1977). But how the organization should be organized has long been controversial. Henri Fayol (1916/1999) questioned
Taylor’s “functional” (matrix) organization and argued that a strict hierarchy was a prerequisite for a prosperous organization. Any employee should have but one boss, Fayol insisted.

Hierarchical lines of authority have since been included in the very definition of an “organization” (e.g., Kühl, 2013). And as seen from the examples above, the hierarchy remained even when the ideal process organization was described. The process organization became in effect a matrix organization.

When a number of organizations cooperate, coordination is achieved not by means of hierarchy, but through negotiations, mutual adjustments and agreements. Nor does cooperation with relatives or patients involve hierarchy or matrix arrangements. This is why the process idea seems feasible in situations where different individuals and organizations – rather than one single organization – are engaged. The process organization, then, is not one organization, but many.

Is the process organization an oxymoron? Yes – and no.

References


Holmblad Brunsson, Karin (2002) Management or politics – or both? How management by objectives may be managed; a Swedish example, Financial Accountability & Management, 18(2) 189-209.


