1. Introduction, or: From IT Projects to Organisational Ethnography

> You study misunderstandings?! Then you should come to us – there you'll see a lot of them!

Whenever I have mentioned the topic of my research, the reactions of my conversation partners have been similar to that of my physiotherapist in the above quote. There has been remarkable similarity across these comments about "misunderstandings", from people of very different organisational settings and work profiles. Whether I have been talking to a childcare teacher, the university's canteen staff, my hairdresser, employees of different business organisations or medical scientists – I have found many to perceive misunderstandings as ubiquitous concomitants of interaction in the work context. From this proposition, it might not be surprising that the idea for this research stemmed directly from my own professional background as an IT project manager in a multinational corporation (MNC). The following example occurred years ago during a project I managed for my former employer.

1.1. "You should be able to resolve this, right?"

It was a spring evening in April 2011 and I had worked late in the office in order to prepare for a project status meeting the next day. The project was roughly on track, in most of the work streams. Only one was causing me a headache: a tool that had to be redeveloped, as the old one was no longer compatible with the organisation's new technology standard. The development job had been outsourced to our offshore IT service provider, located in Hyderabad (India). From a seemingly smooth start, the situation had recently problematised.

Initially, the details of what was expected from the tool had been written into the "requirements document" by a member of the local German IT staff and sent to the development sub-team of the Indian programming team in Hyderabad. Several weeks, over 20 emails and more than 10 meeting hours later, there was zero progress to report on that work stream. Four to five colleagues from teams in Germany and India had spent a significant amount of their time and effort on the project. Nevertheless, the requirements document, which was now enhanced with five additional pages of emails and meeting minutes, was still not answering the Hyderabad programmers' questions. Consequently, the first prototypes were far from the needed solution. Escalation of the situation to management levels in both organisations had not eased the situation. The next day, I would have to – once again – report a red light status for this part of the project.

Why had such a situation occurred? Was it because "those Indian programmers simply were not good enough, although I described everything so well and anyhow I should have programmed it myself", as a German team member concluded? Or was it due to "incomplete and undetailed documentation" from the German team, as the Indian team coordinator stated? I thought I had done everything correctly: I had organised the work tasks in line with established communication forms and processes, team responsibilities and numerous standardised documents. Although all parties worked according to these communication routes, there were clearly inter- and intra-organisational boundaries. At lunch, one of my colleagues from the IT team in Germany asked: "Don't you study something on culture?! You should be able to resolve this, right?" Yes, was I indeed studying "something on culture". Whenever I was not chasing colleagues across the globe to complete their work on my project I was sitting in the library at Heidelberg University, writing my master's thesis in social anthropology on bride price in Papua New Guinea. I subliminally agreed with the colleague's notion that some of the issues we were encountering in our project seemed to pertain to mechanisms operating under the popular label of "culture". But I was not able to see how these issues related to the theories I had learned – let alone how I could use them to "resolve" the situation of the tilting IT project. Apart from being in an unreflexive *Lebenswelt* of deadlines, task lists and budget numbers at the office, I did not know how to apply the rich body of knowledge from anthropological research to the familiar settings around me.

In the end, the project was successfully delivered – only slightly over time and budget, but involving many more hours and much more nerve than I had

wished to dedicate to it. Such situations left me with the subtle notion that some misunderstanding had occurred that went beyond the actual exchange of emails and documents; but this understanding was impossible for me to label.

1.2. Office fieldwork in India

One year later, in the summer of 2012, I discovered the missing link between my remaining questions on (dys)functioning project collaboration and social anthropology: the field of organisational anthropology. I was electrified to read about the ethnographies of companies similar to my own, involving an analysis of issues I could strongly relate to from personal experience. Two previously very distant worlds with no overlap suddenly appeared mutually interlocked, as I realised that corporate offices could be a fieldwork site for anthropological research. Within a few weeks I decided to embark on a dissertation project in the field, motivated to gain insight into the functioning of the type of organisation I had been working in for more than a decade.

Remembering the project problem from the previous year, I decided to attempt to gain access to an MNC in a typical offshore location, such as India, Malaysia or the Philippines. I did not aim to "resolve" the sorts of critical project situations I had experienced, as my IT colleague had suggested. Rather, I was much more driven by a deep-rooted curiosity about views on the corporate world from a different perspective. For this, I sought a field that was unmarked by my previous work entanglements and former colleagues. Therefore, I refrained from considering research within an office location of my former employer. For the same reason, I also eliminated IT offshore partners and software supplier organisations I had worked with in the past. This left me with an almost blank sheet of options and hard work ahead of me to find an organisation for my project.

In Chapter 2 (Section 2.1), I will outline the various strategies I employed to gain access to an organisation for fieldwork – a task that proved extremely difficult. In this process, I experienced what many anthropologists have written about: gaining access to a business organisation as a research site is much more an organisation's choice than the researcher's (Krause-Jensen 2013: 45). Ultimately, a mixture of persistence, daring and luck resulted in a research opportunity at an MNC in a major Indian city, which will remain anonymous. "Advice Company", as I call the organisation in this book, is a Western-

origin MNC in the professional service industry and was exactly what I had hoped for: an organisation akin to, but not congruent to, my former company. I was primarily interested in different perspectives on organisational functioning and did not specifically aim for a fieldwork location in India but in any non-western offshore location. Consequently, this work does not attempt to address and analyse Advice Company's traits of "Indian-ness" (Khandelwal 2009). Nor does it seek to map cultural differences between the Indian employees and their counterparts in organisations across the world, as works by other scholars have done (Gupte and Müller-Gupte 2010, Mahadevan 2009, Mayer-Ahuja 2011b). I deliberately chose a theoretical framework and research questions that would allow me to focus on Advice Company's specific organisational structure and internal differentiation. The outcome is a picture – or in anthropological terms, an ethnography – of Advice Company, from its employees' perspective.

1.3. Misunderstandings as a research subject

Misunderstandings are commonly viewed as inadvertently emerging phenomena that should be avoided. My work, however, will show that Advice Company's working practice relies on misunderstandings as a basic component of communication. I will furthermore illustrate that misunderstandings are used to shape and reinforce mechanisms of power or status in the organisation. Both of these aspects of misunderstandings are relevant for the maintenance of the organisational system, and serve to fortify organisational structures. This work will therefore demonstrate the productive element of misunderstandings and argue that they are *necessary* for organisational functioning. Drawing on this notion of working misunderstandings – a specific type of misunderstanding characterised by the potential for "parallel encoding" (Sahlins 1982: 82) of a given term or situation – I will address two main research questions:

How do working misunderstandings shape the organisational system?

Why are they productive and necessary for the system's organisation?

This work will build on existing scholarship in anthropology and closely related disciplines, such as Niklas Luhmann's Systems Theory, which argues that

social systems consist of communication to create and maintain themselves by enforcing their borders with the outside world (see Chapter 2, Section 2.3.3). Misunderstandings are, according to Luhmann, an integral aspect of communication chains. This sociological theory serves as the core theoretical framework under which I will scrutinise the organisation and demonstrate the way in which communication and misunderstandings shape its structure.

This work will contribute to anthropological theory, as Luhmann's Systems Theory has not been adopted broadly in this field (for exceptions see Gershon 2005, Krasberg 1998, Sprenger 2016, Sprenger 2017), even though it is highly suitable for analysing organisations. While Systems Theory has been widely used in organisational sociology and organisational studies, my analysis will demonstrate its further applicability for anthropology. The ethnographic analysis will combine Luhmann's theory with concepts from philosophy (Gernot Böhme's new phenomenology – see Chapter 4, Section 4.4), Louis Dumont's Theory of inverted hierarchy (Dumont 1980 [1966]; Dumont 2013) and the theory of circulating references and translation chains (Latour 2000; see Chapter 10).

More generally, this dissertation will provide new insight into our understanding of misunderstandings in an organisational context: by positioning working misunderstandings at the centre of my project I will add to the field of anthropology of misunderstanding. Furthermore, this office ethnography's focus on misunderstandings in the professional service sector will add to the body of literature in organisational anthropology that aims at understanding organisational functioning.

1.4. Organisational ethnography and its limits

This ethnography is the outcome of long-term fieldwork carried out in 2013/2014 at an MNC in the professional service sector in a major Indian city[1]. Advice Company provides advice to clients on strategic decisions. The specific consultancy services the organisation sells is offered by a few global organisations and slightly more locally operating companies. Therefore, I must remain particularly vague about the type of consultancy services offered by Advice Company in order to protect its identity. Similarly, descriptions

1 To protect the identity of Advice Company I refrain from revealing the research location.

of clients, products and projects will be limited in detail in order to ensure the anonymity of all parties. I have furthermore changed the names of the interlocutors mentioned in this work. By remaining vague about the organisation's background, I am able to provide particularly detailed descriptions of events and my interlocutors' opinions of these events. I have deliberately chosen a personal and self-reflexive writing style with the aim of taking readers with me into this office world – a seemingly all-familiar terrain for most of us.

This work relates events and practices that occurred at Advice Company during the 12 months of fieldwork carried out between February 2013 and June 2014. These events will probably appear to the employees (and maybe by now ex-employees) of Advice Company as accounts of a "very distant past" (Krause-Jensen 2013: 51). The fast-changing organisational system makes the field a "temporal phenomenon", and thus this ethnography provides only a snapshot of a given moment in the organisation's history (Dalsgaard 2013). As Advice Company has an average staff turnover rate of 25% per year, only a small share of my interlocutors will likely still be members of the organisation when the work is published, and an even smaller number will be likely to hold the same functional positions.

1.5. Client centricity and ground reality as opposing values

During my research phase, Advice Company's employees changed teams and offices, or left the organisation as new employees joined. The case studies will illustrate, however, that the organisation's structure and its transactions are not dependent on the individual employees, but on the operations and communication dynamics that are determined by its guiding difference. According to Luhmann, a guiding difference *(Leitdifferenz)* consists of (at least) two opposing values which steer a system's operations and structure (Luhmann 1995a: 4). At Advice Company, two values are of direct relevance for shaping the organisational structure: "client centricity" and "ground reality". The superior and hence more salient of the two is client centricity, which prioritises closeness to the client as the leading determination for decision-making and working practices.

Advice Company is dependent on a constant flow of project orders from its clients. Consequently, the organisation has established the client at the centre of its dominating value. Knowing what a client wants and delivering a

project according to the client's expectation form the overarching paradigm that structures the organisation. This might not be too surprising, as client orientation is a well-known management concept, aiming at structuring an organisation and its employees to cater for changing, short-term and differentiated client wishes and expectations (Voswinkel 2005: 11). At Advice Company, this value is established through the connection of internal and external (i.e. client) appreciation – for example, through the display of awards from clients for exceptionally successful projects and a corresponding internal recognition system based on awards for particularly client-centric work. I will show that both organisational structure and internal differentiation are guided by the client centricity paradigm. Furthermore, working misunderstandings and ambiguities relating to the actual meaning of client-centric behaviour serve to maintain these structures.

Client centricity therefore goes beyond a mere principle of efficient organisation, but depicts the primary value according to which the agents align their everyday actions and interactions. This means for example that functions dealing more directly with the client such as client consulting are associated with a higher ranking in the organisation's local value system. Client centricity is salient in management presentations, office talk and during new employee induction trainings with a repetition of rules such as "we never say 'no' to our client". This continuous salience of the value client centricity indicates its overriding importance for the organisational system. In addition, however, the repeated emphasis allows reasoning that the everyday practices are not all running as flawlessly client centric as the organisation's management would like them to run. Based on the principle that if rules have to be accentuated they most likely are not completely adhered to; client centricity has to be repeated frequently because of a competing value undermining it.

This undermining value is not explicitly labelled yet implicitly present in the persistent repetition of the client centricity paradigm. The farther I veered away from the client centric functions in the course of my fieldwork the more pronounced appeared the existence of an opposing value to client centricity. As this value is subordinated, it is less clearly expressed by the agents and hence crystallised only gradually. I have decided to call this opposing value "ground reality" representing all the different manifold aspects of the antonym to client centricity, referring to everything that disturbs the flawless client centric work process. "Ground reality" is a term used in Advice Company referring (amongst other connotations) to those functions and processes most distant to the client.

Although being a subordinate value located at the lower end of the organisation's ranking, ground reality nevertheless plays a similarly dynamic role in the organisational system and serves to counterbalance the organisation's inclination towards the client. I will show in this work that the two values are mutually exclusive and denote the guiding difference of the organisation.

1.6. Chapter outline

The research questions, which focus on working misunderstandings and their relationship to organisational structure, are addressed in the 11 chapters of this book.[2] Chapter 2 introduces organisational anthropology and complex organisations as a field of enquiry. Following a review of popular approaches to analysing MNCs from the field of intercultural communication, an introduction to Niklas Luhmann's Systems Theory is provided and connected to working misunderstandings as a central element of organisational maintenance. This chapter is intentionally succinct, as more detailed outlines of relevant theoretical frameworks are provided at the beginning of each analytical chapter. The fieldwork at and around Advice Company, together with the methodological approaches taken for data collection, are outlined in Chapter 3.

Chapters 4–10 present the ethnographic analysis and are structured into two consecutive sections in order to open the black box of organisational functioning (Czarniawska 1997: 1): Part I looks at the organisation as a social system and Part II addresses working misunderstandings. Part I illustrates the way in which Advice Company delineates a social system, in the sense of Luhmann's Systems Theory, on the basis of client centricity as a leading marker of relevance, hence the dominant value of the guiding difference (*Leitdifferenz*). The organisational analysis is developed concentrically, beginning from outside the organisation and moving towards its internal structure. Chapter 4 shows how the organisation establishes its boundaries to the environment and conditions organisational membership. Internal differentiation on a macro-level is discussed in Chapter 5, which positions the three offices of Advice Company on a continuum ranging from client centricity to ground reality. This differentiation is triangulated via examples of access procedures,

2 Parts of Chapters 5, 7 and 8 have been published in two journal articles (Mörike 2016; Mörike 2018).

office equipment and perceptions of atmosphere at the three offices. Chapter 6 traces the organisational differentiation within each of the three offices along a hierarchy of functions (or job types) that corresponds with the two opposing values of the guiding difference. A layer of informal sub-systems is shown to cut across the functional hierarchy of the organisation; in their self-observation, these sub-systems reinforce the organisational structure along the organisation's reference system. In an interim concluding remark to Part I, Advice Company is positioned as a social system structured along the guiding difference client centricity/ground reality.

Part II builds on Part I's analysis of Advice Company as a client-centric organisation. This second analytical block focuses on working misunderstandings in the organisation that are connected to the client project as a central commodity. It demonstrates how these working misunderstandings shape the organisational system and why they are necessary for its functioning. Chapter 7 commences Part II by introducing working misunderstandings as an analytical category for ethnographic insight, along with a quadrant typology of working misunderstandings. This typology serves as a basic structure for the following chapters, starting in Chapter 8, which presents a working misunderstanding relating to collaboration that occurred between myself and my interlocutors. Chapter 9 illustrates how "date games" around project timelines contribute intentional working misunderstandings to the planning process across opaque sub-systems, which reinforce the client-centric organisational structure. The hierarchical structure of the values, however, is inverted to favour the ground reality over client centricity during the project execution phase – at least up to a certain point. The client project – as Advice Company's main commodity – is the central topic of Chapter 10. In six steps, the client project is followed through the various departments of the organisation. The analysis begins with a vague project opportunity which might lead to an order and continues along the project development stages to the final delivery to the client. The case studies illustrate that the actual meaning of a project is subject to differing ascriptions along the organisation's project development process. These ascriptions are orientated towards either client centricity or ground reality, and there is constant tension between these opposing values. The organisation manages this tension – or incompatibility – by maintaining the opacity of different project representations as a working misunderstanding. I will show that this working misunderstanding is of central relevance for the communication chain and, hence, the social system.

The concluding remarks seek to trace the role of the fieldwork country, India, by presenting the reflections of Advice Company's employees and their perceptions of the company as "Indian" or not. The chapter also summarises the various angles taken in the analysis of working misunderstandings and their influence on the organisational system. The answers to the research questions will reveal the rather counterintuitive insight that the successful functioning of an organisation as complex as Advice Company is dependent on the opacity of not only working misunderstandings, but also black boxed organisational processes.