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Book review

Jakob Krause-Jensen (2010).
Flexible Firm: The Design of Culture at Bang & Olufsen. Oxford, New York: Berghahn Books

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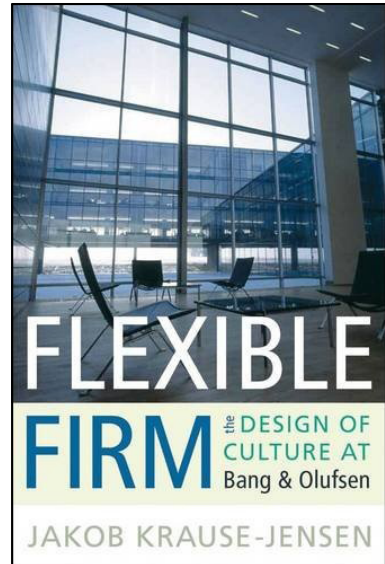
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'I regard this study as far from finished. Each completed sentence represents [...] A tenuous victory over the infinite complexity of the facts. Such victories are short-lived, and the battles must be fought again' (Kunda, 1992: 240, quoted by Krause-Jensen, 2010: 278).

'In Ethnography, the writer is his own chronicler and the historian at the same time, while his sources are no doubt easily accessible, but also supremely elusive and complex ; they are not embodied in fixed, material documents, but in the behaviour and in the memory of living men' (Malinowski, 1922: 3).

How to handle the volatile, uncertain, chaotic, complicated and ambiguous VUCCA world¹ of business when globalisation and change affect every part of an organisation? Is it possible to stop the machine to make time to understand what is happening or what has recently happened in the organisation in order to prepare for the future? Many research fields examine the changing nature of organisations and try to understand their life cycles. In this Emic-type ethnography study, the Danish author Jacob Krause-Jensen tries to stop the clock and offers us a glimpse of life inside the Danish high-tech electronics firm Bang & Olufsen. His starting point is anthropological. From the very first page, we are introduced to the fact that 'the object of anthropological investigation is fast disappearing and that the world has been 'entzaubert', disenchanting' (this is where the author uses the famous Gary Larson sketch of primitive human beings removing their technological equipment as some fieldworkers arrive).

Is this a coincidence, or rather proof of the author's willingness to start his anthropological study as Malinowski did 90 years ago when he opened his widely read *Argonauts of the Western Pacific* by saying: 'Ethnology is in the sadly ludicrous, not to say tragic, position, that at the very moment when it begins to put its workshop in order, to forge its proper tools, to start ready for work on its appointed task, the material of its study melts away with hopeless rapidity' (Malinowski, foreword, 1922)? Times have changed, but these concerns remain, because the subject of the ethnog-



1. The expression used by J. Van Maanen in his Foreword to the book.

raphers' studies has stayed the same, the Human Being, the 'Other', and his complexity in organisations. Malinowski tried to understand human behaviour in terms of his own theory of functionalism: how a 'primitive' society organised its functioning around the 'cultural' answers created by individual needs (see *A Scientific Theory of Culture and Other Essays*, 1944). Whilst still observing a system of organised activities, Krause-Jensen investigates modern-day human behaviour and collective identity of Bang & Olufsen employees.

The ethnographer's aim is clearly stated from the first chapter: he wants to understand how the company in question articulates its collective identity through the use of concepts such as 'culture', 'fundamental values' and 'corporate religion' (p. 3). His research aim is to understand the reality of the 'corporate discourse' and the social environment; how people work with, experience, and act on managerial ideas of culture. For this, the author has chosen 'one of the crown jewels in the Danish manufacturing industry' in the form of Bang & Olufsen, a company famous for its 'production of exclusive, high quality, audio-visual home electronics with a distinct design'. The firm is also known as a 'value-based' corporation where there should be continuity between what the company develops and sells and the beliefs and practices of the employees.

By way of an introduction to the context of the Danish company and its working environment, the first chapter of the book is dedicated to a detailed description of the architecture of the firm's headquarters. We learn that the firm is located in Struer, a town of 20,000 inhabitants in north-western Jutland in Denmark, where it was founded by Peter Bang and Svend Olufsen 74 years ago. The reader is invited to discover the minimalist modern aesthetics reflecting the 'openness' and 'transparency' of the company location: 'From the outside, 'the farm' is far from monumental. The glass, steel, and basalt building is a low structure placed in the open fields on the outskirts of Struer. From the parking lot, a cobblestone path takes you down a slope to the main door. The entrance is a glass door tucked away in a corner and suggests a back door rather than a main entrance in its conspicuous lack of monumentality' (p. 9). The main building also houses the Human Resources Management (HRM) department, where the author spent six months doing his field study and observing how HRM plays an important role in the control, production and distribution of corporate values (p. 21).

The goal of the first chapter is not only to confirm the presence of the author at the company (I witness) but also to put in place the methodology of participant observation which he used for his data collection in the form of 41 'ethnographic interviews' lasting between one and three hours. Since the time of Malinowski, who created the methodology, one of the ethnographers' paradigms has been the need to maintain a presence in the field and participate in the life of society being observed: 'I was not only there, I was one of them, I speak with their voice' (Malinowski, 1922). The 'being there' paradigm consists of presenting the research process itself: 'to write ethnography in such a way as to bring one's interpretations of some society, culture, way of life, or whatever and one's encounters with some of its members, carriers, representatives, or whomever into an intelligible relationship' (Geertz, 1988: 84). But as Geertz reminds us, the method of

participant observation is also a literary dilemma of 'participant description', because the question is how to get the 'I-witnessing' author into a 'they-picturing story' (Geertz, 1988: 84).

In the second chapter we can clearly see this idea articulated with the description of the author's involvement in the company over a period of six months between April and September 1999. The aim of the chapter is to explain to the reader the context of the stay, including the researcher's status at the firm, which afforded him free access to materials necessary for research whilst requiring that he respects the same confidentiality as the employees when working with those materials (internal organisational audits, educational videos, confidential feedback material and classified reports). The deal struck between the author and the firm was that he could not maintain a position as 'a fly-on-the-wall' and consequently he had to participate in meetings and seminars and contribute to daily tasks.

The author reveals the difficulty encountered as he tried to engage in his daily work at the heart of the HRM department by reflecting that 'the softness' of the anthropological approach seems to clash with the hard realities of organisations. One major weakness is the fact that ethnographic results generally cannot be measured or quantified. Another difficulty is that our final research question is not given beforehand, but emerges as we go along'. It is interesting to see that Krause-Jensen does not escape another ethnographers' dilemma, namely the justification of their presence in the field; we refer in this regard to Geertz, who states that 'being there is just not practically difficult. There is something corrupting about it altogether' (Geertz, 1998: 97). As for Watson (2010) and Van Maanen (2010), they both² underline the same difficulty: 'Fieldwork may appear romantic and adventurous from the outside but on the inside there is a good deal of child-like if not blind wandering about in the field. Cultural oversights, misunderstandings, embarrassments, ineptitudes are common. Relationships based on a certain kind of rapport form only with time, patience and luck. Choices of topics, frameworks, substantive domains emerge only after considerable thought and experimentation' (Van Maanen, 2010). This explains why the second chapter is made up of philosophical reflections on and theoretical justifications³ of concepts used ('concepts are tools that can help us grasp and understand as accurately as possible particular connections, situations and experiences').

The justification issue addresses more than the paradigm of 'being there', in that it also considers how the researcher's presence can be expressed and communicated and how to move from the observation process to a theoretical production of knowledge. As the author states: 'the job of ethnography is to provide systematic narratives that refocus our attention'. As the title of the chapter suggests, the choice of the epistemological field is 'reflexivity'. According to Kilani (1987), this perspective consists in constructing anthropological knowledge from the anthropological texts instead of constructing it from the normative conception of what anthropology is doing or should do (p. 62). More precisely, it is

2. See the discussion between Tony Watson and John Van Maanen in *Journal of Management Studies* (2010) on ethnography in organisations.

3. See the title of the chapter: "Reflexibility – the Methodology of Fieldwork Among Lay Ethnographers".

a question of moving from conventional observation (pragmatic data collection) to dynamic observation, which includes different processes of cognition, and linguistic construction. As Geertz (1988) acknowledges, 'the basic problem is neither the moral uncertainty involved in telling stories about how other people live nor the epistemological one involved in casting those stories in scholarly genres [...] the problem is that now that such matters are coming to be discussed in the open, rather than covered over with a professional mystique, the burden of authorship seems suddenly heavier'.

That said, and in the light of the epistemology chosen, we enter the third chapter defining the power of culture. Although in chapter two we learn about the 'fundamental values' of the firm, namely 'synthesis', 'poetry' and 'excellence', the author needs to examine the definition of culture before entering the culture that is Bang & Olufsen. In fact, culture is the keyword of this chapter, as Van Maanen (2010) reminds us in stating that 'culture is of course one of the more contentious and complicated words in our lexicon'. Like the term 'force' to a physicist or 'life' to a biologist, culture to an ethnographically inclined social scientist is multi-vocal, highly ambiguous, shape shifting and difficult if not impossible to pin down'. Therefore, the concept of culture is examined and discussed with reference to relevant theory, starting with Schein, who does not seem to satisfy the author because of the complexity of organisations: 'Just as Schein's notion of culture appears too simple from an anthropological point of view, his notion of the agents inhabiting a culture seems correspondingly one-dimensional [...] Schein is catering to the hopes and longings of a managerial readership rather than providing them with an adequate and balanced description of a complex reality' (p. 65). It is therefore necessary for the writer to arrive at a concept of culture, which is linked to social process and to work with a notion of power that does not automatically identify power as something oppressive and noxious. The question being asked is therefore 'how can we understand the link between power and culture?'

This leads us first through the ideology of Marx: according to Marxist class theory, the social world of capitalism revolves around an antagonistic economic relationship between the bourgeoisie, who owns the means of production, and the workers, who do not and who are therefore forced to sell their labour. We then move on to the reflections of Weber, who saw the workers' loss of influence and their being subjected to rational management as a technical demand in the evolution of industrialisation and bureaucratisation, i.e. an inevitable feature of a general process of rationalisation. But none of these theories, including Foucault's notion of power, seem to be sufficient when defining Bang & Olufsen's company culture (p. 85-86), because 'since 1990 many employees have bought company b-shares, and furthermore most of them are members of pension funds, who are the biggest investors in the company'. In the third chapter, the author concludes that when understanding the implications of culture management in flexible organisations (because Bang & Olufsen is defined as such), Bourdieu's theory of exchange or the Norwegian anthropologist Barth's notion of concern are useful analytical tools.

What, then, is Bang & Olufsen's corporate culture? Chapter four is dedi-

cated to illustrating the firm's renowned 'value-based' ethos, starting from the company's creation in 1925. Things began on the Quistrup farm, the birthplace of Svend Olufsen, from which the newly built administrative building takes its nickname of 'the farm'.

It was 'the farm' which provided the physical environment and economic support for two young engineers, Bang and Olufsen, when they started with their first electronic product the 'Eliminator', a type of transformer. A typical pre-war 'founder-manager', the company operated only at the national level until the late 1940s and 1950s. Exports to other countries only began increasing in the 1960s, when 'the association with the Danish national culture was picked up and developed as an extension of the Danish design tradition within furniture and household articles'.

On going multinational in 1972, the company created its seven 'Corporate Identity Components' (the 7 CICs): 'the international growth of the company and the need for a shared understanding of the ideas behind the product were the reasons for objectifying or representing a company identity' (p. 96). These seven components, conceived as a marketing tool, were 'authenticity', 'autovisuality', 'credibility', 'domesticity', 'essentiality', 'inventiveness' and 'selectivity'. In the beginning, the seven CICs were primarily aimed at the subsidiaries, but they subsequently came to have a much wider application in the organisation: they facilitated communication between different groups of key personnel.

Since they originated with the spirit of 'the farm' and were influenced by the historical context of Danish society (political and cultural movements), the 7 CICs were also identifiable with the Danish national culture (the company has, for example, the royal warrant making it a 'purveyor to The Royal Danish Court'). According to Krause-Jensen, Bang & Olufsen products carry emotional value (p. 115), and the designer and the product have played and continue to play an important part in the corporate culture. This is why designers occupy a very special position at the company, working as they do in a department dubbed 'Idealand'. We also learn that in 1972, Bang & Olufsen products were included in the prestigious permanent exhibition of the Museum of Modern Art in New York.

The fifth chapter takes us forward to the 1980s and highlights the history of the company at a time when it encountered difficulties resulting from growing deficits (due to internal expansion). It was obliged to sell shares to Philips, a solution which only provided a short period of respite from its financial problems. As a result, the CEO, Vagn Andersen, resigned and was replaced by Anders Knutsen in 1992. Shortly after his appointment, the new CEO and his team of management embarked upon the most dramatic period of restructuring in the company's history. The objective of the new programme, which was called Breakpoint 93, was to make the company 'slimmer and stronger'. It consisted of the dismissal of 700 employees (more than a quarter of the workforce) and the initiation of a new cultural change which prescribed that the employees should learn to think of the company as a 'business'.

During the 1980s and 1990s the company experienced two different management styles with two different managers: V. Andersen and A. Knutsen. The first was known as a 'professional manager' who remained

very distant from his employees, and the second was a 'communicator' who was close to his employees and whom the employees trusted ('his office door is always open', says one of the employees; 'have you noticed how everybody even in the factory calls him Anders', states another one). Andersen was headhunted from British Leyland while Knutsen was 'a son of the house' who climbed the corporate ladder. Knutsen was originally hired in 1973 after his studies in financial management and spent his career in different departments within Bang & Olufsen, and more specifically as Plant Manager in Production and Technical Director for Product Development. In a document called 'Growth by value' written by A. Knutsen in 1998, the CEO explains his own role: 'to lead by rule and control is easy and effective – and the results are accordingly [mediocre] – To lead by values takes trust, respect, and dialogue'.

While the fifth chapter concentrates on the history of the company during 1980s and 1990s and on the changes arising due to globalisation, the sixth chapter focuses upon internal changes occurring after the Breakpoint 93 programme. According to the author, the most drastic change was the move from the 7 CICs to new 'fundamental values': 'poetry', 'synthesis' and 'excellence' – 'synthesis' is described as 'love', 'dialogue', 'art' and 'education' in the broad sense of the term. The 7 CICs were effectively banned by Knutsen. In 1999, the new vision 'Matchpoint' was launched to modernise production. In addition, a new and distinct organisational superstructure was introduced, including the establishment of a think-tank known as 'Storylab'. The strategic task of Storylab was to turn the values and vision into 'communication concepts' with the intention of identification (p. 150). The new concept of the Storylab was supposed to act as a cultural intermediary to achieve ideological change, because the idea of the 'value-based' company works on the assumption that the consumer buys not only a product but also everything a company stands for.

How, then, could Bang & Olufsen communicate these new values to its employees, who were used to the old ones? This is the subject of the seventh chapter, which offers an analysis of the corporate culture in terms of religion. The basis for this analysis is Danish marketing expert Jesper Kunde's book *Corporate Religion* (2000). Why religion and not culture? As we learn, the book promotes branding, and branding depends on belief. Belief, in Kunde's version, requires no socialisation, only conversion: religion can be proselytised whilst culture cannot.

Taking Kunde's book as its basis, the chapter describes how religious metaphors have become a predominant part of managerial rhetoric and have informed management reasoning in some countries. The identification of religious values is expected to stabilise and unite employees. However, from the field interviews we notice that to some extent the articulation of the values and the visions seems to have frustrated or worked directly against those expectations ('People felt threatened, angry or alienated by the abstract nature and the pretentiousness in the message of corporate culture'). The resulting interviews with Bang & Olufsen employees reveal that, rather than recognising the values, they doubt them.

'Jakob [the author]: Can you use the values in your work?'

Bjorn: To be quite honest. No! I can't use them for anything. They are much too abstract [...] Those values are a sign of the fact that the com-

pany is about to break in two ... That is my personal opinion. I'm not one to judge whether somebody at 'the farm' can use them. But I don't know what to use them for – and I know that very few people in this department, at least among those I talk to, think they can use them.'

Can we put this down to failed communication from the HRM department, which was supposed to promote the new values inside the company? This is actually the subject of the eight and the ninth chapters which discuss the strategic role of the department in question. Traditionally, organisational values and visions are established through an integrated and internally consistent set of HR policies in relation to recruitment, training, development and communication. However, the tendency today is that the strategic responsibilities of HR extend beyond transmitting and operationalising corporate culture into actual policies. As in the case of Bang & Olufsen, HRM was also expected to play an important and active part in the attempt to transform a 'product-focused' company to a 'value-based', 'vision-driven' one (p. 190). It was for this reason that the HRM department was placed under the responsibility of Knutsen and relocated close to the CEO's office when he started.

The complexity of the task and the uncertainty of the position of the HRM department and its staff become clear through the employees' interviews. There is great deal of movement and mobility inside the department, and it is linked to personal dependencies, loyalties and affiliations. 'What matters here is to be at the right place at the right time and to know the right people' (Sofie from HR). The description of the atmosphere within the department reveals much of the pressure at work there: the social relationship between management and staff is characterised by particular tensions.

'Hansjorgen: 'Where you sit now, Ase used to sit. She worked with Egon, but she could not create her own job, and she and Egon did not get along, so she left Bang & Olufsen. And that's how it is – very personal all the way through. When Dan left Bang & Olufsen, Ole then knew the score' [Dan and Ole both left the company]'

The workings of the HRM department could be considered to be the subject matter of the ninth chapter. We see here some concrete examples of the training programmes which aimed to establish how the culture was to be communicated to Bang & Olufsen personnel. The first case depicts an example of IT training in the company. The programme is based in part on the philosophy presented in Corporate Religion, and even more so on Weber's (1904) work, *The Protestant Ethic and the Spirit of Capitalism*, with an example of a story as a religious allegory that deals with the establishment of community and team spirit through individual achievement.

The second case outlines the Young Talents Programme, which was created with the aim of identifying and educating future managing directors. This is a two-year programme for selected young employees who follow in eight units, each of which usually lasts for a week.

Once the work of the HRM department is defined, the tenth chapter, after complementing the ninth chapter on the Young Talents Programme, closes the discussion of organisational values. Here we read interviews with sixteen young engineers from the Product Development division

and their visions of the company culture. We notice that in general, engineers are satisfied with their job, but even so there is great deal of mobility within the department. The result is that after several years' experience, they often choose to leave the firm, their main interest (that of having the company experience on their CV) being satisfied.

This is an example of a changing firm, or as the author puts it, a 'flexible' firm in the context of a specific work environment in Denmark. The word 'flexible' can be understood in very different ways even within the organisational context. For, Krause-Jensen, 'flexibility calls for organisations that encourage cutting bureaucracy and create loose, informal, networks where employees are motivated by values rather than guided by rules'. This can take time and, together with the need for much organisational experience, it also curiously still requires bureaucratic measures to be established.

CONCLUSION

'Ethnographic analysis rarely provides ready-made recommendations by which companies (or societies) can be restructured. Anthropology is not a management tool, and ethnographers are not consultants' (Krause-Jensen, 2010: 278).

We have here a very interesting ethnographical field study of a Danish high-tech firm. Considering Watson's (2010) definition of ethnography, the study is 'close to the action' and investigates the reality of 'how things work' in the organisation. It does not, however, correspond to any exact degree the concept of what Watson calls 'pragmatic realism', because it remains a 'realistic tale'. The purpose of the author remains rather modest: he claims only to be '[...] offering my interpretation of some people's reflections on other people's perspectives on what they claimed was the essence of Bang & Olufsen'.

Peppered with anthropology, ethnography and organisational studies theory, as well as sociology, cultural studies and elements of other fields, this book offers a rich theoretical background for any organisational analysis. This is why Van Maanen (2010) defines the book as 'a kind of theoretical cocktail'. A small but disturbing feature for the Anglophone reader is that the text regularly mixes American and British forms in the same sentence. A choice should have been made to use one of the two consistently.

Although it includes a large amount of theory, this book can almost be read as a 'novel' telling the story of Bang & Olufsen. At the end, the reader is content reflecting upon the past and the time of the 7 CICs, which seems to have been 'the golden age'⁴ of the company, and wants to learn more about what happened after the author left the company in 1999. Luckily, the author provides a postscript which updates the firm's situation as of 2005, within which he notes that change (or 'flexibility') continues. The HRM department has been split into two, as it used to be before, and a new CEO has been appointed.

4. 'According to official understandings, the values were 'fundamental' in the sense that they were embedded in the deeper sediments of corporate history. But as the values are excavated and objectified by the culture experts, they become symbolic stakes in a social field, forces that exert pressures and pulls, attraction and repulsion – or just indifference' (p. 272-273).

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