Uncertainty in Institutional Change.
Individual Resources as Potential[1]

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1 Employography –
Areas of Insecurity in Institutional Change

The ambivalence with which the modern world confronts the individual was a constant theme in 20th-century sociological research. This topic has been the subject of even greater attention since the description of the *risk society* by Beck (1985). Wider opportunities for action as part of increasing individualisation and the undermining of institutional ties are attended by new insecurities and risks. Thus for Beck as well as for Bonß (1995) and the subsequent project of reflexive modernisation, a *modernisation of the modern world* (cf. Beck and Bonß 2001), insecurities and risks that co-determine our action in the modern world are no longer simply anthropological constants, but the major challenge and imposition in the modern world.

Dealing with amorphous insecurities one hand and the calculable risk on the other, however, is still subject to a manageability principle: the individual is rather able to consider these imponderabilities as challenges and managing them as a success or even as a pleasure. In the opposite case risks and uncertainties emerge as threats to be avoided or minimised. In both instances, the attempt is made to counter confidence in behaviour that has been lost due to institutional change with an ability to cope in the form of strategies of success or prevention. This applies just as much to the whole of society as it does to individual action on a daily basis.

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[1] The considerations below are based on the author's expert opinion and discussions within the scope of "Management of Uncertainty – Prospects for Promoting Innovation" within the "International Monitoring" project.

Institutional change has been emerging since the 1980s, particularly in the working environment. With the increasing (and continually accelerating) erosion of traditional working relationships, which had been intensifying until then, the individual's career needed to become an institution and the need arose to perceive one's own biography as uncertain and therefore needing to be organised and managed. Companies promote this through internal and external *marketisation*. The growth of time-limited employment contracts, in part-time working and temporary work in companies are examples of external marketisation: the permanent working relationship is no longer the focus, but the market-oriented coverage of requirements with the greatest possible flexibility. Marketisation, however, also arises within the company: even with existing permanent traditional working relationships these were and are an increasingly rare subject of institutionalised (vertical and horizontal) career planning, but are committed to an internal labour market in which the individual has to assume full responsibility for their own professional development – and therefore also the risk of possible failure.

The buzzword "employability" was coined for this purpose in the management doctrine: the assurance of a traditional working relationship with a high probability of a permanent, if necessary lifelong position has been replaced by the constant demand for further qualifications, for which individuals themselves are responsible and which will maintain or even increase their employability – both within the company or on the external labour market.[2] With this institutional change (from traditional employee to independent market participant), the behaviour of the person concerned also changes: no longer the constant occupation in one (or just a few) companies has the effect of reducing insecurity, but the orientation towards a successful employment biography, highly independent of individual employers.

The institutionalised career, interpreting these developments at the time, came to the notice of sociology from the middle of the 1980s. Kohli (2003) confirmed this after 20 years of research on the subject of "The career as an institution – such the

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[2] The (less trendily biased) term of *lifelong learning* is used today for this purpose across the various disciplines and this requirement also affects those working in the lower paid sectors.

thesis – had become a new foil for individual lifestyle and so remained open to action and interpretation; indeed it even established such openness to action and interpretation as a social requirement for the purpose of creating a work history of lifestyle." (Kohli 2003, 526) For the working environment, this means re-interpreting the employer-oriented *employability* for an employee-oriented *employography*. Only someone who is able to interpret their own employment biography as institution providing guidance for action will be able to reduce areas of insecurity in the working environment on a sustained basis. Even if the employography were to become the functional equivalent of the traditional working relationship, however, the orientation remains bound to the management of risk in working life and the resulting reduction of uncertainties.

The following is an examination of how this reduction in market-driven insecurity in working life (which as an institution is at best indifferent to innovation) can be evolved to managing uncertainty in a manner conducive to innovation so that the innovative capability is increased on a sustained basis. A change in paradigms is required for this.

2 Micro Perspective: Individual Resources as Potential

2.1 Institutional Change and Lifestyle in the Working Environment

The experience of insecurity recorded in the modern working environment and the intensification of this effect on the part of companies due to institutional change towards an internal and external marketisation in working relationships is equivalent for employees to the institutionalisation of the employment biography, designated here by employography. So how will this be effective in a typical career?
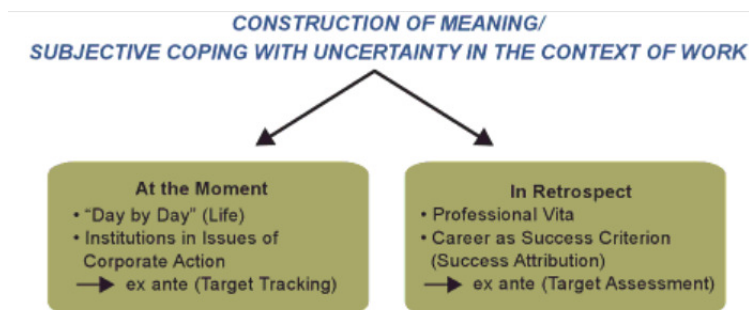
The concept of reducing insecurity is indeed constantly acting correctly and therefore promoting a career (of whatever nature) through orientation on the employography, which can then, in retrospect, be regarded as successful. It is successful when the individual considers the work history in retrospect to be a coherent narrative with his own responsibility for the progress. The end of the work history is

therefore an indispensable part of the institutionalisation of the career in the working environment, since it is only possible to evaluate an end goal from a retired person's perspective. The fundamental meaning is therefore constructed from the individual ex post-perspective and this may be one reason why Kohli (2003) detects the insistence on an age limit, even when the legal basis for this is clearly changing. This also applies to heavily liberalised labour markets, e.g. as in the USA. The ex post-evaluation then becomes anchored and the employography has an identifiable goal.

In a typical work life, this construction of meaning as an institution will become effective if implemented in the individual's lifestyle (Kohli 2003). Ultimately, this means orientation on a daily basis towards the aim of the employography, therefore an ex ante pursuit of targets, a *day by day* establishment of the institution (Weihrich and Voß 2002). Since everyday operational problems within the company are now also being settled under this institution, external marketisation effects are being transferred back into the company. The individual's behaviour in relation to the company is ultimately placed under the thesis of the employography and the erosion of the *traditional working relationship* institution thus results in the erosion of other institutions of the company (e.g. management, cooperation, system of incentives) as unintended consequences, since these can now be questioned from the viewpoint of the employography.[3] Figure 2.1 summarises this correlation of the ex post and ex ante effect of the individual construction of meaning for the subjective management of uncertainty.

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[3] To what extent institutions providing guidance on this from the perspective of internal stakeholders differ from the institutions postulated and also accepted as valid by companies is elaborated in detail by Elbe (2007).

CONSTRUCTION OF MEANING/
SUBJECTIVE COPING WITH UNCERTAINTY IN THE CONTEXT OF WORK

At the Moment
• "Day by Day" (Life)
• Institutions in Issues of
  Corporate Action
  ➤ ex ante (Target Tracking)

In Retrospect
• Professional Vita
• Career as Success Criterion
  (Success Attribution)
  ➤ ex ante (Target Assessment)

Figure 2.1: Micro perspective of the management of uncertainty

Employography as a new institution for reducing insecurity represents a new challenge for the action an individual takes in relation to the company: it requires micro political action day by day to an extent hitherto unknown.

2.2   Change in Paradigms: from Insecurity to Uncertainty

An area of conflict has been developing in companies due to increasing marketisation: since the membership rules (as a superordinate institution) no longer provide any permanent security, all other organisational rules claiming to be valid no longer appear to be a permanent and therefore available option. To be effective as an institution, they would need to be emotionally anchored among employees, but employees now have to adapt – sensibly – to the requirements of the market and not to those of companies and, therefore, ultimately become emotionally anchored in the employography therewith gaining confidence in their activities. The same is true in discussion with Esser (2000, 11): "Institutions – whether standards, roles or social scenarios – are always associated with directional models of reasonable behaviour in typical situations and are cognitively prevalent and *self-evident* to those involved and are also emotionally anchored in them."

Employees, therefore, have to appear to be interested in a permanent membership of the organisation and accordingly to be guided in their action towards the other organisational rules, in particular institutions, but in effect direct their action to a long-term management of their employography. It is ultimately this day-to-day

play-acting that requires micro political action and at the same time leaves the employer unsure as to whether or not the employee feels permanently bound to the organisation and acts according to the rules as an individual. The organisations are well aware of this and it has been discussed intensively in recent years in the Principal Agent Theory and for the purposes of the principal. In this, however, it has been ignored that the problem described here is a necessary result of marketisation within organisations, which redefines the employer as principal and the employee as agent.

For the employee, however, if he has bound himself emotionally to the institution of the employography it is no longer about merely reducing insecurity (he has already gone much further). For him, it is about gaining new options for action. The general insecurity becomes a resource, a relevant uncertainty, which justifies his micro political position: "The power of an individual or group, in short of a social stakeholder, is as much a function of the extent of the area of uncertainty, which he is able to control by his attitude towards his rivals." (Crozier and Friedberg 1979, 43) Of major significance here is the relevance of the area of uncertainty in relation to the particular field of action – only through this does the medium of uncertainty become a resource for individual stakeholders.

Insecurity and risk are no longer the opposite of opportunity and options for action, but in relevant areas of uncertainty become specific resources that come close to perceiving uncertainty to be a general, perhaps even central resource in the modern world. A change in paradigms, however, is required for this: away from the notion of the need to dominate insecurity and risk, towards an acceptance of uncertainty as a metaresource. The orientation towards employography already points in this direction, but remains bound to the specific area of uncertainty in the rules of membership and to the reference to the traditional working relationship.[4]

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[4] The growing significance of the project organisation (as an independent institution within the company) with its specific challenges and its potential for managing uncertainty (cf. the article by Peters in this volume) identifies conceptual options in relation to the internal marketisation.

2.3   Uncertainty as a Metaresource

Antonovsky (1997) deals with the change needed in paradigms with his concept of salutogenesis. He examines how health, happiness and well-being (Latin: *salus*) come into being and can be sustained. Although his approach is primarily a concept of the sociology of health, it contains a generally comprehensive course of action. Antonovsky does not perceive health to be the opposite of illness, but sees it as the points of a continuum by definition, in which the individual constantly positions himself and in the context of which he continually needs to reassess his health and happiness. Both irksome factors (stressors) as well as antagonistic factors (general potential) have an impact on this. The generalised potential can be seen as a resource that produces options for action under uncertainty: income, education, skills, social support, self-esteem, preventive patterns of behaviour, fundamental cultural (and religious) convictions, etc. The resources help in managing amenities, which are perceived as stressors, by recognising that they can be traced, explained and generally negotiated. New options for action arise for the individual from this perspective, since a sense of being able to cope and being in control begin to emerge. Stressors (risks, uncertainties) are then seen as meaningfully linked to life experience and a general sense of coherence (SOC) materialises.

"The SOC (sense of coherence) is a general orientation showing to what extent there is a permeating, enduring and yet dynamic sense of confidence that

1. the stimuli that arise in the course of living from the internal and external environment are structured, predictable and explicable […];

2. the resources are available for meeting the demands created by these stimuli;

3. these demands are challenges that are worth the effort and commitment" (Antonovsky 1997: 36; no accentuations).

The sense of coherence is therefore marked by the three factors of *knowability*, *manageability* and *significance*.

These do not detail a specific style of coping as a conventional attitude to managing, rather the sense of coherence represents a general attitude towards life that

helps the individual pursue strategies for coping with uncertainty and thereby making use of available resources. Resources are, for example, knowledge or social support, which both help the individual employee as well as the organisational environment to perceive behavioural problems as manageable and uncertainty as a challenge and opportunity for development. This also concerns exposure to tangible risks and current or past crises. Tolerating, working through and even defining these as an opportunity is, from the psychological viewpoint, a function of resilience, mental capacity for resistance to stressors felt to be threatening (cf. Antonovsky 1997). The change in perspective already discussed also forms the basis of this. Nor is the crisis to be managed, it is to be used and organised, but this is only possible with a high sense of coherence, with the capacity to seize uncertainty as an opportunity.
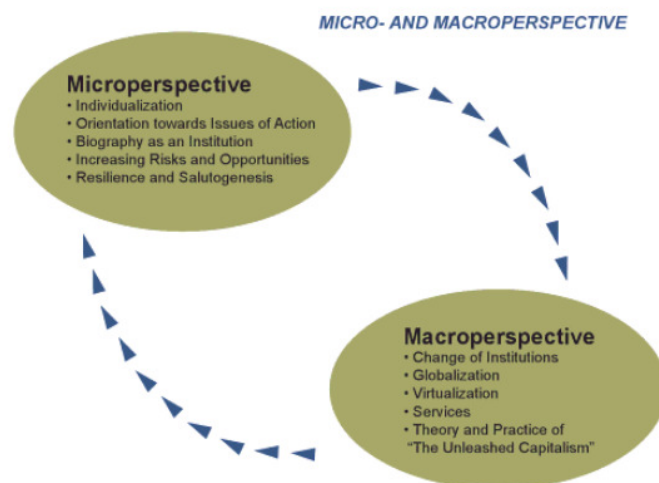
3   Summary: Micro and Macro Perspectives

This has been strongly argued in the achievements to date from the viewpoint of the individual stakeholder, who has to act under the given conditions of institutional change and increasing insecurity. He can operate successfully in the working environment if he defines his own biography as an institution, with the concept of an employography providing orientation for action and creating meaning (significance). Insecurity then turns into uncertainty, which he is able to see as understandable and manageable based on his own resources and actively use as a resource of power and action towards other stakeholders. For him, this means occupying relevant areas of uncertainty and using them on a daily basis, therefore organising them in the way he actively conducts his life.

Social change, however, is not limited solely to an institution – even if it is particularly important from the micro perspective – but confronts the individual in every area of life. This comprehensive change renders necessary the transfer to a social level, to a macro perspective. The working environment is embedded in economic change. The tertiary economic sector, the service sector, characterises our economy to an ever greater extent, thereby producing new scope for work and

occupations, but which in many cases provide only marginal stability. Technological change is taking place at every level: mobility technologies, energy production and supply, biotechnology and increasing virtualisation in particular characterise our lives way beyond the daily workload. Globalisation and demographic change are not merely phenomena of the modernisation of the modern world; they are themselves consequences of the modern world. And also crises are making the results of the processes of change visible, as can be observed in the current financial and economic crisis resulting from the theory and practice of "unfettered capitalism". The world regards the individual in his everyday life as marked by increasing insecurities and tainted with risk. He has to cope with this in the way he conducts his life and thereby contributes irreversibly to the processes of change. This can be seen in Figure 3.1:

Figure 3.1: Interlacing of micro and macro perspectives

As micro and macro perspectives become interlaced, the question again arises about the options for action and dealing with insecurity and risk. The social manipulation of uncertainty and risk depends on interpretation. Thus the statement that one of the major challenges of globalisation is "Managing People During the War on Terror" (Robbins and Judge 2007, 16) can on the one hand only be under-

stood from the specifically American experience of 9/11 and on the other hand, as expressing the attempt to dominate risk and insecurity.

For the individual, the salutogenic orientation towards employography represents an ambiguous possibility of the active organisation of one's own life chances and general living conditions, but in terms of society as a whole, a change in paradigms is needed to accept the uncertainty as a basis for innovative organisation of the future.

4   Future Research Requirements

As the discussion in the field of action "Managing Uncertainty – Prospects for Promoting Innovation" and the articles in this volume have shown on this subject, the model for dominating insecurity indebted to the causal explanation in terms of a risk assessment and the associated risk management is no longer sufficient to promote innovative capability in the working environment. The binding force of institutions declines with the employography, which could provide a secure framework for dealing with innovation.

Against this background, the question as to which new perspectives providing guidance for action are able to promote processes of innovation at the individual level become more significant. Alongside the individual aims and purposes that define action here (and therefore require teleological explanation), the ability to tolerate and utilise uncertainty emerges instead of a restrictive risk assessment. Further research is needed into this. Particular attention should be paid to the following questions:

- How can individual and organisational development targets (in terms of innovation potential) be adapted in such a way that they provide mutual support?
- How can organisational routines and the need for secure processes be linked to individual action with degrees of freedom to enable processes of innovation?

- What individual resources are required to be able to deal with uncertainty (e.g. individual prospects of success and work) so that processes of innovation are promoted?

Approaches that can provide support can be found, for example, in research into sociological and psychological health (particularly for salutogenesis or tolerance of uncertainty). Measuring instruments are available in these areas, such as SOC questionnaires produced by Antonovsky (1997) or questionnaires on tolerance of uncertainty by Dalbert (2002), which are both well documented and have been used in many instances. There is still a need to develop analytical and diagnostic procedures based on the instruments available meeting the specific questions of an organisation of labour, which is open to uncertainty and conducive to innovation and which can be used as a basis for processes of change in managing uncertainty and therefore go beyond recognising development trends as "patterns" (Gross 2002).

This also implies, however, that the research required in this field of work cannot be limited to basic research, but that close links to practice partners are needed to produce research results that can be transferred and innovation therefore actively promoted.

5 New Game – New Chances?
Uncertainty as an Innovation Resource

Visions of promoting innovation for Germany as a business location should be sought for the purposes of research into employment in relation to the management of uncertainty in the promotion of systems of interaction open to uncertainty and therefore conducive to innovation in the company's daily operation. Here, the individual's opportunities for action and development, which do not merely increase the propensity for innovation in the company, but are also conducive to the individual employography, must be recognisable.

Operating models will continue to be needed and there are internal and external organisational institutions and rules that are valid and are expected to be observed,

though the question arises for all the institutions and rule as to the scope for interpretation. To what extent are the rules allowed to be interpreted? And if actions (possibly repeated) were successful: do the rules then change? This can be specified as the basis of innovative action per se: the change in existing implicitness – and this does not always have to be earmarked by major and obvious innovation stimuli – is the basis of coping with uncertainty that is conducive to innovation and therefore of a sustainable increase in the innovative capability. In many cases the small changes significantly increase opportunities for action and thereby make comprehensible, manageable and significant areas of uncertainty out of uncertainty; these are then the subject of the daily negotiation of the power of interpretation. This is the actual nucleus of the flexibility that is conducive to innovation, which is the basis on which future challenges are managed and organised, especially for Germany with its highly institutionalised labour relations that have been described repeatedly (and sometimes bemoaned).

Ultimately, it is therefore dealing with the everyday fields of action in a manner conducive to innovation as these characterise the management of uncertainty. Central to this is the fact that the core of the particular institution that governs an area of uncertainty as a field of action should not be suddenly harmed and that the meaning of the institution is therefore sustained until a functional equivalent emerges in its place.

It is just as problematic for research as for the management of uncertainty to discern the relevant and non-relevant areas of uncertainty underlying the players' game. Wittgenstein (1997) comes forward with a practical proposal for locating these areas of uncertainty in his "Philosophical Investigations". Without using the term institution, he describes specific modes of behaviour that are defined by a practical context of meaning and rules in contrast to other specific modes of behaviour as language games. In order to be able to take part in a language game such as this (therefore to be able to act in relation to an institution), some awareness of the language game is required, in principle therefore an a priori knowledge as a type of cognitive scheme illustrating the meaning and rules of the language game. Only by taking part in the language game the individual is able to find out

whether he has understood the game and therefore whether he is able to act in relation to the institution. Here, *in relation to the institution* does not exactly have to mean *conforming to the institutions* either, but also incorporates innovative exposure to the rules corresponding to the meaning of the language game (Wittgenstein refers to this as "Witz" as meant by "wit" in English). Elbe (2007) demonstrates this with an empirical example: using the language games of a female member of the marketing staff in a software company, it can be demonstrated how these differ from the company's postulated institutions and are used to re-organise the daily work and the power structure based on occupying the relevant areas of uncertainty.

The process of innovation itself is then no longer regarded as a game of chance – which we try (sometimes in vain) to control – but as a language game generating management potential: if it is successful, as an opportunity for a leading process or product, but if innovation is not implemented at least as proof of the ability to play the innovation game. A concept of innovation emerges here, which corresponds to that postulated above and which, according to Crozier and Friedberg (1979), largely conforms to the concept of play in areas of uncertainty. Figure 5.1 shows the concept of innovation in language games:
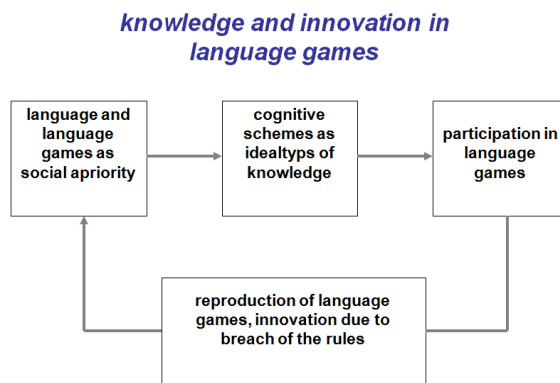
Figure 5.1: Concept of innovation in a language game (Elbe 2002)

Alongside the general promotion of language games that are open to uncertainty, language games are now to be found for the purposes of managing uncertainty

with either a particular propensity to innovation or a particular relevance to problem-solving. Any language games that demand play acting on a daily basis (as has been described in this article for the employography) are particularly relevant for problem-solving. Here the institutions accepted as, or assumed to be effective no longer conform to the actual activity bases expressed in language games. The need for change and potential for innovation appear here. The increasing innovative capability begins with the discovery of language games. Wittgenstein alludes to this (1997, 476): "It's not about explaining a language game using our experiences, but about discovering a language game". And to do so, you need to recognise its wit.

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