

Chapter 1

Presentation of SEAM and Opening Up on Storytelling Approaches

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Abstract

The individual and collective management of people is at the heart of the SEAM theory of organizations. The countless dysfunctions and hidden costs found in organizations reflect the exhaustion of human energy that creates value(s). The cloverleaf of SEAM reflects the narrative of structures, behaviors, dysfunctions, and hidden costs. Indeed, behind each petal of the trefoil, people can express themselves, as the facilitator ensures that everyone tells their “stories” through the different axes and devices of the trihedron.

Keywords: Dysfunction; hidden cost; diagnosis; human potential; intervention research; TFW virus.

The ISEOR Research Center and its Research Programs Since 1975

The ISEOR and Its Founder, Creator of Socio-economic Theory

The Socio-economic Institute of Firms and Organizations (ISEOR) is an international research center founded in 1975, based on the doctoral research work of its creator (Buono and Savall, 2007, 2015). Today it is an intervention-research center that provides scientific consulting and produces knowledge in the field of socio-economic approach to management (SEAM). The SEAM was initially a research methodology, a management methodology for practitioners, and has come to be an organizational theory on management. The ISEOR has also designed innovative training programs to teach SEAM to managers and business school students. Many of the interveners' researchers trained by the ISEOR are also PhDs and professors in higher education in many countries.

But who is the founder of ISEOR? Henri Savall was born in 1941 in Spain, not far from Valencia. Known as the clown, the intelligent and the "intellectual" of the family. He graduated from the Lyon Business School in 1961 at the age of 20, which was a very young age. At the same time, he studied law, economics, literature, political science and accounting. In 1973, he obtained his 1st PhD in economics at the Sorbonne University in Paris, and his 2nd PhD in management in 1974. In the 1960s, he created and managed several small businesses (where he became much more interested in business and management): selling wooden furniture imported from his native country and baby clothes. These experiences led him to reflect and research management and organization theories.

The individual and collective management of people is at the heart of the SEAM theory of organizations. The countless dysfunctions and hidden costs found in organizations reflect the exhaustion of human energy that creates value(s). To act against resistance to change, it is necessary to find levers that activate individual and collective energy. Behaviors and interactions with the structures in which they are expressed will change and lead to "orthofunctioning" (fair functioning).

Founder's Convictions/Criticism of Other Practices

Socio-economic theory emerged at the junction between macroeconomics and management (Savall, 1974, 1975). The classical production function considers that the value of production (Y) is a function of two factors: capital (K) and labor (L).

$$Y = f(K * L) + R$$

50% 50%

Hidden costs

Y = Production function
K = Capital
L = Labor
R = Residual (not explained in traditional macro-economic theories)

However, in the 1970s, it was proven by econometricians that only half of the Y value is explained by K and L. The residual factor (R) thus represents, without explaining its origin, the remaining 50%. This “R” factor represents a residual of unidentified organizational factors that cause productivity to vary and generate a decrease in the value of production functions, but the labor factor cost curve (L) is shifted under the influence of organizational innovation. Savall thus proposes to replace “L” by “HP” for human potential. The principles of economies of scale and industrial concentration are thus called into question.

The return to Humankind announced by Keynes is timid. The notions of human behavior and human potential are still not included in his theory. The dichotomy between the social and economic approach is irrelevant because they are two inseparable sides of the same coin.

In macroeconomics, the best-known theories (neoclassical, Marxist, neoliberal, etc.) have made the same mistakes. They consider that technical or financial capital is as important as the labor factor, i.e., the human contribution. However, observation shows that human activity is intelligent and active because it adapts to its environment. Capital, an inert factor, is a tool that is in fact developed by human potential, an active factor. Capitalism and Marxism also consider that humans carry out their activities in situations of submission and subordination and that they, therefore, accept hierarchical professional authority without major difficulties. Elementary observation shows that humans are not spontaneously obedient and are governed by contradictory impulses: conflict/cooperation, individualism/team solidarity. Human and social performance is therefore the result of a diverse and unstable system of behaviors.

To develop his research, Savall wanted to get closer to the reality of organizations by using the intervention-research method, to identify the R factor and measure it based on the analysis of dysfunctions and hidden costs.

Epistemological « Raison D’être » for Intervention-Research

In the 1970s, management research was developing and providing new knowledge, and consulting firms were applying it. Thus, there was an ontological dichotomy between research and intervention within organizations or companies. The

intervention-research method created and developed by ISEOR researchers makes it possible not to separate the two. Consulting becomes a means of doing research, thanks to the scientific observation of the object being studied. The results of research are therefore progressively re-injected during interventions in organizations.

Thus, new knowledge emerges, of two types: knowledge specific to an organization (depending on the sector, size, ...) and generic knowledge, which can be verified in different, or even all, companies and organizations. Indeed, socio-economic intervention-research rests on three epistemological pillars proposed by Savall and Zardet (1996, 2004, 2011): cognitive interactivity, contradictory intersubjectivity and generic contingency.

Cognitive interactivity

In the social sciences, the confrontation of the researcher with his or her environment is a necessity. The progression of individual scientific work accelerates when the researcher obliges (or is obliged) to exteriorize himself/herself through dialogue and writing, this is the principle of cognitive interactivity (Savall and Zardet, 1996). The cognitive dimension of intervention-research: The production of knowledge through cognitive interactivity.

A phenomenon of cognitive interactivity occurs between the actors of the company and with the researchers: their interactions generate “new” information that will be submitted to the scientific processing process steered by the researcher. The researcher provides information to the actors of the company to provoke their reactions, questions and debates. This information is intended as a stimulus, some of which provokes a kind of culture shock among the actors, as it tends to modify their representations of the organizational situation they were familiar with. Thanks to the mirror effect, the actors of the company gradually modify their representations (of the object of research) and then, gradually, their social behavior.

Cognitive interactivity is the basis of any search for a solution in an organization to move from individual intelligence to collective intelligence, which also makes it possible to share the different points of view of the team members and make them converge towards the statement of a common and shared solution.

Contradictory intersubjectivity

Contradictory intersubjectivity is a relevant alternative to the impossible objectivity, which consists in explicitly confronting the different actors with their respective analyses and points of view, in order to identify their convergences and specificities, which may be different or even contradictory. On these specificities,

a debate, a discussion and an attempt at interpretation lead to the creation of a certain intersubjectivity, from which stems a greater understanding of the phenomena studied (Savall and Zardet, 1996).

The contradictory intersubjectivity is constructed by proceeding chronologically, following different stages, which in the case of socio-economic diagnosis are: (1) the preparation of the text to be subjected to the mirror effect; (2) the presentation and discussion during the mirror effect session; (3) the elaboration of the non dit; (4) the discussion of the expert opinion with the actors. The impossible objectification of information and analysis is thus replaced by reflection and dialogue measures that allow internal and external actors (the researcher(s)) to confront their respective subjective representations and build a shared representation of the problems to be solved in the organization.

Generic contingency

The concept of generic contingency refers to the hybrid combination between the principles of contingency and universalism that makes it possible to construct a hard core of generic knowledge complemented by contextual peripheries that are derived from and taken into account of the particularity of each case (Savall and Zardet, 1996).

Generic knowledge corresponds to the invariants or regularities that the researcher strives to detect, by observing with perseverance, the object of research as well as its metamorphoses. When the researcher has only one case, the extraction of generic knowledge from the elaborated knowledge must be conducted with caution. From the second case, then the third, fourth, etc., the extraction of generic knowledge becomes more solid, since it is done by capitalizing on the hard core common to the knowledge elaborated from each case studied.

The generic contingency principle that we propose has emerged from a set of results of in-depth research conducted in 2000 companies and organizations, obtained by 585 researchers and young researchers and more than two million hours of scientific oriented work, under our direction and with our active and regular participation.

The origin of the socio-economic intervention-research methodology

The intervention-research process has developed in different stages. The first was to find a method to identify and calculate hidden costs (Figure 1). The next

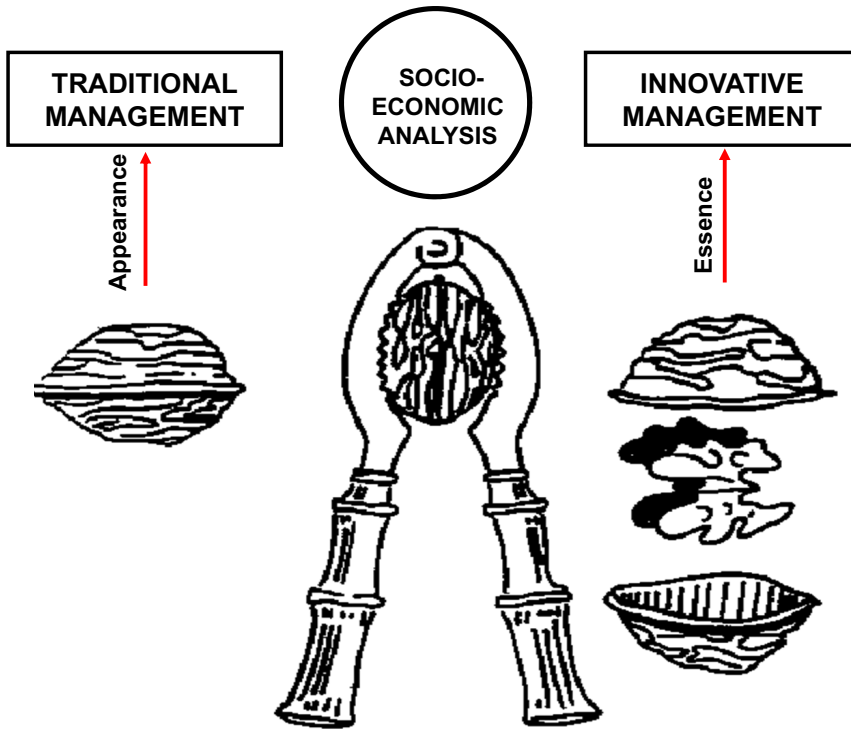


Figure 1. Traditional management/Innovative management.

step was to set up socio-economic projects to create added value. In doing so, socio-economic management tools were created and tested. Thus, the intervention theory was created and composed of structured methods of change management.

Intervention-research, through its successive iterations, protects us from a production of knowledge that could be biased by an overly punctual observation that would lead to an analysis of the field that is not very representative of reality. At the same time, it allows us to produce proposals through the reflections it provokes in the people involved, right from the diagnosis phase.

This method consists, in fact, in involving all the actors in the process of change or metamorphosis. To do this, the socio-economic intervention process includes two simultaneous and synchronized actions that allow it to be described as “Horivert”. Horizontal action involves management and supervision, and vertical action focuses on services with their direct supervisors and collaborators. This deployment scheme allows a good articulation between the socio-economic

intervention and the strategy decided by the company (Buono and Savall, 2007, 2015).

Indeed, socio-economic intervention is a method that allows both designing change actions and implementing development strategies. The process aims to improve the integral quality (internal and external) of the organizations as well as the steering of social and economic performance.

Socio-economic Intervention Process

The three axes of change

According to the socio-economic intervention model, three key forces of change drive the process (Figure 2). The process axis symbolizes the dynamics of the four sequences of change. The tool axis reflects the contribution of the SEAM tools to the overall management during the horizontal action. Finally, the axis of political and strategic decisions represents the choices and the will for change at the top of the company, which, beyond mere speeches, is expressed by decisions of transformation in the different areas and functions of the company.

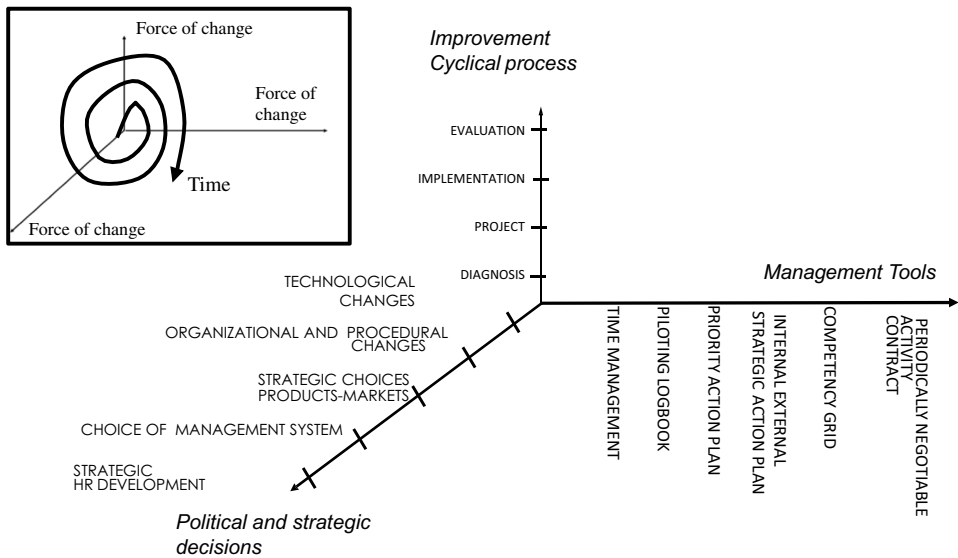


Figure 2. The trihedral — The three axes of implementation of an efficient steering system in companies.

The essential role of internal interveners

Internal interveners are members of the company who, during the phase of setting up SEAM, devote part of their working time to methodological support activities with their colleagues, under the supervision of the ISEOR's intervener-researchers. To fulfill this mission, they benefit from ten days of in-depth training at the ISEOR, in inter-company internships where they meet other companies implementing SEAM.

The role of the internal interveners has two aspects: to provide specific services and to ensure the sustainability and anchoring of SEAM within their company. In this way, the ISEOR transfers its expertise in change management to internal interveners. This enables the management system to be perpetuated within their company.

This transfer is carried out according to the (socio-economic) principle of interactive pedagogy (cf. Chapter 6), i.e., through the co-production of the transferred knowledge, which results from the dialogue between the knower and the learner: the ISEOR intervener and the company's internal intervener.

Opening on Storytelling

In 1991, Boje defined "storytelling" in two stages. First, he defined storytelling as the telling of a story, which can be found in oral or written form, and involves at least two people interpreting past or anticipated experiences. Then, a laconic narrative as a summary of the story in which certain details, certain characters, or parts of the story are left to the listener's imagination. Storytelling is also a storytelling organization ... a collective system in which the representation of stories is a key element of members' perception and a means of enabling them to supplement individual memories with institutional memory (Boje, 1995). Indeed, storytelling is defined as the interaction of great narratives (epistemological and empirical) with living stories (Boje, 2014). In Boje's approach, ante-narrative storytelling has a double meaning: "as being before and as a bet" and "before the story" with a systemic import (Boje, 2001). Narrative methods for organizational and communication research. SEAM uses the principles of storytelling in its methodology created in 1974. The different stages go through the construction of the story between the intervener and the client, then the intervener will tell a story so that the actors can again build solutions through it. The ante-narrative is also present in SEAM, since during the interviews of dysfunctions, people will tell stories that have been influenced by past events. The process of storytelling in SEAM leads to the promotion of exchanges between people in the same organization and makes the stories more vivid.

In 2001, Boje developed the concept of “micro-stories”. Following on from socio-economic theory, this concept consists of adopting a more analytical method in the use of storytelling. Stories are short and cut out and allow the system to be studied starting from the smallest elements that make it up, rather than studying it as a whole.

This concept contrasts with the “grand narrative”, a more systemic approach, relating to the whole system, which emphasizes the need to reconstruct the “whole” of a story.

However, in order to understand the link between the different particles of “micro-stories”, it is necessary to bring them together to form a global vision. For example, the individual interviews conducted by the intervener to collect dysfunctions are comparable to “micro-stories”, but the social and economic effects would not exist if the intervener did not practice a mirror effect of these different pieces of information, in which they present the expression of all to all the people who took part in the interviews. By means of this practice, he moves from the “micro” to the “big”. Therefore, both processes are necessary, since they are complementary.

However, the socio-economic approach does not rely solely on stories (“micro-stories”) to develop a diagnosis and build an action for change. Direct observation and analysis of documents are major to organize a triangulation and avoid the shortcomings of the actors’ expression alone, which is often too subjective.

Hypothesis Systems, the Driving Force of Knowledge Construction: The Dynamic Nature of Hypotheses

To build knowledge, the intervener-researcher proposes hypotheses of different types, over time. It begins with descriptive hypotheses that state an observed phenomenon, then explanatory hypotheses that attempt to explain this phenomenon and, finally, prescriptive hypotheses in order to suggest a solution or a transformation of the phenomenon. He thus builds a body of hypotheses; these will come to enrich his knowledge in a cyclical and repeated way.

David (1999), agrees with the ISEOR method, claiming that the creation of scientific knowledge could be done according to a recursive, i.e., continuous, “abduction-deduction-induction” loop. The first step would be to pose hypotheses, especially explanatory ones, by abduction concerning an observed problem, then to explore the possible consequences of these hypotheses by deduction; to update the rules or theories mobilized by induction, finally to reformulate new hypotheses by abduction, if the rules were reversed.

There are three levels of abduction (Carontini, 1990): the first level is quasi-automatic abduction, when the explanation of the observed phenomenon immediately comes to mind; the second level, non-automatic, involves choosing the

explanatory rule among a set of already existing rules — sometimes numerous — the third level involves the invention of new rules, either by extension of an existing rule in another field or scientific discipline (analogy), or by radical creativity, paradigm shift, etc. (Carontini, 1990).

The work of scientific rigor suggested by the ISEOR school consists in posing all the hypotheses that are connected to the problem and to the central research hypothesis; not with the aim of validating all of them, but as elements of scientific demonstration of the central hypothesis. The set of these hypotheses is called the “body of hypotheses” (Savall and Zardet, 1996, 2004, 2011).

According to David (1999), the process of validating hypotheses is carried out: (1) by the quality-reliability-rigor of the empirical observations and of the process itself; (2) by confronting the hypotheses with other hypotheses; (3) by confronting the inferred consequences observed in other fields or suggested by other theories; (4) by confronting the induced theories with existing theories.

The formulation of hypotheses corresponds to three operations on the object of research. The first is descriptive: “I observe A”. Descriptive hypotheses (HD) identify the phenomena that we are trying to observe on the research field (our own or that of another researcher), that is to say a functional or dysfunctional state of affairs. The second is explanatory (HE): “B explains A”. It is based on a theoretical framework or an interpretation by the researcher and proposes an explanation for an observed phenomenon. The third is prescriptive: “if I modify B, it leads to a variation of A”.

The Dynamics of the Researcher Who Creates the First and Second Generation of Hypotheses

The socio-economic theory developed by the ISEOR’s interveners-researchers has been the subject of numerous hypotheses formulated, then tested and reformulated (the evolutionary principle of hypotheses) in order to build a robust and evidence-based theory, by observing the impacts of socio-economic intervention-research (Savall and Zardet, 2021).

In first section and second section, we will discuss the first and second generations of descriptive hypotheses. These two generations of descriptive hypotheses state the need for a socio-economic management system to improve performance. The individuality of people, combined with the theory of the five characteristics of human nature, as well as the TFW virus, is at the origin of conflict-cooperation between people. Without action, these lead to social dissatisfaction (both individual and collective) and the loss of economic resources.

The third part deals with the prescriptive hypotheses that arise from the different findings of the first and second parts, namely that the implementation of SEAM

in an organization contributes to the development of cooperation between people and departments and to the resulting improvement of economic performance.

It is important to note that the first hypotheses put forward by Savall came from a critique of Taylorism. They concerned the search for models of work organization, introducing the economic dimension neglected by the socio-technical approach (Savall, 1973–1974). An initial period of intervention-research led to the abandonment of these hypotheses, noting that a wide variety of organizational modes were viable and efficient. A new generation of hypotheses relating to the steering of activities and people as a key factor in the development of socio-economic performance was then formulated, as a permanent foundation for all subsequent research work.

The First Generation of SEAM Hypotheses: Hypotheses Validated by Direct Observation of Organizational Phenomena

The Lack of Human Diversity in Management Theories

Here, the descriptive hypothesis is that there is a lack of diversity and human complexity in economic theories. However, SEAM, from the outset, hypothesizes the existence of this complexity and respect for the diversity observed in nature, especially human diversity. The common metaphors in the economic literature are borrowed from physics. But physics evolve very slowly. Yet, in the socio-economic approach, from the outset, the biological metaphor used is that the firm is a living being, with rapid fluctuations and continuous change. The choice of metaphors is not insignificant in relation to the essence of a theory.

Diversity is the Essential Source of Complexity: Propensity for Mild or Severe Conflict

The descriptive hypothesis, based on observation, is that the natural state of a human collective is a mixture of intertwined conflicts and cooperation, and that this mixture is evolutionary. The natural state of the human collective is the propensity to conflict. Conflict has very different degrees of intensity and forms: from simple tension or disagreement to verbal or physical violent conflict. As for cooperation in its “pure” state, which is defined as the predisposition to act together, it is not natural. Relationships between humans are therefore ambivalent. Reality is neither pure conflict nor pure cooperation, it is a mixture of the two, a dialectic between conflict and cooperation (Perroux, 1975).

SEAM, an Innovative Theory: Frictions Between Humans and Systems that are Sources of Organizational Dynamics

Existing management approaches maintain that “everything comes from the system”, according to structuralism, or that “everything comes from behavior”, according to behaviorism. The descriptive hypothesis is that any firm, organization or work unit is considered as a set of structures (physical, technological, organizational, demographic and mental) interacting with human behaviors (individual, activity group, categorical, affinity group and collective). From this set, the economic activity segmented in two parts, the orthofunctioning, as a functioning sought, expected or desired by the actors and the dysfunctions, considered as the gaps between the actual and expected functioning (Figure 3).

Friction Creates Dysfunctions, Generating Hidden Costs, their Economic Consequences not Measured or Taboo

On the basis of this critique, we have constructed an explanatory theory of dysfunctions. This descriptive hypothesis summarizes the interactions and frictions between organizational structures and human behaviors that had a led to

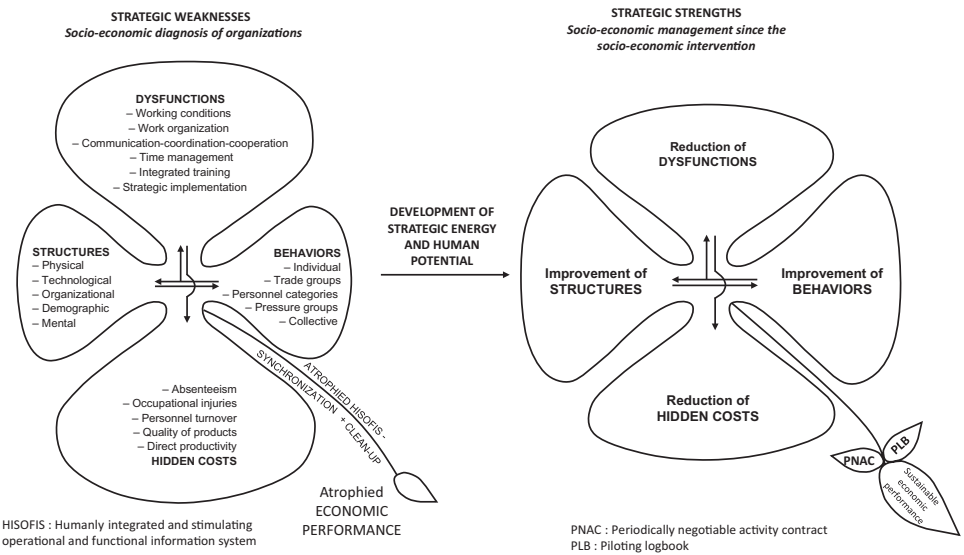


Figure 3. Strategic weaknesses/Strategic strengths.

dysfunctions (organizational anomalies) which generate hidden costs, undesired economic consequences. These hidden costs shed light on the residual factor R of economic theories.

Need for a Management System to Orchestrate Human Energies/Dispersions

Dysfunctions and hidden costs create cacophony. Organizations need symphony to create performance, by means of focused cooperation oriented towards a mutually recognized value creation outcome.

The prescriptive assumption is that we need a management system and organizational innovations to orchestrate this, to create consensus first in the idea, then joint and common value-creating action, and finally, to evaluate performance frequently in order to stimulate collaborative human behaviors.

The pre-existing socio-technical approach to SEAM formulated an initial critique of Taylorism, but it lacked the recommendation of economic steering and frequent evaluation of performance as stimulants of value-producing human behavior.

Conclusion of Part 1

The results of cumulative research have highlighted the evolutionary status of a hypothesis (Figure 4). Some are posed at the beginning of the research, others are

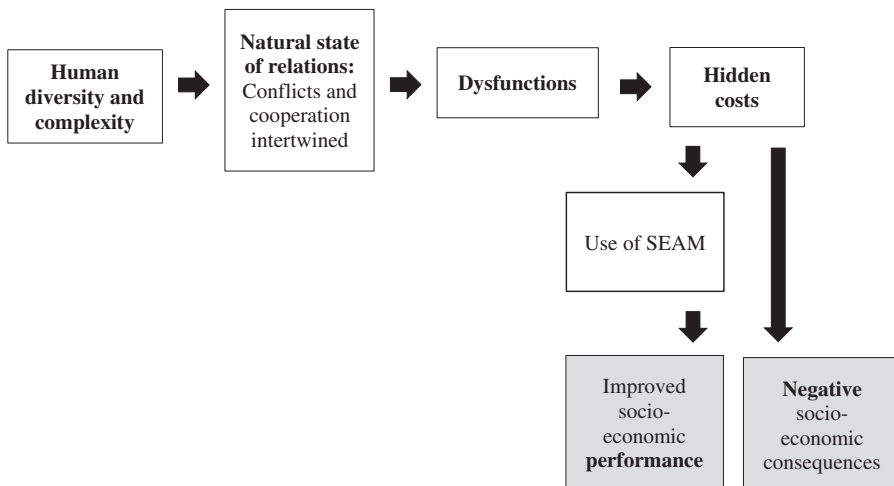


Figure 4. First generation of hypotheses.

born from observation, as the experiments progress. In the dominant methodological approach in management sciences, the hypothesis is static and its validation is in a way binary: yes or no. In the epistemology of socio-economic theory, the hypothesis is dynamic and is enriched in the course of the scientific work process, hence the importance of longitudinal observation as a source of knowledge generation with scientific oriented work.

Second Generation of Descriptive and Explanatory Hypotheses: Results of Observation as the Socio-economic Intervention-Research is Conducted with the Support of ISEOR Researchers

The second generation of hypotheses is of a descriptive nature (results of observations and not speculative explanations), than of an explanatory nature: they shed light on other elements of the theory.

They are research results, but we call them hypotheses for the sake of scientific rigor. Indeed, we will continue, in our current and future research, to consolidate their validation by starting, in each new organization, from listening to people who witness the activity and the dysfunctions it generates.

The explanatory hypothesis is linked to the five characteristics of human nature. These have been observed during the change processes conducted with the contribution of the ISEOR's interveners-researchers. Thus, the support and observing of more than 110,000 people in more than 2,000 organizations, in 72 sectors of activity and in 46 countries has enabled nearly 600 ISEOR interveners-researchers to identify five natural characteristics of human nature, observed in professional situations and in the metamorphosis of work situations in companies and organizations.

These characteristics are important for understanding behavior, particularly in situations of change, in order to take them into account in the conduct of the metamorphosis process, also known as the process of socio-economic innovation.

The Five Natural Characteristics of the Human Being Observed in Organizations

We detail each of them; intelligent, comedian, strategist, disobedient, amnesiac.

Intelligent

Every person is naturally endowed with a significant dose of intelligence, i.e., the ability to understand their immediate environment in order to find ways to survive,

develop and achieve their goals. The concept of intelligence is not to be confused with the level of instruction or education. Thus, people with a low level of education are endowed with intelligence, which enables them to make a strong contribution to the discovery of relevant and effective solutions.

Actor

Everyone has natural acting competency that encourage them to adapt their behavior to the situations and people they meet and interact with. Indeed, a very useful metaphor for change management is to consider any professional situation as a play, played by actors.

Strategist

Anyone can be considered a strategist because he or she has one or more important goals or projects, follows a certain path to achieve them, and does so with the resources at his or her disposal or that he or she acquires.

Disobedient

Every person has a natural ability and propensity for disobedience, i.e., they have difficulty or reluctance to spontaneously carry out instructions or orders from others.

Amnesia

Every person is naturally amnesiac, because his or her memory capacity is limited at any given moment and his or her involuntary propensity to forget is, on the contrary, unlimited.

The very numerous experiences and pilot actions of support processes, within companies and organizations, have enabled us to show that when these five natural characteristics are taken into account in the change management process, they allow us to obtain robust and relatively sustainable results.

Socio-economic management tools designed, developed and extensively tested in the field make it possible to “exploit” these five characteristics to the benefit of socio-economic innovation actions, both for the benefit of individuals and the company or organization where they carry out their activity.

The concepts, methods and tools of socio-economic management enable better use to be made of intelligence, comedy and strategic ability, as well as to reduce or mitigate the level of disobedience and amnesia of people. This is how

these five natural characteristics are used and how they relate to the six main tools of socio-economic management.

The TFW Virus Observed in Organizations: Description of the Concept and Genesis

The explanatory hypothesis put forward by ISEOR is the following: the TFW virus (Taylorism-Fayolism-Weberism) has for more than a century cultivated management principles that ignore or are radically opposed to the five natural characteristics of human behavior that we have discovered.

The principles of the Classical School of Organization, proposed by Taylor (1911), Fayol (1916) and Weber (1924) contributed, moreover, to economic and social progress in their time. But it is regrettable that a century later, theorists, experts and practitioners continue to propagate three principles that have become obsolete: the maximum division of labor, the dichotomy between design, decision and implementation of activities (Savall, 1974b, 1975, 1979), and the depersonalization of workstations, organization charts, processes, methods and rules. Today, these principles do not contribute to sustainable overall performance, given the changes in behaviors, competency, and the social, economic and political environment, which have become very complex and demanding.

For the first time, these criticisms were formulated by Henri Savall in 1974 in his second doctoral thesis entitled “Enriching Human Work: Economic Evaluation” and defended at the University of Paris-Dauphine. Through numerous intervention-research, Henri Savall and Véronique Zardet noted numerous impacts due to the TFW virus and tried to mitigate them. By learning how to do this, when implementing socio-economic theory in organizations, they created a vaccine called SEAM (socio-economic approach to management). The current name of the TFW virus, created by Henri Savall and Véronique Zardet, appeared as such in 2006, 2009, and 2010 in French and Mexican conference proceedings and books, as well as in other publications.

A virus is a small infection agent, which reproduces inside animal, human or plant cells. Most viruses are pathogenic. The degree of infection by the TFW virus refers to the greater or lesser degree of lack of cooperation between the participants in the activity: individuals, teams, establishments, subsidiaries of a company. Wise criticism is not directed at Taylor, Fayol or Weber themselves, but at their successors, theorists, experts and practitioners, imprudent applicators of outdated theories, in an economic and social environment that has undergone profound changes. Indeed, the human, social and geopolitical context, as well as the level of education of the working population have changed considerably in a century.

The TFW virus is in a way a promoter of solitary action and individual technical competence, which causes many hidden costs, more than half of which are due to lack of cooperation. Indeed, observation of real situations and behaviors shows that any effective and efficient action requires the cooperation of several people.

Criticisms of traditional work organization are mainly based on the notion of the individual workstation and the measurement of standard times to complete tasks. This does not take into account the working conditions that hinder productivity. For example, cooperation arrangements are poorly structured or even neglected, because the time required for cooperation, coordination, consultation, integrated continuing education and quality self-monitoring is minimized or even ignored in the forward-looking organization of the company's activities.

Performance is Created or Destroyed at the Interfaces Between People and Teams

Performance is created through interactions between people and teams, hence the need to work together, i.e., to "co-operate". Fifty three percent of hidden costs are caused by dysfunctions related to the TFW virus, i.e., lack of cooperation (Savall and Zardet, 2007).

Conclusion of Part 2

The creation of a symphonic, sustainable performance-generating storytelling implies that managers fully assume their role as business and people managers, i.e., as conductors, trainers, accompanists, leaders.

Socio-economic management is a contribution to the increase in steering intensity and the competency associated with this steering.

The Central Prescriptive Hypothesis, Relating to the Management of Activities and People (Result of Experiments in Socio-economic Theory, The Management System Set Up with the Support of the ISEOR During its Socio-economic Intervention-Researches)

This third part states that from the previous descriptive and explanatory hypotheses, a central prescriptive hypothesis emerges, according to which the steering of activities and people makes it possible to respond to the problems raised in the first and second generation of hypotheses.

Observation in more than 2,000 cases of organizations has shown the insufficient intensity and relevance of steering by managers. However, it is this intensity of steering that allows a good level of cooperation between people, efficient interfaces and therefore, performance. It is the management of people and activities that conditions performance, and not the way in which work and the company are organized. The organization is not the most important variable, it is the management that is the most important factor.

The three levers of steering are: stimulation, orchestration (or synchronization) and cleaning-up, because functioning deteriorates inexorably over time. Therefore, every six months we must ask ourselves what elements need to be modified or readjusted in the organization (see Figure 1).

In this figure, the first axis “improvement process” proposes a phase of qualitative and quantitative diagnosis, followed by socio-economic innovation projects, their implementation and the periodic evaluation of results. The second area, “management tools”, is designed to strengthen the quality of management of teams and activities by managers and to support their action in the dynamics of change. The third area corresponds to the “political and strategic decisions” that are taken during the change process in line with the company’s strategy. This axis is essential, insofar as the nature and scope of the decisions taken shape the strategic ambition of management and its results. A fourth axis, represented in the form of a spiral, expresses the temporal nature of the process, which is fundamental to change. The process is progressive and takes place over a relatively long period of several months or years. The dynamics of change aims to integrate synchronized and incremental inputs on the three previous axes. The advances on each axis produce effects that are regularly evaluated and generate decisions on the other two axes in a heuristic process.

The Cyclical Process of Problem Solving (Axis 1)

In socio-economic intervention, the first step in the problem-solving process (Axis 1) is to carry out a socio-economic diagnosis. The three ingredients that make up this type of diagnosis are the dysfunctions, the hidden costs that result from them and the analysis of the competency grids.

This axis corresponds to the introduction of change, through the identification of dysfunctions (diagnosis), before building a participatory improvement project (project), then implementing this project in a planned manner (implementation) and evaluating the contributions and limitations of improvement actions, in order

to complete or enrich the process of improving socio-economic performance (evaluation). These four stages are punctuated by decision-making by the company's directors and managers.

ISEOR's intervention-research program has shown that the phenomenon of generating dysfunctions and hidden costs is cyclical and that it reproduces itself "naturally" during successive periods in the history of a company or organization. The phenomena observed obey a temporal dynamic; therefore, after each evaluation stage, a diagnosis stage is resumed.

Diagnosis phase

Every individual, regardless of their job and hierarchical level, witnesses dysfunctions. They provoke them, they suffer from them, but they are also able to make suggestions, sometimes very concrete, to reduce dysfunctions. As each member of the company has a different vision of his colleagues or superiors, it is useful to compare these visions, to study their convergences and specificities, because this can be indicative of a communication-coordination-cooperation dysfunction or a strategic implementation dysfunction.

The socio-economic diagnosis, by listening very broadly to all the categories of actors concerned, initiates the renewal of trust between the actors:

- Confidence of the staff towards their managers, which accept that the staff expresses criticisms;
- Confidence of the interviewees in the researcher, who listens openly and without selection of the ideas that suit them, while ensuring anonymity, in an interview focused on negatively perceived elements, i.e., dysfunctions.

Dysfunctional analysis has a strong incentive power to stimulate human behavior, which is not found in a "classic" diagnosis of the strengths/weaknesses type, where self-satisfaction with the strong points quickly erases the relief of the weak points.

This diagnosis phase is carried out on the basis of an important data collection carried out in the field:

- People's oral expressions about dysfunctions;
- Hidden costs, which make it possible to qualify the importance of the dysfunctions, to draw attention to the economic consequences of the dysfunctions and then to set up relevant indicators to make more pertinent decisions;

- Competency grids that make it possible to identify the vulnerabilities of the sector under study.

Socio-economic innovation project phase

The project phase is the beginning of a regeneration of confidence in the company, it is a question for all the players and the researcher to co-produce solutions to reduce dysfunctions and recycle the resulting hidden costs. This is when the first actions for change are put in place. The players deploy their ability to imagine and believe in the effectiveness of new concrete forms of work organization. Indeed, this second phase consists in proposing and stimulating a development, for each individual and each team, of their economic and social performance. This global project for transforming operations affects the six action variables (working conditions, work organization, communication-coordination-cooperation, time management, integrated training and strategic implementation), as well as structures and behaviors.

A prescriptive hypothesis has therefore been born. Making a participatory diagnosis and project group each time one enters an organization, for individual and collective cognitive reasons, makes it possible to reduce people's resistance to change, by making them aware of their ills (for psychoanalytical reasons), and by developing a collective dynamic. Indeed, the priority is not to identify the nature of the problems in order to simply apply solutions already known or tested elsewhere.

Implementation phase of socio-economic innovation actions

The project phase ends with the proposal of a set of actions to be prepared and carried out. This implementation phase is divided into two stages: preparation of the actions and their implementation.

Some of the actions proposed in the project phase may have been implemented as the project progresses, in order to reduce certain dysfunctions and hidden costs as quickly as possible. The actions concerned by the implementation phase are of a strategic nature, requiring consultation between different sectors and complexes.

The first stage, preparation of the action, is the scheduling and programming of the actions, which are key factors in the success of the implementation.

The second stage, the action itself, is spread over a relatively long period of several months and requires:

- The construction of the detailed project of concrete actions;

- Integrated training actions, by studying their preparation and implementation;
- Dissemination of information to the actors;
- The steering, audit and step-by-step evaluation of the implementation process.

Socio-economic assessment phase

Evaluating the effects of implementation is of twofold interest:

- Scientific, to verify if the hidden costs have decreased and to confirm the relevance of the implemented solutions;
- Operational, in order to provide new information which is the counterpart of the diagnosis results. The evaluation allows to highlight the dysfunctions solved, the expectations of the staff (new or old) as well as new dysfunctions.

This phase sets in motion a permanent process of improvement in the sector, it is also an opportunity for dialogue between management, employees and directors.

Conclusion

The regular and repeated presence of the researcher on his field of investigation allows him to collect diversified and numerous information (Figure 5). The

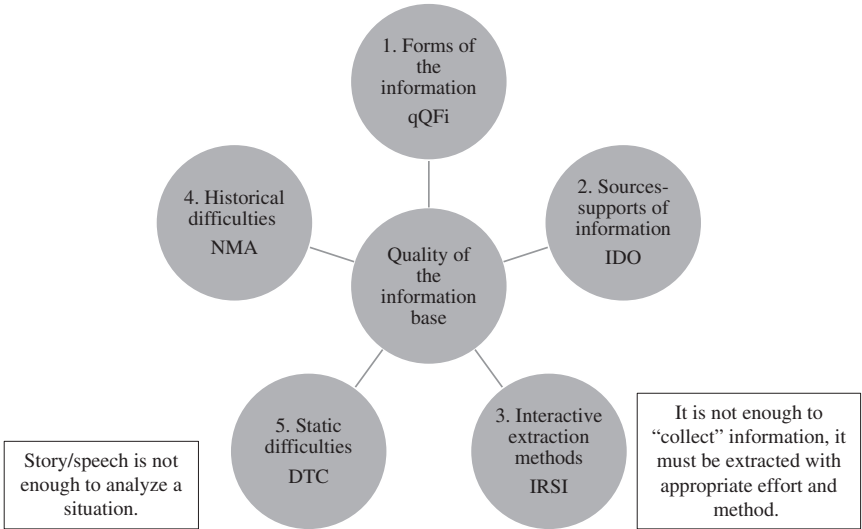


Figure 5. Quality of the information base: The five content/story analysis filters (Savall, 1986).

fundamental problem in social science research is the quality of the information collected and particularly its reliability. It is therefore necessary, in order to ensure a certain reliability of the information collected, to rigorously use the five main content analysis filters.

Qualitative-quantitative-financial (qQFi): Diversity of information to represent the object under study, i.e., the qualimetrics approach

The qualimetrics research method is aimed at better depicting the life and multi-faceted human behaviors in organizations and organizational dynamics, considered as a complex object, through measuring the depth and breadth of organizational phenomena. It attempts to perfect qualitative data expressed in terms of keywords through adding quantitative and financial data. The qualimetrics approach is based on the observation that a number requires an idea to convey its meaning. Conversely, an idea requires a number to make sense of it. As a result, the qualimetrics approach differs from qualitative or quantitative evaluation methods as well as those which are limited to juxtaposing qualitative and quantitative data, because qualimetrics integrates qualitative and quantitative data as complementary measurements of the very phenomenon.

The three types of measurements are aimed at describing the same phenomenon observed from different angles — when measurement is not feasible, words are used, but words and numbers are the components of the same measurement. During the intervention-research processes, qualimetrics measurement enhances the relevance of action and decision making thanks to improved processes of capturing and interpreting the data necessary to design innovative improvement actions.

One of the principles of qQFi representation is to use all three forms of information expression because some actors in the company do not recognize themselves in only one of them. In fact, it is the qQFI (words, numbers and monetary units) information that makes the study fully meaningful in order to “provide as faithful a picture as possible of a real object that is observable and complex” (Savall, 1986, p. 236).

Interviews-documents-observations (IDO): Diversity of information sources

The IDO filter prompts the researcher to combine three data collection “supports”: interviews, analysis of internal and external documents, and observation of organizational practices in real-life situations.

Intervention-research of scientific intention (IRSI): Heuristic process of knowledge construction

The IRSI method insists on the importance of the time dimension. The process involves “fishing” for relevant information because the actors, for various reasons, do not easily communicate all the information in their possession.

News, memory and anticipation (NMA): Bias in narratives

The NMA filter prevents the risk of time bias. Indeed, the subjectivity of the practitioner in the organization with which the researcher interacts can be linked to the influence of current events, memory and anticipation, phenomena witnessed by the practitioner. The researcher must, therefore, make an effort to pick up weak signals from his interlocutor in order to filter out this bias.

Dadas-taboos-contentious (DTC): Other biases in narratives, hypertrophy and atrophy

The *dadas*, taboos and disputes are psychological phenomena that bias the meaning of the actors’ discourse. The *dadas* are phenomena that actors “love to talk about”; taboos are subjects that are little or not discussed, consciously or not; disputes are sometimes latent conflict situations between two actors.

At the end of this section, we can determine that “storytelling” is necessary but not sufficient to elaborate a relevant representation of the object under study.

A Management System Equipped to Structure Behaviors (Axis 2)

Why permanent management tools: Robust vectors from idea to action

All individuals have information that they accumulate in their heads, in the form of a volatile and unstable “gas” that quickly occupies all the available space in a person’s mind. The diagnosis step is to turn this “gas” into a liquid, making people talk, but this less unstable and volatile state continues to occupy the available space in people’s minds. This is why, through writing and formalizing the “gas”, people stabilize the information, which will then degrade much more slowly while keeping its initial material form. This is the true utility of the tools SEAM: the idea has no value; it is only when it is transformed into a formalized concrete act then, it acquires its full value as a social utility.

The prescriptive hypothesis of SEAM describes the need for a steering system equipped to structure behavior, because discourse is less structuring than the tools that implement it. SEAM, defined as a mode of global management of the company, is based on the development of human potential as a primary lever for improving economic performance. A well-equipped management system makes it possible to develop the managerial dimension of the company's management, through the instrumentation of their role in animating and steering change.

The six main tools of SEAM

Time management

The aim is to identify the allocation of time resources and actions with low added value, to identify possible overtime or non-production, and to act individually, in a way that is adapted to each person, in order to better plan actions and reduce job slippage. So, it increases the proportion of time devoted to change management and development.

Competency grids

It is a synoptic representation of the set of competency and levels of mastery of activities for each person in each team. This tool helps to better anticipate the evolution of competency, and therefore to prepare the integrated training plan, by analyzing the team's vulnerabilities and developing versatility. It is a tool for socio-economic diagnosis an interpretative framework of hidden cost clusters.

Priority action plan

The goal is to help management members to better articulate their actions with the company's strategy and to make them concrete, understandable and plannable. This tool is essential in the implementation phase when the action is being prepared. It is nourished by the resolutions taken, following the analysis of time management and competency grids.

Management dashboard

It helps managers select relevant indicators to guide and report on their actions. It also helps to steer priority action plans, as well as day-to-day operations, to make relevant and documented decisions quickly and efficiently.

Periodically negotiable activity contract

It allows you to negotiate objectives with each collaborator by ensuring the feasibility of team and personalized objectives. It is a stimulating tool for the evolution of individuals, which increases the chances of achieving the objectives of both the organization, the department or service and the individual.

Links between SEAM tools

The first tool introduced during a socio-economic intervention is that of time management because, to start any process of change, it is necessary to awaken the actors to the importance of this time resource. In addition, a self-analysis of time carried out by all the managers in the organization makes it possible to become aware of a good part of the loss of added value. The second socio-economic tool is the competency grid. Indeed, it is the second “piece of evidence” of the diagnosis, which allows to understand the origin of other losses of added value, at the crossroads between the actors of the organization and the operations they carry out. As stated above, each team’s priority action plan enables the priorities for each team’s six-month period to be set, drawing on these self-analyses of time and on the integrated training plans decided on the basis of the competency grids. Then, the management dashboards are used to set up socio-economic indicators to monitor the implementation of the strategic actions included in the priority action plans. Finally, the periodically negotiable activity contract is a tool that stimulates the commitment of each employee or manager at the individual, semi-collective and collective levels. It is both a commitment to implement the strategic actions decided upon in the priority action plans and to reduce operational dysfunctions.

Conclusion of the First Two Axes

The tools and concepts have been implemented in all organizations where SEAM has been deployed. They create a common language and systems for all managers; all staff, all members of management and the company’s senior management, through their links, generate an extra layer of cooperation. The internal and external environments are changing very quickly, and these steering, analysis and management tools, techniques and systems are designed to develop adaptability and agility at all levels of the company (Worley, Zardet, Bonnet, Savall, 2015). However, the functioning of these tools and systems deteriorates over time because the organization is subject to natural pollution, throughout its life, of its structures, procedures

and behaviors. This is why the implementation of the cleaning function is necessary, by reviewing dysfunctions every six months. Indeed, a tool loses part of its efficiency and effectiveness if it is not periodically groomed and brought up to standard.

Redesigning Steering: Transforming Ideas into Action Using Human Potential (Energy, Competency, Behavior)

The third axis consists in defining the orientations of change: strategy, rules of the game, social policy, human resources management choices, etc. Unlike the other two axes, where the stakeholders play an important pedagogical role in providing methodological assistance, here it is the company's management that, on the front line, makes decisions and chooses options. However, the researcher advises and stimulates management in this area, by explaining the points where change is advancing or stalling and the areas where decisions need to be made. Thus, the tool and process axes represent a system of "managerial piping", while the third axis represents the fluid and hot water that must flow through this piping.

Conclusion

SEAM is a contribution to the increase in the intensity of steering and the competency associated with this steering. The creation of a symphonic "storytelling" is born, which will generate an increase in performance. This implies that managers fully assume their role as managers of activities and people, i.e., as conductors, trainers, coaches and leaders.

Conclusion: Two Complementary Approaches

The socio-economic approach, generations of evolving hypotheses: "Storytelling", from cacophony to symphony

The cloverleaf of SEAM reflects the narrative of structures, behaviors, dysfunctions and hidden costs. Indeed, behind each petal of the trefoil, people can express themselves, as the facilitator ensures that everyone tells their "stories" through the different axes and devices of the trihedron.

During the diagnosis stage (Figure 6), people tell the story of the company from the point of view of dysfunctions and hidden costs. It is the story of the organization's history that gives a great organizational image. The expert opinion is the history of the company that is told by socio-economic management

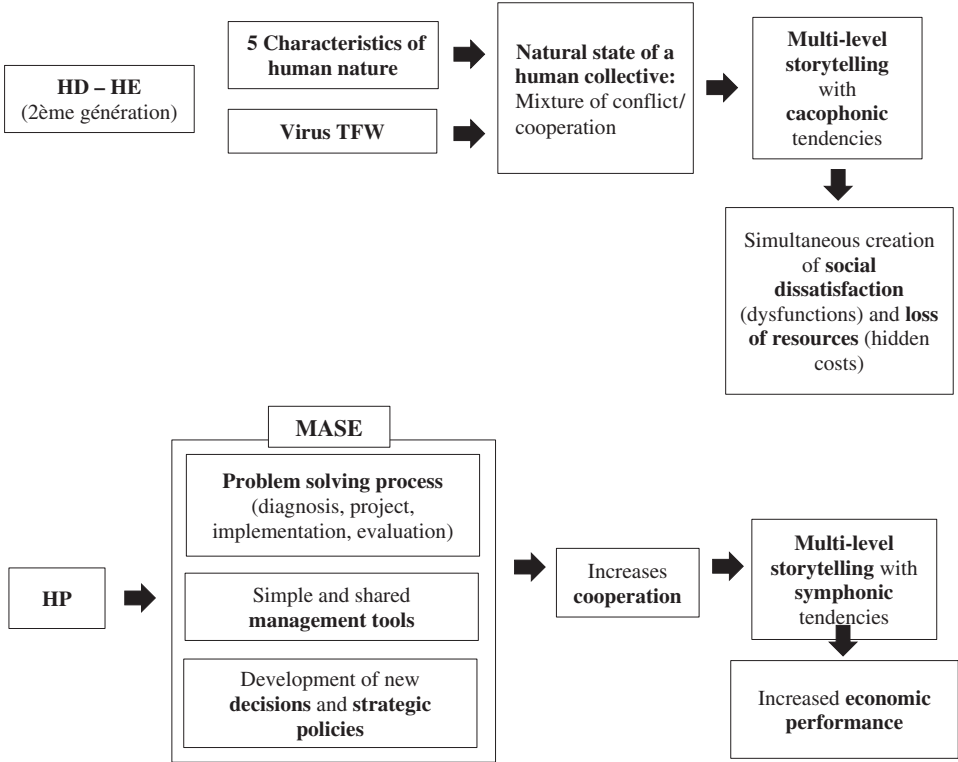


Figure 6. Conclusion — Two complementary approaches.

stakeholders. It is what the actors cannot see or express. The project phase consists of the creation, from scratch, of individual, team and company stories, one by one, in the different instances that make up the project group. As for the management tools axis, it formalizes the narrative in its material form. For example, the priority action plan is the scenario of the future, the competency grid draws the story of the future development of the employees. As for the decision-making axis, it is integrated into the time spiral and consists of a narrative at two levels: in a SEAM intervention and in the daily life of the organization.

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