Phoenix rises from the ashes: creating and destructing value through reflection

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Inderscience Publishers
A Phoenix rises from the ashes: Creating and destructing value through reflection

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Abstract

This case study focuses on the creation and destruction of value from a reflexive perspective. More specifically, we examine how reflection reinterprets the meaning of the relationship between creation and destruction of value. The study’s theoretical framework draws from discussions on the creation and destruction of value while adding a new perspective based on retroactive sensemaking and purposeful reflection. The study data consists of personal interviews that were examined using qualitative content analysis. Our study shows how reflection can be a key dimension of value creation and destruction. In essence, it demonstrates how reflexive activity – performed by both the producer and the customer after the interactive co-creation and co-destruction phase – can reproduce a new understanding of their relationship.

Keywords: Creation of value, destruction of value, consultant-customer relationship, reflection

1. Introduction

The paper focuses on value creation processes in the context of consulting services, the main target of which is to provide new business-related value for the customers (Nikolova et al., 2009). More specifically, we investigate how the relationship between co-creation and co-destruction of value which takes place interactively in the joint sphere (Grönroos and Gummerus, 2014; Grönroos and Voima, 2013) of the service provider and customer can be re-interpreted through retroactive sensemaking and purposeful reflection taking place outside the joint sphere.

Besides the creation and co-creation of value (Grönroos and Gummerus, 2014; Grönroos and Voima, 2013; Prahalad and Ramaswamy, 2004), also the destruction and co-destruction of value (Echeverri and Skålén, 2011) can occur in consulting projects (von Becker et al., 2015a; 2015b). Because little research has been done into the destruction or co-destruction of value, research on the relationship between value creation and destruction is rare. Looking at this relationship between these is the first gap in the value creation literature that we aim to contribute to with our study.

The other gap that our study targets concerns the subjective meanings attached to the creation and co-creation as well as destruction and co-destruction of value in different social contexts. Recent research (Edvardsson et al., 2011; Pels et al., 2009) has suggested that different understandings of value can be constructed across social contexts. This means, for instance, that different actors attach different meanings to value creation processes and to the substance of value itself. We add that the same applies to the processes in which value is destructed and to the relationship between value creation/co-creation and destruction/co-destruction.

Furthermore, we will add a specific temporal dimension to the study of value creation processes. To do so, we develop and adopt a reflexive perspective that looks at how the relationship between value co-creation and co-destruction in particular is evaluated outside the joint sphere and further re-interpreted on three levels of reflection: descriptive, critical and reformal reflection.
In our study, we analyse the reflexive accounts of both parties in the consultant-client relationship concerning their interaction in the joint sphere and the collaborative and value-related outcomes of this process. The first account is told by a consultant and the other one told by the CEO of a company that the consultant worked for during a one-year business development project. Our main research questions is as follows: How is the relationship between the co-creation and co-destruction of value taking place interactively in the joint sphere evaluated and re-interpreted through reflection?

The paper proceeds as follows. In the second section, we outline the theoretical framework for our study. The third section focuses on the methodology of the study. The fourth section outlines the analysis of the consultant’s and the CEO’s reflexive accounts concerning their co-operation and the findings concerning both accounts separately. In the fifth section we compare and discuss the findings from both accounts in relation to literature and in the sixth section we provide the conclusions and managerial implications of our study.

2. Theoretical framework

Prior research on the creation and destruction of value

Research on service-based value co-creation has focused on the relationship and the ‘joint sphere’ between the service provider and the customer in which value is co-created (e.g. Grönroos and Gummerus, 2014; Grönroos and Voima, 2013; see also Lambert and Enz, 2012; Prahalad and Ramaswamy, 2004; Ramírez, 1999).

![Figure 1. Value creation and destruction spheres (modified from Grönroos and Gummerus, 2014; Grönroos and Voima, 2013)](image)

Service marketing researchers (e.g. Plé and Chumpitaz, 2010) define value as an improvement in the systemic well-being of the interacting parties. Apart from the co-creation of value and improvements in systemic well-being, co-destruction of value can also occur in service provider-customer interaction (Echeverri and Skålén, 2011; von Becker et al., 2015a; 2015b).
Pels et al. (2009) suggest that the research into the creation of value has not paid much attention to the social setting in which co-creation (or co-destruction) happens. Edvardsson et al. (2011) further argue that the social context is important because ‘Different customers may perceive the same service differently, and the same customer might perceive the service differently between occasions in a different social context,’ (ibid. 4). We add that the same applies to the producer.

Our study targets this gap in the value creation research by focusing on how both service providers and customers can make sense of the value co-created or co-destructed interactively in the joint sphere differently after the service encounter has taken place (Figure 2.) Thus, our study adds a temporal dimension to the question of how value creation and destruction are linked and how their relationship can be re-interpreted over time.

![Figure 2. Reflective perspective to value creation and destruction](image)

**Three level reflection through retroactive sensemaking**

Analysing value creation and destruction processes through the sensemaking lens emphasizes how actors interpret what happens around them in a particular situation (Weick, 1995; Weick et al., 2005). Sensemaking as a social psychological process focuses on how meanings are attached to events and circumstances, including interactions between people. Furthermore, sensemaking concerns how different meanings are assigned to similar events and situations. These different meanings can be assigned by different individuals or by the same individuals at different points in time.

When engaging in sensemaking processes, the actors make sense of their environment through the influence of seven interrelated properties, which include: social context, personal identity, retrospect, salient cues, ongoing projects, plausibility and enactment (Weick, 2001, pp. 461-463). In different sensemaking situations, some properties may be more important than others.
Weick et al., 2005). In our study, retrospection is perhaps the most central sensemaking property.

For Weick (2001, p. 460), sensemaking is an ‘ongoing retrospective development of plausible images that rationalizes what people are doing’. This process can be characterized by ‘accomplishing reality’ rather than ‘discovering it’. Other researchers have also emphasized the active nature of sensemaking in producing new reality and how the sensemaking process retroactively rationalizes past events (Weick et al., 2005). Bishop (2014), for instance, describes how the participants of her study retroactively made sense of their earlier ways of thinking by sharing their blind spots from the standpoint of their current understandings.

Weick (2001, p. 460) suggests that when a sense of a situation develops, it can stick in a way that it resists updating and revision. The explanation is that the ‘feeling of relief’ coming from your observation that you start to understand what is happening makes it hard to be attentive and willing to change your sense of the situation and your own position on it. The observation makes our case study interesting because in our data both the consultant and the customer were willing to change their sense of the value co-creation and co-destruction events that had taken place earlier during the business development project. However, this change did not happen by itself but through critical reflection.

Practitioners, such as consultants and business leaders, become aware of their actions by reflecting on them in various ways (Boud et al., 1985; Brookfield, 1998; Dewey, 1933, cited in Mann et al., 2009; Schön, 1983). The concepts of reflection and reflexivity refer to purposeful analysis of knowledge and experience, which is done in order to produce a richer and deeper meaning and, finally, a novel understanding of the issues and events that are being reflected upon. More generally, reflection and reflexivity as active endeavors mean engaging in comparison, considering alternatives, seeing things from alternative perspectives, and drawing inferences (Eriksson et al., 2012; Jordan et al., 2009).

The concept of the reflexive practitioner, as used by Schön (1983), refers to a person who uses reflexivity as a tool for revisiting experience, both to learn from it and to frame murky, complex problems. Schön distinguished between reflection-in-action (during the act) and reflection-on-action (after the act). Based on his studies on the reflexivity of professionals, Schön (1983, p. 50) explained that when the practitioners try to make sense of a phenomenon, they reflect on the interpretations implicit in their own actions; understandings that they can shape further action.

Mann et al. (2009) point out that reflexivity as defined by Dewey as the ‘active, persistent and careful consideration of any belief or supposed form of knowledge’, and this shares similarities with critical thinking. Brookfield (1998) uses the term ‘critically reflective practice’ and defines that as a process of inquiry involving practitioners attempting to research the assumptions that frame how they work. Integrating conceptions of what it is to be critical, Antonacopoulou (2010) further attaches criticality to several issues such as: existing ways of seeing, prevailing perspectives, arguments and propositions (verbal and written), and common
sense based on common, received wisdom and dominant assumptions, as well as personal biases and partialities based on personal interests.

Researchers have also distinguished between different levels (El-Dib, 2007; Korthagen and Vasalos, 2005), stages (Atkins and Murphy, 1993; Boud et al., 1985), models (Mamede and Schmidt, 2004; Stockhausen, 1994) and typologies (Jay and Johnson, 2002) of how to be reflexive. For the purpose of our study, we will focus on three different levels of reflection that we call descriptive, critical and reformal.

Descriptive reflection starts with determining what it is that will become the matter for reflection. Munby and Russell (1990) suggest that part of the task in descriptive reflection is to describe ‘a puzzle of practice’ drawn from experiences at work. Koole et al. (2011) emphasize that descriptive reflection calls for the ability to describe events or situations adequately, identify essential elements and describe thoughts and feelings tied to those events or situations. Jay and Johnson (2002) provide examples of guiding questions that support reflection at the descriptive level, such as: What was happening? Is this working or not and for whom? How do I know, and how am I feeling? They emphasize that descriptive reflection entails more than just reporting the facts. It involves finding significance in a matter, recognizing salient features, extracting and studying causes and consequences. At this level, people recognize that things do not work (Ross, 1989).

Critical reflection concerns questioning your beliefs and orientations from different perspectives (Zeichner and Liston, 1996). Schön (1983, p. 268) describes how in this non-linear process people struggle to generate a new meaning in a situation, then use that new meaning to reframe the question, and then inquire into a situation again to be able to understand it better. Jay and Johnson (2002) suggest that critical reflection is a constant returning to one’s own understanding of the problem at hand, and Koole et al. (2011) emphasize reflectioners’ abilities to ask searching questions and to answer those questions and, at the same time, being aware of the frames of references in use. Jay and Johnson (2002) propose that in critical reflection, you seek to understand other peoples’ perspectives, which may be incongruent with your own. Valli (1990) further suggests that critical reflection involves taking in the broader historical, socio-political, and moral context.

‘Reformal reflection’ is also described by taking into account the broader context through which reflective practitioners come to see themselves as agents of change, capable of understanding, not only what is, but also working to create what should be (Jay and Johnson, 2002). This level of reflection comprises new perspectives resulting from previous phases of reflection and is characterized by the reflectioners’ ability to describe concrete learning goals and plans for future action (Koole et al., 2011).

The different levels of reflection are based on the idea that the descriptive level is less attentive and analytical than the critical and reformal levels, which require more effort, and are therefore less frequently demonstrated. Many researchers would consider only some aspects of the second level and the third level to indicate reflexivity in comparison to reflection, which does not question the basic premises of action and understanding (Eriksson et al., 2012). This is why
we consider retroactive sensemaking to refer to the critical and reformal levels of reflection rather than the descriptive level of reflection.

3. Methodology

The social context of our study is a business development project (hereafter the Project) in which a researcher-consultant (one of the authors) and customer aimed to co-create value through interaction in the joint sphere around the Project. The constructive and interpretative research approach that we adopt requires the use of qualitative research methods that allows us to study meanings rather than facts (Eriksson and Kovalainen, 2016). Although sensemaking is never-ending and takes place everywhere, implementing a new project nevertheless disrupts routine processes, creating ambiguity and triggering all actors involved to actively find new meaning (Weick, 1995; Weick et al., 2005).

The sensemaking processes of the researcher-consultant and the customer, represented by the CEO in this paper, took place over a period of one year. At the final phases of the Project, both the researcher-consultant and the CEO were interviewed by a third party researcher (one of the authors). The interviews were semi-structured and covered all phases of the Project including the planning phase. Both interviews were transcribed verbatim.

Throughout the study, the role of the researcher-consultant (one of the authors of this paper) has been to act in an intermediary role between the CEO and the other researchers critically reflecting the methodological process from the point of view of the study participants whose voices we have tried to make space for in the process of analysis. The researcher-consultant has participated in the analysis as a constructively critical voice evaluating and questioning interpretations made by the two other researchers but also producing her own interpretations to be tested by the two other researchers. In this way, the research process included some features of longitudinal auto-ethnographies (Eriksson, 2013), especially on the part of the researcher-consultant.

The analysis was made both separately and collaboratively by all three authors of this paper with a qualitative content analysis, which combined theoretical insight with more inductive understanding of the data. First, the three authors separately analysed both interviews from a reflective point of view to find out how the interviewees made sense of the Project in retrospect at the moment of the interview compared to how they made sense of it at the moment it occurred. Then, the interpretations of the three authors were compared, discussed and revised to reach a consensus. The most significant differences were in how each author categorized reflection on three different levels. The more experienced researchers were stricter in what could be categorized as critical and reformal reflection. The final analysis mostly followed their findings.

In the second phase of the analysis, both interviews were analysed by the three authors separately from the perspective of value creation and value destruction to find out how retroactive sensemaking and purposeful reflection possibly changes the experienced value.
Again the findings were compared, discussed and revised with the same difference and outcome as in the earlier phase.

In the third phase, we separately analysed and compared the sensemaking patterns in the accounts to expose the dynamics of retroactive and reflective value creation and destruction in them. Also in this phase, the findings of the three authors were compared. This time, only minor differences were found and minor revisions made.

On the basis of the interviews and their analysis, we collaboratively wrote two sensemaking accounts that are presented in the empirical part of our study: one illustrating the perspective and voice of the researcher-consultant and the other that of the CEO of the customer company. Drawing from these accounts, we illustrate and explain the retroactive sensemaking process through which the researcher-consultant and the CEO re-interpreted the relationship between co-creation and co-destruction in the joint sphere formed by the Project.

4. The study

The social context of the Project

The major part of the Project concerned collaborative work between a researcher-consultant from a company called Talentree and the management group and the CEO of the customer company called POK. The management consultant company Talentree Ltd. offers consulting, training and outsourcing services to its customers. POK Group Ltd. is a family firm providing electricity distribution solutions for domestic business-to-business and consumer markets.

POK had recently merged with a smaller competitor it had acquired earlier, and it had ambitious growth objectives. POK had been a client of Talentree for a couple of years before they both participated in a university-initiated research and development project called Agile that provides the social context of the study. Prior to the Project under study in this paper, another Talentree consultant had co-operated with POK in order to develop their strategy process. This other consultant was involved in planning the new Project, but when it started he passed on the work to the researcher-consultant of our study.

During the strategy process, the quality management system (QMS) had been already diagnosed as one of POK’s development focuses, which is why the development of the QMS was also chosen as a key area of the new Project. In addition, it was decided that the Project would be focused on internal communication and coaching the CEO. At the time of the interviews that the sensemaking accounts are based on, the Project was coming to an end after one year of intensive collaboration between the researcher-consultant and the company. The communications subproject was led by another person; and we do not analyse her sensemaking process in this paper. In his interview, the CEO talked very little of this part of the Project, which he was content with all along.

In the following, we first present the sensemaking account of the researcher-consultant and its analysis and, thereafter, the sensemaking account of the CEO and its analysis. A comparison of these analyses will be provided in the next section when the findings will be discussed. The
sensemaking accounts are divided into sections (CON1-10 and CEO1-9) to help making references to the account when it will be the analysed.

The researcher-consultant’s sensemaking account

CON 1: The researcher-consultant was invited to work in the Project because of her expertise in quality management systems. In addition to this, she started to do her PhD on the Project. Her colleague had started the Project, but his knowledge was not transferred to her as effectively as she had hoped for. This is why she felt insecure about her role and responsibilities at the beginning. She also felt that she had a hard time in building trust between the company POK and herself. Usually she feels in control in situations like this, but now she had come along as an outsider. She also realized that the responsibility for quality management had been given to another person at POK, but for some reason the work had not even started. This key person was unaware of the researcher-consultant’s role in the Project, which clearly caused some tensions.

CON 2: Feeling confused, the researcher-consultant tried to take her own place at POK. She found the planning phase frustrating because the key persons at POK were not present as agreed. There was a lot of enthusiasm from the leadership of the company, but not much concrete action by them. Despite this she managed to plan a participatory process for building the QMS. The core of the plan included seven process workshops in which the internal processes of the company were to be outlined and visualized. She was happy about the plan and was looking forward to the workshops.

CON 3: The process workshops started later than planned, but the first workshop went well. Most of the workshops were successful, even though the employees were not used to such collaborative efforts, and the CEO was not present as he should have been. The hands-on activities at the workshops helped the participants understand each other’s work. There was much to learn and a lot of ideas for improvement were raised. The researcher-consultant saw how people in this company could get a lot from just working together. Large amounts of progress might not been seen right away, but that does not mean it would not happen.

CON 4: An unfortunate incident happened in the last workshop. During one of the exercises, the collaborative atmosphere almost turned aggressive. The researcher-consultant managed to finish the workshop in a respectable manner, but more trouble followed. The following morning she discovered that there had been an extensive email discussion concerning the workshop among the key personnel of POK. The tone of the discussion was not pleasant. In her mind, incidents like this should not happen and something had to be done to change things.

CON 5: The incident lead to a number of serious discussions between the researcher-consultant and the CEO. These discussions were more straightforward and frank compared to the ones they had had before, which was a change towards the better in
the relationship between the researcher-consultant and the CEO. As a consequence, they came to the conclusion that the QMS was not what the company needed. Quick changes were being made to the Project plans. In addition, they decided to focus coaching on the CEO only.

CON6: The coaching sessions with the CEO had been effective and added a lot to the Project. The CEO had been very pleased and got new ideas concerning his own work and the company. For instance, he wanted to change his own communication practices and those of the company, which the researcher-consultant considered a great success.

CON7: Although the coaching changed the CEO’s mind-set, other issues did not move as quickly as the researcher-consultant had hoped. The internal processes had not been visualized and shared electronically as had been agreed. This made her wonder if all the hard work in the workshops had been a waste of time. It also seemed that the implementation of the few hundred ideas generated in the workshops had been suspended. The researcher-consultant felt confused.

CON8: Then, little by little, the researcher-consultant noticed that, “Something else came to light,” as she says. Things moved forward, there were changes in personnel, and internal communications improved. When exploring the big picture afterwards, she realizes that as a researcher-consultant, what she can give a company are merely starting points - issues to think about, maybe a new perspective - but change itself requires more time to evolve than the length of her consulting projects.

CON9: The researcher-consultant wonders, whether the sub-projects could or should have been conducted in reverse order? Perhaps the coaching component should have taken place first, followed by the communication part and finally the QMS workshops? She also wondered, whether it would have been more effective if the CEO had participated more in the workshops? She comes to the conclusions that the result might have been different; not necessarily better or worse, but different. From that point on, what happened in the Project was interesting and worth doing.

CON10: Trust was one of her main concerns at the beginning of the Project, but it actually turned out to be among the most stable elements of it. Towards the end, the POK management even wanted to discuss the communication subproject with her, which was not her responsibility. This was an act of trust signalling to her that some degree of closeness had emerged between them.

Analysis of the researcher-consultant’s sensemaking account

The retroactive sensemaking by the researcher-consultant takes place on three different levels of reflection: descriptive, critical and reformal. On the first level of reflection, the consultant-researcher describes performance feelings and know-how about herself, the CEO and POK management. She also describes some causes and consequences of various situations and events. These two types of descriptive reflection happened in all sections (CON1-10) of the
sensemaking account. The third type of descriptive reflection, establishing that something did not work from her perspective, happened mostly at the beginning of the account in sections CON1-4, but also in section CON7.

On the second level of reflection, she is critical and questions the ways of doing things in the Project and in the company more generally, tries to find some answers to the questions that she raises and becomes aware of what a specific way of working or doing things or feeling causes (CON2, 4 and 5). She also reflects what happened in the Project from the perspectives of the other people involved, both the employees (CON3) and the CEO (CON6), and also from the perspective of the whole company (CON8). The third type of reformal level reflection, takes place most clearly at the end of the account in sections CON 8 and 9, when the researcher-consultant provides new insights of her reflections concerning the Project.

The researcher-consultant’s account shows that, in her retroactive sensemaking, the three levels of reflection have a specific rhythm. Descriptive reflection focusing on what is happening and how do I feel are present throughout the account, but indicating things that do not work, is mostly present at the beginning of the account in a manner that provides a ground for ‘deeper’ reflection. In addition, descriptive reflection grows into more critical form of reflection in two sections at the beginning and two sections at the end of the account. The third level of reformal reflection (working to create what should be) is the rarest and happens only in two sections in the latter part of the account.

In the researcher-consultant’ sensemaking account everything is related to the QMS subproject, from which she continues to take the clues for her retroactive sensemaking, as she did earlier too. During the project, the meanings that she attached to the QSM subproject had already varied over time. In the beginning, she observed tensions caused by the confusion over who should lead the implementation of the QMS; whether it should be the manager whose responsibility it had been or the researcher-consultant. When planning and implementing the QSM workshops, she was generally content, although there were some difficulties. When the unexpected incident in the last QMS workshop occurred, she viewed that and the subsequent email discussion as a major indicator of how value was co-destroyed in the company. In retrospect however she re-interprets this event as a major trigger that started a new development through which led to a new and better degree of value co-creation activities in the company. A major clue for this re-interpretation were the discussions between her and the CEO right after the incident, which then led to their joint decision that all coaching resources should be refocused on the CEO rather than including the entire management team in the coaching subproject as they had decided at the beginning of the Project. When re-constructing this reality through retroactive sensemaking, the researcher-consultant tells her story through situations and events that were personally important to her and that helped her to maintain her identity; first and foremost, as a professional QMS researcher-consultant, but also one that is interested and skilful in coaching. At the same time, she rationalizes what happened in the Project when looking at it with hindsight from her perspective.

When analysing how the researcher-consultant’s account re-constructs the relationship between the co-creation and co-destruction of value that happened earlier in the joint sphere,
we observe two key issues. First, in her account, especially descriptive and critical reflection provide seeds for re-interpreting both co-creation and co-destruction of value. However, the seeds for re-interpreting co-destruction are not taken any further by her in her account. Therefore, the emphasis of the whole account is clearly on viewing the major situations and events in the joint sphere as co-producing value. This emphasis is strengthened through the researcher-consultant’s view that all the situations and events with the seeds of co-destruction are key lessons of the Project. In retrospect, she notes that even the workshop incident that she had earlier viewed as a major co-creation event, turned out to be a value co-creating event when reflected upon retroactively. According to her, this and other re-interpretations required that she had developed an understanding of a bigger picture and her own role in it, that some time had passed since all this happened, and that some active reflection was prompted in the interview.

The CEO’s sensemaking account

CEO1: The CEO has hard time remembering the beginning of the Project because so much has happened since then. He recalls that the goals, roles and responsibilities were somewhat unclear at the outset. Actually in his view the whole Project was a bit frameless. The reason had been that he had not wanted to set any specific and detailed goals for themselves. He had rather hoped that people in POK would have thrown themselves into the Project and started to learn from it on their own.

CEO2: POK had tried to implement a Quality Management System (QMS) for some time, but for some reason they could not make it happen. This was one reason why the CEO had thought that having more managerial experience would have been useful when leading a company like this one. The company had undergone quite a number of changes just before the Project began, including changes in personnel. When the opportunity to join the Project came up, the CEO and his team saw a chance to gain external knowledge and extra resources to get things moving in the company, and to solve some internal change management challenges they had recognized.

CEO3: The planning phase should have been very different at several points. In particular, the transfer of information between the first researcher-consultant who introduced the Project, and the new researcher-consultant who actually took part in the Project should have been more effective. Furthermore, the researcher-consultant who took part in the Project should have been present more on the company premises.

CEO4: When working on the QMS in the project, the POK management had started to realize how much managerial know-how they lacked and how incapable they were at engaging in hands-on-development work. The QMS workshops had generated over three hundred ideas and proposals for improvement, but very few of these were actually new: all of them was already known, but they had not been able to implement those ideas. Realizing their difficulty in making change happen was a painful – but
extremely valuable – lesson for the CEO. As he put it, “Looking in the mirror every once in a while does not harm anyone; it makes us go forward.”

CEO5: The management did not want to use the word “Project” in their internal communications. Avoiding this word helped to keep development work connected with everyday life in the company. Also, their development practices would be more agile if this connection was maintained. In the middle of the Project, they decided to give up the systematic implementation of the 300 ideas that the researcher-consultant had helped them to generate. Instead, they made some changes to management and key personnel. The CEO had come to the conclusion that “people are at the very core of the Project”.

CEO6: The sub-project on communication included internal workshops and coaching of the CEO. The coaching sessions were the most dramatic “chain of events” for him. Thinking requires time, which was available in these sessions, and having “someone from the outside” to shake one’s thoughts was extremely useful. It would be highly beneficial for the company and for himself as a leader to continue this with the researcher-consultant. For instance, the coaching sessions had strengthened his belief that maybe the sub-projects should have conducted in reverse order.

CEO7: The goals that POK had set for the Project were not achieved. Internal communication was improved, but the QMS sub-project was not completed. Despite this, internal processes have been changed for the better. Maybe the researcher-consultant could have been around more frequently or the parties should have been stricter concerning the goals of the project, but who knows what would have happened then?

CEO8: It was actually very good that everything had gone this way. Some important things are now clearer and the company is closer to having more agile development practices, which had been their aim for a long time. If the researcher-consultant had done more, the company would have escaped too easily and important lessons would not have been learned. “It is always important to learn from things, even if it means getting one’s fingers burnt,” he says.

Analysis of the CEO’s sensemaking account

The retroactive sensemaking by the CEO also takes place through three different levels of reflection: descriptive, critical and reformal. On the first level of reflection, he describes the performance feelings and know-how regarding himself, POK management and the researcher-consultant. He further describes the causes and consequences for most situations and events during the Project. These two types of descriptive reflection happen throughout his sensemaking account, but the main emphasis is on another type of reflection. The third type of descriptive reflection, establishing that something did not work from his perspective, takes place in all accounts (CEO 1-6), except the two last ones.
On the second level of reflection, he is critical and questions the ways of doing things in the Project and in the company more generally (CEO1-4, 7). For the points of criticism, he comes up with some answers and becomes aware of what a specific way of working or doing or feeling may lead to. He also reflects on what happened in the Project from the perspective of the management more generally (CEO2, 4, 5). The third type of reformal level reflection in which the CEO provides new insights of his reflections concerning the Project, happens, not only at the end, but throughout the account (CEO2, 4, 5, 6). Also in the CEO’s sensemaking account, the three levels of reflection have a specific rhythm. The first and second types of descriptive reflection occur throughout the account, but this does not take centre stage. The third type of reflection, indicating things that do not work, is significant and provides a basis for both critical reflection and reformal reflection throughout the account.

The CEO does not mention the workshop incident as a major trigger for him, but emphasizes that the coaching sessions in particular were a trigger, and through him the whole company was activated to “look in the mirror” and see things differently. In the CEO’s sensemaking account, the centrality of the coaching in terms of the co-creation of value had not changed much in time. Already when the coaching sessions started, and even before that when it was decided to use all coaching resources on him, he saw their usefulness. Having said this, the retroactive reflection confirmed the interpretation that he had made earlier and strengthened his conviction that the coaching sessions together with an outsider had provided him with a new mind-set.

When analysing the sensemaking account of the CEO, it becomes evident that the coaching sessions and perhaps the whole Project provided him with new practical skills through which he was able to engage in a sophisticated three-level means of reflection, as he did in the interview. In this retroactive reflection, he repeated a cycle in which he first described what had not worked in the company and why, and what they had done during the project to improve the situation. Through these cycles of retroactive sensemaking, he re-interpreted the seeds of co-destruction in each notion of ‘what had not worked’ in the company into a coherent learning story. The main point of the story is that, when looked at the situation in hindsight, the Project had ended up co-creating value for his company. In this way, he rationalized his story through clues that were important for him personally; the coaching sessions. By doing this, he strengthens his identity as a CEO who learns and develops as a leader and helps his company to do the same.

When analysing how the CEO’s re-interprets the relationship between co-creation and co-destruction of value in retrospect, we observe two key issues. First, both descriptive reflection (emphasizing things that do not work) and critical reflection (questioning the ways of doing things) provide seeds for re-interpreting the link between the co-creation and co-destruction of value. In the CEO’s account, the many seeds of co-destruction that had been planted in the joint sphere during the Project are gradually transformed in the process of reflection by moving from descriptive reflection to critical reflection and finally to reformal reflection, which can be a value creation process in itself. Through this process, the CEO re-interprets a number of difficult situations and events that have seeds for the co-destruction of value and through learning transforms them into lessons about development. Already during the Project, he
considered that the coaching he received was a major instigator for his sensemaking process and understanding of how value is co-created, and this conclusion had become stronger rather than weaker over time. For him, the re-interpretations he made required that an outsider helped him to look in the mirror and change his mind-set as a leader. Then, after some time had passed, this novel mind-set enabled him to thoroughly reflect on what had happened in the joint sphere, which enabled him to re-interpret the Project as a process of value co-creation rather than co-destruction.

5. Discussion

In our previous studies regarding the researcher-consultant-company interface (von Becker et al., 2015a; 2015b), we analysed how the dynamics of co-creation and co-destruction of value are interpreted in the joint sphere in real time. In this paper, we have added a new perspective to this analysis by focusing on how the relationship between the co-creation and co-destruction of value is re-interpreted retroactively when reflecting on a business development project in its final stages. In this paper, our point of departure has been the fact that the meanings attached to the different dimensions of the value creation processes are subjective and sensitive to the social context (Edvardsson et al., 2011; Pels et al., 2009). Furthermore, we have suggested that these meanings can change over time and when revisited through purposeful reflection.

In our study, we examined the interview-based sensemaking accounts of a researcher-consultant and a CEO who worked together on a business development project. At the end of the project, retroactive sensemaking was carried out through purposeful reflection in the interview situation, leading to considerable re-interpretations of the situations and events that took place interactively in the joint sphere formed by the project. In these re-interpretations, the meanings attached to the relationship between co-creation and co-destruction of value differ compared to those given at the moment of occurrence for each situation or event.

Re-interpretations are most evident in particular situations and events: for those labelled as difficult, troublesome or tension-laden when they happened, participants later described them as actually being positive for the project. In hindsight, both the CEO and the researcher-consultant considered such situations and events to be blessings, important sources of learning for both parties. In this way, the CEO and the researcher-consultant retroactively attached a co-created reality and value to events that previously had been viewed as the co-destruction of value when they occurred. Hence, they re-construct reality and rationalise their senses of what happened during the project (Weick et al., 2005).

Both the researcher-consultant and the CEO reflected on the business development project by speaking about the quality management, communication and coaching components. On the whole, they had similar experiences of these elements; the QMS subproject remained unfinished and its goals unachieved, the communications subproject went well and the coaching subproject changed a great deal, positively impacting the CEO and the project overall. Having made this statement, it is important to note their re-interpretations differed slightly in terms of how and why it happened and the consequences of each step in the project.
When evaluating the project at different moments, both the researcher-consultant and the CEO labelled many situations and events as being more co-destructive than co-creative of value. For example, at the beginning of the project, there were unclear goals and an ambiguous division of labour. The whole QMS subproject faced tensions within the company and between the researcher-consultant and the CEO. In retrospect, however, they both constructed coherent stories of co-creation, stating that everything turned out for the best in the end. These stories are more plausible to them compared to stories of co-destruction. Stories of co-destruction of value would have required both of them to re-build their identities as being not-so-successful in projects like this one and not-so-skilful in their jobs. In addition, co-destruction would have required more intensive personal reflection on all three levels compared to the current accounts in which their retroactive sensemaking touches upon personal issues and self-reflection, but still focuses primarily on situations and events that took place during the project.

Overall, our findings indicate that while value co-creation and co-destruction take place interactively in the joint sphere, which has been the primary focus of prior research (Echeverri and Skålén, 2011; Nikolova et al. 2009), retroactive reinterpretation can also happen when purposeful reflection is initiated outside the joint sphere.

The sensemaking approach (Weick, 1995; 2001; Weick et al., 2005) that we adopted in our study shows that the value co-creation and co-destruction process is by no means simple or pre-determined. In addition, while different people attach different meanings to non-routine events, different meanings are also attached in different ways across time, making it challenging to determine in any definite way when and how value is actually created and when it is destroyed. Furthermore, on the basis of our results, there seems to be a tendency to retroactively re-interpret instances of value co-destruction as peak moments of learning that are beneficial for the value creation process in the long run.

6. Conclusion

The findings of our study emphasise that it is beneficial for managers and consultants alike to consider systematic and organised reflection as part of their business development projects in order to generate new value. Even if both parties believe that the interactive co-creation of value taking place in the joint sphere went smoothly when it happened, retroactive reflection outside the joint sphere helps in understanding why they might hold these beliefs. Furthermore, we believe that reflection is of the most importance when the consultant-client interaction has been labelled as a co-destruction of value at the time it happened. Reflection offers both parties a new opportunity to retroactively make sense of what happened in the interaction and perhaps to construct a new story. It may well be that this scenario can lead to a re-interpretation of past events in a way that attaches new meanings and learning to the events. Even though consultants and their customers may wish to be fast and effective in their development projects, it may be worth taking the extra time to include a reflection session, which can make all the difference in terms of the type of reality being co-constructed.
In conclusion, our analysis provides evidence that reflection through retroactive sensemaking is a key dimension in understanding how value creation processes evolve over time in different social contexts. We hope that our study has shown the relevance of this perspective in the field of value creation processes, particularly for other scholars in this research field.

References


