

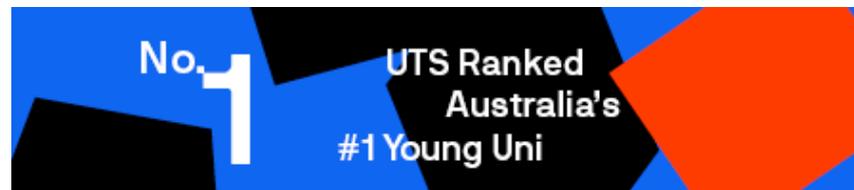


The Politics of Openness

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Defining open strategy for organizations

- Open strategy involves harnessing collective creativity in the strategy process.
- Whittington et al. (2011) define open strategy:
 - An inclusive and transparent form of strategizing that allows participation beyond organizational boundaries (e.g., allowing consultants, customers, suppliers and even competitors to contribute) as well as internally.
 - Inclusiveness:
 - involves previously excluded actors in the strategy making process
 - Transparency:
 - Is a concern to trust and share when communicating with those actors

Trust and Power

- Trust and power are two alternative bases for organizing relations with stakeholders.
- Power:
 - Relations of power over people functions as one amongst several media of communication through which dominant and subordinate groups of actors' coordinate and control their social interactions.
- Trust:
 - Trust is often seen as the basis for a relation of openness because organizations would not want to be open to those they did not trust, although a lack of trust does not prevent openness.

Positive views of openness

- An influential view of openness is based on Habermas' ideas about communicative reason and deliberative democracy.
- At the core of this approach are procedural rules for decision-making that enable public discourse on values, norms and the parameters of a good civil society to flourish in the many arenas of the public sphere.
- Openness focuses on:
 - Discovering, exploring and exploiting opportunities through multiple internal or external resources resulting in better or new products and services
 - Creating value by lowering entry barriers for new stakeholders
 - Utilizing a collective intelligence, whereby involved stakeholders are connected so that collectively they act more intelligently than any individual, group or computer to enable better decision-making, conceived almost as a digitally enhanced 'invisible hand'.
 - A strategy process that is 'multivoice, divergent, egalitarian and inclusive'

Some limits of openness

- Crowdsourcing
 - The crowd tends to be predominantly made of self-selected professionals who opt-in to crowdsourcing arrangements and exert large amounts of work and expert knowledge for little reward, serving the profit motives of those companies that initiate the open invitation.
 - In civic society based initiatives this should be less of an issue but the crowd is still likely to be skewed.

Cryptography replacing trust?

- Trust:
 - A filtered ‘open’ system of cooperation can promote innovation, elaborate different aspects of a problem and reform agendas through wider participation by different actors (Hardy et al., 2006), albeit under conditions that invariably involve agenda setting from the initiating organization.
- Cryptography:
 - With contemporary digital technologies, such as blockchain, new environments are evolving that explicitly rely on an open setting.
 - Trust is created cryptographically, adding a never before seen dimension to the game

Cryptographic trust

- Blockchain technology is a perfect example of a self-referential or autopoietic system of communication that reproduces itself by following an internal logic driven by a system-specific binary code.
- An autopoietic system is not deterministic but contingent over time, meaning that choices made lay the basis for later choices.
- Earlier choices are not determinate of later ones, but they help form contingencies.
- That this affordance is significant can be seen in the recent adoption by the Australian Stock Exchange of blockchain to replace the current Clearing House Electronic Sub Register System (CHES) to settle share trades.

The politics of openness

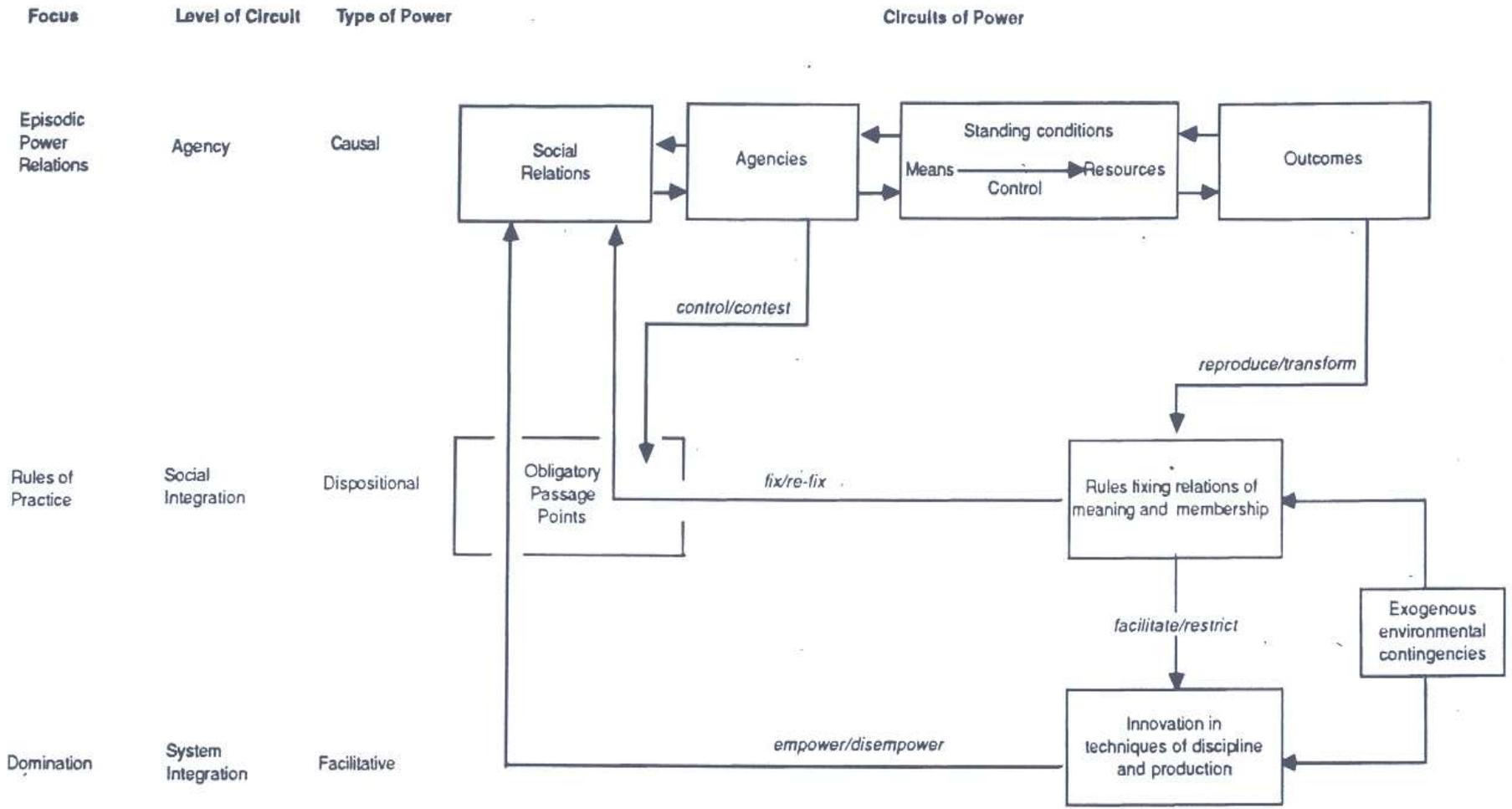
- Organizationally, openness can be relative: for instance, in terms of strategy, organizations are not fixed at any specific point on the continuum of open strategy and may move between different practices over time.
- Organizations might shift on the continuum of closed vs. open because of:
 - Increased competition, which could lead one firm to acquire another in order to close it down in an attempt to reduce competition.
 - The benefits of being open decreasing as competitors move from value creation to value capture.

Openings/closings

- All forms of openness are also a form of closure as Dobusch and Dobusch (2017) note:
 - Where the boundaries are drawn is the issue; hence, any system is fundamentally liquid, multi-agent and heterogeneous, an argument that is the key to the strong sociomateriality view.
- Understanding power in open systems requires understanding how the boundaries are being drawn and contested and who is engaged in the drafting and the contesting, introducing agency and power into the construction of systems.

Power: family resemblances

- Concepts of power can be differentiated into three closely related forms:
 - *power over*
 - *power to*
 - *power with*
- These family resemblances can be accommodated through a threefold model of circuits of power (see Figure 1). Visually, the circuits of power can be represented thus in an ideal typical form.



Circuits	Focus	Dimension
Episodic Circuit: <i>'Power over'</i>	Agency of Members and Significant Others	Oriented to internal openness of structured power relations and resistance to these
Dispositional Circuit <i>'Power to'</i>	Social Integration	Oriented to openness of agendas and issue formulation and resistance to these
Facilitative Circuit <i>'Power with'</i>	System Integration	Oriented to openness to work with others: other technologies, people, organizations, disciplinary practices and resistance to these

Episodic power

- The notion of episodic power implies that there is a narrative in play, that there is a strategic and discernible direction to the power enacted with intent.
 - Too little engagement means that, from an organization's view of its effectiveness, specific actors, either internally or externally, prioritise their own objectives
 - Too much engagement means actors, internally and externally, may end up subordinated to an organization's dominant objectives to the detriment of their autonomous being.

Dispositional power

- Social integration in more traditional and less open organizations is framed by explicit rules of meaning and membership: bureaucracy.
- Social integration is more problematic in open ventures.
 - There is no constitution defining the meaning of legitimate and illegitimate social actions, in keeping with open and anti-bureaucratic cultural tendencies.
 - Identity is not determinate in digitally open communities:
 - Offline identities and competencies, as categories of membership, carry no weight online, nor are they differentially rewarded for there is no standard practice for rewards and incentives.
 - The basis for social integration resides online and nowhere else.

Facilitative power

- The core claim to openness is that open source technology transforms techniques of production and discipline.
- The open system in contemporary practice is, above all, technologically enabled albeit that it may well be driven by cultural predilections, policy preferences and organizational requirements.
- New obligatory passage points are readily formed, as innovative technologies become actants in the system.
- Open strategy brings together different actors to create value.
- Due to the information asymmetry that exists between management and previously excluded actors, knowledge sharing within an open strategy can range from:
 - Broadcasting only that strategic information deemed public from the centre
 - Starting a conversation and actively asking for feedback
 - Involving previously excluded actors in decision-making processes

Power/knowledge

- In principle, all practitioners in open strategy can potentially exercise power although the assumptions about appropriate interactions by designers of social media platforms might frame who is able to enter online discussions and information sharing.
- Power not only requires but also creates knowledge.
- The recursivity of power/knowledge (Foucault, 1980) might grant designers control over the strategic discussions that occur on the social platform.
- What is legitimate as a post or type of content may be more or less explicitly policed.
- Since knowledge and power are irretrievably entangled (Foucault, 1977), the more knowledge that is shared within an open strategy the more the balance of power relations will be affected

Big data, open strategy and open systems

- Big data analytic companies such as Cambridge Analytica create a 'central node' in 'alternative news and information networks' using open sourced data to do so.
- Their strategy consists of precise targeting of finely grained demographics constructed from the mass of available data.
- The data is constituted by combining mass data harvesting of big data and micro-targeting of individualised messages, drawing on military strategies of psychological warfare to target a civilian population in order to influence their behaviour.

Facebook

- Bio-psycho-social-profiling
- 2016 US Presidential Elections
- 2016 Brexit referendum

Simultaneous system integration/disintegration

- Simultaneous system integration and disintegration of the circuits of power created by use of social media.
 - The strategies are simple; harvest data, identify the obligatory passage point that one wants to channel communication through, in terms of individuals and social media sites, automate the bots, bombard the messages, and strive to find the edge that advantages one's politics.
 - The information provided by internet users on platforms such as Facebook or Twitter, offer organizations and (future) regimes a possibility to not only bombard people with personalised messages but also offers the ability to track down dissidents or dispense propaganda (Morozov, 2012).
 - These strategies were used effectively in Russian information warfare, particularly in its informational support of territorial warfare in Crimea and Ukraine.

Social integration ...

- Cambridge Analytica used the Facebook friends' data of those who took the GSR personality test to build a dispositional circuit of power of mega proportions: it is now known that 87 million individuals were analysed and categorised in terms of their dispositions.
- By bulk buying domain names Cambridge Analytica used automation to create the appearance of a consensus favouring the chosen message despatched through the open digital system to the many members of the circles digitally identified.
- Shared and affiliated worldviews offer openings in terms of tracking dispositions.
- Through designing covert systems of social integration that amalgamate these dispositions and target them in terms of the emergent demographics enables data analytic organizations to exercise 'power to' politically and culturally through system integration of the data.

... and dispositional demographics

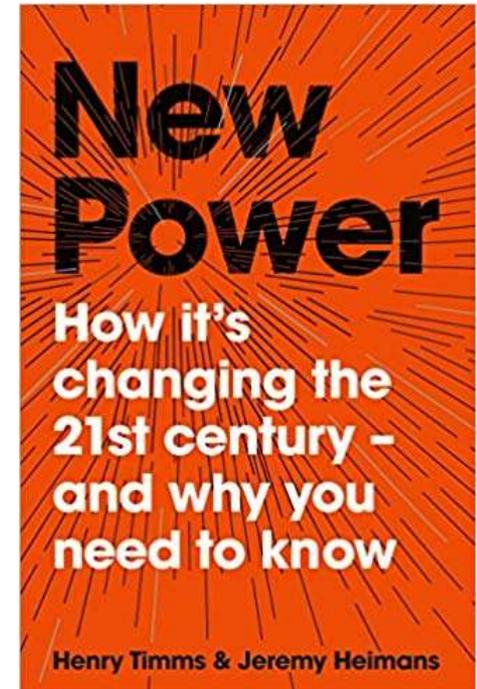
- System disintegration is produced because the strategy data analytic organizations used created digital solidarities by disintegrating an electorate into those persuaded and those dissuaded through a form of psychological warfare.
- The most crucial categories of persuasion are premised on threats to identity of 'others' – people not like us – in the present and future.
- It is for this reason that Facebook friends and likes are such a valuable field because they comprise a network premised on assumptions of identity and, as Lakoff (2014) notes, people vote in terms of their identity, their values and those they identify with.

Who controls the resources?

- Whoever has the most resources of money, domain names, data, bots, and technology has stacked the best odds for effecting closure to their advantage.
- At present, these resources have been largely those controlled by right-wing populism, such as that of Trump and Brexit.
- Bauman (2017: 69) wrote:
 - ‘keeping anger perpetually smouldering and glowing offers the best recipe for the populists’ success: anger of the excluded and abandoned is a uniquely rich ore from which constant supplies of profuse political capital can be extracted’.

Positive implications

- New circuits of power are being created.
- Internally to organizations, open strategy can be pursued through the:
 - reduction of *power over*
 - increase in opportunities for *power to*
 - expansion of collaborative opportunities for *power with*: social movement organizations such as:
 - *Avaaz*:
 - <https://secure.avaaz.org/page/en/>
 - *Get up!*
 - <https://www.getup.org.au/>



Negative implications

- Discussion of predetermined objectives can create an agenda of carefully constructed ignorance and knowledge, issues and non-issues.
- By carefully distributing ‘openings’ one creates and closes off obligatory passage points through the maze of possibilities.
 - The Brexit decision in the UK is a case in point. Both Remainers and Leavers each accuse the other of having followed this strategy.

Conclusion

- While there remains hope that a better society that utilises advances in technology might yet bring Habermas' (1971) idealistic vision of an open society based on open communication closer to reality (Blum & Zuber, 2016), there are many reasons to be more pessimistic than optimistic.
- As in all matters of material reality, questions of the ownership and control of productive technologies cannot be ignored.
- Digital democracy combined with the mass organization of campaigns such as **Get Up!** and **Avaaz** are reasons for social democratic optimism.

The paper I have just presented is a condensed and revised version of a chapter that will be published as ‘The Politics of Openness’, in Seidl, D. van Krogh, G., and Whittington, R. (eds) *The Cambridge Handbook of Open Strategy*. Cambridge: Cambridge University Press.

If anyone wants to read it please email me at

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The End

"That's all folks!"