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This is an adaption of part of the theoretical chapter of the book (pp. 11 – 42), specially edited for this reader. The pagenumbers of this text therefore no longer coincide with the original pagination.

1.2.2 The example case

For the development of our theoretical framework in the course of Part I, we will use a case history as 'raw material'. Each time an aspect of the theory has been introduced from a theoretical point of view, we will return to this case and show how we apply the theory in analysing a practical case. Such exercises will not only be useful for a better understanding of the theory, but they will also show that in the course of such practical applications, the theory itself will evolve as well. In this sub-section, we will present the case history. The case is taken from our actual consulting practice, but the names of enterprises and actors have been given code names. The Chinese actors are named: Liu, Su, etc., in order of appearance. This does not always increase the intelligability of the story, but is the best way to protect the interests of the actors involved in this case, which is still going on as we write these lines.

History
A European company GB stationed PP as their representative in Beijing in September, 1986. PP was a sinologist with previous experience of living and working in China and married to a Chinese lady, A, of Beijing descent.
One of A's former class mates, Liu, was employed at one of China's largest corporations: CITIC. CITIC was a conglomerate that consisted of several daughter companies. One of these was CITIC Trading (CT), where Liu was working. In the course of a social gathering at PP's apartment (which included Liu's wife, who also was a class mate), Liu inquired after the business of GB to see whether he could offer help to his former class mate. The following day, back in office, he started asking around and became interested in one of the product groups of GB, Prod1, of GB. He saw possibilities to import and distribute them [1987].

As CT was an import-export company, not equipped to promote and distribute products, Liu had to seek help from other parties to store and sell the products. Liu introduced his colleague Su, who also interested in dealing with this business. After trying several possibilities with varying success, Su found Chen willing to establish a specialised company for the distribution of the products of GB [1987 - 1988].

Chen and Su were former colleagues in the Materials Department of Ministry of Light Industry. This department was responsible for the distribution of raw materials to the state run enterprises under the Ministry. Su left the ministry for CT, while Chen had tried his luck in private business, trading the same types of products he had help distributing through the state owned channels. As the goods in question were within the scope of Light Industry in the Chinese formal economic hierarchy, Chen (and Su, of course) already had some experience with this type of products [1988].

By the time the new company, JBT, was set up, Liu had withdrawn from this business and eventually withdrew from CITIC altogether [1991]. After a period of trying his luck in various businesses, Liu found his place in the newly emerging securities trade [1993], in which he proved himself extremely successful.

GB had another product, Prod2, which was not included in the product line distributed by Chen. PP had made contacts with local distributors of this type of goods, who was interested in becoming the agent for the whole of China. As this company was not allowed to handle imports directly, PP also asked Liu to use CT as the import channel. Hence, Liu become also involved with Prod2.

Background of CITIC

CITIC was established by a group of older Chinese entrepreneurs who lost their jobs and most of their properties during the Cultural Revolution. After their rehabilitation at the end of the 1970s, these entrepreneurs received their salaries of all these years with retrospective effect and also some compensation for the material losses. For many of them, this amounted to a small fortune. A group of such entrepreneurs, headed by Rong, decided to use that capital to establish a corporation, named CITIC, as a contribution to the reconstruction of the Chinese economy after the disastrous revolutionary decade. In line with the economic and legal environment at that time, the corporation could not be entirely privately owned. Several of the group members belonged to old influential families,

who used their regained influence among the political elite to have the corporation attached directly to the State Council.
It was decided that new ways of enterprise management should be tried out in CITIC. CITIC was to be an example for the economic reform of the PRC. The direct link of CITIC to the State Council was to be its source of strength to attain that goal. One of the innovations was that employees of CITIC were given considerable freedom in developing ideas of their own. An account manager, for example, with an idea could present that idea to his or her direct superior and if the latter was sufficiently convinced, the account manager was given the freedom to realise the idea into business in the way he/she thought best. In the China of around 1980 this was revolutionary.
Most daughter companies of CITIC started out as an emerging idea of a configuration of employees. After receiving the green light, they further developed the idea and, if they were able to obtain sufficient results, the idea was commercialised in a separate daughter company. Such a daughter company would gradually grow and develop a formal hierarchical management network, laid down in an official organigram. Similar activity could then start within that new daughter company.

1.3 Theoretical framework

The theory adopted in this study is an adaption of the configurative integration theory which has been developed during the last one and a half decade in the Netherlands.

Various aspects of this theory have been elaborated in a sequence of dissertations. In this proposal we will mainly restrict ourselves to a recent work coauthored by the founder of the theory, in which the contents of many of these dissertations have been incorporated: 'A matter of Difference - The Handling of Conflict in a Configurative Integration Theory (*Een kwestie van verschil - conflicthantering in een configuratieve integratietheorie*)', by H.JBT. van Dongen, W.A.M. de Laat and A. Maas (Van Dongen et. al., 1996).
This work is especially suitable as a theoretical point of departure, as the authors apply their theory on the theme of conflict, which is also the main theme of our study. We will first present an outline of the theory, after which we will show its deficiencies as we perceive them and make a preliminary proposal for improvement.

1.3.1 Weick - sensemaking, double interact and partial inclusion

1.3.1.1 Introduction

Van Dongen et. al. draw heavily from the organising theory of K.E. Weick (Weick, 1979 and 1995). The central theme in Weick's theory is that of sensemaking. People (usually referred as actors, a habit we will carry on in this study) constantly encounter situations that are multiply interpretable. They try to make sense of such situations by reducing the equivocality to one single interpretation. This reduction process takes place in social interaction between several actors. Actors will exchange information regarding a specific topic until they have reached a certain level of agreement. The achievement of this purpose is reflected by the degree to which the actors' behaviour becomes interlocked. The interlocking of behaviour of actors in continuous social interaction is the basic definition of organising in Weick's theory.

Weick claims that actors perform this interpretation retroactively. Actors first act [enactment] on previous experience, until they encounter an equivocal situation. At that moment, the process to reduce equivocality starts. Moreover, actors do no search for the best (most realistic, most true, etc.) interpretation of that situation, but for the most plausible interpretation, i.e., the interpretation that suits the current context (the moment the interpretation takes place) of the actor best, is selected [selection]. As a result of the reduction, some possible meanings of the equivocal data will be rejected and some will be retained [retention]. The actors will than continue to act based on that interpretation, until more equivocality is met. This cycle of enactment -> selection -> retention is repeated endlessly.

Actors build up a certain view of what the world is like based on the continuous process of sensemaking. Weick refers to these views as cause maps. In the course of his sensemaking, actor A may observe event Y and judge that it has been caused by event X. The next time event X occurs, A will presume (retroactive sensemaking) that Y will follow. Consequently, if A wants to prevent Y from happening, A will try to avoid X. This will continue until something happens that runs counter to this part of A's cause map, at which moment A will revise this map.

Actors often do not produce solutions to problems they encounter, but encounter solutions that strike them as so interesting that they try to formulate matching problems. We can observe analogous situations in

certain industries. For example, new food products are often designed on the basis of new types of ingredients that have appeared on the market. Food ingredient manufacturers perform basic R&D research and present their latest inventions on trade fairs. Food manufacturers comb those fairs and (re)design their products using the latest ingredients. The opposite situation, food manufacturers making food ingredient producers come up with the ingredients they would like to have, is easily conceivable, but hardly happens in this particular period of the food industry. However, when food manufacturers advertise their new products to the consumers, the present them as products of their own superior creativity, attesting their position as major market player. In Weick's terminology, such food manufacturers are enacting their environment.

Another key theme in Weick's thinking is the notion of double interact. Actors who have to cooperate in performing a certain task will at first hold different interpretations of various aspects related to that task (equivocality). During their initial interaction, the actors will exchange these interpretations and mutually adapt until a common interpretation (regarding aspects essential to successfully perform the task) has been attained. If we wish to understand such interaction, it is insufficient to observe how B reacts to A. We also have to observe A's reaction to B's reaction to A. When actor A makes a statement to actor B, B can either affirm or deny A's statement. Subsequently, A can accept or reject B's reaction. This results in four possibilities:

Act:	Interact:	Double interact:	Type of influence:
A	A	A	Uniformity
A	A	B	Anticonformity
A	B	A	Independence
A	B	B	Conformity

(Weick, 1979: 115)

Simple interacts are insufficient to assess the relation between A and B. If we know that B rejects A, we only know exactly that. However, if we also know that A in turn rejects B's rejection, we know that the relation between A and B on that particular issue is one of independence. If A would have accepted B's rejection, the relation would have been one of conformity. Different outcomes of the double interact have different consequences for the continuation of the interaction between A and B. Social interaction is an endless repetition

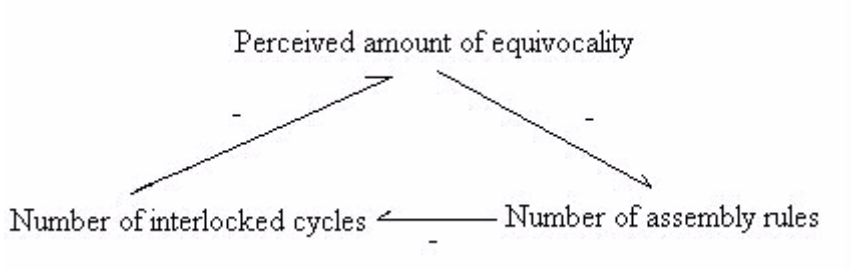
of double interacts between actors. In the course of social interaction, actors will adjust their behaviour to their fellow actors, resulting in interlocked behaviour. The complexity of equivocality usually is too large to be solved through one single double interact. Weick uses the term cycle of interlocked behaviour to denote a chain of double interacts. In the course of the continuous process of social interaction (organising), actors accumulate a set of rules to reduce equivocality, which Weick refers to as assembly rules. Examples of such rules are:

Effort: select those cycles whose competition requires least effort. Reward: select those cycles that the members regard as most rewarding. Obligations: select thos cycles that incur the fewest future obligations.
(Weick, 1979: 113)

According to Weick:

Assembly rules can be viewed as procedures, instructions, or guides that members [of an organisation] use to mobilise several double interacts into larger processes that are directed at inputs.
(Weick, 1979: 113)

The assembling of a process of equivocality reduction in social interaction starts with one actor judging how much equivocality is present at a certain moment. As social interaction is a continuous process, a real starting point can not be distinguished. We will have to use an imaginary point in the process as the starting point. This judgment determines the number of rules that will be needed to reduce equivocality. The higher the equivocality, the smaller the number of rules selected and the larger the number of cycles invoked. This is an effect of the nature of the relation between rules and cycles. Each rule refers to a relatively large number of cycles. When a certain rule is selected, all cycles connected to that rule will be invoked. If another rule is selected as well, only those cycles that are related to both rules will be invoked. The more cycles selected, the higher the perceived equivocality that remains. The process of judging the amount of equivocality, the selection of rules and the application of cycles is depicted as a closed loop:



(Weick, 1979: 117)

Although Weick does not refer to linguistic theory himself, language plays an important role in several parts of his argumentation. Moreover, we can observe some similarities between Weick's cyclic model of the sensemaking process and earlier versions of Chomsky's generative grammar. One of the most salient innovations of Weick theory of organising is that it does not attempt to describe organisational processes by decomposing them in every smaller bits, but focuses on the way such processes are constructed (assembled). Chomsky initiated a similar revolution in syntactic theory by proposing a generative theory of syntax as an alternative to the analytic structuralist theories current in his time. We will return to linguistic theory in section 1.3.3.2, where we will attempt to enrich the theory of Social Integration with another linguistic concept.

Several consecutive cycles of interlocked behaviour constitute a collective structure, a pattern of collective behaviour, like regularly repeated activities in a company. Multiple collective structures finally combine into the highest level of aggregation called sociocultural evolution by Weick. Here, Weick casually alludes to the notion of culture, which is not elaborated in his theory. After introducing the core notion of our theoretical framework, we will revert to the definition of culture in section 1.3.5.

The last key notion from Weick's theory to be mentioned is 'partial inclusion.' According to Weick:

A person does not invest all behaviour in a single group; commitments and interlockings are dispersed among several groups.(Weick, 1979: 95).

Each actor will be part of several groups of actors with interlocked behaviours. The formation of such groups is a continuous process; groups form and disband. Actors enter groups, while others leave them. During an effort to stabilise his inclusion in a certain group, an individual actor may force to integrate more of himself into that group. This notion of inclusion seems to bear great importance to organising processes, however is not very well elaborated by Weick. It was especially this aspect that van Dongen et. al. have used as a starting point to enrich Weick's theory.

1.3.1.2 Case analysis - examples of sensemaking

After this, concise, introduction of Weick's organising theory, we will attempt to make it more operational using elements from our example case. As sensemaking is a continuous process, it is impossible to point out a certain moment at which the sensemaking related to our example case started. We will simply jump into the ongoing interaction at the moment that Liu visited PP for the first time.

Liu, his wife and PP's wife were former class mates. This made Liu feel obliged to look for a common element in his business and that of PP, in order to turn the relation into meaningful business. Liu was familiar with his (company's) possibilities, but unfamiliar with PP's business. PP was familiar with his business and, through previous efforts, had certain ideas regarding which products of GB held the best prospects in China. PP had singled out a subset of the total number of products of GB that according to him had the largest potential on the Chinese market (assembly rule: 'select those products than will most quickly generate turnover'). He explained each product to Liu, who weighed its potential using his own knowledge. Each product was thus discussed in a double interact, resulting in either its retention or its rejection. The result of this cycle of double interacts was that PP's original list was shortened by Liu. In Weick's terms: equivocality was reduced.

The following day, Liu met with his close colleague Su. With his Light Industry background, Liu considered Su a useful person to consult about the possibilities for the selected products of GB (assembly rule: 'look for an actor with expert knowledge in your near vicinity'). Liu introduced the products to Su in a similar way as PP had introduced them to him the night before. The result of this cycle of interaction was that two products (product groups) of GB were retained. The equivocality regarding the possibilities of products of

GB on the Chinese market was now sufficiently reduced to initiate action (enactment). That enactment very soon produced a new equivocal aspect: the organisation of the distribution, which called for a new cycle of selection.

1.3.2 Van Dongen et. al. - configurations, tertiality

1.3.2.1 Introduction

Building on the theoretical work of Weick, the core theoretical notion of Van Dongen et. al. is that of configuration. Configurations are groups of actors who, during continuous social interaction, have attained a similar interpretation of reality (like Weick's interlocked behaviour). This definition reflects the two aspects of configurations:

- a social aspect: frequent, organised, social interaction (e.g., work related meetings)

- a cognitive aspect: similar interpretation of reality.

Configurations are frequently referred to as social cognitive configurations in the literature (Bolk, 1989) and Voogt, 1990). Van Dongen et. al. also discern social, cognitive, and cognitive-social configurations (Van Dongen e.a: 96 - 97). For the purpose of this study we will use the term social cognitive configuration.
Reality has a constructed nature. Actors construct their (version of) reality via an ongoing process of social interaction. These definitions of reality are never comprehensive theories comprising all aspects of reality. Actors only possess a limited span of attention. They will use this span to cover that part of reality that is essential; that which comes to the fore in the present context. Complex phenomena are reduced to simple, comprehensible, treatable, facts (compare Weick's reduction of equivocality).
Reality is constructed using a set of construction rules (compare Weick's 'assembly rules'). Actors apply these rules in a continuous process of re-construction of reality. However, while Weick still speaks of organisations as entities, Van Dongen et. al. consider organisations to be the result, the effect, of ongoing social interaction. An organisation is a set of construction rules. One no longer studies organisations but the ways (how) actors (who) construct their realities

(what). The organisational researcher no longer studies entities (nouns, like 'organisation'), but processes (verbs, like 'organising').
Following Weick, Van Dongen et. al. recognise that actors are simultaneously included in several configurations. However, they replace Weick's term of 'partial inclusion' with the notion of 'multiple inclusion.' Weick's double interact is a useful tool in describing the interaction between two actors. However, its shortcoming is that it presupposes a dyadic relationship. This may explain why Weick has problems in elaborating his concept of partial inclusion.
Van Dongen et. al. introduce a third party into the relationship between two actors. Instead of dyadic relationships, they look at the relationship between actors as being triangular. This third refers to other inclusions of actors. During social interaction within a certain configuration, actors will bring their other inclusions into that interaction. A particular actor can use a certain definition of reality in one context (configuration), but use another one in another context (configuration).

The conversation of Mr A with Ms B takes place in the presence of or in relation to a certain C, which can be further described as a person, several persons, a third meaning, etc. Without those others or that other one . . . A and B would exist in a vacuum. Moreover, it is so that, while A is talking to B, A is simultaneously interacting with C in the presence of B. Each of those involved are synchronously engaged in several ways, as each one is simultaneously main actor and a third party.
(Van Dongen et. al.: 185)

A more theoretical introduction of the triadic nature of social interaction is presented in van Dongen (1991). There it is shown that pairs of oppositions can only be comprehended in the presence of a third element, called 'boundary.' We know that we are in the inside of the house because of the wall that separates the inside from the outside. The opposition inside - outside therefore is to be understood as a triad: inside - boundary (wall) - outside. When any one of these elements is removed, the distinction disappears and transforms into 'the ongoing state of un-differentiatedness (van Dongen, 1991: 49).' The boundary separates and unites simultaneously.
Van Dongen argues further that it is the actor who functions as the distinctor in a distinction. Our distinction of, for example, correct and incorrect behaviour, is made by us based on our personal cognitive

map of the world. The distinction is not an 'out-there' distinction. The actor as well as the poles of a distinction are defined in terms of one another. This essentially refers to the triad of co-genetic components. The components by themselves can only refer to the condition of un-differentiatednes and that goes for the actor as well (van Dongen, 1991:50).

Actors are multiply included in several configurations in which different, possibly mutually conflicting, of sense-making processes take place. One particular view on reality is associated with the social configuration in which this view came about. Whenever an actor is interacting in a particular configuration, he remains to have access to other configurations in which he is included and may bring these other, possibly conflicting, views pertinent to those configurations into the current interaction. This constant exchange of different views of reality is regarded as 'the motor of change (van Dongen, 1991: 51).' The mutually influencing of the cognitive structure and the social structure are often described using the double helix metaphor borrowed from genetic science (Maas, 1988: 109).
This is an enormous enrichment of Weick's theory. It does not only account for the ways actors are interrelated into configurations, it also presents a tool to describe the ways configurations in their turn are mutually interrelated through the multiple inclusions of the actors. As this theory depicts human society at large as one comprehensive and continuously ongoing configuration of configurations, it is often referred to as a theory of 'Social Integration.'
Van Dongen et. al. do not regard conflict as negative by itself. They define conflict as the tension between competing definitions of reality. Actors configurating around a certain definition of realty will constantly bring in other visions (third parties) through their other inclusions. These visions can be conflicting with the vision in the current cofiguration. This exchange of visions/definitions of reality is a continuous process of construction of new definitions of reality. Conflict in the sense of multiple inclusions in configurations with conflicting visions on reality is an important aspect of the social construction of reality and as such an indispensible part of human organising processes. Such conflicts are functional, constructive, conflicts (Van Dongen et. al.: 14).
There are also dysfunctional, destructive, conflicts. According to Van Dongen et. al. conflicts become dysfunctional, when the exchange of visions in ongoing social interaction is blocked. This can be done

deliberately by prohibiting or refusing interaction, but also through reification, a process in which actors start to regard ideas and notions as unchangeable facts. Reifications obstruct reflexion on ones own actions and the acceptation of alternative visions.
Van Dongen et. al. then proceed to the final aspect of their theory: their definition of ethics. They make a difference between ideology, which is socially constructed, and ethics which are valid in any context. Ideology is described in positive phrases, while ethics can only be described using negative terms (unvalues), like 'do not block social interaction.' Conflicts between positive (ideological) values are basically functional, constructive, in nature. They only become dysfunctional, when they lead to blocking social interaction. Following Weick's admonition to use verbs instead of nouns (actions instead of entities), ethics is then redefined as an ethical procedure, guarding the unobstructed continuation of social interaction.

1.3.2.2 Case analysis - examples of configuration processes

We will now return once more to that diner party at PP's apartment, when Liu and he first met. During that meeting, Liu and PP echanged ideas regarding possibilities to market products of GB in China. In 1.3.1.2 we described the situation in Weick's terms as a process of sensemaking. We can now retell that story as a configurating process.
At the moment Liu left that evening, he and PP had agreed on a limited number of products which they thought promising enough to pursue further. Moreover, they agreed that Liu would start making some inquiries the following day and that he would contact PP very soon about the results of his inquiry, after which they would have a follow up meeting. In Weick's terms, we could say that a certain degree of interlocked behaviour between Liu and PP had occurred. In terms of Social Integration Theory, we could conclude that Liu and PP had started a configuration aimed at the marketing of (some of) the products of GB in China.
Back in his office, Liu contacted his colleague Su. The case history does not provide sufficient evidence to ascertain whether Liu and Su were already connected in a configuration. As colleagues they were part of a social network, which is not the same as a configuration. We will return to the notion of network in 1.3.4 below. Regardless whether Liu and Su were already connected in a configuration or not, Liu consulted Su and the outcome of that interaction was that Su's

interest in Prod1 was aroused. During a later meeting, Liu introduced Su to PP and Su was pulled into the configuration as well.
Su had some knowledge of Prod1 from his former employment at the Ministry of Light Industry. The main problem perceived in the marketing of Prod1 in China was that end-users only purchased small batches. It had to be imported in larger batches and distributed from stock, lest the transportation costs would make the business unprofitable. They tried out a relation of CT in the vicinity of Shanghai and imported a batch of Prod1 to be stored in that relation's warehouse. Although they were able to sell the stock, they were not happy with the way things had gone. They were especially uncomfortable with the little control they perceived to have over the distributor. They felt that a more able person was needed to handle the day tot day sales activities.
Su started looking among his former colleagues as the Ministry. Chen was one these former colleagues who had also left the Ministry and was looking for something interesting to do. Once more, it is difficult to say whether Su and Chen were part of a configuration or a social network. They did have regular contacts, during which they exchanged information regarding each other's activities in order to find common interests in their work that could be exploited together. In that sense, they had formed a configuration in the sense of van Dongen et. al. Su's connection to Chen provided an alternative social cognitive context, a third, in the interaction between Liu and Su. They discussed the problem with Chen, resulting in the latter's decision to establish a distributing company for Prod1.
When we compare the way in which we have analysed this part of our case here with the analysis in 1.3.1.2 above, one can immediately see the relation as well as the differences between Weick's framework and that of van Dongen et. al. The Social Integration approach is first of all a deepening of Weick's framework. Weick's theory is not completely replaced, but amended here and there. However, the amendments go far enough to constitute a new theoretical statement. While Weick puts strong emphasis on the cognitive part of the organising, van Dongen et. al. attach equal importance to the cognitive and the social aspects and, moreover, their model elegantly describes the interrelation between the two using the double helix metaphor.

1.3.3 Peverelli - cognitive Space

1.3.3.1 Introduction

In the course of our research into Chinese organising processes, we have attempted to apply the theory of Van Dongen et. al. to a variety of cases involving interaction between (representatives of) Western companies and (those of) Chinese enterprises. We have found the theory extremely useful in investigating the ways Chinese enterprises act as parts of networks through the inclusions of actors belonging to those enterprises. However, we have also discovered areas where the theory failed to offer tools to describe all the variety and social cognitive processes we observed.
After our introduction of the organising theory of Weick and the amendments to that theory proposed by van Dongen et. al., we used these theoretical frameworks to describe the basic organising processes that took place at the beginning of our example case history. We could successfully apply these theories to analyse and describe the social cognitive processes in which some of the key actors in the case configurated around the purpose of marketing Prod1 in China. We will now first turn to another part of the example case, which we believe to pose problems not analysable using the 'standard' theory of Social Integration.
Rong formed a configuration with some his fellow rehabilitated entrepreneurs around the idea that they should use their combined entrepreneurial skills and newly gained fortunes to hasten the economic reconstruction and modernisation of China. For this part of the case, the existing framework works quite well. However, after CITIC was established the number of employees started growing and a departmentalisation began. The term configuration is no longer applicable to that situation, lest the term will be stripped of its meaning.
CITIC was constructed on the idea to establish a enterprise in which A0 and companions could experiment with new ways of operating, alternative to the existing practice in the state run enterprises of that time. An important aspect of this new way of operating was the freedom of CITIC's employees to develop lucrative ideas, in the same way as CITIC's founders had originally established their company. The case history shows that this goal has been attained. Following the

terminology of social integration theory, we can say that this freedom became established as an important construction rule.
And there are we striking on a flaw. In the existing model, construction rules are linked to configurations. However, it is impossible to regard CITIC as one large configuration. If the rule observed in the previous paragraph is a construction rule and CITIC is not a configuration, then we seem to be missing a level of analysis in the theoretical model. All the observed processes of sensemaking, interaction, organising, etc., seem to take place in a certain environment or context. Such a context also seems to have both cognitive and social structure, but less coherent than a configuration.
When reading through the different studies applying the configuration theory, 'context' is one of the most frequently used words. However, it never seems to be defined, it is treated as given. We quote:

The meaning of an action or statement can not be assessed without - with or without intent - take the context into account. (Van Dongen et. al.: 165)

In the following paragraphs of this quoted section, Van Dongen et. al. make an effort to describe the social construction of context, ending up with Weick's double interact. The context of social interaction is thus interpreted as previous behaviour. Actors base their action on their interpretation of their previous actions. This indeed is very close to similar of Weick's basic theory of retroactive sensemaking.
Still following Van Dongen et. al.'s text, the authors then introduce their amendment to Weick's dyadic double interact by proposing the notion of the triangularity or thirdness. Although the authors do not make an explicit statement, we may conclude that according to them the context of social interaction is the presence of multiple thirds provided by the multiple inclusions of the actors involved. Each third produces a different context, which gives a different meaning to the interaction. We do not disagree with this explanation, but we still feel that we are missing a tool to describe all that is happening in the object of our study. We are still missing a context for construction rules not linked to a configuration, as we discerned above.
Our conclusion is that the definition of context needs to be revised. We agree with the view that the possible thirds provide social cognitive contexts that influence the nature of social interaction. However, we feel a need to formulate another type of context. The first type of context, the third parties, is closely related to the actors

involved in a certain interaction. They are the multiple inclusions of actors in various configurations. As stated in the previous paragraph, we wish to formulate a notion that links certain cognitive activity to a number of actors, like the notion of configuration, but in which the cognitive part is much vaguer and the social coherence much less than in the case of configurations. We can then envision that actors can be included in several of such 'configurations-at-large' and that these multiple inclusions could also function as thirds. Moreover, our 'configurations-at-large' seem to be mutually linked in hierarchic structures, in which a lower level 'configuration-at-large' inherits the traits of its higher level, while adding more specific cognitive structure and pertaining to a smaller number (sub-set) of actors. Configurations as formulated in the theory of Social Integration could then be regarded as the smallest form, referring to a small number of actors, who frequently interact around a very specific theme and sharing a very specific set of construction rules.
We could also refer to our problem as the micro-macro problem. The notion of configuration as formulated by van Dongen et. al. is an extremely useful tool in exploring organising processes at the micro-level. However, as soon as we try to look at higher level processes, still using the same notion of configuration, that notion gets hollowed out more and more, until it looses all explanatory power. Van Dongen et.al. themselves devote an entire section to handle what they call the micro-meso-macro problem (Van Dongen et.al: 91-97), but fail to present a solution. If we could formulate a concept of 'configurations-at-large,' we could apply this as a tool to describe social cognitive activity at the non-micro-levels of various heights, while preserving the full explanatory power of the notion of configuration for the micro-level.
Now that we have crudely defined what we are looking for, we need to find a name to refer to it and a definition to discuss it.

1.3.3.2 Space

This is the right moment to introduce the source of the term 'space' after which our term cognitive Space is modelled. We will make a short side step to linguistics and briefly introduce the theory of mental space as initiated by Fauconnier elaborated by several other linguists during the past decade (Sweetser & Fauconnier, 1996). Looking for analytical models of organising in linguistic theory is not such a giant step. In our methodology we make ample use of the deconstruction of

narratives. Such deconstruction is basically a linguistic analysis in which we try to detect the narrative's author's construction of reality through the narrative's linguistic structure.
During the late nineteen seventies more and more scholars started investigating the relation between language and meaning from a cognitive point of view. Much of their theory was founded on theoretical frameworks proposed in previous artificial intelligence research, centring around cognitive structures like: frames, metaphors, representational worlds, etc.
Among these researchers, Fauconnier developed the concept of mental Space as a model for studying the interplay between cognitive connections and natural language. Fauconnier pointed out that language can not only be used to express what we believe is true, but also what we hope to be true, what we believe is not true, what has happened, what did not happen, etc. Take, for example, the following sentence (Sweetser & Fauconnier, 1996: 9):

In 1952, the man with the grey hair headed the CIA.

The speaker could be referring to a person who presently has grey hair, but whose hair may have been any colour in 1952. However, the speaker could also be referring to a person who had grey hair in 1952.
In Fauconnier's theory, the meaning of this sentence emerges in two mental spaces. The initial space, called the 'base space,' is the Space of the speaker. The phrase 'in 1952' is regarded as a typical space builder, a linguistic device setting up a new mental space, referred to as the 'derived space.' The role of space builder can be fulfilled by a large variety of linguistic constructions. The subjunctive form a verb is a typical builder of a hypothetical space. If someone says that he 'could do' something, he is constructing a hypothetical Space in which he is doing it, derived from the base space in which he is not doing it. Auxiliary verbs indicating modality are space builders as well. When you say that you 'believe that something will happen,' you are constructing a space in which it happens, while in the base Space it is not happening. Other frequent types of Space buiders are expressions denoting space ('Where I come from . . .'), time ('When I was in college, . . .'), etc.
An important concept in the Mental Space theory is the Access Principle. In the base space of the above example sentence, there is a person whose hair is grey. This person is cognitively linked to a person in the derived space, whose hair may be any colour. The

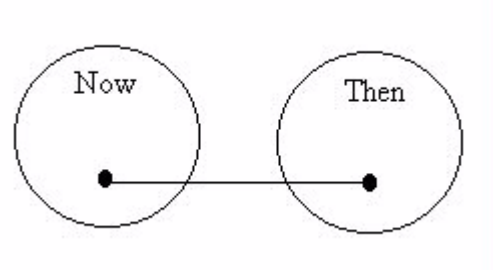
identity of both persons is realised through the Access Principle, which allows us to access the counterpart through the description of the initial element. The Access Principle states that:

An expression which names or describes one entity (the trigger) can be used to access (and hence refer to) an entity (the target) in another domain only if the second domain is cognitively accessible from the first, and if there is a connection between the trigger and the target. (Sweetser & Fauconnier, 1996: 7).

The links identifying elements in different spaces are called connectors. Connectors:

Allow a continuity of reference to hold throughout the discourse, but crucially they also allow a partitioning of information , such that an element and each one of its counterparts can be associated ith different frames and properties. (Sweetser & Fauconnier, 1996: 10)

The phrase 'the man with the grey hair' refers to a person in the base Space, but with the aid of the Space builder 'in 1952' we are simultaneously talking about what he was doing in 1952. Fauconnier has developed a convention of depicting these spatial relations graphically. In a simplified way, the relation between the two Space in the example cited here are:



There is a base space, the present situation of the speaker and a derived space, the situation in 1952. The dots marked A and B denote the man who is the topic of the utterance. A has grey hair, but his occupation is not mentioned. B was the head of the CIA at the time of the derived space, but the colour of his hear is not indicated. The line connecting both actors indicates a relation of identity through the

Access Principle. More interpretations of the example sentence can be conceived, but we will not go into these here.
Derived spaces can further trigger off other spaces, thus forming a two-dimensional lattice of related spaces. The theory provides a complete framework to analyse any piece of discourse as a network of spaces and demonstrating the identity relations between elements in different spaces.
A useful element of Fauconnier's linguistic theory is the use of frames, another derivative from artificial intelligence practice. We will quote another of Fauconnier's example sentences:

In France, Watergate wouldn't have done Nixon any harm.

According to Fauconnier, the speaker of this sentence is not referring to 'an imaginary world in which Nixon was born or lived in France. Rather, it involves the extraction of a common frame for the American and the French sociopolitical domains, and structure projection from the two domains to a third.' This sentence does not only construct an American space in which Nixon had to step back because of Watergate and a French space in which the actual president (Mitterrand) or any president could stay in office in spite of Watergate, but also a so called counterfactual space. In this space Nixon is projected as the president of France and is involved in a Watergate-like incident and this incident does not lead to any punishment.
This space building activity can be explained using a frame which Fauconnier describes as
F(Western democracy frame):
country has a **president** elected by **citizens**
president is **head** of **political party** competing with others for leadership of **country**
president's actions are constrained by **laws**, **public reaction**, etc.
action brings harm to **president** if
- it triggers negative **public reaction**
- it is unlawful and **president** is punished

The bold elements are slots indicating the roles in the actions described by the frame. These slots are replaced by fillers each time the frame is actualised. For example, the base space (the USA space) uses American political frame F in which the slot president is filled with the value Nixon and country with the value USA. Action is filled by a break-in frame BI with a slot break-in filled by the value w

(Watergate) In the derived space GB (the France Space[GB for Gallic]) the French political frame F' is used in which the slot president is filled with Mitterand (or any French president), while country is filled by France. The action slot is not filled in space GB as the president in that space was not involved in a Watergate-like incident. The counterfactual Space C has inherited the political frame F' from GB, but the role of president is filled by a neutral filler n', and break-in by the neutral filler w'. N' and w' are linked to Nixon and Watergate in the base space respectively by the Access Principle. The same principle also links n' to Mitterand (or the neutral French president) in space GB.

A hearer may react to the example in the following way:

You are wrong. Look at all the harm the Greenpeace incident did to Mitterand. (Fauconnier & Sweetser, 1996: 67)

By doing so, the hearer widens frame BI replacing the role break-in by a more general filler which likens the Greenpeace incident with the Watergate incident.
Fauconnier's theoretical framework seems to provide a lead in the right direction in our quest expand the theory of Social Integration. In Fauconnier's framework we can discover several analogies with the theoretical framework as discribed in 1.3.1 and 1.3.2 above. The analysis of the example sentence about Nixon:

suggests that, as discourse unfolds and mental spaces are set up, the recovery of meaning fundamentally depends on the capacity to induce shared structures, map them from Space to Space, and extend the mappings so that additional structure is introduced and exported. (Fauconnier & Sweetser, 1996: 67).

We can interpret this observation as analogous to Weick's process of sensemaking. As a psychologist, Weick himself was constrained by his field of expertise. As indicated above, he did realise the important role of language in the sensemaking process, but he failed to give language a proper place in this framework. Fauconnier primarily approached the subject matter as a linguist, trying to formulate a methodology to describe the steering role of language in human cognitive processes. The construction of mental spaces during the unfolding of discourse can in a way be regarded as analogous to the

contruction of reality in ongoing social interaction. Language is the vehicle of sensemaking, while sensemaking is the basis of organising. Both frameworks think in terms of processes rather than in terms of entities. The example about the head of the CIA with grey hair displays an interesting analogy with van Dongen's denial of the tertium non datur principle (van Dongen et. al., 1996: 44) and van Dongen, 1991: 48): a man's hair can be conceived as being grey and not grey simultaneously, albeit in different mental spaces. We can also discern an analogy of van Dongen's notion of thirdness in Fauconnier's theory, as speakers can bring in elements from one space into another, thus contributing to a continuous process of space construction. The main difference between the two cognitive theories is that one is a linguistic theory describing the behaviour of speakers and the other an organising theory describing the behaviour of actors. Our challenge now is to incorporate Fauconnier's framework in the one described in 1.3.1 and 1.3.2.
In the introductionary section we already pointed out that van Dongen et.al. define the micro-meso-macro distinction as a problem area in their theoretical framework, but fail to provide a solution. The cause of this failure is the definition of the core notion of organising processes: the social cognitive configuration. The notion is an extremely useful tool in understanding organising processes on the group (meso) level, but not on the institutional (macro) level. On the other hand, broadening the definition of configuration would annul its descriptive power. Van Dongen et.al. try their hand at discerning some 'larger-than-configuration' aggregates of actors (p.93):

- social aggregates: common social structures without close interaction patterns; e.g., a group of people waiting for the same bus;

- cognitive aggregates: common cognitive structures without close interaction patterns; e.g., a group of people in favour of conscription, who restrict the interaction process to the opion page of a national daily newspaper;

- social cognitive aggregates: common social structures in which the cognitive aspect plays a secondary role and without close interaction patterns; e.g., a group of parents using the same child day care centre who in that capacity jointly sign a petition to the municipal government;

- cognitive-social aggregates: common social structures in which the social aspect plays a secondary role and without close interaction patterns; e.g., participants of the same out-door sports event who exchange weather forecasts over the Internet.

Van Dongen et.al. continue by envisioning configurations and aggregates as extremes on a sliding scale on which any type of social situation can be placed. However, they immediately start reducing the continuous character of their scale, by introducing a third term, configuration-in-evolution, as something inbetween configuration and aggregate. They construct a configuration matrix (van Dongen et.al.'s term) by placing configuration, configuration-in-evolution and aggregate on the horizontal axis and social, cognitive, cognitive-social and social-cognitve on the vertical axis, resulting in a figure with 3 x 4 = 12 cells. Any form of human organising activity can then be determined according to this scheme and designated a cell in the matrix (p. 97). We will not describe the nature of each cell here. From the tenure of the text it is obvious that this part of the framework is not regarded as a final theoretical statement, but rather as a terminological play, as a means to understand organisational processes in general and the interrelation between social and cognitive aspects of organising in particular.
However, we believe that in doing so, van Dongen et.al. are violating a number of their own, some very basic, theoretical statements. Van Dongen et.al. miss no opportunity to warn against reduction, which is one of most basic traits of the modernist approach. However, the desire they display in trying to categorise organising processes seems to be just as reductive as the academic practices they are trying to oppose. Moreover, after introducing the double helix metaphor to describe the interrelation between social and cognitive aspects of ongoing organising processes, van Dongen et.al. seemingly discard this concept by trying to set up categories to distinguish organising in which the cognitive aspect plays a minor role, organising in which the social aspect plays a minor role, etc. It seems to us that, once we conclude that any form of human organising has a social and a cognitive aspect and that either are equally important to a thourough understanding of that process, we no longer need to set up categories like cognitive-social aggregate, etc. We can now reformulate what we feel that is missing in the theory of Social Integration as presented by van Dongen et.al. In order to maintain and protect the valuable

descriptive tool of social cognitive configuration, we need to define a methodological tool that:

- can describe all organising processes broader than social cognitive configurations;
- does justice to the social and the cognitive aspects of organising, as well as their interrelation;
- explains how actors can be multiply inlcuded in several such organisational processes in a way similiar to multiple inclusion in configurations.

We will take Fauconnier's notion of space as raw material to construct such a tool. We will strip off the Mental part and replace it with something else later. We will use capitals for space names, as well as for the word Space when it is used as a technical term, throughout the remainder of this study. We envision that a Space is formed by a group of actors with common cognitive and social structures, which have consequences for the organising behaviour of those actors. These common cognitive and social structures can not be determined by distributing them over a finite number of categories; the number of possible Spaces is infinite. Theoretically, all examples presented by van Dongen et.al. in their attempts to categorise organising process can be considered as Spaces. People waiting for the same bus share the expectation that the bus will arrive at the time as written in the time table of the transit company (cognitive aspect) and are waiting at the same designated space called 'bus stop' (social aspect). The organisational consequences of this Space are not immediately evident, but are conceivable. If those actors are commuters, who meet at the same time every working day and if that bus regularly arrives late, the actors may start discussing ways to take action by writing a formal complaint to the transit company. One actor in that Space may be an active labour union member, who may volunteer to draw up a first draft of the complaint, because he or she has experience in writing such letters. A labour union also constitutes a Space. The cognitive and social activity of a Labour Union Space is more intense, with more complex construction rules, than in our Bus Users Space. Later, when we develop our notion of Space further, we will show that intensity of activity is one of the more important aspects in which Spaces can differ. The particular actor who volunteers to write the petition to the transit company is multiply included in both Spaces. He

or she brings in the experience of the stronger social cognitive activity of the Labour Union Space into the interaction in the Bus Users Space. The people opposing conscription, restricting their interaction to the opinion pages of a national daily newspaper (cognitive aggregate) also fit our definition of Space. They are a group of people with a common cognitive element and regular social interaction. Actors do not have to meet to interact. The newspaper is a valid means of communication. It is even more than that. Regular publications like newspapers, magazines, bulletins, etc., are powerful triggers of social interaction. Such publications tend to have certain requirements as to what types of text will they will carry. People read a certain newspaper, because the like what it stands for. On the other hand, the editors of that newspaper will make an effort to select (or write) texts that will be to the liking of their public. Readers of the same newspaper meet each other in the street (e.g., while waiting for that bus) and other public places and may find out that they share their morning paper. The following conversation could be the beginning of a friendship, a business deal, etc. Van Dongen et.al's choice of words, when they speak of 'restricting exchanging opinions to the daily newspaper,' seems to indicate that they fail to understand the power the newspaper as a medium for actors to communicate and therefore to trigger organising activities.

We now turn to the social cognitive aggregates. The parents of the children of the same day care centre, who collectively petition the municipal government about its educational policy are defined as a common social structure in which the cognitive aspect plays a secondary role and without close interaction patterns. This definition seems easy to refute using our notion of Space. Being parents of young children, this group of actors will be more concerned with educational policy than average, as their children's future heavily depends on the education they will receive in the years ahead. Moreover, the parents share more cognitive elements than being parents of children of the same day care centre; they are also inhabitants of the same municipality. In Part II, when we will elaborate the nature of Spaces, we will show that regions like provinces, counties, cities, villages, etc., are also powerful contructors of Space. This cognitive element can in turn trigger off social interaction. Some of the parents may regularly share drinks in the same pub, be members of the same local association, or may regularly meet at, there we go again, the same bus stop. Pub patrons and the association members also constitute Spaces, where social cognitive

activity in Association Spaces tends to be more intense than that in Pub Spaces. In analogy with one of the above examples, we can envision that one of the parents has experience in petitioning the municipal government through activities in an Association Space, which he or she can introduce to the interaction in the Parents of the Day Care Centre Space in drawing up the petition regarding the educational policy of the municipality. Once more we have depicted the organising processes in terms of Spaces with certain cognitive and social aspects and actors who are multiply included in several Spaces.

The fourth type of aggregate distinguished by van Dongen et.al. is the cognitive-social aggregate, defined as a common social structure in which the social aspect plays a secondary role and without close interaction patterns. Their example is: participants of the same out-door sports event who exchange weather forecasts over the Internet. Actually, what we have rendered here as 'out-door sports event' for the non-Dutch readers is a traditional Dutch skating event, called the Eleven Cities Tour, in which participants have to pass eleven cities in the northern province of Friesland. The organising of an event, which can only take place after a prolonged period of frost, is characterized by a host of rituals (construction rules). Moreover, the number of participants is restricted and a group of old hands hold priority rights in being admitted to a particular event. This makes the Eleven Cities Tour Space a Space with activity almost as intense as in a Labour Union Space mentioned above. As the weather forecast is a decisive piece of information on which holding or cancelling a particular event is decided, this activity, regardless of the medium of communication, keeps the group of regionally designated Ice Inspectors very busy during several days prior to the event. It is a matter intense interaction, as a definite date will only be set, if all regional Ice Inspectors report that the ice of their part of the tract is sufficiently thick to hold under the pressure of a few hundred participants. The social cognitive activity involved in this decision process is so intense, that it can lead to the construction of configurations, for example a configuration of three Ice Inspectors jointly opposing to hold an Eleven City Tour on a proposed date.

We like the term Space as it refers to something that confines, but is broader than the notion of configuration. Space touches upon time as well as place, it refers to space in which interaction can take place, but simultaneously to the socially constructed limitations (impediments) of the interaction. Within a certain Space, activities proceed according to the rules that hold in that space. It is like Weick's bracketing: actors

are unable to comprehend all cues that come to them from their environment and construct their version of reality using a selection of cues. Actors give meaning to their activities and agree on rules prescribing the ways how to act or not to act during interaction and consequently start regarding those meanings and rules as existing confinements of their actions (reification). However, contrary to the framework of van Dongen et. al. we believe that this not only holds for social cognitive configurations, but also for larger groups of actors, which we are now referring to as Spaces. The cognitive element (cause maps, construction rules, etc.) of such Spaces are less specific than within configurations. Moreover, Spaces differ in their degree of specificness. Larger, more diffuse, Spaces can comprise smaller, more specific, Spaces, which will inherit the traits of the larger Space, while adding some specific traits of their own. California is a Space. San Francisco is a more specific version of the California Space. In this framework, configurations are in fact very similar to Spaces. The could be defined as small group of actors with frequent social interaction evolving around a strong specific cognitive element. As a special type of sub-Space, configurations will inherit the cognitive and social traits of the Space in which they are constructed and will add more specific ones pertaining to their particular configurations.

Spaces can also be regarded as potential triggers of organising processes. We can not only observe ongoing social interaction within a Space, but once we understand the cognitive element of a particular Space, we may attempt to predict possible social interaction that may take place, or could have taken place, as a consequence of the cognitive element of that Space, including the way(s) such interaction could be initiated and developed. Such insight will be valuable for an in-depth understanding of organising processes by organisation theorists, social psychologists, sociologists, etc., but will also serve a number of practical purposes, such as: analysis of and intervention in organisational problems, marketing research, feasibility studies, etc. We will not elaborate this topic here, but will illustrate several uses of Spaces as potentialities at several places in this study.

Our notion of Space is also an excellent tool for tackling one of the core unsolved problems in the theory of Social Integration: the nature of what are called 'organisations' in every day parlance (enterprises, associations, government institutions, etc.). Following Weick, van Dongen et.al. are weary of using nouns like 'enterprise,' 'association,' etc., because they refer to entities and easily lead to reificiation, the belief that enterprises, associations, etc., exist (p. 182 ff.). They prefer

the use of verbs, like 'organising,' which refer to processes. However, human language is not that well suited for 'reification-free' discourse. We are not only used to speak of 'enterprises' as if they exist, the structure of the Western languages forces us to refer to such products of social cognitive interaction with nouns. With our methodological tool of Space, we now have an simple and elegant solution for this problem. Enterprises, associations, institutions, unions, clubs, etc., are Spaces. An enterprise comprises a number of actors (the employees) who continuously re-construct the enterprise in their (work) daily routines. An enterprise also has a distinct cognitive aspect. Through the frequent social interaction employees of an enterprise share a certain cause map. Employees do certain activities in certain prescribed ways (construction rules). An important activity in enterprise Spaces is the production of texts (brochures of the enterprise itself, or its products, magazines, annual reports, advertisements, etc.). Such texts serve a dual purpose: they present the Space to the outside world and provide instructional material for the socialisation of new employees. The use of Enterprise Space as an example of Organisation Space has a purpose. Although we are attempting to expand a general theory of organising, our case material is taken from interaction between Western and Chinese enterprises. Before we can start analysing our cases, we will need to define the nature of enterprises in our theoretical framework. We have provided some cues in this paragraph, but will present a detailed deconstruction of an enterprise in Part II of this study.
We now have to develop the notion of Space to make it more applicable to our purpose. It may be logical to use the term Social Cognitive Space, as an analogy to the term social cognitive configuration. However, we have opted for the term Cognitive Space, which suits the concept we are looking for better and which is already occasionally used in the literature; for example:

A mapping of the British [personnel] manager's cognitive space would show connections between specific issues, often particular work practices - in both his/her own firm and others in the industry - the personnel of the firm and the individuals, such as shop stewards, who represent them. (Cray & Mallory, 1998:120)

Although we have described a Space as having both a cognitive and a social element and have stated that those elements are mutually influencing, the cognitive element is stronger in a Space than the

social element. As sensemaking, the reduction of equivocality, is the basic motor for human organising processes, the influence of the cognitive element on the social element is stronger than the opposite. Once social activity has been set off, it can in turn influence cognitive activity, which can again affect social activity, in a continuous double-helix-like process. Moreover, when we observe structures of large Spaces comprising one or more sub-Spaces, the former seem to have a strong cognitive element, while the social element is quite weak. Information, meanings, etc., are easy to spread to a high number of people through the various means of communication. However, within a large Space like, e.g., a province, opportunities for common intensive social activities diminish. Seen from this angle, we could put Space and Configuration on a gliding scale. On one end of that scale there are very large Spaces, which are almost purely cognitive spaces (Nation Spaces may be tentatively taken examples of such Spaces). When we proceed from to the other end of the scale, Spaces get smaller in terms of numbers of actors and the social element becomes more elaborate. At a certain moment, not too far from the other end, we encounter Spaces like Enterprise Spaces. Arrived at the opposite end, we find the social cognitive configurations, or shortly, configurations. There, the cognitive and the social element are equally strong.

The term 'space' does occasionally occur in the literature on social integration theory (including the Dutch word 'ruimte'). Van Dongen e.a speak of 'symbolic Space of the organisation' (Van Dongen et. al., p. 63), but do not elaborate that notion. The dissertation of one the co-authors, Maas (Maas, 1988), is called 'Undefined Spaces, social-symbolic configurations (Ongedefinieerde ruimten, sociaal-symbolische configuraties). However, he does not use the word as a term in the book. The authors seem to feel a notion of 'space,' without being able to develop that feeling into a concept and make it part of their theory.

We find a more interesting use of the notion of Space in the interesting study of Lash & Urry (1994). These authors try to combine the notion of time and Space and discuss the changes in time-Space perception in the post-industrial world. 'On one hand differences in time and Space become less and less significant as man can move around ever faster, on the other hand there are also many positive life spaces opened up by the new social-structural arrangements, in particular Space for an increasing reflexivity of subjects' (Lash & Urry, 1994: 54). In order to, temporarily, escape the fast information based Space, people create

spaces in which the lapse of time is slower, or even non-existent, where they can find an opportunity for self-reflection. Although this still is not the notion of Space we are looking for, we like to retain the idea that there can be different perceptions of time in different spaces. The main flaw of Lash & Urry, as we see it, is that their notion of 'space' is still too much bound to 'place.' We believe that place plays a role in Space, but they are different notions.
From Lash & Urry we make a jump to Foucault (Foucault, 1994), who uses the term 'space' in his chapter 5 on classifying in 'The Order of Things.' The work of natural history of a scholar like Linnaeus mainly consists of classifying plants and animals, using such categories as: name, type, attributes, etc. The last category was called Litteraria, which was a collation of everything ever written of the object (proverbs, poems, etc.). In Foucault's words:

All the language deposited upon things by time is pushed back into the very last category, like a sort of supplement in which discourse is allowed to recount itself and record discoveries, traditions, beliefs, and poetical figures.
(Foucault, 1994: 130)

And further:

The documents of this new history are not other words, but unencumbered spaces in which things are juxtaposed: herbariums, collections, gardens; the locus of this history is a non-temporal rectangle in which, stripped of all commentary, of all enveloping language, creatures present themselves one beside another,[...]
(Foucault, 1994: 131)

Here Space is described as a 'non-temporal rectangle;' another reference to the relation between Space and time, and the possibility of different paces of time in different spaces. Foucault ends that particular section observing that a zoo functions as such a Space. By putting a collection of animals in cages grouped on a limited Space, people are able to study the animals in a more specific way. Some people believe that the establishment of zoos reflected a growing interest in nature. Foucault has deviant opinion:

In fact these [exotic animals] had already claimed man's interest for a long while. What had changed was the Space in which it was possible to see them and from which is was possible todescribe them.
(Foucault, 1994: 131)

Zoos and botanical gardens are places, but when Foucault describes them as spaces, the latter concept is related but not equal to place. We now have a mental picture of Space as a limited cognitive Space with a certain perspective of time and a certain classification of the things in the world.

Foucault's emphasis on the function of classification reminds us once more of Weick's notion of 'bracketing' (Weick, 1979: 153f). According to Weick, actors only have a limited span of attention and cannot possibly observe every detail of the complex world around them. Actors will therefore attempt to simplify the world by grouping certain things together and put them between mental brackets, like the analysis of sentence structure we are taught at school. In this way the environment can be given a structure, making it easier to understand.

Although we are now very close to a satisfactory definition of Space. We would like to make one more jump; this time to the part of the world which is the object of our study. To be precise, the use of the notion of 'space' in the analysis of organising processes presently going on in the Chinese countryside by Wang Ying (Wang, 1996). The main theme of Wang's book is the process of, what he calls, neo-collectivism, and the new relation between the individual and the collective, in particular the relation between the private entrepreneur and the collective enterprise. We will try to compress the entire book in a few paragraphs.

After the abolishing of the People's Communes, the land was given back to the individual farmers, who were supposed to manage it under a system of 'household responsibility.' As a consequence, the latter changed from employees of agricultural communes to individual agricultural producers. This created a tremendous confusion. The farmers themselves were no longer used to working for and by themselves and an even more difficult problem was the question who should take care of the collective rural enterprises. The solution presently adopted in most of the Chinese countryside is that the lowest level of rural government reorganises the farmers in its region in joint stock companies, in which the share of each farmer is equal to the value of what he brings in (mostly land). The land is owned by the collective, but the individual has a right to use the land and the right to

receive his part of the profit at the end of each year. Even if a farmer decides to make a living in a non-agricultural activity, he remains part of the collective and retains his title to his share of the profits. In this way the farmers are freed from the physical land. When describing the relation (especially competition) between the rural private and collective enterprises, Wang introduces the term Space (*kongjian*):

Generally speaking, a fierce competition for Space of existence (*shengcun de kongjian*) must occur between collective and private enterprises, as both are products outside of the planned economy. Both have grown up in the market economy. Therefore, competition can not be avoided. However, if we closely investigate the relation between the collective and private enterprises in a concrete region, we will notice that, under the strong regulation of the local government, both types of enterprise will be able to find a suitable Space of existence for themselves. There does exist competition between the two, but there is actually more cooperation. (Wang: 31)

When we try to consider the implications of Wang's statements here, he first of all discerns two spaces: planned economy, and outside-plan economy (mind that we deliberately do not use the better sounding term 'non-planned economy,' as outside-plan (*jihuawai*) in China does not mean that there is no plan at all). Within the outside-plan economic Space collective and private enterprises are competing for a Space of their own. Wang seems to indicate that this expected attempt to construct separate spaces does not take place, and that both types of enterprises seem to find a way to coexist in the same outside-plan economic Space. We also observe that in Wang's view the government is somehow active in the creation of such spaces. The central government creates a Space of planned economy, and another Space of outside-plan economy. The local government (at least the one studied by Wang, a municipality in Guangdong province) assists collective and private enterprises to construct a Space of their own within the outside-plan economy. Moreover, the latter indeed seems to require some effort (strong regulation).

Wang continues stating that the Space left over for the collective and private enterprises to develop is limited. 'Several decades of planned economy have constructed a rather complete industrial system and a unified distribution system with the state owned enterprises as the main force.' The competition between collective and private enterprises is not one of life and death, as both share the struggle with the planned economy. Wang then concludes that collective enterprises specialise more in manufacturing (which requires more capital) and

private enterprises more in trading and service. In this way both types of enterprise are not only able to avoid fierce competition, they will gradually enlarge their Space, thus change the nature of their Space from limited to unlimited.

This notion of Space is very close to what we felt we missed in the theory of Social Integration. This Space is a spot on the time-Space continuum. It has a connotation of 'place,' but it is not a place. Different construction rules (can) apply in different spaces. For example, in the 'planned economy space' manufacturing, distribution, etc., are highly regulated, while that of the 'outside-plan' Space market is regulated by the dynamics of the market. Different perception of time also seems to play a role in Wang's spaces, albeit in an indirect way. His depiction of the planned-economy Space breathes an air of stability; it has been so for a long time, and it is not likely to change, and if it does, it does so very slowly. The planned economy is there to stay. Time passes much faster in then outside-plan economy Space; enterprises have to constantly scan the market and adapt to changes in order to continue their existence.

An interesting case points at one of possible solutions for rural enterprises to deal with the problem of spaces. We found an advertisement of a collective manufacturer from the same region as where Wang carried out his investigation. The enterprise advertises with two different names, written right under each other. The first name refers to its location and shows the regional ties of enterprise. The second name is that of 'subsidiary' of a state owned enterprise in nearby Guangzhou, the capital of Guangdong province. We can now start to understand this phenomenon by stating that the first name is used in the outside-plan economy Space and the second one in the planned economy Space. We could also say that that enterprise has two corporate identities in two different cognitive spaces.

Wang is not alone in his use of the Chinese term kongjian. An article in the China Business Daily (*Zhongguo Maoyi Bao*) of Dec. 8, 1997, announces that the suburbs of Shanghai will develop five spaces (kongjian) in the coming three years. These Space are:

- industrial zones
- enterprise groups
- sino-foreign joint ventures
- shareholding companies
- non-public economy (= private enterprises)

In this article, the notion of Space is deepened once more. Although Space is not the same as place, there can be a relation between the two. Industrial zones with special regulations can function as such Spaces. They are physical pieces of land, but at the same time they are a special set of regulations that only apply in that zone. Enterprises sharing a certain type of ownership, including sino-foreign joint ventures, are called spaces as well. Here, *kongjian* has become a pure cognitive notion; it is a Space in the cognitive continuum constructed by a process similar to Weick's bracketing

This article also confirms the role of government(s) in constructing spaces already mentioned by Wang Ying. This perceived role of the national and local governments in constructing Space in relation to sino-foreign joint ventures is verbalised even more directly by Han & Xu (Han & Xu, 1997: 38), when they discuss contradictions between 'the situation in China and international practice.' To overcome these contradictions, they suggest that in areas with concentrations of foreign investment, the 'soft environment (*ruan huanjing*)' should be improved and a 'small market (*xiao shichang*)' added, to create a 'emulation climate (*fangzhen qihou*)' for the foreign investors. The constructed nature of such a 'climate' is even stronger expressed by the Chinese language: *fangzhen* literally means 'to imitate reality.' Han & Xu perceive a cognitive Space in which foreign investors would feel most comfortable, but the discrepancy between that ideal Space and the cognitive Space in which the foreign investors have to negotiate in China is too large. They advise to construct a cognitive Space that imitates the ideal Space for foreign investors. This coincides with what we identified as the Foreign Investment Space (FI-Space).

The Chinese sources add another important aspect to our definition of Space: rules. Rules are also part of the theories proposed by Weick (assembly rules) and van Dong et. al. (construction rules). Realities are constructed according to different rules in different Spaces, which is a more accurate phrasing than speaking of different ways of classifying, bracketing and perceiving time. Classifying, bracketing, time perception, etc., are all incorporated in the construction rules, along with a host of other things, like cause maps, recipes to handle certain situations, etc. For example, Han & Xu's advice allows a look into what seems to be an important construction rule in the FI-Space: observing how foreigners do things and imitate that on a limited scale in China, in order to make the foreigners feel more at home. Keeping in mind all the different aspects of our problem which we have introduced above, we can now, still tentatively, define a cognitive

Space as a set of construction rules that are similar to, but more diffuse than, those used in a configuration and that are employed by a conglomerate of actors. A Space is not only linked to a conglomerate of actors, but also to a part of the time-Space continuum. In other words, Space has cognitive, social, temporal and spatial aspects. Further research may show that for each individual Space the ratio of importance of these aspects is different.
For example, the planned-economy-Space (PE-Space) we conceptionalised above could be described in terms of the four main aspects as follows:

Cognitive:
every should be done according to the prescribed rules and under the condition of unanimity or near unanimity of the relevant leaders.

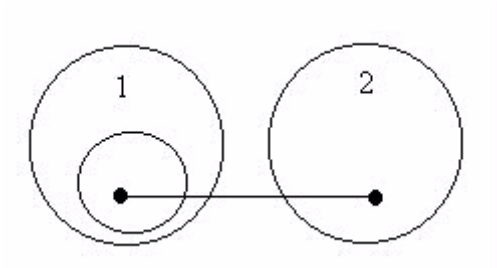
Social:
a large part of the Chinese population is still (partly) acting within this Space.

Temporal:
time perception is slow and long term; it is a Space that is not likely to disappear easily, as it is a product of the basic political and economic beliefs of the ruling Communist Party; configuration processes take place slowly, but social relations are formed to last for a long time.

Spatial:
it is a Space which exercises influence in the entire territory of the PRC.

This is by no means a complete description. Each aspect could be described in considerably more detail. However, at this stage of our description the above example will suffice. In the course of the research, in particular in working out practical cases, other types of spaces will be distinguished. We will, for example, show that some spaces have a time perception which is fast and short term. In such a Space configurations are formed quickly, but tend to be short to very short lived.
This will prove a powerful tool to explain why the stories of Western business people dealing with China on one hand advice newcomers to

approach China with a long term perspective, while they on the other hand suggest that one can only make profit in China by adopting a 'quick buck' attitude. They have been interacting with Chinese in different spaces with different time perceptions, but have failed to notice the rich social and cognitive variation among their various counterparts. This failure is the very core subject of the present study.
We will also show that some spaces contain sub-spaces. These sub-spaces will inherit the construction rules from their mother Space, but will also add more specific rules. On the social level, the number of actors in a sub-Space will be smaller than that of the mother Space. To continue our example of the PE-Space, we can envision any State Owned Enterprise as forming a Space by itself within the PE-Space. They will all share the traits of the PE-Space, but will add numerous construction rules pertinent to acting within their Space. This could be compared to what is traditionally referred to as the enterprise's 'corporate culture' (see section 1.3.5 below). Spaces can thus form a lattice type of structure resembling (though not similar as) the lattice structure proposed by Fauconnier to describe interconnections between mental spaces in a piece of linguistic discourse. We can try to adopt (and adapt) his graphic methodology, for example:



This could be a graph of three spaces, named 1, 2 and 3. 2 is a sub-Space of 1. All or most of the construction rules used in 1 will also be used in 2, but 2 will have additional construction rules specific for this smaller Space. There is an anonymous actor in Space 2 and one in Space 3. These actors are identical, which is depicted by the connecting line. In our terminology, the actor is multiply included in 2 and 3. Moreover, as 2 is a sub-Space of 1, the actor will also be considered as included in 1. The same actor could also be included in another sub-Space of 1, in which case we would have to add the drawing of that sub-Space and the actor-marker in the graph, with a

connecting line from the actor-marker in 2 to the other Space. The link between the two inclusions of the actor in this graph is of essential importance. It marks the route along which parts of the cognitive elements of Spaces can be exchanged. In more complex situations involving a large number of actors multiply included in a large number of Spaces, the links can be used to trace the flows of chunks of cognitive elements. We have adopted the term ‘trace’ from Derrida (1976). According to Derrida a texts convey ideas, meanings, etc., that are derived from earlier texts, which were also constructed from ideas, meanings, etc., from even earlier texts. In order to understand a text, one has to use a procedure called deconstruction. We will not explain the notion of deconstruction here and concentrate on the notion of trace. The link of one particular chunck of meaning of a text with such earlier texts is called a trace. Understanding a text consists of tracing back numerous such links. Van Twist (1994) has adopted Derrida’s notion of trace and expanded its application considerably. Van Twist introduces the term ‘con-text’ referring to the set of text related to the text studied (van Twist, 1994: 82). We can go one step further and use text as metaphor for products of human thought in any appearance: spoken texts, social systems, etc. The language/text metaphor has already been widely applied in recent organisation literature; for example: ‘organisation as a linguistic construct’ (Hughes, 1992), ‘social life as text’ (Morgan, 1997; 427), ‘software as text’ (Jeffcutt and Thomas, 1998), ‘technology as text’ (McLoughlin, 1999), etc. We regard the entire social cognitive structure of human society as a huge (theoretically unlimited) number of texts. In this view a cognitive Space is also a text. The cognitive element of a Space is built up from chunks of the cognitive elements of other Spaces linked through the multiple inclusions of the actors interacting within that Space. Links are possibilities. They denote a route along which parts of cognitive elements can travel. Actual use of such a link has to be established for each social interaction. In Parts II and III of this study we will apply this abstract notion of tracing links between inclusions on practical cases.

At the end of our introduction of a notion of Cognitive Space to the theory of Social Integration, it will by useful to summarise the essence of the new theoretical framework in one paragraph. We will refrain from coining superfluous phrases like 'Extended Theory' and presume that, in the remainder of this study, the term Theory of Social Integration will refer to our framework with Cognitive Space as its central notion. The core idea of the theory of Social Integration is that

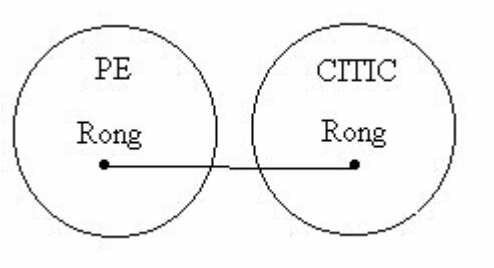
organising is a consequence of ongoing social cognitive interaction. Human actors need to make sense out of the overwhelming stream of equivocal information they are constantly exposed to. In order to reduce equivocality, actors aggregate around a shared cognitive element, through which they try to make sense of their world. Such cognitive elements can be cause maps, denoting causal relations between events, construction rules, a set of rules prescribing the ways things are done' within that group of actors, a set of stories or narratives which function as carriers of the cognitive element, etc. The cognitive element thus steers the social interaction. However, once social interaction has started, it will function as a vehicle for cognitive change. Social and cognitive activity affect each other in way that can be compared to a double helix. Moreover, the social and cognitive elements of an organising process can not be separately understood. The cognitive element can only be understood as pertaining to a certain social structure and a particular occurrence of social interaction can only be understood as being steered by a certain cognitive structure. Such a group of actors sharing a certain cognitive and social element are called a (Cognitive) Space.

Spaces can be placed on a gliding scale denoting the intensity of the social cognitive interaction between actors in a certain Space. On such an intensity scale, the Brewing Industry Space is a rather high-end Space, meaning that the social cognitive intensity is low, rules few and vague, the number of actors rather large, etc. Within the Brewing Industry Space, Heineken is then a Space positioned considerably lower on that scale. Spaces like that correspond to what are called organisations in existing organisation theory. As this term is also used in such a way in every day parlance and therefore has a strong organising potentialiy, it will be useful to retain the term organisation as a separate theoretical notion. However, this term now no longer refers to an entity but to a rather low-end Space. At the lowest end of the scale we find relatively small groups of actors frequently interacting around a very specific subject. Such Spaces are called (social cognitive) configurations. Because of the intensity of the interaction, configurations are the main vehicle of organising processes. Actors do not belong to one Space, but are included in several Spaces simultaneously. During the interaction in one particular Space, actors will remain linked to their other inclusions. Through those links parts of the cognitive element of the other inclusions can be entered into the interaction. This is considered to be the motor of organisational change. Human organising is not a well oiled machine.

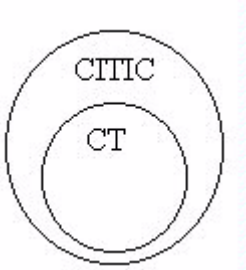
The machine regularly blocks. The most common cause for the blockage of organising processes is that (aspects of) the cognitive element of a particular Space are regarded as existing apart from the social element, a phenomenon called reification.
One paragraph is obviously too short to make a full theoretical statement. An important aspect that still needs further expansion is the way Spaces can move up and down the scale of intensity. Moreover, after this basic redefinition of the key notions and their relation, such topics as the building blocks of the cognitive element and the ways multiple inclusions affect each other will have to be deepened. Finally, apart from the final statement of the previous paragraph, we have so far never discussed organisational problems. However, with the basic theoretical framework defined, we are better equipped to continue our exposition. We will now proceed to analyse our case in terms of Space and end this theoretical Part I by introducing two more aspects of Space.

1.3.3.3 Case analysis - Space

CITIC started out as a configuration of actors in the PE-Space. The main cognitive trait of this configuration was discontentment with enterprise management practice in the PE-Space. Its main social trait was that the members of that configuration were all rehabilitated entrepreneurs. While CITIC started out as a configuration, the growing number of members soon changed it into an Organisation Space, which we will name after their company: CITIC-Space. One of the main construction rules holding in the CITIC-Space was that actors (employees) should be given the opportunity to freely develop business ideas. As soon as such an idea was found viable, a new daughter company of CITIC was established for the marketing of that idea.
Several actors interacting in the CITIC-Space retained their activities in the PE-Space. The founder, AO, for example, was a descendant of an old entrepreneurial family. After the foundation of the People's Republic, he had opted to remain in China and cooperate with the new authorities. Besides his business activities, he had also held political posts, the most prominent one being mayor of Shanghai. A0 retained his political functions. This situation can be graphically depicted as:



Daughter companies of CITIC were initiated in a similar fashion as CITIC itself. They started out as configurations and, if proven viable, were developed further into independent enterprises. These daughter companies then also developed into Spaces, which inherited the construction rules from the CITIC-Space and further developed specific rules of themselves. Just as CT was a daughter company of CITIC, the CT-Space was a daughter Space of the CITIC-Space; or graphically:



An interesting aspect of the influence of Space inclusion on organising processes is shown by the relation between Su and Chen. They used to belong to the same Ministry of Light Industry Space, which was an Organisation Space (a rather low end Space) within the Light Industry Space (a rather high end Space). Although both had already left the Ministry, they maintained contact. The cognitive structure pertaining to that social structure is that of former employer. We may temporarily conclude that having worked for the same employer is such a strong cognitive aspect in China, where quitting ones job in a state organisation was virtually impossible until recently, that it can still steer social interaction after actors have left the employment, thus constructing a Former Light Industry Employees Space. Another way

of formulating could be that in China, actors remain included in an Organisation Space, even after having left the employment of the organisation. This is a typical place where the reader would expect the term culture to appear. We will refrain from that here, as we will tackle this notion in a separate section 1.3.5 below.
Interesting for the subject matter of this study, interaction between Western and Chinese companies, is the contact between Su and the area manager of GB. Their interaction takes place in a Space that may tentatively be called International Trade Space, the construction rules of which are (partly) laid down in internationally recognised conventions. More Spaces could be discerned in our example case. However, the above suffices for the time being to explain the principle of the continuous construction of cognitive spaces.