

THE DECISION PROCESS
AT THE CENTRE OF
THE TURNAROUND OF A
FINANCIALLY DISTRESSED FIRM

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Abstract

The senior-level decision-making process of a large organization undergoing a turnaround in financial affairs was examined and the factors which were found to best describe its decision making were found to be the movement between phases, the way the members of the Committee involved themselves in the process, and the leadership activity of the chairman of the Committee.

The phases of the process were described as five: presentation, identification, familiarization, formulation, alternative assessment, and choice. In each of these phases information was processed in distinct ways and each phase appeared to present a task to accomplish before the process moved on to other phases. Movement was found to cycle amongst phases as choices were made.

Members of the Committee involved themselves in the process through various activities. Many of these activities concerned the way personal perspectives were presented and separated along with, or apart from, more objective information.

The leadership of the process had considerable influence in shaping its direction. As the leader, and president of the company, instituted discipline, enforced accountability and directed the pace and direction of the process, he shaped organizational values, and influenced the outcome of decisions.

The most significant event in the life of the company was its turnaround from near bankruptcy to profitability. The decision process was seen to have considerable influence in bringing this about, as well as factors related to the content of decisions, and the context within which the organization was set.

Part I

Introduction

Chapter 1

Background and Purpose of Research

For the 1983 fiscal year, National Sea Products (NSP) of Halifax, Nova Scotia, Canada reported a loss of 17.4 million dollars. The results for 1984 were no better, in fact, the loss was even greater - 19 million dollars! Yet, one year later, year-end 1985, the company's net income had risen dramatically to 10 million dollars. Nineteen eighty-six's results were even more impressive - a net profit of 36 million dollars (National Sea Products Ltd. Annual Report, 1986): During this time, the value of the company's common shares rose from a low of 5 dollars per share to a high of 40 dollars on the Toronto Stock Exchange.

The company's performance was notable given the magnitude of the recovery and the size of the company. National Sea Products is one of the world's largest fully-integrated, harvesters, processors and marketers of fish products; North America's largest supplier of seafood products; and Atlantic Canada's largest private employer with eight thousand employees.

The company's performance attracted much attention and praise from the fishing industry, food trade, financial community, and the general public.

Little more than a year ago, National Sea Products seemed headed towards bankruptcy and there were rumblings of it being turned into a Crown Corporation. Today, the situation has turned around completely (Atlantic Business Magazine, April, 1986, p.20).

After nearly going bankrupt two years ago, NatSea has forged a spectacular turnaround (The Financial Post, December 8, 1986, p.21).

. . . National Sea Products has made a text book corporate recovery (The Halifax Chronicle Herald, August 17, 1985, p.10).

While some firms that were formerly in trouble have recovered miraculously (National Sea Products, for instance), (Block et al., 1988, p.17).

Its financial and operating turnaround complete, the company has entered a period of strong, visible earnings growth (Richardson Greenshields. Canadian Research Report, October 1, 1986).

The world-wide fishing industry has always been vulnerable to dramatic swings in performance depending upon availability of stock, foreign currency exchange rates, and international competition, but the rebirth of profitability at NSP was attributed not only to the riding of a new crest in a returning wave of industry prosperity, but to management's ability and, in particular, to the decisions made and the strategy implemented by the senior management under the leadership of its new president. Several local and national publications presented it in the following manner:

Gordon Cummings [president of NSP] puts National Sea Products back on course (Atlantic Business Magazine, April, 1986, p.20).

NatSea a winner under Cummings (The Halifax Chronicle Herald, July 1, 1987 p.10).

It's a classic MBA problem. You find out where you are losing money. You cut back. They've done that They've done everything they had to do to make money (The Halifax Chronicle Herald, August 17, 1985, p.10).

The source of most of the significant decisions made during this time was the Operating Committee, the senior-level decision making group of the company. In its weekly meetings significant operational matters were routinely monitored and changes made where deemed necessary, as well, strategic plans were formulated for extending the company's business into new areas. The president and senior vice presidents of the company constituted the membership of the committee and, subject to the broad guidelines and periodic scrutiny of the board of directors, this group made the major decisions affecting the strategic direction and daily operation of the company.

From August 1985 until June 1986, I had access to the weekly deliberations of the Operating Committee and to its members. Through observation of these meetings and interviews with the president and the senior vice presidents, I was able to gain an inside view of the details and dynamics of the significant issues during this critical period. I also had a panoramic view of the scope of the company, its structure, its business, and its relationships with the vital political, social and economic constituents of its environment. Even more

important for the research I wanted to do, I was able to view and gain some insight into the decision making process which was at the center of this transition.

In beginning my research, my intent was to seek out and negotiate involvement with an on-going, high level, decision-making group within the context of a publicly-traded corporation. There were several issues I wanted to explore in relation to the decision-making activity of such groups. Of primary interest to me was the gaining of an understanding of what occurs during an on-going decision process by first describing and then analyzing what seemed to me to be the key aspects of the process. In relation to this, several questions regarding the process interested me: is there a structure, or less formally, a flow, to the decision process; are there phases the decision process goes through, and, if so, what occurs during these; what are helpful and unhelpful modes of participation by individuals; in what overt and subtle ways is the process managed by its leader; what part is played by such covert structures as values; can evaluative statements be made about what is an effective process; what factors become important in the investigation of an on-going group as opposed to the one time examination of particular decision; and what can be learned from this study of a particular group which might aid the understanding of the decision process of other groups.

In gaining access to the senior-level decision making at National Sea I obtained a bonus - being inside a company going through a crucial and significant period of its history. This situation made the study energizing and because the Operating Committee was involved in the setting of a new direction, it made their activity even more important and worthy of study. I feel I was extremely fortunate to have had this opportunity. From a research perspective, it is rare to have such access to a high-level group making decisions which have considerable and direct influence upon the fortunes of a company. I had some immensely interesting and important data opened up to me and evoked in me has been an appreciation of the richness of this opportunity and a commitment to treat it in a disciplined and informed manner.

Company Background

In this study of the decision process of the Operating Committee, the objective was to enter into the situation and to understand its interior dynamics. As will be discussed in Chapters 3 and 4, a qualitative methodology was chosen as the most appropriate means for carrying out this kind of investigation. Qualitative research strives for a balance between description and analysis with the role of description being ". . . to establish the context,

structure, and process to be explained" (Pettigrew, 1985b, p.247). Background and context are vitally important to the process of understanding and interpreting qualitative data (Patton, 1986, p.9), therefore a brief history of the company and the formation of the Operating Committee is given. This will be referenced throughout the description and analysis of the decision-making activity of the Operating Committee in subsequent chapters.

National Sea Products had its origins in 1899 as a small Nova Scotian fishing company. It grew considerably larger in the subsequent years through mergers and acquisitions to a place where, in 1985, it had one of the world's largest off-shore fleets - sixty-one vessels including an extended-range factory freezer trawler (the only one licensed in Canada), sales of 500 million dollars, and eighteen processing plants located in Canada and the United States as well as interests in fish processing operations in Uruguay and Australia. It produced and marketed a wide range of raw and processed fish products in both the traditional and current-trend forms. It also expanded into other high protein food products such as pasta and frozen chicken (of which it had one-quarter of the Canadian market in 1984). Approximately nine percent of its 1985 sales were international and two-thirds of these to Portugal, France, and Japan.

In 1977, it was taken control of by a much smaller company - H.B. Nickerson of Sydney, Nova Scotia through the purchase of a controlling block of its common shares. As their own business became mired in financial difficulty, Nickersons started to take a more direct part in the management of National Sea (interview with the former president of NSP). Various agreements were made so that National Sea could lessen some of Nickerson's financial problems. These arrangements were promoted primarily by Nickerson's bankers who, it is said, saw National Sea as security to cover their loan exposures to Nickersons. National Sea was to buy their inventory and market their products as well as to purchase any long-term assets which Nickersons's wished to dispose of and National Sea wanted (interviews with NSP vice presidents).

Apart from Nickerson's difficulties and interventions into the affairs of National Sea, National Sea had its own problems. By the early 1980's, the whole east coast fishery was in demise. Nineteen-seventy eight and 1979 had been years of record sales and profits, but from this level, the fortunes of the larger off-shore companies, like National Sea, began to decline. A number of factors accounted for this. In the period 1977 to 1979 the industry had expanded rapidly. In 1977, Canada had extended its coastal economic zone from twelve to two hundred miles. This greatly increased the stock of fish available to Canadian fishermen by excluding virtually all

other nations from the area. Nineteen seventy-eight and 1979 were years of record profits for the fishing companies, largely as a result of this extended supply of raw product. East coast companies expand their fleets and land-based processing plants to take full advantage of what looked like a prosperous future. What followed had not been expected - a reduction in quotas to help reverse a trend of gradually depleting fish stock; record high interest rates during the period 1980 - 1984 (the prime rate peaked at 22.75% in 1981) which escalated the costs of highly leveraged companies whose expansion had been funded mainly through debt; falling US prices (60% of Canadian fish products were exported to the United States); and increasing costs, especially for trawler fuel oil ("Canada's Atlantic Fishery." The Canadian Banker, Vol.92, No.6, December, 1985).

A federal task force chaired by Senator Michael Kirby identified further problems. The study concluded that the management skills of fishing companies were excellent for running small to medium-sized companies, but were inadequate for running what was now big business. (Kirby, 1983.)

Losses for National Sea in 1983 were substantial - 17 million dollars. These were due to adverse industry conditions, the dispossession in 1983 of an unprofitable insurance subsidiary, and the unloading of inventory at below market prices (interview with former president). As

part of the highly cyclical fishing industry, National Sea had gone through previous periods of distress but this time the company's desperate financial condition brought it to the edge of bankruptcy and potential nationalization. In 1983, the federal and provincial governments considered a plan to restructure the company along with the other stricken, large east coast fishing companies. At stake for the government was the survival of substantial corporate entities, jobs, and social stability. The restructuring was to happen with an infusion of public funds. The plan called for, amongst other things, the dismantling of Nickersons and the sale of its assets to National Sea. Preferring to avoid government ownership, the president of National Sea approached a group of private investors in March of 1984. The investors quickly responded with a proposal for a private restructuring (interview with former president). The plan was accepted by the major creditors and governments. In the private restructuring much of National Sea's debt was exchanged for preferred shares or rescheduled. The private group purchased fifteen million dollars worth of new common equity. The debt and assets of Nickersons were absorbed by National Sea, and one of the main figures in the private group became chairman of the board of directors of National Sea.

The restructuring brought immediate relief from burdensome interest payments and assured the company of a

future in which they could wait and hope for ameliorating industry conditions to solve some of their own internal problems. But the results for 1984 were even worse - a loss of 19 million dollars! In June of that same year, when a loss for the year seemed inevitable, the Chairman of the Board acted in a concerted effort to bring improvements. G.E. Cummings, a senior partner in the national consulting firm of Woods Gordon was hired by the Chairman to do a senior management audit. After completion of this task he was engaged on a permanent basis. The relationship was formalized in his appointment as Vice President and Chief Operating Officer in December, 1984, and then as President in August, 1985.

Cummings, on becoming Chief Operating Officer, instituted a new procedure for senior management decision making - weekly Operating Committee meetings.

History of the Operating Committee.

Prior to the establishment of the Operating Committee as the senior-level decision making body, the Management Committee, under the chairmanship of the former president, was the designated forum in which senior-level issues were aired and decisions made. The interviewing of corporate personnel, some of whom were members of both committees, produced the clear impression that the agenda, the leadership, the membership and process of decision making were markedly different in the two groups.

The Management Committee was comparatively large. Those interviewed did not agree upon its exact size but suggested its membership ranged between ten and sixteen. The discrepancies in estimates can best be accounted for by the fact that the size and membership varied over time, and, as well, there was a practice of inviting in other company officials during particular meetings for the discussion of specific issues related to their expertise. It appears that people sat on the Committee as a result of their titles and/or long-term association with the company. There was no attempt at consistent representation of all the functional areas, and rank in a department was not always a criterion for inclusion. One vice president who sat on both the Management Committee and the Operating Committee suggested that he should not have been on the Management Committee, his superior should have been, but he was not because of personality conflicts his superior had with other personnel on the Committee.

All those interviewed, including the Chairman of the Management Committee, suggested that the committee was too large. The size, some believed, made for lengthy meetings, too many opinions, discussions which were too long and few decisions. Another vice president, a member of both committees, said the numbers were too large to fit around the conference table and this created an "inner" and an "outer" circle. Those on the "inner" circle had more influence, while those who sat on the "outer" ring

were mainly observers. One interviewee suggested that only about three-quarters of those attending participated and the meetings were dominated mainly by three or four key people.

In interviews, a consensus about the decision process of the Management Committee readily emerged. It was felt that little seemed to ever get decided. Few concerted efforts were ever made to act upon recommendations or initiate action plans which had been formulated. One of the main decision management techniques was to appoint committees to discuss and report on any issues which the meeting could not resolve. When a decision was made, very often it would not be followed up to see if, and how, it had been implemented. Accountability was felt to have been almost non-existent. One person interviewed referred to the meetings as "deferral city," alluding to the number of decisions which were postponed and never consummated in a specific choice. Some felt that too often decisions were made on the spur of the moment with little ground work or preparation preceding them. Little long-range planning or budgeting was done.

Meetings were not necessarily a weekly event. The Chairman of the Committee suggested that if there were no important items to discuss, there would be no meeting that week. One attender suggested that the meetings rarely stuck to the agenda.

Within the meetings it was reported that there was little open disagreement. One person suggested that the Chairman presented himself as the "benevolent dictator." There was a feeling that most of the major decisions were made in the president's office but offered to the Committee as if they hadn't been. He sought consensus and when none was forthcoming, no decision was made. Another, recalled with a sense of frustration that there was much of "spinning of wheels" in the meetings. A vice president intimately involved in the restructuring said the Chairman decided to keep these negotiations secret from the Committee because he felt they couldn't handle it and "it was none of their business." This vice president went on to say that he thought the decision was probably right - the Committee was not used to dealing with such matters.

One of the results of this kind of direction and decision management at the highest level appears to have been a lack of coordination at the organizational apex where it was needed. It appears that there was a lack of awareness of what each department was doing as well as a failure to involve all relevant people in decisions which were cross-functional. It was suggested that there was little sense of participation or involvement in the business as a whole. Individuals tended to stay in their own parochial areas and were concerned with issues only relevant to their function. Over time, some officials of the company felt something important was lacking and began

to believe that the heads of the functional areas ought to meet on a weekly basis to receive and review operating information and to coordinate activity. Two of the vice presidents initiated the forming of the Operating Committee, which was to be a sub group of the Management Committee. Cummings was asked to chair it.

During the years in which the financial condition of the Nickerson company began to worsen and the senior officials of that company became more involved in directing the affairs of National Sea, the attention of the Management Committee seems to have been distracted and its action even less efficient. The Chairman of the Management Committee suggested that this kept them away from leadership and managing their own business. One participant in those meetings said that an inordinate amount of time was spent on going over the minutes of the previous meetings. Minutes contained elaborate details and those from the Nickerson organization were especially concerned that they were "correct." They wanted to assure that matters which had not been their responsibility did not appear as such nor that anything was said which might displease their creditors.

After the restructuring, the opportunity was provided for senior management to get back to the basics of the business of National Sea and to make some long range plans. Instead of improvements, however, more losses ensued. The financial loss for August, 1984, alone, was

five million dollars. It is reported that the president was surprised by the size of the loss and insisted for a while that it was an accounting "aberration" and not a true economic loss. Some perceived an attitude of endurance and determination to "ride out" this downturn with the optimism that the trend would soon reverse itself as it had before in the past. Much to the disappointment of some in senior management, no plan was proposed for improving the situation. Many feel that it was at this point that the major stock holder decided to replace the president of the company.

Cummings had been brought in as a consultant. After his appointment as Chief Operating Officer, he began to work with individual vice presidents and the Operating Committee. It soon became his responsibility to chair the Operating Committee and gradually the Management Committee was dissolved as vice presidents changed their reporting responsibilities to him. This phasing over reflected the giving over of the senior management of the company to Cummings, away from the former president.

Members were added to the Operating Committee and an immediate difference was noted by its members in the way in which it made decisions, compared with the former Management Committee. The following differences were suggested by vice presidents: it was more "streamlined"; "people were made to do things"; and the new Chairman was

seen as "more organized, set goals and reinforced accountability."

During the time Cummings was assuming leadership of the Operating Committee, he scheduled a week-end retreat. The retreat's stated purpose was to work on, and produce, a mission statement for the company. Cummings' stated his other personal objectives during this retreat as wanting to assess the particular strengths and weaknesses of the members of the Committee and to help the group begin to coalesce as a working unit (interview with Cummings). Cummings' account of some of the programmed activities, symbolized for him the way the company had been run in the past and how senior management related to one another. He asked them to take part in an exercise in which they had to simulate a plane crash in the wilderness. They were instructed to use their collective resources to survive. Cummings said that as they tried to work out their plan he was aware that they weren't listening to one another and the suggestions of one of the members of the group who had gone through an actual crash and survival were ignored while the former president devised a plan and "sold" it to the rest of the group. A more detailed description and analysis of the way the Operating Committee proceeded constitutes the remainder of this thesis, for now it is important to describe some of the characteristics of the way the Committee proceeded so these can be referenced later.

Procedures of the Operating Committee

The Committee met each Monday at head office in Halifax, in the Board Room around an oblonged-shaped table, large enough to accommodate all members, plus periodic guests. Meetings usually began at noon with lunch being brought in. The day and time were adjusted only infrequently to accommodate other scheduled corporate events, such as trade shows, or the planned absence of the chairman. Meetings lasted on average six hours and sometimes went as long as nine. The Marketing Vice President and Vice President of US Operations could only be present for every other meeting, therefore, a pattern was established whereby they were absent the same week and the weeks they attended the agendas were longer with more substantial items included. The agenda was divided into two main sections - "Items for Decision" and "Items for Information." Each section usually listed about a dozen specific items, with the initials of the person or persons responsible for that item beside it. Some were new items and some were up-dates of previous decisions and discussions. The Chairman's rationale for the division was that it was a long meeting and he wanted to assure that people's energies were at their height when the more important decisions had to be made. This accommodated the realistic assumption that energy and attention tended to wain as time went on. Quite frequently a third general item would be included - "Thirty Minute Presentations."

During these times someone from the corporation would give an overview of the work of their department along with a highlighting of specific items which needed the Operating Committee's attention.

The Committee was comprised of the president, former president, senior vice presidents, and a secretary. All functional areas were represented on the Committee - Human Resources, Data Processing, Finance, Marketing, Canadian Operations, US Operations, Fleet, and International Marketing. No one was excluded who did not have senior reporting authority in the chain of command. That is, all other members of the organization not there were accountable to someone in the room. The Vice-President of International Marketing reported to the Vice President of Marketing and logically could have been excluded from membership, but the President felt that he should be there because he represented ten-percent of the business of the company, and just as important, the President saw him as an intelligent young man with great possibility and he wanted to reward and encourage his development.

The Committee was ultimately responsible to the Board of Directors. The membership of the Board, except for the president and former president, was drawn from outside the management group. The Board met quarterly and reviewed the budget and strategic plans of management. The former president did not feel that they interfered with management. This was in sharp contrast to the days

when he said the Nickersons gave seats on the Board to themselves, representatives of their chief banker, and the government, all in an attempt to direct the affairs of National Sea to their best advantage.

Members of the Committee described it as the vital, decision-making body which drove the organization. It was felt that it was seen by the rest of the organization as a no-nonsense, hard-working, decisive committee which dealt with issues of importance. Members of the Committee were also in agreement that the important decisions of the company were made there. It was felt that there was a minimum of decisions made outside of the Committee. If some decisions were made outside, there was confidence that, at least, the direction had been laid in Committee meetings. That direction might be ultimately consummated outside of the Committee, for reasons of expediency, but there was certainty that the Committee would subsequently be informed of those decisions. The feeling was strong that no one was circumvented in regards to important, company-wide decisions. There was also a feeling that people's sensitivity was improving toward the type of issues which should be brought to the Committee and which ones didn't need to be.

Content of Decisions

A brief listing of the content of the subject matter of Operating Committee discussions is given to indicate the

scope of their responsibilities and as background to subsequent description and analysis.

The content of the meetings can be classified and described in a number of different ways. They may be distinguished as matters related to operational efficiencies, or long-range strategy planning; as responses to events set in motion by external agents, or proactive initiatives designed to develop opportunities and forestall potential problems; and as external matters outside the company's control, or internal matters directly influenceable. The classification schemes offered by various authors share much in common (Cooke and Slack, 1984; Gilligan and Neale, 1983; Drenth, 1979). They include considerations of the level at which particular types of decisions should be, or are, made within the organization, the amount of ambiguity, uncertainty and conflict surrounding the issues as opposed to the routine nature of the matter, the "action space" (Radford, 1977, p.33) (larger action spaces contain more factors, more complexity and the extension of consideration out towards the boundaries of the organization to where it meets the environment), the degree of criticalness for the long-run health of the firm, and the amount and type of organizational resources required to reach a resolution. The classification proposed by Ansoff (1965) has been chosen as representative and a helpful way to classify and describe

the types of issues with which the Committee dealt. It includes operational, strategic, and administrative decisions.

Operational. Operational matters included matters related to budgeting, scheduling resources, and the monitoring and control of daily operations. Meetings always began with a review of the "Key Indicator Report," a compilation of statistics related to the previous week's performance in regards to the following: plant production and labour efficiency; over-time and quality of out-put; fleet performance, specifically, tons of fish caught, species, and coastal zone in which they were caught; percentages graded in various categories pursuant to quality standards; mechanical difficulties of ships and any resulting "down" time; amounts in inventory and age; and sales volumes and margins. In addition, a more extensive monthly report was given by product on sales with the comparative results of competitors. Time was also given each week to the consideration of capital expenditures for maintenance and repair.

Strategic. Strategic matters related to the allocation of products to markets, long-term objectives and goals, and acquisitions and disinvestments. Consideration of these occupied about a quarter of the time of the Committee. Specific strategic issues involved the assessment of acquisition candidates and joint venture projects; disinvestment from present markets and

operations; the launching of new products; and the modification of vessels to allow for a change in the way fish were stored at sea and unloaded at dock-side in an effort to improve quality, a traditional problem in the Canadian fishery. The Committee decided to acquire a major United States processor and distributor of fish products during the period of this research and made arrangements to make a sizeable investment in the west coast aquaculture industry. They were also able to secure a license for the first Canadian factory freezer trawler giving them the capability to catch and instantly process fish at sea. The Federal Government had denied all previous applications in an attempt to balance the interests of large "off-shore" fishing companies and small "in-shore" fishermen.

Administrative. Administrative matters included the organization of information, issues of authority, work flows, and the allocation and development of organizational resources. Considered were such matters as: the creation of a new vice presidential position with responsibility for long-range planning and governmental relationships (this was expected to relieve some of the work load of the president and assure attention was given to these crucial matters); policies on the leasing of company cars and corporate donations to charitable organizations; public relations efforts; conflicts between the marketing department's product development objectives

and the work of a semi-autonomous research and development division; the balancing, often on a weekly basis, of the increased demand for fish and a fixed and decreasing supply of raw material; the preparation of annual budgets and the awarding of contracts; the type of management training required in keeping with the style of management valued; the procurement and protection of yearly fish quotas allocated by the Federal Government; action taken by a group of American fisherman to have their government impose a countervailing duty on the importation of Canadian fish into the United States; law suits brought by competitors; the lobbying for a cull of grey seals (protected by environmentalists) which were consuming and contaminating fish stocks; and the involvement in various industry coalitions and groups lobbying the Federal Government for support. The quota issue brought the company into conflict with small in-shore fisherman who were competing for an increased share of the total fixed quota. The Committee spent much time with reports and assessments of action taken by the government and the in-shore fishermen. Time was also spent designing strategy which would deal with those actions and help to accomplish their objectives. The countervailing action went through a lengthy process of hearings and was met by challenges from the Canadian government and the Canadian fishing industry. Consideration of how this threat should be met occupied a lot of the Committee's attention. The outcome

of the legal action was the imposition of a minimal, token tariff on Canadian fish, much less than had been demanded by the US fishermen.

Thesis Overview

The background information presented above delineates the context in which this research has taken place and the events which drew the attention of the Operating Committee. Some of these events preceded the collection of data in the Committee, others were concurrent with data collection. What is of interest to this research is the nature of the decision process which evaluated these events and made decisions to influence them or benefit from them. A brief summary of the rest of this study is given here to indicate how that process was investigated and what was found.

Chapter 2 gives an overview of the various methodological approaches, theoretical perspectives, and empirical findings in the decision-making literature. Using this as a background, the chapter outlines the particular approach of this research which is characterized by three things - a multi-faceted view of decision making, data collection which is done during the event, and analysis which avoids pre-formed theorization in favour of emergent conceptualizations. Chapter 3 is a

theoretical discussion of the intention and nature of research activity. It also explains the reasons for choosing a qualitative methodology for this study and outlines the salient features of that methodology. Chapter 4 describes the procedures used to collect and analyze the data. Chapter 5 acknowledges that a comprehensive account of the firm's decision-making activity should make use of a framework comprised of the interaction of process, context, and content. Chapter 6 focuses on process and delineates phases, activities of the group members, and leadership as the important foci for investigation. Chapter 7 begins a fuller discussion of phases as it describes the "presentation" phase. In this phase issues were presented for consideration as a blend of factual information and personal perspectives. Chapter 8 considers the "identification" phase during which issues gained status in the group and interest and energy was mobilized to deal with them as problems, opportunities, or crises. During the "familiarization" phase as presented in Chapter 9 the group began to create a shared understanding of the issue as they explored its antecedents, consequences, and became more familiar with its details. Chapter 10 explains the crucial phase of "formulation." It is during this phase that the "question was put" and the group moved from an understanding of the issue to a resolution. Decision making is more than the creation and choosing from amongst various alternatives,

but it is a significant component and is preceded by the activity of the other phases described. Chapter 11 describes the "cascading" manner in which alternatives were considered and assessed against their consequences, constraints, and rational criteria. Chapter 12 portrays the three factors which accounted for the actual choices made - the group's aspiration level, the balancing of referent factors, and the procedure for inducing and formalizing choice. In Chapter 13 the path configuration of decisions is reflected upon and factors are identified which accounted for the pattern of sequencing amongst phases - goal direction, content, leadership, and interruptions. Chapter 14 examines one important activity engaged in by members of the Committee - framing. Framing which is defined as the blending of facts with interpretations, was seen as an important influencer of the content and direction of the decision process. The movement between "figure and ground" as described in Chapter 15 was also important to the decision process. It allowed members to shift their focus between details and the wider context in which those details were set. As explained in Chapter 16, the chairman of the Committee, also the president of the company, exerted considerable influence over the Committee as he enforced accountability, controlled the pace and direction of consideration, and managed the involvement of others. The implications of his activity were that he shaped the

content and process of the decision-making activity. Chapter 17 delineates his control over the process in terms of his influencing of opinions, values, and the climate of the Committee. Chapter 18 is a concluding chapter which reflects upon the strengths and weakness of the decision process and identifies the factors which most likely played a part in the turnaround of the company. A postscript brings the situation up to date with a review of the recent history of the company.

Chapter 2

Intention of this Study in the Context

of the

Relevant Literature

Importance of the Organizational Decision Process

The dramatic and tragic mid-air explosion of the US space shuttle Challenger in 1986 was followed by an investigation which identified a "flawed decision process" as the major contributor to the accident (Newsweek Magazine, March 3, 1986, p.175f.). In this instance, it was said that the decision to launch was preceded by lapses in the application of quality and safety standards and an overriding compulsion to initiate action in order to serve other values. This incident and its subsequent analysis drew popular attention to the centrality and importance of the quality of an organization's decision process for its actions.

As the incident quoted above implies, an organization's decision-making process is central to its actions and, therefore, the study of the way organizations go about making decisions is an important and worthwhile endeavour. The decision process occupies a central position in organizational activity (Simon, 1957). It has been equated with the act of management itself (Welsch and Cyert, 1970, p.7) and Ansoff (1965) has even suggested

that it is the cornerstone of successful management (p.vii). In order to understand and influence organizational action it is necessary to understand the process from which that action emanates - the decision process.

Decision making is the activity in which the raw, amorphous ingredients of information, intention and perception are transformed into action, action which shapes the character of the organization, and determines its structure (March and Simon, 1958). Decision making is the crucible in which the details of external and internal conditions, interior organizational predispositions, individual abilities of cognition and judgement, and social process merge and issue in action. Organizational action arises from the organization's decision process, regardless of its degree of rationality or effectiveness. In attempting to understand action it is, therefore, important to understand the process which fostered it. As Cray et al. (1984) point out ". . . understanding the strategies of organizations inevitably requires a clear comprehension of the process of decision making" (p.2). Bass (1983) in agreement with this connection suggests that the effectiveness of decision making processes has a lot do with how the organization solves problems and exploits opportunities (p.2). A recounting of the centrality of decision making in organizational life is not to say that effective decision processes will

inherently lead to the accomplishment of organizational goals or that poor results will always be the outcome of a faulty process. One cannot draw the connection so tightly as to exclude the presence of such matters as self-liquidating problems, the beneficial or detrimental action of those outside the firm, unforeseen environmental conditions, and "luck." However, the action taken by an organization, in spite of its final success or failure, as measured by a chosen standard, is the result of some form of decision making. After allowing for the effects of chance and the unforeseen, the decision process with its structure, process and content, is what remains accountable. (Some have gone on to argue that even the ability to calculate and incorporate the probability of "unforeseen" circumstances is a responsibility of a good decision process (Moore and Thomas, 1976).)

Although there is general agreement that outcomes of organizational decisions are reflective of the process by which they were generated, views differ as to how demonstrable those connections are. For now, this argument will be avoided. The primary focus of this research is the decision process of the Operating Committee, apart from its outcomes. The intention has been to understand the process from which decisions concerning operational and strategic matters resulted. The link between process and outcome is a matter deserving attention and will be commented upon in Chapter 18 where

conjectures will be offered about the judged relationship between the company's successful financial realignment and its decision process. An understanding of the decision process of this senior-level body, apart from the success or failure of its decisions to bring about the objectives it desired, is important for an understanding of the factors which influence decision making in an organization.

The richness of the research setting available in the Operating Committee presented a temptation to divert from the initial intention of this research - a study of the activity of a high-level decision making body in process - and to focus on the more sensational aspect of the story - the turnaround. The hope of being able to use this strategic vantage point from within the senior-level policy making body of the organization to convincingly "prove" what had caused the turnabout in financial fortunes was alluring, even the modest hope of coming close. Its ready acceptance and diagnostic and prescriptive employment by a wide variety of practitioners in such fields as investment analysis and strategic planning was imagined. In the end, a strategic analysis was decided against in favour of the keeping with the original intention of a study of process. There were three primary reasons for this - epistemological, data availability, and desire.

First, it was not felt that it would be possible to conclusively prove what factors contributed to National Sea's renewed fortunes. This type of knowledge is illusive and tentative at best. It would have been difficult, if not an impossible task, to unravel all the factors which contributed to the improved profitability of National Sea and to say with any degree of confidence what the links were between identified cause and effect. The variables were too complex and convoluted in their construction and interrelationships. One would never know if an identified cause was a sufficient and necessary precedent of outcome. Neither would one know something else of crucial importance in such matters - where good luck and management's ability meshed.

A more modest attempt might have been to chronicle the particular decisions made by the company in response to perceived problems or opportunities and then correlate them with outcomes. Standards of rigour could have been lessened in hopes of gaining a modicum of understanding of what the company did, and why, and what the linkages were between outcomes and action. One of the main reasons this was not attempted had to do with the particular nature of the data which would have been required. This task would have required significant amounts of financial and operational detail regarding specific strategies at various levels within the organization. This particular kind of data was not available, nor was it sought.

Forestalling any attempt to acquire the necessary data for such a strategic study was the nature of my contract with National Sea which gave me access only to the deliberations of the Operating Committee and its members. An even more relevant prohibition was a lack of desire on my part to seek it out. My intention has been to learn about a senior-level decision process in a publicly traded organization where the group's decision making activity was seen to be a critical factor in the company's fortunes. The acclaimed success of National Sea and the significant role of the Operating Committee in those decisions reinforced my belief that a study of this particular group, at this time, while it was in the midst of a radical transition would be extremely worthwhile.

The study of the process of decision making is important because decision making is not a mechanical, dispassionate intellectual process laden with routinized procedures, but a human activity requiring discernment, judgement, and the balancing of various factors in the context of changing events. A study of strategy would have missed these aspects for it is largely a study of the rational aspects of choice (Simon, 1957). The study of the rational and behavioural aspects of the decision process should be able to aid decision makers in reflecting upon their participation in such processes, and help them to improve the overall quality of the process. A study of the process of decision making can lead to

several things, amongst them: an increased understanding of the significant elements comprising the process; an awareness of the way in which participants involve themselves in helpful and unhelpful ways; familiarity with cognitive modes of processing content; and an appreciation of constraints imposed by information, organizational structure and the environment. An increased understanding of these factors should lead to reflection, learning, and improvement. Soelberg (1967) makes the point succinctly: ". . . in order to improve management decision making it is useful to know how organizations presently make decisions" (p.19).

The particular focus of this research and the way in which it has been carried out is best understood in light of previous research done on decision making.

The Decision Making Literature

Organizational decision making has for more than forty years been an important and singular focus for the application of theorizing and empirical research. Interest was spurred on, if not launched by the disciplined attention to linguistic and conceptual formulation in the understanding of administrative behaviour with the publication in 1945 of Herbert Simon's Administrative Behaviour. Simon helped to surpass the

limited and naive understanding of administrative activity as economically rational people attempting to maximize their own utility, by directing attention towards a deeper level of complexity where sub-optimal outcomes often contradict rational intentions and where attempts at prescriptive formulations are supplanted by initiatives to understand human dynamics and group process apart from an idealized state of rationality.

The study of decision making has moved through the disciplines of political analysis, social psychology, educational psychology, cognitive psychology, organizational behaviour, and administrative behaviour to where it now provides copious insights into intra- and inter-personal dynamics, psychological and social processes, cognitive procedural structures, management facilitation and potent manners of proceeding on individual, group and organizationally contextual levels (see Bass, 1983 for a comprehensive summary).

Rational Models of Decision Making

Managerial decision making has been investigated from a number of different perspectives and various sets of theories have been suggested to explain what occurs, or should, during the process. The classical "econo-logical" (Thompson and Tudden, 1959), or "rational," approach with its economically logical models has viewed the process as embedded in a micro-economic theory of the firm with an

undeterred striving towards utility maximization in a known environment with identifiable variables and consistent objectives (March, 1976; McGuire, 1964). In this model the process is viewed as an orderly and logical movement through problem formation, the gathering and assimilation of information, the generation of a set of feasible alternatives, to the final choice based upon the ability to determine the outcomes of the various actions and their relative desirability. John Dewey (1910) is credited with the original systematic formulation of this approach to problem solving. The rational model has fostered the development and use of the application of quantitative techniques to decision making (Randor et al., 1968; Randor and Neal, 1973). These techniques have allowed a more mathematically structured and precise approach to optimization than had been previously possible. In this model with the aid of quantitative procedures, problem events are viewed as amenable to structuring and programming so that a set of feasible solutions can be generated. Optimal solutions can be produced with the use of powerful computers using problem-solving algorithms.

Neglect of an appreciation for such substantive matters as non-rational exigencies, the organization as a social process, and the impossibility of quantifying all variables, even with an attached probability, has exposed the weakness of the full theoretical extension and

application of the rational-logical approach especially to problems which are ill-structured, non-routine, non-programmed (Simon, 1957), or not completely specified (Radford, 1975). The linear progression of facts accumulating their way towards logical outcomes has been rightly criticized by those questioning its implicit faith in not only man's total rationality but his ability to exercise it in all situations. It does not allow for several important realities connected with decision making: problems, alternatives, and consequences are not always given and must be sought; and a "best" solution is impossible in many instances and a "satisfactory" one must be accepted (Cyert et al., 1970). It is narrow and unrecognizing of the complexities of human nature and social process, some of which may be irrational at times (Simon, 1957, p.xxviiiiff.). Neither does it allow for knowledge deficiencies (Terry, 1968), limitations of the human information processing system (Simon and Newell, 1971), limits on the exercise of rationality (Simon, 1957, p.40), conflicts in goals and values (Allison, 1971), nor a non-linear "zig-zagged" movement towards resolutions. The path to a decision is often not a visible logical progression or clear chain of events (Simon, 1957, p.64; MacCrimmon, 1974, p.446; McCall and Kaplan, 1985, p.106).

Decision making is . . . complex, redolent with feedback and cycles, full of search detours, information gathering, and information ignoring, fueled by fluctuating uncertainty, fuzziness, and conflict. (Zeleny, 1981, p.333).

Recognizing the limitations of the rational approach, Moore and Thomas (1976) suggest the solution lies in strengthening its rationality through better use of probability theory. Other proponents of the paradigm have recognized that quantitative analysis must be reinforced with human judgement (Morris, 1964, p.4). As a half-way measure, some have advocated a blending of quantitative techniques with a behavioural understanding of organizations (Radford, 1975) or at least a recognition of when the rational quantitative approach is appropriate and when it is not, for example in relation to "economic" areas and not in "social" areas (Diesing, 1958; Forrester, 1961).

Process Theories of Decision Making

A number of behaviourally-based process theories have been proposed to take the understanding of decision making beyond the purely rational model. The empirically-based perspectives and theoretical propositions of the Carnegie School (Simon, 1957; March and Simon, 1958; Cyert and March, 1963) have provided descriptions of the fragmented way in which actual decision making proceeds - by "satisficing" rather than "optimizing", within the limits of a "bounded rationality" as contrasted with unfettered rationality (March and Simon 1958), and with adjustments in aspiration levels to accommodate less than perfect solutions (Simon, 1957). Lindblom (1959) and Braybroke

and Lindblom (1963) have added the concept of an "incremental" decision process which tries to make problem solving manageable by seeking marginal or incremental rather than optimal radical changes. Numerous other assumptions have been used to build other behaviourally based models (Roth, 1974; Alexis and Wilson, 1967; Zeleny, 1981; Etzioni, 1967).

In partial contrast to the above theories, Cohen, March, and Olsen (1972) have argued that decision processes in organizations are not only less than rational but have no structure and are anarchic. Their view is that the process is fluid and solutions are brought about with the coming together of various streams within the process. Choice opportunities occur as organizational "garbage cans" in which are mixed problems, solutions and participants. Viable solutions occur by happenstance as decision makers wander in and out of the process.

Other behaviourally-based approaches have focused on the dynamics of decision making and have illuminated various facets of the actual process. For example, Janis (1971) investigated group pathology in regards to the enforcement of dominant perspectives; Drenth et al. (1979) considered the relation between employee participation in decision making and satisfaction and commitment; Stoner (1968) examined factors which affected the propensity of group members for risk taking; Cyert et al. (1970) investigated the role of expectations in business decision

making; and Gladstein and Reilly (1985) explored the effect of threat on a group's decision-making process.

Behaviourally-based understandings composed of varying blends of empirical research and theorizing present descriptions of decision process in action as opposed to normative models which stress necessary steps in tight and tidy frameworks. (This dichotomy has been presented in various manners - for example, "rational" versus "social" (Rice, 1980); "normative" versus "descriptive" (Hicks and Goronzy, 1967).) Normative models present the "best" or most "rational" way of proceeding. The normative literature offers steps and procedures and attempts to explain what occurs during a decision process and to offer this as a way of understanding all decision processes and sometimes as a prescribed method of proceeding (Steiner, 1969; Nadler, 1970, 1981; Delbecq and Van de Ven, 1971; Gluick, 1976; Hofer and Schendel, 1978; Warfield, 1978; Churchman, 1979; Ackoff, 1981; Mason and Mitroff, 1981). Normative theories do little to aid the understanding of deeper constructs of the decision process. They overlay the event with a rational structure which one is encouraged to implement or to use to view the process (Delbecq, 1967). From the point of view of practice, it has even been found that their application to strategic decision processes is ineffectual because they cannot cope with the complexity of unstructured senior-level processes (Grinyer and Norburn, 1975; Hall, 1973; Whitehead, 1968).

In the investigation of the decision process of the Operating Committee descriptive theories were found to be more useful because of their interest in discovering the social interactions and cognitive processes behind the visible structures.

Descriptive Theories of Decision Making

Decision making is in its essence a human activity, not a mechanical disembodied routine. Eden and Harris (1975) call it a social activity:

. . . decision making is primarily a social activity rather than a technical one: all decisions involve interaction with people to a lesser or greater extent. If this is the case, what needs to be developed is an approach to decision analysis that encourages human factors to be included (p.10).

Decision making is the social interaction of people while cognitively processing information. A wide range of behaviour is displayed during the process and its function and significance are important dimensions of investigation for constructing a comprehensive understanding of what occurs in the process of making decisions. Only by examining the totality of the process with attention to as many facets as possible, can one become aware of the various aspects of the process and how one might influence and be influenced by it at different stages. Organizational participants need this kind of awareness to improve their effectiveness at all stages (Cowan, 1986). Awareness comes by identifying, extracting, and

illuminating the various behavioural patterns, critical junctures, leadership initiatives, contextual influences, and cognitive processes - as many aspects and dimensions of the process as possible. The taking of normative prescriptive theory into a decision process is not as helpful as taking an awareness of critical elements with some understanding of their relationships and the range of the likely outcomes of different ways of participation given particular circumstance and context.

Much empirical research exists which provides useful insights into the activity of decision making. Some are well-developed theories, others are descriptive accounts with some level of analysis. These studies have delved into the internal dynamics of the decision maker or the group process and provide insights into what occurs. Those exploring cognitive processes of information processing and goal attainment provide a framework for viewing individual psychological processes (for example, Newell and Simon, 1959; Soelberg, 1967; Janis and Mann, 1977; Schwenk, 1985). Social psychological studies and experiments focusing upon social interactions between group members, may tend, at times, to over-simplify the complexities of a decision process, but do provide insight into important dimensions of the process (for example, Yetton and Bottger, 1983). One of the most elaborate theories of decision making based upon empirical data and the first-hand study of four decision processes has been

provided by Cyert and March (1963). Other comprehensive studies of the process have been done by Nutt (1984), Pinfield (1986), Hickson et al. (1986), Mintzberg et al. (1976), Cyert et al. (1970), Carter (1971a, 1971b), Cyert and March, (1963), Allison (1971), and Pettigrew (1973).

Despite the existence of an extensive body of descriptive, processual research, more is needed, especially in regard to the overall activity of the complete process apart from the oft-studied generation and evaluation of alternatives (Mintzberg et al., 1976, p.274). Bass (1983) emphasizes that a more empirically valid understanding of the process is needed:

We are blessed with a surplus of organizational theories and theorists replete with concepts and models of organizational decision making, but we have little hard data to provide the support for them (p.173).

The paucity of empirical data derived from the study of decision making events in progress, especially at senior levels, has also been labelled as significant and unfortunate (Morris, 1964, p.501; Radford, 1975, p.203; Bernard, 1966, pp.192-193; Pettigrew, 1985b, p.248; Nutt, 1984, pp.414,448). Mohr (1982) has said that what is needed is a better description of the process and the methods by which organizations actually make decisions rather than theories. Gilligan and Neale (1983, p.160) have suggested that little is known about the way the process of strategic decision making actually works.

Based upon the above comments, it can be taken that a current need in decision making research is for a more complete and in-depth understanding of the overall process itself, especially at the senior, strategy-setting levels. However, there is a division of opinion over how realistic a goal this is. Lindbloom (1965) and Gore (1964) argue that the decision process has no structure, it is overly complex, and all variables cannot be identified. Cray et al, (1984, p.2) have commented on how difficult it is to understand the decision process due to its convolutions and multiple varieties. Hickson et al. (1986) have attempted to overcome this difficulty by distilling the variety of numerous processes into a framework which can then be used to classify all decision processes. (Cray et al. (1984) is a summary of the same research reported on in Hickson et al. (1986).) In solving the methodological problem by resorting to categorization many contextually rich insights are lost.

In suggesting that approaches which abandon the attempt to come close to describing and analyzing the finer details of decision processes are inadequate, it is not meant to suggest that all can be understood about them. Linstone (1984) quotes former US President John F. Kennedy to point out that residuals will always exist in a search for complete understanding:

The essence of ultimate decision remains impenetrable to the observer - often, indeed, to the decider himself. . . . There will always be the dark and tangled stretches in the decision

making process - mysterious even to those who may be most intimately involved (p.81).

The multi-faceted, contextually-influenced nature of the decision process is not a reason to abandon the attempt to understand it in its variations, despite its unknowable facets, and to seek security in the construction of typologies, rather, it is a challenge to take up. Dutton and Jackson (1987) recognize that the decision process is a long and complex one but insist that it can be studied systematically (p.85). The research of Mintzberg et al. (1976) proceeds with the assurance that,

. . . there is strong evidence that a basic logic or structure underlies what the decision maker does and that this structure can be described by systematic study of his behavior (p.247).

Intention of this Research

This research is in the processual tradition and its objective is to add more understanding to the internal workings of decision processes, especially those at the senior-level within an organization. Through description and analysis of the on-going decision-making process of the Operating Committee of National Sea Products, made unreservedly available, the aim has been to understand the critical dimensions of that process in order to not only construct a framework of understanding for viewing the decisions of that group, but to develop concepts which might be used to understand the processes of other groups.

The decisions made by this group are looked upon as outcomes of a process whose structure and dynamics are of central interest.

The intention in this study has been to carry it out in a particular way which builds on the strengths of previous research and goes beyond some of its limitations. This study of the decision process of an on-going senior-level group in the private sector is multi-faceted, cognizant of the context in which the decision process is set and the myriad of mental and social interactions of its members. It has been done in "real time" rather than reconstructed after the event. It is a study of the decision-making activity of one on-going group rather than the tracing of particular decisions through an organization. And it has searched for the "reality" of the event in concepts which have emerged from the data rather than in theoretical constructs which have been imposed as frameworks upon the data.

A Multi-faceted Perspective on Decision Making

In order to understand the process as an entity which is more than the sum of its parts, it is necessary to adopt a holistic, or multi-faceted, approach. The many critical aspects of the process must be identified, described and analyzed as to their origins, shapers, particular characteristics under differing circumstances, consequences, and interrelationships with other elements.

Every decision is the outcome of a dynamic process which is influenced by a multitude of forces, some "front-stage" and some "back-stage" (Pettigrew, 1985a, p.45). McCall and Kaplan (1985) have suggested that all stages of the decision process should be studied simultaneously rather than focusing on just one stage. Furthermore, they suggest that decision making research should move away from issues of individual cognition, small group dynamics, and mathematical models to a more holistic, in situ, view of the process (P.116). Light (1979) suggests that any other approach produces less than adequate insights especially that which collects individual data and aggregates it to analyze organizations (p.551). Holistic rather than analytic methods can better provide that insight (Weiss, 1966). Guzzo (1980) proclaims that all attempts to understand group decision making must address the issues of the processing of information and the social-psychological dynamics of behaviour (p.4). Harrison (1975) expresses the need for a "multidimensional perspective" on managerial decision making (pp.306,312). Steiss (1985) has called for a more dynamic study of decision making rather than focusing singularly on a particular aspect (p.47).

This study has been guided by the agreed-upon need for a multidimensional perspective and investigation. One that takes into account not only the cognitive processing of information at various stages, but the way group

members involve themselves in the process, and the effect leadership of the process has on managing and shaping the consideration of issues. Content flow, participant behaviour, management of the process, context - all these must be illuminated as important elements. These define the character of the process and influence movement towards action. Three major studies of decision processes have attempted to explicate the dynamics of decision making but fall short of providing in-depth insights into the totality of the process because of their focus on structure and attempt to classify rather than describe. Hickson et al. (1986) constructed much of their conceptual framework from three in-depth studies. It is wished that more of a discussion of the details of these studies was included. Nutt's (1984) imposition of a morphology on the data derived from a study of 73 decision making events is not as helpful as his commentary on the nature of the different stages, possible causes of particular sequences, and styles, and what more is needed to be understood. Mintzberg et al. (1976) emphasize the linkage between stages of the process but give little recognition to the influence of individual participation on the outcome of the decision process or the decision making which may go on "back-stage" apart from the awareness of the participants interviewed.

Pettigrew (1985a) makes us aware of what is missing from these studies when he calls for a fuller

understanding of the importance of context in studying strategic change processes. He decries the amount of organizational analysis which has been done oblivious of the importance of the process, history, and context of the strategy making body. The decision process of the group must be seen as embedded in a field of other significant realities some within the firm and others exterior to it. Pettigrew (1985a) is right in saying that a disembodied theoretical discussion which is ahistorical, acontextual and aprocessual is not helpful. A study of decision making process must identify and describe as many aspects of the event as possible.

A Study Done in "Real Time"

Much of the available research on decision processes has been done with "ex post" data. Nutt (1984) attempted to reconstruct the decision process from formal interviews and casual conversations, as did Mintzberg et al. (1976), Cray et al. (1984), Axelsson and Rosenberg (1979), and Quinn (1980). Stein (1981a, 1981b) used mailed questionnaires. The usefulness of "ex post" data is lessened by the kind and degree of bias, selective recall, and modification for purposes of self-presentation and image enhancement. When one studies decision making by relaying on the memories and accounts of those who were there to provide the data, to a great extent, one is studying the perception of others as much as the event.

Daft (1983) discounts organizational research which is done by those who have had no first-hand experience of organizational reality and construct their findings from indirect correlation coefficients. An understanding of the process is best gained by being part of the process. This does not guarantee the eradication of bias or selective attention, these must be scrutinized in the processes of the observer as well, but one is able to use first-hand observations to verify the perceptions of members and on that basis, assess their significance. Involvement in the on-going event also exposes one to the range of the process with its various facets, of which others may have only have been partially aware. This study of the decision-making process of the Operating Committee has been done in "real time." By actually having been present, concepts were forged and insights gained through direct observations of the event and inquiry into the perception of those involved through interviewing.

Inquiry Into an On-Going Process

The objective of this research has been to investigate the dynamics of an on-going decision-making group as opposed to tracing various decisions through an organization as others such as Nutt (1984), Hickson et al. (1986) and Mintzberg et al. (1976) have done. The bulking of data from several decisions and the distilling of that data to

arrive at general models and theories gives little of the grain and texture of the process, which is desired here. Cyert, Simon, and Trow's (1970) important case study of an electronic data-processing decision in an medium-sized corporation provided many important insights into the nature of decision processes, like similar studies, but focused on a particular decision and its trajectory through the organization. The unit of analysis in this study has been the Operating Committee rather than specific decisions. The intention has been to understand the way in which the Operating Committee made decisions at a critical point in its history rather than to identify path configurations of decision loci through the organization. The objective has been to understand the internal dynamics of the decision-making process and the various facets of the process which shape outcomes.

In focusing on one group within the organization, the point is not overlooked that the decision-making process of the organization is larger than the activity which occurs in this one committee. That wider process includes activity at lower levels as well as at a higher level in the board of directors, and also in the informal "backstage" coalitions and negotiations. It is recognized that the issues discussed in the Operating Committee had been, in many cases, passed on from below with some screening and infusion of particular perspectives already having taken place.

The nature of my relationship with National Sea made a study of the on-going process possible. My involvement was left open-ended so that I had the possibility of staying with the Operating Committee as long as I felt there was benefit in doing so. I also had wide access to the Committee and its members. Any requests for conversations and interviews were responded to positively and in some cases people with busy schedules and important agendas went out of their way to accommodate me. Some would claim that this type of research simply exchanges one set of methodological problems for another (Pinfield, 1986, p.370). It is true that observational techniques do create potential methodological problems and these must be addressed (a full discussion of this point and others connected with the techniques of observation and interviewing will occur in Chapters 3 and 4), however, in doing this research I wanted any omissions or biases to be my own so that I would have some control over them. I also wanted the freedom and ability to observe aspects of the process that an interviewee may not have observed and I wanted to experience the "climate" and ambient mood of the group at different times in conjunction with various activities and events which were occurring. By interviewing, as well as observing, I was able to investigate, validate, and discard or substantiate my own conclusions. Mintzberg et al, (1976) admit that ". . . observation is certainly a powerful and reliable method

. . . .(p.248)" but suggest it is too demanding of time since many strategic decisions span several years, therefore one is "obliged to rely heavily on interviewing (p.248)." By focusing on the process rather than the decision as the unit of analysis, observations of the process in situ became possible within a limited time frame.

Emergent Rather than Imposed Concepts

The concepts utilized in this research have emerged from the data rather than having been imposed upon them. This approach has been used, among others, by Soelberg (1967), Bower (1970), Witte (1972), and Mintzberg et al. (1976). Pinfield (1986) imposed the "structured" perspective of Mintzberg and the "anarchic" view of Cohen, March, and Olsen on the high-level decision activity of a Canadian Federal bureaucratic task force in order to test their usefulness. One reason for the avoidance of pre-formulated constructs was the realization that these could have been conditioned by the characteristics of the situation from which they were drawn. It could be reasoned that it is understandable that the Garbage Can Model (Cohen, March, and Olsen, 1972) has come from a study of academic administrations and the cautious, incremental approach (Lindbloom, 1965) from the forum of public policy making. Second, to have adopted a particular theory with which to view the decision process

of the Operating Committee would have been to ignore the valuable insights of Allison (1971) who has dramatically and thoroughly shown that the way one understands a decision process may be conditioned by the theoretical framework, or "conceptual lenses," used to view the data. The intention in researching the decision-making activity of the Operating Committee was to experience the event without having subscribed beforehand to any particular theory about a decision process or what constituted its elements. The goal was to develop concepts which seemed to best capture the important elements of the process. Glasser and Strauss (1967) have outlined this procedure for discovering "grounded theory" and a fuller discussion of its methodological approach will be discussed in Chapters 3 and 4.

In order to do a study of the Operating Committee which maintained a multi-faceted perspective on decision making, was done as the event occurred, examined the nature of an on-going group, and sought, rather than imposed, conceptual constructs, a qualitative methodology was deemed the most useful. An elaboration of qualitative methodology and the wider issues related to methodology and research are now addressed.

Chapter 3

Methodology

Introduction

The purpose of this chapter and the next is to explain the method of inquiry underlying this research into the decision-making activity of the Operating Committee. Several important issues will be explored: the nature and intention of research; general principles and guidelines for its conduct; and an explanation and justification of the particular methodology used in this thesis - qualitative methodology.

The preliminary overview of the nature of research found in this chapter - its objectives, assumptions, procedures and guidelines - acknowledges the lack of agreement amongst academics and practitioners over the substance of these matters, but proceeds with the belief that there is general agreement on the theoretical issues which need to be addressed. All are concerned with procedures, goals, and standards (Diesing, 1971, p.11). The role of this chapter in the discussion will not be to synthesize disparate viewpoints nor to summarize them, but

to explain and substantiate my particular approach in the context of these issues. In particular, it will explicate the qualitative methodology chosen for this research which has made use of the particular strategies of observation, in-depth interviewing, and the content analysis of transcripts of both of these.

The doing of research is conceptualized here as a thoughtful and deliberate process. It is viewed as a movement first towards, and then away from data collection. It is suggested that a research program begins with a consideration of some rather broad philosophical issues which inform one's conscious choice of methodology. With this as background, it then proceeds to designate particular strategies which are deemed to be most appropriate for approaching the research setting and the collecting of data. After data have been collected, they are organized, analyzed, and inferential statements made about their meaning.

The movement outlined above is initially a convergence on data, moving from broad theoretical issues to a focus on concrete occurrences in which are thought to contain the meaning of the event and from which data are gathered. Thought then diverges away from these data towards interpretation and more general statements about the meaning and significance of the event. A research program must give serious thought to all phases of this movement and their interrelation. This chapter discusses matters

leading up to the collection and analysis of data and particularly how they relate to this study of the decision-making activity of the Operating Committee. The next chapter discusses the collection and analysis of data.

The Nature and Purpose of Research

Research is an orderly and disciplined manner of seeking, gaining, and conveying insight about the fundamental nature of empirical events and their relationship with one another. The researcher's interest in a particular occurrence and desire to understand its deeper meaning and structures is at the centre of the research activity (Eden, 1980). Research considers phenomena, regardless of how they are construed - psychologically, politically, historically, organizationally, physically, etc. - to not always be obvious in their revelation of antecedents, dimensions, and consequences. However, it does believe that despite immediate inscrutability more can be understood. This belief yields the hope that discovery will lead to explanation, understanding, and as some would insist - but not here - to control and prediction.

Research proceeds in a systematic manner, according to conventions and principles, which when adhered to heighten the likelihood of the acceptance of its findings as bona fide contributions to knowledge. Research in its broadest

sense is not identified with any particular methodology of discovery, but with knowing.

Broadly conceived, research methodology deals with the general grounds for the validity of social scientific propositions. . . . More narrowly it deals with the question: how do we actually acquire new knowledge about the world . . . (Burgess, 1984, p.xi)?

It is important to view methodology within this larger context, avoiding the truncated perspective that methodological procedures are the beginning and end of any discussion about research activity (Morgan and Smirchich, 1980).

The beginning point for an understanding of the nature of research is in these larger issues. Morgan and Smirchich (1980) view it the same way:

. . . the choice and adequacy of a method embodies a variety of assumptions regarding the nature of knowledge and the methods through which that knowledge can be obtained, as well as a set of root assumptions about the nature of the phenomena to be investigated (1980, p.491).

Prior to methods, are fundamental issues concerning the primordial state of knowledge and its acquisition, the assumed ways in which phenomena are conceived to exist, and beliefs about the essence of human nature. These can be referred to broadly as matters of epistemology, paradigms, and ontology.

Epistemology, Paradigms, and Ontology

Epistemological Issues

A wide range of philosophical assumptions about social science research exist. Morgan and Smircich (1980) summarize these in a continuum with the extremes labelled "subjective" and "objective." These positions have variously been labelled positivistic versus humanistic (Hughes, 1976,), positivistic versus interpretative (Giddens, 1976), scientific versus humanistic (Martindale, 1974), and axiomatic versus empirical (Hicks, 1967). (See Lincoln and Guba, 1985 for a comprehensive discussion of the positivistic tradition and Reason and Rowan, 1981, for a helpful discussion of the limits of orthodox rational inquiry and a comparison with alternative paradigms.) The qualitative methodology used in this research follows in the humanistic or subjective tradition. It is part of what Reason and Rowan (1981) label "new paradigm research." It has its roots in traditions identified by Patton (1980):

Qualitative methods are derived most directly from the ethnographic and field study traditions in anthropology (Pelto and Pelto, 1978) and sociology (Bruyn, 1966). . . . [It] is based on perspectives developed in phenomenology (Bussis et al., 1973; Carini, 1975), symbolic interactionism and naturalistic behaviourism (Denzin, 1978), ethnomethodology (Garfinkel, 1967), and ecological psychology (Barker, 1968) (P. 44).

The positivistic tenet that an objective "reality" exists which one can indisputably know and make verifiable

statements about (Becker, 1970; McCall and Simmons, 1969; Denzin, 1979), is rejected here. Also is the accompanying radical subject-object dichotomy which perpetuates a pristine segregation between the researcher and his subject of interest. Churchman (1968, p.86) has argued that objectivity in social science is a myth. In contrast, what is believed is that reality is "socially constructed" (Berger and Luckman, 1966; Weick, 1969). And that knowledge results from the researcher's efforts to enter and understand that reality.

We can know organizations only through our experience of them. We can use metaphors and theories to grasp and express this knowledge and experience, and to share our understandings, but we can never be sure that we are absolutely right (Morgan, 1986, p.341).

Truth is not impersonal, " . . . but something attached very firmly to a person, and a time, and a place, and a system" (Reason and Rowan, 1981. p.136). Discovery is the result of interaction.

. . . science is basically a process of interaction, or . . . "engagement." Scientists engage a subject of study by interacting with it through means of a particular frame of reference, and what is observed and discovered in the object (i.e., its objectivity) is as much a product of this interaction and the protocol and technique through which it is operationalized as it is of the object itself (Morgan, 1983, p.13).

In this sense, the concern over reality is more a concern about forming a systematic and rational way of understanding an event than objectively delineating the nature of its constituent elements in such a way that all

involved would agree.

Since qualitative methodology does not eschew the subjective element but embraces it, it has been attacked as being less than scientific. To be subjective is associated with being biased, unreliable, and irrational as evidenced in Patton's (1980) characterization of the criticism: "Subjective data [are considered to] imply opinion rather than fact, intuition rather than logic, impression rather than confirmation" (p.336). However, quantitative methodology which venerates objectivity does not necessarily guarantee bias reduction, and may only disguise it (Patton, 1980, p. 336). The debate over subjectivity versus objectivity is spurious. Guba (1978) puts the issue in proper perspective in contending that the true issue is not subjectivity versus objectivity but the "neutrality" of the researcher. Neutrality, is a more realistic and worthy objective than objectivity. It implies that the researcher is not predisposed toward certain findings on an a priori basis (Guba, 1978, p. 74f.). Reason and Rowan (1981) suggest the same idea in their recommending "objectively subjective" inquiry (xiii). As will be argued further, the maintaining of an objective remoteness from the subject matter of research is neither possible or desirable.

Paradigms

In addition to the fundamental importance of the way the researcher views the form and acquisition of knowledge as a presupposition of research activity, is the conceptual framework or paradigm (Kuhn, 1970; Morgan, 1983; Jones, 1983) adopted to organize perceptions of the phenomena. Paradigms are interrelated propositions and assumptions often employing images and metaphors to summarize and integrate impressions into overall themes. Organizations are complex and often incoherent networks of relations, activities and ideologies, and it is helpful, if not necessary, to have an unified image by which to organize and deal with that complexity (Preston, 1975; Cheit, 1978). In a sense, a paradigm or model may be a simplification, but this does not mean it is trivial and without use. Its metaphorical images may aid the understanding of fundamental issues, even if it does not explore all dimensions of organizational life (Daft, 1983).

Various paradigms of organizational life are in use (Morgan, 1986). There is no universal agreement on a dominant paradigm in organizational research (Jones, 1983), but the paradigm adopted influences the way the situation is viewed, the data collected and interpreted. Allison (1971) demonstrated this well using three different paradigms or "conceptual lenses" to analyze the Cuban Missile Crisis of 1962. Based on these, he produced

three different sets of understandings about the nature of the event and the "logic" of their outcomes. This research has consciously avoided the pre-selection of a particular dominant metaphorical device or paradigm to represent organizational life. This approach is similar to the "critical evaluation" process which requires that,

. . . we explore competing explanations and arrive at judgements regarding the way that they fit together. Rather than an attempt to make the facts of situation fit a given theoretical scheme . . . (Morgan, 1986, p.331).

Ontology

A primary ontological belief underlying this research needs to be explained as it has, undoubtedly, influenced the way organizational life is conceived, the manner in which investigation of the "Operating Committee" was approached, and particularly the purpose the resultant insights have been intended to serve. It is believed that organizations are collections of autonomous individuals who have freedom to choose the way they will act. Without denying that there are constraints on that freedom and that some even chose to relinquish their freedom in favour of adopting the objectives of others as their own agendas (see E. Fromm, 1941), the purpose of this research, in addition to the expansion of organizational understanding is the use of that understanding to enhance individual freedom of choice within organizational contexts. In this framework, freedom is viewed as an awareness of

alternatives, and the power to enact a choice from amongst them. In attempting to bring understanding to the process of strategic decision making of an upper-level management group this research aspires to have that understanding enhance the freedom of those involved in similar processes.

This objective is based upon the belief that the behaviour of individuals is not predetermined or bound by rigid laws and any endeavour is in vain which hopes to discover immutable laws of human and organizational activity in order to predict and control their behaviour. This research, therefore, does not set out to discover the laws by which behaviour in the Operating Committee proceeded. The positivistic belief that the social world, like the natural world conforms to certain fixed and unalterable laws in a chain of causation (Hughes, 1976) is rejected. A presupposition of this research is that the social world does not operate by immutable laws, however, behind events can be found purpose and principles which can be understood. People have freedom to shape their own behaviour and the use of that freedom makes their action unpredictable (but explainable after the event). The purpose of this research is not to offer predictive models about behaviour and decision outcomes, but to aid those involved in decision events to reflect on the dynamics of the process, and to become aware of alternative behaviours and their possible consequences. This greater awareness of

alternatives comes about, it is believed, by providing insights into, not an objective world, but the inner reality of an observable event. The objective is similar to Lofland's (1976) proposed goal of research - to bring orderly understanding to people's lives so that they can make more informed decisions about their involvement and gain more control over it (p.317). In agreement with Lofland (1976), it is believed that the best way to do this is with a qualitative methodology.

Methodology

The actual methods and strategies by which research proceeds follows from the way in which one perceives the event of interest to exist and from one's belief about the way one can come to know its deeper structures.

Methodologies link the researcher to the situation being studied in terms of rules, procedures, and general protocol that operationalizes the network of assumptions embodied in the researcher's paradigm and favoured epistemological stance (Morgan, 1983, p.21).

Methods are "tools of inquiry" (Downey and Ireland, 1979). They are a series of steps or a "mode of procedure" (Diesing, 1971, p.1) for gaining understanding. They act as guides in the gathering and analyzing of data. Methodology is a coherent strategy which utilizes specific tactics, is consistent with a body of generally accepted

research principles, and embodies a logical internal consistency. It is a "pattern of discovery" (Diesing, 1971, p.14). The particular methodology utilized influences the selection of techniques for the gathering and analysis of data and its formulation and presentation. The methodology chosen is influenced by a number of factors including: the researcher's past experiences and his philosophical assumptions; his psychological temperament (Mitroff and Kilmann, 1978) and skills; as well as the subject matter (Diesing, 1971), and kinds of insights desired. In turn, the methodology chosen may also shape the findings of the study (Schwenk, 1985; Mitroff and Kilmann, 1978). In well-intentioned research which aspires to be credible, the choice of a methodology must be justified, or at least reasoned, and its effect on data gathering and analysis must be scrutinized.

The selection of a qualitative methodology for this research follows from the philosophical assumptions of the author and the nature of the subject matter. The Operating Committee was group of individuals interacting in an event with its own interior reality. This research, then, required a methodology which could enter and explore that inner reality. Qualitative methodology was judged to be the most effective way to explore the microprocesses behind the formal organizational structure. The attempt of traditional research methodology to identify and isolate significant variables, with the intention of formulating

explanatory theories about their interactive effects as a means of constructing rigorous theory to test, was rejected because it would require the separation of elements of the process from the whole, the pre-formulation of concepts and theories, and the maintenance of a remoteness from the subject matter in an attempt to safeguard objectivity. Quantification of parts of the whole was replaced by an interest in the process of the whole. The natural science model's interest in precise definition, objective data collection, systematic procedures, and replaceable findings with insistence on the importance or reliability, validity, and accurate measurement before research outcomes can be accepted, was judged to be inappropriate here. It was replaced with a qualitative methodology and an assumption that organizations are complex social realities which call for a discovery of meaning, rather than measurement, through direct involvement in the life of the organizations and the use of human senses to interpret the phenomena encountered (Daft, 1983; Patton, 1980).

The contrast between qualitative and quantitative methodology is found in Mintzberg's (1979) succinct summary:

. . . research based on description and induction instead of implicit or explicit prescription and deduction; reliance on simple, inelegant, as opposed to 'rigorous' methods of data collection; the measurement of many elements in real organizations terms, supported by anecdote, instead of a few variables in perceptual terms from a distance; and the synthesis of these

elements into clusters, instead of the analysis of pairs of variables as continuous relationships (p.588f.).

Qualitative Methodology

The label qualitative methodology is an umbrella term covering an array of techniques which seek to describe, interpret, and come to terms with the meaning, as opposed to the frequency (Van Maanen, 1979, p.520), or measurement (Daft, 1983) of naturally occurring phenomenon. Often juxtaposed with "quantitative" methodology, these techniques are intended to determine "what things exist and how", rather than "how many things there are" or "what correlates with what else" (Van Maanen, 1983; Smith and Manning, 1982; Bogdan and Taylor, 1975; Lofland, 1976). Qualitative methodology has been used extensively in social science research and is being used increasingly in the study of organizations (Bryman et al., 1988). It has been claimed that qualitative methodology based on observation of occurring events greatly enriches the study of organizational behaviour (Gephart, 1978) and is a more appropriate means to investigate complex organizational realities where the subject matter cannot be isolated from its context nor can be studied in a fragmentary way (Lincoln and Guba, 1985; Weiss, 1966). This approach has been used by, among others, Mintzberg (1973) and Pettigrew (1973), and has added a great deal to our understanding of

such things as the work of managers and the politics of organizational decision making. Its use in social science research is, therefore, preferable to a quantitative methodology built on a natural science model (Daft & Wiginton, 1979; Pondy and Mitroff, 1979; Mintzberg, 1979; Walker, 1985). The main reason for this, as has been argued, is that the natural and social worlds are fundamentally different (Walker, 1985). A methodology was required for this research which focused on the meaning of human behaviour, in the context of social interaction, and which was concerned with understanding human behaviour from the actor's own frame of reference. The logical positivism approach was rejected because it seeks facts and causes of social phenomenon with little regard for the subjective states of individuals (Patton, 1980, p.45). Two fundamentally different philosophical orientations require different methodologies (Bogdan and Taylor, 1975). In attempting to understand the thinking and interactions of the members of the Operating Committee it was necessary to come close to their world of perception and organizational reality.

Used as an inquiry into subjective and social reality, qualitative methodology has more legitimacy than as a preliminary to quantitative research, which some suggest is its proper role (Filstead, 1970; Babbie, 1983; Lofland, 1971; Van Maanen, 1979). Patton (1980) cites evidence that qualitative methodology has gained legitimacy as a

method in its own right and that allegiance is shifting from the dominant paradigm of deductive hypothesis testing with quantitative measurement to a "paradigm of choices" which recognizes that different methods are appropriate for different situations (p.20).

The qualitative methodology used in this study is characterized by a number of features which flow from a set of assumptions about the nature of human interaction, how one can best approach and understand it, and how one might convey that understanding. It is holistic in its purview, proceeds by induction, values close contact with the subject matter, and stresses description and interpretation.

Holistic

The qualitative methodology used in this research promotes a holistic understanding of the decision-making activity of the Operating Committee. If the objective of this research had been to dissect the activity of the Operating Committee into its component parts, and to identify its variables, valuable meaning would have been lost and an understanding which went beyond the formal structure of the Committee would have been missed. The positivistic approach of reducing organizational life to a series of quantifiable variables (Clegg and Dunkerley 1977) has been avoided for it is argued that it is more helpful if the

decision making activity of the Operating Committee is viewed and studied as a unified occurrence whose whole was more than the sum of its parts (as also argued in Chapter 2). Steiss (1985) also makes this point in saying,

Science has attempted to explain complex phenomena by reducing them to "an interplay of elementary units investigatable independently of each other" [quoting L. von Bertalanffy, "General Systems Theory," Main Currents in Modern Thought, vol.71, 1955]. Thus, one might observe that, while modern scientists opened their eyes to the investigation of particulars, they closed their minds to the equally important task, the synthesis of the systematic whole (p.26).

Quantification of parts of the whole has been replaced in this research by an interest in the process of the whole. It was felt that the "deeper structures" (Weiss, 1966) of the event could only be revealed if the event was investigated as an entity and not fragmented into its constituent parts studied in isolation from each other. Patton's (1980) reinforces this view:

. . . it is insufficient simply to study and measure the parts of a situation by gathering data about isolated variables, scales, or dimensions. In contrast . . . the holistic approach . . . is open to gathering data on any number of aspects of the setting under study in order to put together a complete picture [of the event] (p.40).

To facilitate this holistic understanding of the activity of the Operating Committee, qualitative data were gathered through observation and interviews (Chapter 4 will provide an extensive discussion of these methods.)

Inductive Approach

The objective of this research has been to generate new insights into decision-making rather than to verify existing theory. The agenda of research based on the natural science model to identify and isolate significant variables, and to formulate hypothesis about their interactive effects as a means of constructing theory to test, was judged as being inappropriate here. The quantitative method has been criticized as lacking creativity, contributing nothing to new theory development (Glaser and Strauss, 1967), and constrained by past theories not relevant to current organizational problems (Baurer and Gergen, 1968). In contrast to the deductive method behind this approach, the qualitative strategy uses an inductive approach which creates understanding from the data as they are collected, organized, and analyzed.

The qualitative methodologist attempts to understand the multiple interrelationships among dimensions which emerge from the data without making priori assumptions about the linear or correlative relationships among narrowly defined, operationalized variables (Patton, 1980, p.41).

No decisions about significant variables or expected relationships are made before the data are gathered. No prior theories are imposed before the data are collected. The important variables and dimensions are encouraged to emerge from the data. In this way, as Daft (1983)

suggests, new insights are gained and the researcher should be open to the serendipitous:

Knowledge beforehand makes for clean, tidy, hypothesis testing research, but the knowledge return typically will be small. If we have a good idea about what the research answer will be, . . . why bother to ask the question? If we are to acquire knowledge that is really new, then we do not know the answer in advance One should start with incomplete facts, with ambiguity Then look for surprise (p.540).

The "grounded theory" approach of Glaser and Strauss (1967) was adopted in spirit, if not in its entirety. In it themes are shaped in the course of investigating the phenomena. The grounded approach is based upon a desire to discover rather than verify what is already known and is a strategy similar to that used by Pettigrew (1985) who explained it as, "[a] methodology . . . to generate conceptual frameworks and comparative empirical findings rather than to test 'a priori' formulations" (p.46).

The grounded, emergent method is flexible and provides opportunity to modify strategies, and to develop concepts, themes, and understandings as the data leads (Babbie, 1983; Burgess, 1984; Lyles and Mitroff, 1980; Shaffir, Stebbens, and Turowetz, 1980). " . . . no a priori theory could possibly encompass the multiple realities that are likely to be encountered" (Lincoln and Guba, 1985). Understanding is "grounded" in the data. Insights follow from the events investigated rather than from " . . . the structure of preceding theory or the values of a

particular methodology" (Bower, 1968).

Quantitative methodology, imposing preconceived conceptual schemes and setting out to test theory formulated prior to the encounter with data, is not capable of producing an understanding of the decision-making activity of the Operating Committee with its layers of interacting elements.

It may be wondered how possible it is to approach a research setting with no prior theories or conceptualizations. It is suggested that it is not possible nor absolutely necessary. There is a difference between coming to a situation committed to particular theoretical ways of understanding it and coming with some tentative guiding concepts which are open to reformulation. Prior concepts are formed on the basis of reading and past experience. They cannot be avoided and are helpful for providing a focus for search (Lyles and Mitroff, 1980). Sigmund Freud, a consummate researcher in his own right, described well the necessity and nature of prior conceptualizations,

Even at the stage of description it is not possible to avoid applying certain abstract ideas to the material in hand, ideas derived from somewhere or other but not from the new observations alone. . . . They must at first necessarily possess some degree of indefinitiveness; . . . everything depends upon their not being arbitrarily chosen but determined by their having significant relations to the empirical material, relations that we seem to sense before we can clearly recognize and demonstrate them. It is only after more thorough investigation of the field of observation that we are able to formulate its basic scientific

concepts with increased precision, and progressively so to modify them that they become serviceable and consistent over a wide area. Then, indeed, the time may have come to confine them in definitions. The advance of knowledge, however, does not tolerate any rigidity even in definitions (Hall and Lindzey, 1970, p.55).

Complete openness, as Miles (1979) warns, is not possible:

. . . research projects that pretend to come to the study with no assumptions usually encounter much difficulty. . . a rough working frame needs to be in place near the beginning of field work. Of course it will change (p.591).

The grounded theory method has been criticised for its seeming lack of any coherent preliminary theory and findings which are "haphazard and arbitrary" (Martinko and Gardner, 1985, p.688). The absence of theoretical constructs by which data is gathered and evaluated is not seen here as a weakness but rather as freedom from a constriction. Criticism of the status of conclusions drawn from the data has potential for undermining their validity, these will be dealt with when analysis of data is discussed in the next chapter.

Close Contact with the Event

The methodology of this research has valued close, first-hand contact with the decision making event of the Operating Committee. It is agreed that,

" . . . insight . . . is arrived at by being on the inside of the phenomena to be observed. . . . It is participation in an activity that generates

interest, purpose, point of view, value, meaning and intelligibility . . . (Wirth, 1949, p.xxii).

It was felt that only through direct personal contact and first-hand experience of the decision-making activity of this group could concepts and constructs be formulated which would have some descriptive and explanatory power. It was believed that immersion in the situation through observations and interviews would permit an experience of the event unframed by prior theorizing and fertile for the development of understanding. "Indirect" techniques such as surveys and questionnaires probing participants' recollection of what occurred, content analysis of documents subsequent to the events, and any experimental laboratory replications or manipulations were ruled out as not in keeping with the previous philosophical assumptions and objectives. In the tradition of field research, the attempt was to become involved in the on-going event so that an understanding of it could be fashioned from an experience of it and the participants involved. What has been attempted is to come close to Lofland's (1976) objective of "intimate familiarity" with the situation. It was felt that this was the best way to make possible a "description and understanding of 'both' externally observable behaviours and internal states (world views, opinions, values, attitudes, symbolic constructs, and the like)" (Patton, 1980, p.44).

First-hand involvement in the research setting created close contact with the members of the Operating Committee. There was no concern, as some would suggest, that the data collection and analysis would be "contaminated" by an intrusion of feelings arising from those close contacts. The members of the Operating Committee were not viewed clinically as "subjects" to be kept at a distance. To do so would have been to treat them as less than human. Diesing's (1971) characterization of the holistic (qualitative) respect for human dignity and freedom of research subjects elucidates the philosophical assumption behind the approach adopted:

Human beings . . . are not things and should not be treated as things; they should not be experimented upon, controlled, duped, and generally used in the name of science. Even a scientific reduction of a person to a set of variables is in a way disrespectful because it mutilates integrity (p.141).

This ethical view leads to a stance of working "with" rather than "on" participants (Diesing, 1971, p.276). The attitude taken towards the members of the Operating Committee was one of cooperation and mutual enlightenment. Reason and Rowan (1981) suggest that in "new paradigm" research "subjects" should be actively involved with the researcher in designing and guiding the research, and in sharing its results. This is opposed to the positivistic approach which has been accused of ignoring the humanness of participants (Lincoln and Guba, 1985). Although the philosophical statements underlying this approach are

entirely compatible with the assumptions which guided this research, it was not the nature of the contract with the members of the Operating Committee. What existed was a less comprehensive form of collaboration, best described as "co-operative inquiry" (Reason and Rowan, 1981).

Co-Operative Inquiry into the Operating Committee

Access to National Sea Products was gained through an acquaintance - the Chairman of the Board of Directors. The details of my involvement were left to be worked out between myself and the President. The President, a former management consultant, was most interested in, what he described as, a "quid pro quo" arrangement by which he would allow me to view the activity of the Operating Committee if I would give him feedback on anything I saw which might help him in his newly acquired leadership role. He said he saw this committee as crucial and he was most interested in having it work effectively and efficiently. He asked for any insights I had, and in return he agreed to discuss them with me. During my time with the Committee, I offered my observations to him in the form of four written "reports." In this sense, there was a form of cooperative inquiry between myself and the President.

My written observations offered to the President had several benefits: they gave me opportunity to work with the data as I gathered it and to develop tentative themes

which guided further exploration; and they gave me opportunity to meet with and discuss observations contained in the report. These meetings with the President were extremely beneficial. They helped me to verify my observations, seek further clarification, get to know the President better, and obtain additional access to other members of the Committee and other parts of the organization. These meetings also allowed me to keep him informed about my activity. I felt this helped to lessen his initial anxiety about my involvement and assured my continued presence in the setting. In our first meeting he asked how long I wanted to be involved. To my response of "a year," he said, "we'll see as we go along." My entrance had aroused some anxieties. This was evidenced by the confidentiality agreement which I was asked to sign at our first meeting. Furthermore, he sought assurance at our first meeting that this was not a "sociological study." The signing of the confidentiality agreement, explained as protecting information regarding contracts under negotiation, was reasonable. The basis of his "sociological" concern was not clear. Perhaps, he perceived the company to have some vulnerabilities which this type of study might reveal. Or he might have perceived it as having less benefit for him.

During several interviews, Committee members asked for my reaction to what I saw. Again, I did not feel that responding to these requests lessened my "objectivity" but

rather was in keeping with the cooperative mode I valued. More importantly, it was an advantage in that it gave me an opportunity to check out my perceptions and further explore their thinking.

The other side of the issue of how I viewed the participants, was how I think they perceived me. It appeared that the President saw me as someone who might help him. His background as a consultant may have conditioned him to appreciate the help available from anyone in that role, or in my case, an impartial, observer. In addition to what has already been said, he invited me to stay after the meetings on two occasions to "give him some help." During these times we discussed my observations and he sought further feedback.

I was initially concerned that my relationship with the Chairman might make me suspect in the eyes of the other Committee members. I thought that this might hamper my relationship with them and inhibit their candidness in interviews. This did not appear to be a problem for I did not find them guarded, and in many instances they made themselves vulnerable by their comments, making criticisms of the president which could have been interpreted by him as threatening and possibly evoking some form of censure or retaliation.

I was treated courteously, and in a friendly manner by the members of the Committee. Prior to and after meetings, the members of the Committee were approachable

and easily engaged in conversations. They accommodated my requests for interviews and seemed to treat them as important events. One vice president suspended negotiations in which he was involved, and kept two groups of foreign businessmen waiting until we finished our prearranged meeting. No one seemed reluctant to meet with me or to be distracted during our interviews. All appeared attentive and involved. Some appeared eager to talk and get my reactions. One vice president who profusely chronicled the recent history of the company invited me back for more.

Several factors may account for the open reception I received. It was known that I was there by the will of the Chairman of the Board of Directors, who also represented the major shareholders. It was also known that I consulted with the President, as a result, Committee members may have felt some coercion to be hospitable. Another possible explanation is that I was perceived to be "objective" and someone from whom they could learn something about the Committee and themselves. The company was in a crucial period and the Committee was seen as having a critical role to play. The members of the Committee had a stake in making it successful and I may have been perceived as of potential assistance. Another factor may have been the way I presented myself. I consciously tried to do what Diesing (1971) described as making oneself acceptable by " . . . avoiding actions, and

expressions that would seem alien or threatening . . .
"(p.144). I tried to establish my acceptability and trustworthiness in several ways: by consciously avoiding relaying anything learned from one individual to another; by refraining from revealing anything learned from other corporations; and by acting conservatively in informal situations. The attitude of Committee members towards me may also have been the result a host of generally human factors not related by this experience in particular - their need to talk about experiences which were important to them (Martin, 1985/86), a desire to be helpful, or a need to present themselves as helpful.

The reception I received from members of the Committee appears to have been more the result of factors other than a felt coercion. The significance of this is that their conversations can be taken as more than formal perfunctory statements. They appeared to come from their experience and feelings. Apart from the usual problems with interview data (to be discussed in Chapter 4) the quality of the interview data was considered good because of the nature of the relationship which had been established and their perceived interest in discussing issues of importance to them.

Close contact and cooperation with the participants was not a liability in this research, but a definite asset, and one which was not thought to diminish the credibility of the findings.

Description and Interpretation

This research has emphasized description and interpretation, as opposed to quantification and measurement. It rejects Lord Kelvin's narrow view:

When you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meagre and unsatisfactory kind (quoted in Harvey, 1969).

On the contrary, it is believed that knowledge can occur "without numbers" through familiarity, description and interpretation. Using descriptive material created from an "intimate familiarity" (Lofland, 1971) with the event, interpretations and understandings of the decision making activity of the Operating Committee were produced. The kind of data required for this type of research is markedly different from that needed for quantification purposes. (The nature of the collected data, its structuring and interpretation will be discussed more thoroughly in Chapter 4.) Data were gathered from the observed actions and conversations of the participants, and from their perceptions of what they were doing. As such, the data reflects the event on its own terms and does not try to fit it into measured categories. The distinction between interpretation and quantification may further be seen in the way Walker (1985) has portrayed it:

Typically qualitative methods yield large volumes of exceedingly rich data obtained from a limited number of individuals and whereas the quantitative

approach necessitates standardised data collection, . . . Analysis of qualitative material is more explicitly interpretive, creative and personal than in quantitative analysis, which is not to say that it should not be equally systematic and careful (p.3).

Validity and credibility

The qualitative method of description and interpretation using data gathered by flexible, person-based means has exposed it to charges that it is less rigorous, and not as precise. Furthermore, its conclusions are criticized as being less valid and reliable than those produced by "scientific" research based on the natural science model (Martinko and Gardner, 1985; Downey and Ireland, 1979). Mitroff and Kilmann (1978) suggest one way to look at this is that there are other more important objectives - value to humanity, treatment of subjects with dignity, and creation of alternative theoretical perspectives. It is conceded that qualitative methodology does not value quantifiable "facts," rigour, objectivity, and precision of measurement in the same way as does traditional research based on the natural science model. And it may be more concerned with subject matter than method (Diesing, 1971), however, this does not mean that it is no less concerned with standards and procedures which assure its credibility. As Walker (1985) was quoted above, " . . . it must be equally systematic and careful" (p.3). Silverman (1985) argues that what makes a method "scientific" is not the particular methodology but whether

it uses appropriate methods and seeks to be rigorous and critical in its investigation. Reason (1981b, p.189) talks about qualitative research's "rigour of softness." Guba (1979) suggests that qualitative research should be seen as "auditable," "confirmable," and "creditable" rather than as "reliable," and "valid" in the usual sense of these words. To these modifiers could be added accurate and systematic (Eden and Harris, 1975).

Apart from semantic differentiation, what is at stake here is the acceptance of the products of qualitative research as bone fide contributions to knowledge having substance, authority, and credibility. The reader of the research must have confidence that the conclusions offered fairly represent and logically issue from the event studied, and that they and the researcher are "trustworthy" (Lincoln and Guba, 1985, p.290). ". . . the trustworthiness of the data is tied directly to the trustworthiness of the . . . [researcher] who collects and analyzes the data (Patton, 1980, p.338).

Babbie (1983) has suggested that qualitative field research seems to produce more validity because it immerses itself in the setting and experiences more intimately the concepts and conditions which it wants to understand. The attainment of validity has not been overlooked in the literature. Diesing (1971) has suggested that reliability is irrelevant in qualitative research because it is essentially researcher-based, but

he does suggest that validity is a concern, especially contextual validity. Diesing's (1971) prescription for assuring contextual validity of material involves two strategies: the use of multiple techniques of data gathering and evaluation of sources of evidence by identifying characteristic distortions in individual perceptions. Reason and Rowan (1981) discuss at some length the way validity may be assured in qualitative research. Others have suggested particular procedures - prolonged involvement in the site, persistent observation, and triangulation of different sources of information (Lincoln and Guba, 1985).

Credibility best describes the qualitative researcher's objective. The establishment of credibility must be a conscious and continual concern and occur in tandem with analysis. Credibility is the instilling of belief in the reader that the researcher clearly saw what was there in the event of interest, that the conclusions drawn were reasonable and based upon the data, and were similar to what any other reasonable, clear-minded researcher would have produced.

It has been suggested that credibility can be enhanced by giving copies of semifinal drafts of observations and conclusions to the participants for their comment and correction (Miles, 1979; Shaffir et al., 1980; Silverman, 1985). This "member validation" (Shaffir et al., 1980) was done in regard to the reports submitted and discussed

with the President. Diesing (1971) adds a warning to this in suggesting that this tactic has weaknesses and depends upon one's assessment of the participant's motives and objectivity. The reliability of this information is as suspect as any other type of information. These concerns were kept in mind when the President's feedback was assessed, and in keeping with Diesing's (1971) advice above, evidence from other informants was used to assess and determine the usefulness of the President's feedback.

One other important ingredient in the attempt to be credible is the valuing of self-awareness and self-reflection (Diesing, 1971, p.168). "For the social scientists to refuse to treat their own behaviour as data from which one can learn is really tragic" (Scriven, 1972, p.99). Introspective notes are an important part of field research (Patton, 1980). To guard against the researcher's own biases, feelings, needs, and personal objectives interfering with and influencing his data collection and interpretation, it is necessary that he be self-reflective, or "introspective" (Eden, 1980). Through seeking out and acknowledging one's own subjective state and the ensuing effect it may have had on the data, bias can be limited, although not eliminated (Lofland, 1971; Bogdan and Biklen, 1982). This is done through an awareness of personal reactions, feelings and biases evoked in the setting, and by continually monitoring how these might affect the gathering and analysis of the data.

This maintenance of self-awareness and the keeping of notes about it are an important part of the research process (Shaffir et al., 1980; Patton, 1980, p.335). In keeping with Burgess' (1984) advice, two sets of notes were kept. One recorded data from observations and interviews, the other personal reflections and feelings about the process and my involvement in it. The question of how one was affecting the other was continually relevant.

Further provisions for assuring credibility in regard to the observations made and conclusions reached will be discussed in reference to data collection and analysis in the next chapter.

A conclusive test held out for the validity and credibility of this research was this: could someone outside of the company take the understanding of the Operating Committee developed in it and impress Committee members with their understanding of the Committee. I felt affirmed in the accomplishment of this when the President asked me, after five or six months in the setting, if I would meet with a new vice president and fill him in on the Operating Committee, saying, "You know more about the Committee than anyone."

Credibility was a major concern in this research and the qualitative methodology adopted did not diminish the possibility of achieving it, but provided guidelines for its accomplishment.

Summary

Research is argued here to be a disciplined and ordered means of gaining insight into an event of interest. A central focus is the gathering of data to indicate the properties and meaning of the event. A prerequisite of this activity is a philosophical understanding of the nature of reality, and knowledge about it. A supplement to it is the construction of meaning based upon an analysis of the gathered data. Research activity then, can be said to converge on and then diverge away from data collection. Issues of methodology are ancillary to these primary philosophical issues. They are "tools of inquiry" the function of which is to enable the discovery of knowledge.

Qualitative methodology has been contrasted with quantitative methodology and reasons given for its selection as the method of inquiry for this research. It facilitates a holistic understanding of the decision making of the Operating Committee, it proceeds by the inductive method to formulate conceptualizations and understandings based upon the emerging data rather than from pre-imposed theoretical constructs, it encourages a close encounter and direct involvement with the event, and it values description and interpretation rather than quantifiable measurement and tests of validity and reliability.

The next chapter will discuss the methods of data collection and analysis used to gain an understanding of the decision making of the Operating Committee.

Chapter 4

Data Collection and Analysis

In the previous chapter research activity was suggested to be a disciplined process of inquiry converging on and then expanding away from data collection. Broad issues concerning the nature of research, epistemological assumptions, and methodology were discussed as prologue to a description of the qualitative methods of data collection and analysis used in this research. This chapter's purpose is to continue the discussion of methodology by explaining the procedures of data collection and analysis which produced the findings concerning the decision making activity of the Operating Committee of National Sea Products Ltd.

Qualitative Data

Data are indicators of the interior process and properties of an event which are derived in a disciplined and systematic manner. Their analysis and interpretation yield insights about the substance and meaning of that event. Data collection is a central focus of the research design and an intermediate point between preliminary

assumptions about research, and the final write-up of findings (Daft, 1983). Qualitative data are non-quantitative, anecdotal (Mintzberg, 1979), descriptions gathered through direct involvement in the event. They provide depth and detail (Patton, 1980) and attempt to replicate the event. Patton (1980) sets out the purpose and character of qualitative data:

. . . to 'describe' the setting that was observed; the activities that took place in the setting; the people who participated in those activities; and the meanings of the setting, the activities, and their participation to those people. . . . [they] must include sufficient descriptive detail to allow one to know what has occurred and how The descriptions must be factual, accurate, and thorough without being cluttered by irrelevant minutiae and trivia (p.124).

Miles (1979) has outlined some strengths of qualitative data - precise assessment of causality, face validity, and reduction of researcher bias and narrowness. For this research, the important attributes of qualitative data which made them attractive were: they permit a holistic understanding of the layers of elements and their interaction in complex organizational settings; they can be collected without prior commitments to any theory; and they are not abstract interpretations but accounts of how the participants involved viewed the situation and dealt with it in their own terms (Duncan, 1979; Patton, 1980).

Data were collected in the Operating Committee over a ten month period by observation of twenty-nine Committee meetings and interviews with all nine Committee members,

plus the secretary. Observations on meetings and interview material were collected and recorded in the form of verbatim transcripts. Analysis was later done on these transcripts and the final write-up made use of direct quotations and summary material from them. (Bryman et al., 1988 and Morton-Williams, 1985 support the use of direct and extended quotations in the final write-up).

Transcripts of the meetings were recorded as I silently observed the Operating Committee meetings from a desk near the table around which the Committee met. My objective was to produce a handwritten verbatim account of the content of the meetings including nonverbal behaviours, and important features of the context. I also recorded my own feelings about what I was doing, and how I experienced what I was observing in the form of introspective notes (see Chapter 3). As I wanted to reserve the analysis for a later time, separating it from the act of gathering the data, I attempted to gather the data in the "rawest" form possible, devoid of any structuring, filtering or organization. Only infrequently did I summarize. Summaries were made when the flow of the conversation moved too quickly to record and I was sure of what was being said, or when the dialogue was judged by me to be about relatively minor matters with few consequences, or too technical to follow and get right, or after I became familiar enough with the issues that a

summary would remind me of the specific contents. I clearly indicated summaries as such in my notes.

There were times when I was neither able to record verbatim or summarize because the pace of the discussion was too fast or I was unable to hear. These gaps, which I signified as such in the transcripts, are relatively few, even though, admittedly, they may have involved important matters. I felt that, overall, I had enough data and these omissions were random and signified no biases.

A tape recorder would have been helpful, but it would have presented logistical problems. More importantly, I did not feel the Committee would want a tape recording of their proceedings as many confidential matters were often under discussion. I did not raise the matter because I did not want to suggest anything which would detract from the relationship of trust I was trying to develop. An additional factor was a minor worry - in the event that an issue ever came before a court, no matter how remote the possibility, my possession of tape recorded accounts might put me in the middle of an unpleasant situation (a form of "paranoia fallout" from "Watergate"). The handwritten verbatims were typed soon after each meeting. Doing this allowed me to review what I had written and check for any gaps in the text which my memory of recent events could fill. It also identified any matters which were not clear and could be clarified in future visits to

the sight. Transcribing the handwritten notes gave me further familiarity with the content and an opportunity to identify preliminary themes and concepts.

I do not claim that the transcripts are perfect reproductions, but I do feel that I made a determined attempt to assure that they were not selective, their collection was not directed by any theory which I wished to prove, or framed by any particular view of what a decision event is. I would claim that any errors are random. My recording of the meetings was aided by the fact that discussion proceeded at a relatively slow pace. (The pace quickened as time went on and as the Committee seemed to "mature." More will be made of this later.)

As part of previous educational and vocational experiences, I worked in a counselling role in mental health institutions. A significant part of the clinical training for these positions was the development of abilities in remembering and recording verbatim conversations with clients for later analysis. This required the development of several useful skills: attention to and scanning of detail for significance; isolation of key ideas; the searching for meaning on both the verbal and non-verbal levels; the listening for "meta messages" behind content with the "third ear" (Reik, 1972); and the partitioning of concentration between the flow of the conversation and the retention of what was already said. These skills were useful in developing the

attentiveness and concentration needed in this setting. The verbatim recording of Operating Committee meetings was much easier than the writing of clinical verbatims because what was heard and observed could be written down immediately, material did not have to reside in memory. Also, I did not have to respond, so I could concentrate on what was being said rather than on the formulation of any response. However, despite the comparative advantages there were some disadvantages between the two situations: there was more to record; I had no control over pace or content; and I could not check out what I thought I had heard. These factors called for further skill development.

In my observational role I was listening only, therefore, there was a possibility of boredom and fatigue. As strange as it may seem, I seldom became bored even though the meetings averaged six hours in length. I found it fascinating to listen to the inner workings of a senior-level corporate body. I found it exhilarating to be in the company of top management making decisions which quite frequently attracted media attention. Near the end of my involvement, boredom began, as I became more familiar with the issues and personalities, and new discussions seemed to be only slight variations of previous ones. I also took this feeling as an indication that the emerging concepts were becoming "saturated" (Glaser and Strauss, 1967) and little marginal research benefit could be gained from continued involvement.

I interviewed each of the nine members of the Committee at least once for about an hour each. This was done near the end of my involvement so that by this time, I would know more fully what it was that I wanted to find out from each. In addition, all nine had extremely busy schedules so I wanted to make good use of the time I had with them. I had longer interviews with two members and four extended conversation with the President. I also interviewed the secretary of the Committee whom I realized had observed the meetings since their beginning and who had seen the meetings of the Management Committee prior to the formation of the Operating Committee.

Initially, I took notes during interviews but quickly adopted the use of a tape recorder. Permission for its use was never refused. I wondered if its presence would be inhibiting and introduce more posturing, but in the end I did not feel it did. The main reason I abandoned note taking was that I felt it distracted my attention and interrupted the establishment of rapport. It was much easier to establish a conversational tone with note taking being handled by the tape recorder. By this time I felt I had established myself as trustworthy, or had done nothing to suggest otherwise, and the use of a tape recorder was appropriate. I also felt that in this context, outside of the company's business routine, any matters judged highly confidential could be omitted at the interviewee's discretion.

An important issue related to data collection is its cessation - when has enough been collected? The answer references two considerations - practical constraints and adequacy for analytical purposes. The collection of qualitative data is time consuming. The open-endedness of its design establishes no prior limits on time or quantity. One must get enough to perform adequate analysis, but not an overabundance such that they are overwhelmed and hampered in synthesizing it. This all must be done within available resources of time and money. I initially set "one year" as a reasonable period for data collection in the Operating Committee and one I could afford as a time commitment. After nine months I felt I had enough data to do the kind of analysis which needed to be done. I felt time spent beyond this would add little in the way of insight or understanding. Reflections on my own feelings about data collection indicated in the eighth month that I was starting to feel an "intimate familiarity" (Lofland, 1971) with the data, as well as a bit bored, as patterns appeared to repeat themselves or were variations of what had previously occurred. I was familiar with the styles of participation and presentation of the individual members, their overt values, agendas, and reticence, and little in the process surprised me any more. I also became eager to hone and write-up the insights I felt were forming.

Sampling

An important issue related to data collection is that of sampling. In quantitative research the probability sampling of a randomly chosen cross-section is critical to assuring that statistical inferences can be generalized to the wider population. An underlying assumption of this is that the observed phenomena are part of an objective reality about which universal truths can be inferred from the sample if it has been properly chosen. By contrast, one of the beginning points of qualitative research is that reality is "internal" and contextually dependent (discussed in Chapter 3). Unlike events in the natural world, there is a profusion of settings and experiences with their own distinctiveness. Each can be appreciated on its own for its unique "reality." Sampling, in this context, is not seen as a matter of finding a cross-sectional subgroup of the population which embodies the characteristics of the wider population but an attempt to find an event of the type one is interested in knowing more about. Out of this study concepts and understandings are formed which should enable one to appreciate other similar events. How well this works depends as much upon the quality of the data collection and how one has done the analysis as the statistical selection of the "sample." This does not mean, however, that the sample is not deliberately and thoughtfully chosen. The guiding principle is "purposive" sampling (Morton-Williams, 1985),

rather than random sampling. The sample is purposively chosen to represent the type of event about which in-depth knowledge is sought. Burgess (1984) refers to this as "judgemental" sampling - the choice of a setting for the elements it contains. The Operating Committee of National Sea Products was chosen in this way.

My initial interest was in studying the senior level decision-making process of a large publicly traded corporation which was situated in a dynamic environment presenting challenge and complexity. I felt a senior-level body would have more resources and fewer constraints on its action, and its decisions would be critical to the success of the firm. I was interested in gaining insights into the decision making activity of a group facing strategically critical decisions, crucial challenges, complex issues, competing values, and the need to reference and balance multiple interests. I felt the presence of these factors would enrich the event and maximize the importance of the way decisions were made. (Specific research questions were discussed in Chapter 1). I drew up a list of companies ranked by how they met these criteria and made contact, starting at the top of the list - my first contact met with success and resulted in access.

This study has used a sample of one. It is a case study of one group and its activity during a critical period in its history. Case studies have been criticised

for a number of reasons: for their seeming lack of rigour and anecdotal quality; for their disregard for standards of validation and reliability; and for their inadequacy in producing generalizations (Babbie, 1983; Harrigan, 1983). They are especially discounted by those interested in the discovery of universal principles which can be used for prediction and control. On the other hand, they have been lauded for the following: their ability to capture the complexities of corporate strategy formulation (Harrigan, 1983); their encompassing nature which allows for the examination of multiple theoretical implications at one time (Campbell, 1975); their facilitation of close contact with the event (Walton, 1972); their ability to investigate multiple realities at any given site (Lincoln and Guba, 1985); and their development of familiarity with the dynamics of a social system (Diesing, 1971). The case method was chosen for this research because depth of understanding, comprehension of the dimensions of complexity, and close familiarity were the objectives, not statistical rigour or generalizability of theory.

It is acknowledged that even amongst those who accept the case study as a valid research project, there is disagreement over the value of a single case study, that is, a sample of one. The most prevalent criticisms are that little claim can be made for the external validity of its findings. Comparative case studies, it is argued, present stronger claims (Yin, 1984; Nutt, 1984; Cray et

al., 1984; Miles, 1979; Duncan, 1979). By those who accept a single case study (Mintzberg, 1979; Diesing, 1971), particularly those in the ethnomethodological tradition, the real-life quality of its descriptions and insights are accepted as justification enough for its use.

It is agreed that comparative case studies which seek invariant properties across situations (Gephart, 1978) may better enable the development of "formal" (Glaser and Strauss, 1967), or "general" (Diesing, 1971) theory, and generic concepts (Lofland, 1976) which may be applied to a wider range of settings. It is also agreed that the insights gained in comparative studies may be more robust and less localized because they have resulted from a method of "constant" (Glaser and Strauss, 1967) or "controlled" (Diesing, 1971) comparison in which differences have been inspected to locate variations in general themes, and similarities have been used to fortify confidence in generalizations.

In one sense the comparative method was operative in this research. Findings about the process of the Operating Committee were often compared to what was learned about the way the former Management Committee conducted its business. Even though data from each event did not have the same status - one produced from observation and interviews and the other from the recollection of former members - the comparison helped to

focus and sharpen the concepts developed in relation to the Operating Committee and demonstrate their importance.

A logical "next step" beyond this current research would be a design in which the findings from this setting are compared with those from others. In this process it could be discerned more clearly which characteristics are general and which are unique and how variations in context affect the concepts developed. (Diesing, 1971, p.183, outlines a process of generalizations through the method of comparison). In this sense, this research may be viewed as "work in progress" (Diesing, 1971, p.165), just as all research should be regarded as unfinished:

. . . [the researcher] should regard each possible generalizations only as a working hypothesis to be tested again in the next encounter and again in the encounter after that. For the naturalistic inquiry evaluation, premature closure is a cardinal sin, and tolerance of ambiguity a virtue (Guba, 1978, p.70).

Even though generalizability was not a primary concern of this research and external validity was not intended to be a standard by which it should be judged or its existence justified, it is suggested that the concepts developed and insights offered here have use beyond the setting of the Operating Committee. They serve as "tools" by which one can engage other similar events and begin to understand them. Similarly, they are "entry devices" which allow one to penetrate beneath the surface of comparable events and be guided into their reality. Sims' (1981) reinforces this approach:

[I am concerned with] . . . developing a way of understanding a situation which can be applied to other situations. My object [in doing research] was to end up with a collection of 'selectively retained tentatives', which can be useful to myself and to others as a heuristic device for helping to think about other situations . . . (p.382).

Notwithstanding the presumption that there is such variation in the social world that no sample can reveal or predict the pattern of interaction amongst elements in other situations, no matter how similar, it is neither believed that there is complete anarchy. Some constancy and consistency across social circumstances does exist and this stability permits the transfer of concepts developed in this research to similar situations.

Methods of Data Collection

Data was collected for this research using the methods of observation and interview. These techniques were utilized because of their capacity for aiding the accomplishment of the objectives of this research - to get close to the data, to develop a holistic understanding of the complexity of the event, and to gather comprehensive empirical data the meaning of which could be found in analysis and interpretation.

These methods were used conjointly as a way to view the event from different vantage points - from the perspective of my own observations and from the perspective of the perceptions of those involved and interviewed. A process of cross verification of themes was possible using these two methods. There are advantages, and some would even say necessities, in using multiple sources of data in qualitative research as a means of eliminating systematic bias and enhancing the researcher's credibility (Sanday, 1979; Diesing, 1971; Patton, 1980; Schwenk, 1985). The data issuing from the two methods, in interaction with each other, were used to enhance the contextual validity of findings. This process of "triangulation" (Denzin, 1978) of data sources is critically important. The use of more than one data source to validate information accomplishes several valuable feats: corroboration of the consistency and stability of emerging themes and concepts; the identification of discrepancies which lead to further investigation and the possible re-formation of concepts (Patton, 1980); a richness of description; and a depth of understanding.

Comment was made earlier in this chapter on some of the procedures related to observation of the Operating Committee and interviews with its members. Some further related issues are now discussed.

Observation

Direct observation is a vital part of holistic analysis (Light, 1979), abstraction from it aid in the understanding of complexity (Pounds, 1969). It has several strengths: it enables one to examine the whole phenomenon and discover the interrelationships between elements of the whole; it allows one to discover unhampered by prior knowledge of the event; and it accommodates a flexibility of approach in which discoveries can be validated while the research is still going on (Light, 1979). Duncan (1979) adds two other advantages - the provision of a broader perspective by taking into account the context of the setting, and flexibility to incorporate unanticipated phenomenon.

The objective of observing the Operating Committee was to be able to describe it as an ongoing event in time and to record the content of its proceedings without comment or interpretation. This was done with regard to the physical and temporal setting of the meetings, the presence or absence of particular Committee members and their nonverbal behaviour, the dialogue and content of discussions, and less precise elements such as "pace" and "climate." The abundance of details related to these matters necessitated selectivity in recording. Guiding the process of selection and focus were concerns about the provision of enough description to create an awareness of what the process was usually like and any variations in

the usual patterns. Both were significant for the analysis process.

The manner in which a researcher may be involved in the setting as observer varies in accord with his adoption of the alternate role of participant. The role of the observer may vary along a continuum from complete observer through observer-as-participant and participant-as-observer to complete participant (Gold, 1958). My role in the Operating Committee was that of an "observer as participant." Although I did not participate in the discussion of the Operating Committee and sat at a desk remote from the conference table, I was not hidden from the Committee's view and I joined Committee members in casual conversation before and after meetings. My periodic conversations with the President drew me partially into the process and also made me more than a clinically-detached observer.

Both detachment as observer and involvement as participant present some potential difficulties which must be managed. A balance must be struck between immersion in the event and distance from it (Sanday, 1979). Lofland's (1971) objective of simultaneously maintaining "intimate familiarity" and "disciplined abstraction" is a helpful way to view this. The potential risks with the observer role are two: the observer may relate to his "subjects" in a less than human way; and subjective biases may influence his observations. The potential danger with the

participant role are these: the participant may influence the course of what he is studying; and his biases shaped by his relationship with those in the setting may result in a loss of objectivity.

The risk in remaining detached and "clinical" has been protected against in this research by adopting at the outset a valuing of "co-operative inquiry" (Reason and Rowan, 1981), as discussed in Chapter 3. The danger that my limited participation may have influenced the event I was studying is minimal. My contacts with the President were relatively infrequent and contained no direct advice giving. Any insights I might have shared were judged by me to not be major and to be largely peripheral. Furthermore, I never made any direct contribution to the content of issues. If my participation had influenced the event, this would not have been as debilitating as it would have been in a quantitative design, it merely would have called for a heightened awareness of the effect of this intervention. The issue of bias in the observer-participant must be taken more seriously.

At the root of the concern over bias is a concern over the validity of findings and reliability of the researcher. In qualitative research where the researcher intentionally draws close to the data, the possibility of bias is enhanced, but this need not lessen validity or denigrate the researcher's reliability. Biases resulting from theoretical orientations, personality

characteristics, or cultural conditions cannot be eradicated, but they can be acknowledged and their influence scrutinized through introspection, the search for alternate explanations, and the use of multiple sources of evidence (Bogdan and Biklen, 1982; Diesing, 1971). Duncan (1979) lists similar methods for guarding against bias in qualitative research one of which is the separation of data gathering and analysis. These principles were adopted as guidelines, and has already been stated, introspective notes were kept, triangulation was employed, and the rationale behind the collecting of data in the form of verbatim transcripts was to help reduce selective perception, and minimize bias, at least in the data gathering stage. (The biasing of interpretations is a matter for later discussion.)

One other concern expressed about observational activity is that the presence of an observer, participating or not, may influence the behaviour of the individuals studied and disrupt the natural situation so that it is no longer the one the researcher intended to investigate (Radford, 1975, Shaffir et al., 1980, and Rosenthal, 1966). Patton (1980) calls this the application of the "Heisenberg Uncertainty Principle" - the measurement of the velocity of an electron is hampered by the effect the observer has on the velocity -to social science research. This was judged not to be a problem here. Since I did not participate in the meetings, the

only thing which could have influenced the group was their awareness of my presence and an interest in "playing to the grandstand." This seemed unlikely as they did not know my values, or point of view, and therefore did not know what I would find impressive. The members of the group were experienced corporate personnel and it seems likely that they were more concerned about the business at hand than attracting my attention through their behaviour in meetings or using me as a messenger to carry impressions or ideas to other parts of the organization in interviews. I was also with the group long enough - ten months - that it is reasonable that they became used to me being there and disregarded my presence.

Interviewing

The conducting of interviews involves the management of two types of occurrences: (1) relational, and (2) informational. An interview is a social event with current dimensions (Eden and Wheaton, 1980). The interviewer must be aware of the social dimension and how it can be best managed. He should be mindful that his being there is an intrusion into the subject's routine and requires sensitivity to time constraints. Establishment of rapport and trust through casual conversation and courtesy is essential. The building of trust is a "developmental task" which requires continuous cultivation. (Lincoln and Guba, 1985, p.257). Regarding the relational dimension as

important reinforces the view that research activity is a collaborative effort done "with" people and not "to" them as discussed in Chapter 3. Attentiveness to the social dimension and success in establishing rapport and trust have further implications for the accomplishment of objectives related to the second level of occurrences - informational. For example, if the relationship is not good, the interviewer may have difficulty obtaining the cooperation of the interviewee and the kind of information he desires, and even though it may be in his mind, it may not be freely offered. Also it is agreed that, ". . . the trustworthiness of the data is tied directly to the trustworthiness of the . . . [researcher] who collects and analyzes the data" (Patton, 1980, p.338).

Having established that an interview is more than a transmission and reception of information, it can now be said that this is its primary purpose. Eden and Wheaton (1980) establish a helpful way to consider interviewing:

. . . the intention is to sound out ideas, [and to] attempt to 'validate' by confirmation from others, complex notions the researcher has about the research topic . . . (p.4).

The purpose of interviewing is to use the understanding of the subject to inform the understanding of the researcher. The researcher comes to the interview with partially formed themes and concepts and seeks additional information from the subject to help in the validation or re-formation of these. An interview provides:

the opportunity for the researcher to probe deeply, to uncover new clues, to open up new dimensions of a problem and to secure vivid, accurate, inclusive accounts that are based on personal experience (Burgess, 1982, p.107).

Two types of information were solicited in interviewing Operating Committee members - details of historical events in the life of National Sea and the Operating Committee, and subjective assessments of events and people. The first type of information was important for establishing context and chronological order. The second type was important for interpreting events and the role played by particular individuals.

The status of the information offered by those interviewed was not regarded as that of "reality," "the truth," or the "facts." It has already been argued in Chapter 3 that the concept of "reality" in the qualitative paradigm is socially constructed and contextually based and not an objective entity. Beyond this, interview data is subjectively conditioned. Subjects report on their perception of reality. Facts may be bundled with the individually and socially conditioned perceptions and values of the interviewee. These may be presented with intentioned or unavoidable selectivity and distortion in order to accomplish any number of goals such as rational consistency, political advantage, or enhancement of self image (Patton, 1980; Duncan, 1979; Diesing, 1971; Schwenk, 1985). This does not mean that interview data should necessarily be partially regarded as "lies" or "evasions"

as Van Maanen (1979) seems to suggest. What it does call for is a proper understanding of their nature and use - they are not descriptions of actual events but individually conditioned descriptions of events. They are a mixture of facts and interpretations, both of which are valuable, but which must be distinguished.

In interviews, the matter of bias is that of interpreting the basis of those being interviewed. One of the main tasks of the interviewer is to discern the extent to which the information given has been filtered or organized in ways other than it existed in order to meet certain political, social or psychological objectives of the interviewee.

In regard to the first type of information - historical - sought in interviews, bias was controlled by looking for confirmation of accounts in consensus. Like the shared areas of Venn diagrams, details of accounts which overlapped or were similarly reported on by a number of vice presidents were taken to be dependable representations of chronology and detail. The recounting of dates and chronology may also be subjected to selectivity and manipulation in their recollection, but accounts varied little, perhaps because the recalling of objectively verifiable facts is less significant than the interpretation of them. Further confirmation was gained by referencing printed records in media reports and company publications.

In regard to personal assessments, consensus again was taken as confirmation of a condition. For example, the way in which the vice presidents evaluated the work of the President as Chairman of the Operating Committee were very similar. These coincidental views gave stability to the themes under development related to the Chairman's leadership role. This method is analogous to that of frequency tabulations in quantitative analysis.

Another method of identifying bias in personal assessments was the use of what was known about the Committee members to estimate the way they might portray events and people. Information gathered about the vice presidents - their personal histories, their role in past events, and their values - from interviews with them and others, and self revelations made during meetings, was used to judge how they might perceive and convey their interpretation of people and events. This a form of contextual validation, the aim of which is to:

. . . evaluate a source of evidence by collecting other kinds of evidence about that source. The objective here is to locate the characteristic pattern of distortion in a source, so that it can be taken into account in using later evidence from that source (Diesing, 1971, p.148).

Further comments on cross validation of data will be discussed in the "Analysis" section of this chapter.

Interviewing may be done in a highly structured manner with set questions and a rigid ordering, or in an open-ended, nondirective manner, or with these extremes in

combination (Duncan, 1979). An open-ended approach with some structure was adopted in the interviews done with the Committee. The objective was to be conversational, and to encourage the subject to freely explore his thoughts without having to put them in any designated format. It was felt that as much could be learned from the way subjects framed their responses as from the content, and that the more they talked, the greater was the possibility of their exposing inconsistencies in their stories which could, then, be used for probing deeper into any underlying conflicts. It was also felt that the more freedom a person had, the more likely he would be to reveal his true feelings in incidental remarks and asides. Concurrent with this open-ended approach was the bringing of some structure. Before each interview a set of issues to be explored were outlined. Some of these issues were common to all interviews while some were designed to capture the unique perspective of the subject. As stated above, the purpose of the interview was to use the understanding of the interviewee to inform my own accumulating understanding, therefore, each interview was entered into with a number of questions which represented half-formed themes and gaps in my understanding. A flexible stance was adopted for it was important to be able to follow up statements which indicated interesting new areas to explore. In doing this

. . . [the interviewer constantly] appraises the meaning of emerging data for his problem and uses

the resulting insights to phrase questions that will further develop the implications of these data (Dean, Eichorn and Dean, 1967, p.302).

As Eden and Wheaton (1980) suggest, the researcher should approach the interview without a rigid structure but with a point of view and questions which interest him.

The techniques used in interview sessions were informed by practical suggestions in the literature (a detailed discussion of interviewing techniques and strategy is contained in Gordon, 1969), past experience, and the evaluation of the strengths and weaknesses of previous interviews conducted. The techniques adopted were thought to be the best means of achieving the objectives held out for the interviews. Some of the strategies judged to be most important were: active listening - restating what was heard; confrontation of inconsistencies; probing beneath the obvious; avoidance of leading questions in which the response was intimated; and asking for clarification rather than assuming an understanding of what was said.

Data Analysis

In the analysis of qualitative data, there are no set procedures to follow, no well-formulated methods to act as guides (Miles, 1979). (Sieber, 1976 found that prescribed procedures for data analysis were largely

ignored in textbooks on qualitative research.) There are no conventional routines analogous to statistical testing in quantitative research. Prescriptions are often vague and esoteric - "there are no clear-cut rules about how to proceed. The task is to do one's best to make sense out of things (Patton, 1980, p.339)." The analysis process often requires "creative leaps" (Mintzberg, 1979, p.584). Analysis is portrayed as proceeding mainly by the intuition and judgement of the researcher. What exists, in the absence of an agreed upon set of rules, is an array of assumptions and principles.

In the analysis of the data gathered from the Operating Committee, various assumptions, and principles were found to be helpful guides. These related to the way structure was found, meaning was interpreted, and credibility was sought. Elaboration of these important matters will be woven through the sections which follow.

Description and Beyond

The beginning of qualitative analysis is description of the event, the activity and perceptions of participants, and the context in which the event occurred (Van Maanen, 1979; Mintzberg, 1979). "Before researchers can focus on the 'why' they first have to understand 'how'" (Duncan, 1979, p.432). Description, especially that which is representative and accurate, "brings home" the experience to those who were not there and yields "primary

understanding" prior to explanation (Walker, 1985, p.16f.).

Analysis of the decision-making action of the Operating Committee made extensive use of description, however, the previous comments should not be taken to mean that description and concept formation, a constituent part of analysis, occurred sequentially. Description requires selectivity, ordering, and the infusion of meaning into the data. It is a form of analysis. Descriptions do not exist apart from the way the describer chooses to arrange and frame the data elements. As Freud was quoted in the previous chapter: "Even at the stage of description it is not possible to avoid applying certain abstract ideas to the material" (Hall and Lindzay, 1970, p.55). In this research descriptions of the event were not the raw data, as they often are in qualitative research, descriptions were created from the raw data of transcripts of observations and interviews as these were examined and concepts emerged. Descriptions were intermediate points.

In analysis there is a tension which must be held. It is that between the preservation of descriptive detail and the need for coherent abstractions (Patton, 1980, p.343; Pounds, 1969, p.4; Pettigrew, 1985, p.86). An overabundance of descriptive detail loses its point. Predominant abstractions appear disembodied and remote from the empirical event often glossing over subtle and important differences. This is a major weakness of the

work of Hickson et al. (1986). Important distinctions in the data have been sacrificed for the higher good of categorization, and labelling has replaced the search for understanding. Enough detail has to be present to give a feeling for the context and content, and abstraction must occur to put it all in a coherent and understandable framework. Lofland's (1976) tandem concepts of "intimate familiarity" and "disciplined abstraction" provide the right balance. Intimate familiarity assures that the researcher is well acquainted with the empirical data, and disciplined abstraction assures that the findings will be more than descriptive narrative.

This 'down the middle' approach respects the urge to abstract, to articulate, and to find generic social phenomenon, but insists that such abstractions must be disciplined, harnessed and geared into the real, empirical world as it in fact exists (Lofland, 1976, p.19).

For this research, analysis involved two general types of activities: (1) the formation of categories, themes, and patterns; and (2) interpretation of the meaning found in them. These two activities can be referred to generally as the generation of constructs and interpretations. The purpose of analysis is to impose order and structure on the data in order to interpret their meaning (Walker, 1985; Mintzberg 1979). The collected data reveals nothing by itself. It is dormant and brought to life only as it is put in a coherent framework and meaning drawn from it. In this way, the researcher is like the sculpturer

Michelangelo, struggling to liberate the shape encased within the block of stone. Analysis is a process of building a conceptual framework from the empirical data by abstracting from it and interpreting its significance. Data analysis expands the research process away from a focus on specific pieces of data to the construction of categories, themes and, patterns based on them. Thought is further extended as the meaning and significance of these are ascribed.

Creation of Constructs

The forming of constructs is an act of mental conceptualization and abstraction. Categories, themes, and patterns are formed by imposing order on the raw data. (Some authors use terms other than categories, themes, and pattern, such as - configurations and models. There is little to be gained in an extended semantic differentiation, the point to be emphasized is that the terms represent increasing orders of complexity.) Categories reflecting various perspectives on the data were used as building blocks to configure more inclusive constructs, called themes, and more comprehensive themes were linked into patterns. This is similar to the method used by Miles (1979) in which coded material was condensed and folded into themes. The building of themes from categories and connecting themes in networks of patterns was an effort to represent increasing complexity and the

relationship of elements to the whole. In forming themes and patterns from categories, the object was to represent the complexity of an entire event by identifying its constituent parts, the relationship among these parts, and the way in which they were related to the whole. For example, the types of responses made in meetings were categorized, for example, "insight," and "detail." These were then formed into themes such as "framing" which was the blending of information and values to emphasize a particular perspective. Patterns linked themes, for example, "the enforcing of accountability" by the President involved his use of "framing," as well as other themes such as "probing" and "soft confrontation."

Order may be created by imposing preconceived categories on the data, as exemplified by Nutt's (1984) study of decision-making processes which used categories derived from normative decision models; or by allowing it to emerge "naturally" from an examination of the data. This second method, as found in the study of decision making processes by Soelberg (1967), Bower (1970), Witte (1972), and Mintzberg et al. (1976) exemplifies the approach followed in this research. Categories and themes were discovered empirically rather than adopted or inferred logically, they were allowed to emerge from the data. This method is in keeping with the objectives of this research as discussed in Chapter 3.

In the beginning stages of analysis the transcripts of meetings and interviews were reviewed and the content was coded in the margins to identify their content - "edge coding" (Glaser (1978). Coding is the process whereby raw data are systematically transformed and aggregated into units which permit precise description of relevant content characteristics (Holsti, 1969). Coding made it easier to find similarities and distinctions in the contents of the verbatim. Similar occurrences or processes suggested relation to categories, differences suggested new or other categories. A guiding question in doing this was: "Of what more abstract category is this datum an instance?" (Lofland, 1974, p.103).

An underlying assumption of this activity was that each conversation, thought process, and social interaction was not unique, but was an example of types of roles, scripts, thought and action which could be identified by its elements, then, described and categorized.

It should also be recognized that the coding and categorizing of material is a selective process. "Brackets" have to be placed around the subject matter. Everything is not of equal importance and rather than be flooded with the data, the researcher must make a judgement as to what is of most importance to pursue. Overall, the researcher should follow the streams of some material to their source, exploring their depths and

tributaries, acknowledge the presence of others, and ignore the rest.

The principle of coherence (Heron, 1981, p.32; Diesing, 1971) was followed in forming categories and themes. Material which had an affinity for other similar material and together appeared to coalesce around a common subject was considered to be a member of the same category, or linked together in a common theme. Simplicity was sought, ". . . in the sense of [having] only a couple of key variables, . . . [and] ideas hang[ing] together in a unit to explain some dimension of organization" (Daft, 1983, p.541).

Guba's (1978) term "convergence" conveys the same idea. The task is to determine what ideas fit together. This is done by looking for "recurring regularities" in the data. These regularities can be sorted into categories which are then judged by two criteria: "internal homogeneity" and "external homogeneity." The first criterion concerns the extent to which the data that belong in a certain category hold together or "'dovetail' in a meaningful way." The second criterion concerns the extent to which differences among categories are bold and clear. "The existence of a large number of unassignable or overlapping data items is good evidence of some basic fault in the category system" (Guba, 1978, p.53). Other tests held out for the completeness of categories included: internal and external plausibility - the extent

to which the categories were consistent and represented the whole picture; and the degree to which they were sufficient to include all of the data (Guba, 1978, p.56-57).

The objective was to create mutually exclusive categories, which had stability and clarity. "A stable classification has within-category similarities and between-category differences that can be explicitly specified" (Nutt, 1984, p.419). The clarity criterion requires that categories have both practical and theoretical significance.

Categories were viewed as tentative, and open to reformulation when new data revealed their inadequacy or limitations. Their purpose was to enable the beginning of analysis. Their status was that of a working hypothesis used to guide the search for constructs which would adequately describe and explain the decision-making process of the Committee. A process of cycling amongst data and conceptualizations was engaged in order to refine and extend categories. As Reason (1981a) suggests, this process brings ". . . a rigour of clarity, accuracy, and precision" (p.249).

These categories and interpretations must be continually reworked once they have been formed in order to create deeper insights.

. . . if one is interested in descriptive research, one can start with crude and obvious categories and cycle towards ever more subtle distinctions; and if one is interested in

discovering meaning, in explaining what is going on, one can start from initial interpretations and move towards deeper insights (Reason, 1981a, p.249).

Involved is a continual process of testing categories and interpretations for their adequacy. (Glaser and Strauss, 1967, pp.103-110, describe the mechanics of this process of "constant comparison.")

Construct formation as an iterative process. There are a continuous series of iterations of consultation between the data and concepts in formation.

. . . the observer constantly absorbs new information and integrates it with previous observations. This often leads to ongoing reinterpretations of data (Shaffir et al, 1980, p.201).

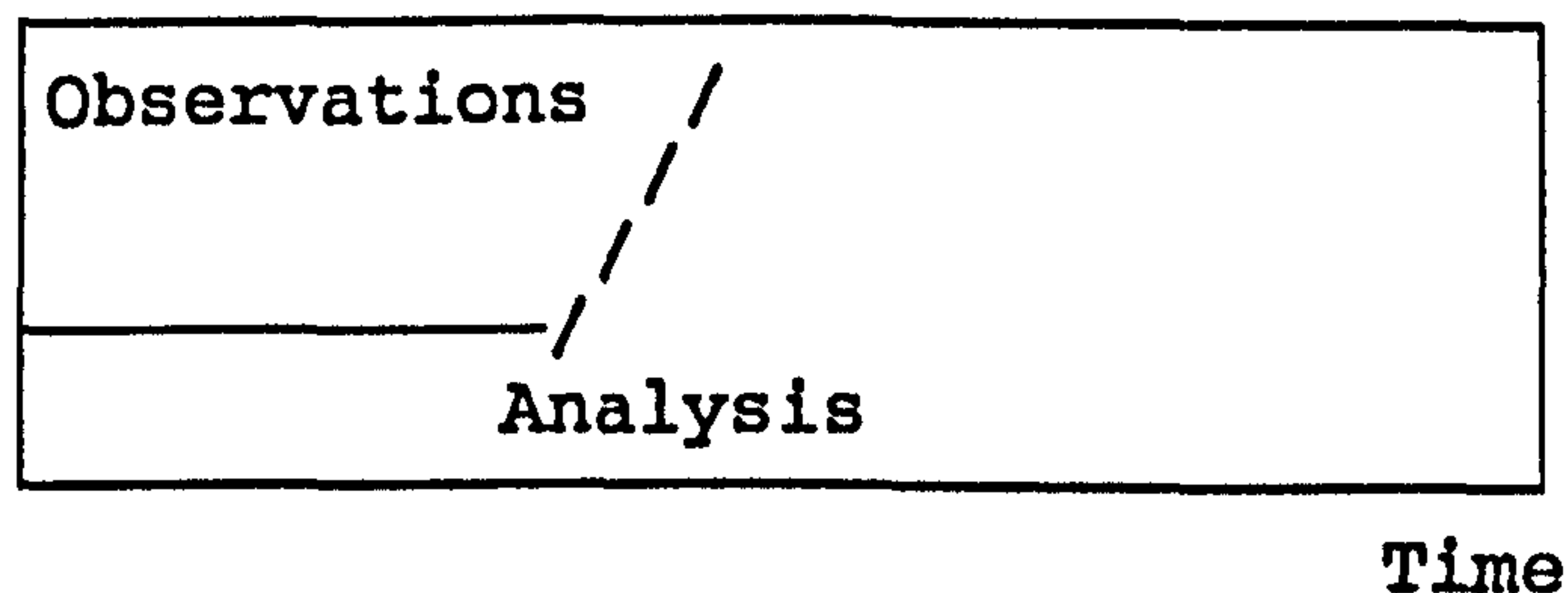
There is a continuing dialectic between concept construction and the empirical data (Levinson et al., 1966, p.129).

A qualitative analyst returns to the data over and over again to see if the constructs, categories, explanations, and interpretations make sense, if they really reflect the nature of the phenomena (Patton, 1980, p.339).

Data collection and analysis are not sequential actions, they are in oscillation.

It is the ongoing challenge, paradox, and dilemma of qualitative analysis that we must be constantly moving back and forth between the phenomenon . . . and our abstractions . . . , between the descriptions of what has occurred and our analysis of those descriptions, between the complexity of reality and our simplifications of those complexities . . . (Patton, 1980, p.325).

Lofland's (1971) graphic representation of the portioning of time between data collection (represented by observation) and analysis, depicts the relationship and pictorially displays Diesing's (1971) suggestion that conceptualization does not wait until masses of data have been collected (p.145) .



Observation (data collection) is the major activity in the beginning of the research program, but over time is replaced by analysis, which occurs, in part, from the beginning.

Interpretation

"To name a phenomenon is not to explain it" (Simon, 1970, p.19). Interpretation attaches meaning to the constructs formed from the data. It takes analysis past the construction of categories, themes, and patterns to explain their significance and meaning. It is an attempt to ascertain not only characteristics of the phenomena but causes and relationships within the phenomena (Duncan, 1979, p.425). It uses logical deduction to explain the way

items are related to each other (Beattie, 1968, p.118; Silverman, 1985, p.114). At this point the deductive method supplements the inductive. Interpretation further involves the drawing in of insights and theory from sources outside of the data analysis. These help to better illuminate the relationships within the discovered patterns as well as to relate them to a larger body of findings outside of themselves.

An important part of interpretation is the identification of causal relationships through the search for antecedent events and the conditions under which these events occur, and upon which they appear to depend. Lofland's (1971) view that the search for causation should be a subsidiary task in qualitative research, is mistaken. Also is his view that quantitative research is much better at the task. The search for causal links among events and among abstractions of them, is vital for a deeper understanding of them. Its purpose is not to aid prediction and control, as in quantitative research, but to explicate the network of internal elements within events. Despite his view, Lofland (1971) proposes two helpful guiding principles in the search for causative links: "cumulative causes" - the specification of the manner in which factors must accumulate though time and be activated in some sequence in order to have causal efficacy relative to some variation; and "situational" - a search for those features of the current social setting

which might account for the observed activities. The guiding question in both is: "what factors would induce anyone to act this way?" (p.65f). In fairness, Lofland's main concern seems to be that speculations about causes should be labelled as "conjectures" and not offered as absolute conclusions. This presents no problem. It cannot be proven that one condition caused another, but what can be done, and needs to be done, is to show the links between events. Moreover, what also needs to be done is the making explicit of the assumptions underlying the act of ascribing causality to a sequence of events (Borg and Gall, 1983). In other words, revealing not only the conclusions, but the path of logic the following of which resulted in the interpretation.

An important aspect of interpretation in this research is the interest in how the dimensions of context, content and process have interacted (see Chapter 5) to produce the observed events. This schema was used as a deductive interpretive device especially in the final chapter .

The level of abstraction found in interpretation and demonstration of causality is considered by some to have the status of theory. The concern for theory construction and verification is quite prevalent in the literature on qualitative methods (Glaser and Strauss, 1967; Webb et al., 1966; Denzin, 1978; Lofland, 1971; and Blumer, 1969). The concern for theory generation has been avoided here just as the need to produce generalizable statements has.

As Morton-Williams (1985) suggests, the final write up presents "impressions gained, as hypotheses rather than as firm conclusions" (p.41). Diesing (1971) identifies "general theory" as the highest level of explanation in the holistic method. It is built up from themes, and broader levels of generalization. The type of insights produced in this research might be considered a type of theory - "substantive" (Glaser and Strauss, 1967) which illuminates topical, localized issues - but above all they are intended to be insights into a particular contextually determined situation - decision making in the Operating Committee. The idea of theory has been avoided for it suggests the creation of a system of generalizabilities and some degree of completeness, neither which can be claimed for this research. In this type of research there are always loose ends.

There are always themes whose meaning remains unclear or ambiguous and alternative interpretations and patterns that cannot be conclusively rejected The researcher never quite finishes Human systems are always developing and always unfinished; they always retain inconsistencies, ambiguities, and absurdities (Diesing, 1971, p.165).

Verification

The researcher's objective is to construct useful and substantial constructs which are grounded in the data, do justice to the data, and allow for plausible explanations. One has to be careful not to form constructs and interpretations that really do not arise from the data but

are impositions of the researcher's own perspectives (Lofland, 1971, p.34). This is also the challenge of qualitative analysis. Since the method of qualitative analysis is left primarily to the judgement of the researcher, the onus is his to prove that he has used reasonable and appropriate means to verify his findings. While making statements about what the data contains or in formulating a concept, the researcher must continually ask himself - "how do I know this?", and "how did I come to this conclusion?"

The iteration process plays a major role in verifying the categories and interpretations produced by the analysis of qualitative data. Movement is between discovery and verification.

. . . the investigator moves from varying degrees of a 'discovery mode' to varying emphasis on a 'verification mode' in attempting to understand the real world. As the research begins the investigator is open to whatever emerges from the data, a discovery or inductive approach. Then, as the inquiry reveals patterns and major dimensions of interest, the investigator will begin to focus on verifying and elucidating what appears to be emerging . . . (Patton, 1980, p.46).

Verification occurs as the researcher "[goes] back to the empirical world under study and . . . [examines] the extent to which the emergent analysis fits the phenomenon and works to explain what has been observed" (Patton, 1980, p.47). Glaser and Strauss (1967) describe what it means for results to fit and work.

By 'fit' we mean that the categories must be readily (not forcibly) applicable to and indicated by the data under study; by 'work' we mean that

they must be meaningfully relevant to and be able to explain the behaviour under study (p.3).

Verification requires the moving back and forth between the data and abstractions of it.

The first vague statement of a tentative theme is followed immediately by a search for further instances, which serve simultaneously to verify the existence of the theme and to specify its nature more exactly (Diesing, 1971, p.230).

After the existence of a category, theme, or pattern is verified, its range of occurrence is investigated, and this search serves as a test of its importance. The same may be said of the verifying of categories. In relation to more elaborate themes involving complex interrelations, Diesing's (1971) approach, outlined below, was found useful. His terms "configuration" and "model" connote what has been described above as more elaborately themes and patterns.

Testing involves three elements; first, how many themes are included in the configuration and how many are left out; second, how coherent or well-organized the themes are; and third, whether new themes fit into the model as well. Acceptance or rejection of a configuration however, depends on the availability of a better alternative. The model that includes the most themes in the most coherent fashion is tentatively retained, and improvement in its inclusiveness and coherence is attempted (p.230).

Two other procedures were important for verifying the constructs and interpretations formed from the data. These were the search for alternate explanations and negative cases.

The search for alternate explanations. Pettigrew warned "beware of the singular theory of choice and change" (1985, p.41). He was referring to the limitations imposed by commitments to particular theoretical views. In this spirit, formulated constructs and interpretations were challenged with alternate means of framing the data. The process was one of taunting the potency of constructs with the potential of other constructs. Constructs and interpretations which survived did so because they were found to be the most fit. The verification of interpretations is a continuous process. Diesing (1971) portrays the right attitude concerning it:

the researcher does not rest satisfied with his first interpretation but thinks up as many as he can Each interpretation is tested, and those that survive are tested some more. Testing and revision of interpretations is a continuous process (p.146).

This process occurs both deductively and inductively.

Patton (1980) describes how the two methods are involved:

Once the evaluator-analyst has described the patterns, linkages, and accompanying explanations that have emerged from the analysis, it is important to look for rival or competing themes and explanations. This can be done both inductively and logically. Inductively it involves looking for other ways of organizing the data that might lead to different findings. Logically it means thinking about other logical possibilities and then seeing if those possibilities can be supported by the data. . . . the analyst looks for data that 'support' alternative explanations It is a matter of looking for the 'best' fit between data and analysis (p.327).

The failure to find better fitting alternate constructs and interpretations verifies the enduring ones as the best.

The search for negative cases. Closely related to the search for alternate explanations is the search for data which disprove or display the inadequacy of the currently operative constructs and interpretations. The objective is to find data which do not fit within the schema (Patton, 1980, p.328; Goetz and LeCompte, 1981) and challenge the current constructs. Corresponding to quantitative data analysis, the researcher is looking for "outliers" in the data. Diesing (1971) summarizes the essentials of the approach:

. . . [the researcher] tries to set up a plausible connection between themes that seem independent or whose relation is unclear, and he tries to bring into the model items that have stubbornly refused to fit. The latter process may involve considerable recasting of the model to make room for the difficult item, may lead to a re-examination of dubious themes and interpretations, and may even lead to ejecting some theme that formerly fit comfortably. Thus the model and its component themes may be considerably and frequently recast in the process of verification (p.159).

The location of negative cases causes the constructs and interpretations to be modified and made more comprehensive and robust. "In this way the identification of deviant cases can serve to increase the reliability and inclusiveness of analytic schemes" (Silverman, 1985, p.21).

There are no guidelines for how long to search for negative cases (Glaser and Strauss, 1967, p.230), the search is a continual one and lasts until the final write-up.

The methods of verification outlined above involve the forced interaction of empirical observation and abstraction. Different conceptual schemes are tried out on the data. Another approach used by Nutt (1984) involves the use of more than one analyst to see if there is uniformity in the way data is classified and interpreted. The constructs are accepted as valid if more than one rater would categorize the data in the same way. This approach has appeal but was not done in this solo research effort. A closely allied method, used in the work of Nutt (1984), requires that the analyst leave the data and analysis for a time, and when he does come back to it, he notices whether he would use the same constructs as he previously did. If he does, this is further evidence of their validity. Similar to this, was a method used in this research near the conclusion of analysis. "Holdout samples" were examined after considerable work had been done structuring the data. The current constructs were applied to the data from particular meetings not previously examined in order to investigate their adequacy and effectiveness in classifying and interpreting the data. If they were still found wanting, they were reformulated or expanded.

Summary

Data were collected from the Operating Committee meetings and members through the use of observational and interview techniques. These data were in the form of verbatim transcripts which were then analyzed. Constructs were created from the data identifying and organizing categories, themes and patterns. The meaning and significance of these were then interpreted. Concern for verification of the analysis procedure was paramount throughout and several principles were adopted as guidelines. The findings which have resulted from the collection and analysis of the data should not be seen as "facts" or even as theories but understandings in formation.

In working with the formulated constructs and themes to identify their significance, it became apparent that there were three dominant dimensions of the situation in which the Operating Committee found itself. These were the content of the decisions made, the process by which they were made, and the organizational and environmental context in which they were made. These three dimensions and their importance as a way of understanding the activity of the Operating Committee are discussed in the next chapter.

Chapter 5

Interaction of Process, Content, and Context

In Chapter 3 it was stated that no dominant organizational paradigm has been adopted in this research. The decision-making activity of the Operating Committee has been viewed from a number of different perspectives in order to best describe its salient features, analyze its significant relationships, and account for what was seen to occur. However, one dominant perspective maintained throughout the study has been that the Operating Committee's actions and the changes the company went through can best be understood as the interaction of the decision making process, its content, and the context within which it was set. A comprehensive understanding of the factors contributing to the company's reversal in financial fortunes must take into account all three dimensions. In addition to the substantive content of the decisions made and actions initiated, factors resident in the procedures of the group and behaviour of its members, and the surrounding context also help to explain what happened. Pettigrew (1985a) has argued also for the need for consideration of all three dimensions in understanding organizational change.

The starting point for analysis of strategic change is the notion that formulating the content

of any new strategy inevitably entails managing its context and process. Thus theoretically sound and practically useful research on strategic change should involve the continuous interplay between ideas about the context of change, the process of change, and the content of change, together with skill in regulating the relations between the three (p.439).

Even though the strategic change undergone by National Sea is not the primary concern of this research, interest in the interaction of these three elements is important in order to shed light on the factors contributing to the dramatic turnaround, and in order to better understand the process by which it was formulated. Chapter 18 will demonstrate how the use of the idea of the interaction of process, context, and content enables an explanation of the turnaround in the company's financial condition. In attempting to understand the decision-making process of the Operating Committee, it is essential to recognize that the context within which the Committee functioned and the content of issues considered impacted upon the way in which decisions were made.

Content

The content of issues is not only "handled" by the routines and structures of a decision-making process but it may also influence the nature of those routines and structures. Halaby (1976) in an empirical study of 240 different decisions concluded that a critical aspect of an analysis of the decision process is a consideration of the

substance or content of the decision itself. Hickson et al. (1986) also make the connection between substance and process: ". . . the process of making a decision arises from the problems and interests inherent in its subject matter" (p.127).

Content, especially that involving complexity, is more than raw material to be processed in standardized ways by formalized decision-making mechanisms. Content is the symbolic representation of fluid events which often calls forth improvisation in order to deal with their uniqueness. There have been attempts to mechanize decision-making processes by formalizing them in models which, it is hoped, render decisions into programmable routines. Appropriate, perhaps, for routine matters, they have difficulty handling complexity and novelty, and cannot replicate human judgement. Decision processes which are open to considering uniqueness in content are called upon to initiate variations in routines and sequencing of activity in order to deal with that uniqueness. The content of discussions may influence the kind of process elicited to deal with it, the degree and kind of involvement offered by participants, the amount of attendant attention and stress, the measure of organizational resources summoned, and the number of other groups within and without the organization which may be involved with the matter. Chapter 8, in particular, will

show how the identification and labelling of different types of content evoked different response patterns.

Context

Organizational functioning can be viewed as a ". . . multi-level phenomenon in which specific organizational activities occur within a wider set of parameters that condition the internal process" (Pugh, 1983, p.54). The influential role played by the context within which decision making occurs cannot be overlooked. Fredrickson (1983) says that a variety of contextual factors determines the type of decision process used (p.565). Context presents numerous factors which impact on the way processing occurs and concludes. Wright (1985) maintains that "interactionism" between decision process and its surrounding situation is the main source of behavioural variance in a decision event. (p.44). Lewin (1951) said that what explains a current situation is not only the indigenous elements of that situation but the supporting and opposing forces in the surrounding field, which act upon it and maintain it in its present state. "The process is the epiphenomenon, the real object of study is the constellation of forces" (Lewin, 1951, p.174). The constellation of forces surrounding an organization's decision process, or its context, must be scrutinized as to its role in influencing process.

Context is more than descriptive background, or a backdrop, or a list of antecedents which somehow accompany the process. Neither is it merely a set of constraints which must be accepted as modifications to aspiration. It is a set of variables which interact with the process, impact upon it, and in return, summon attempts to influence and exploit it. For example, in regards to the economic component of context, there was seen to be in this study a continual interaction between economic conditions and the type of decisions making occurring in the Committee. Economic conditions presented factors which were continually monitored and assessed. Their judged importance was folded into the process as variables whose implications needed to be evaluated. Economic crisis evoked shortened decision routines. Ameliorating economic conditions presented opportunities which elicited more thorough and extended consideration.

It is helpful to view context as having "outer" and "inner" layers (Pettigrew, 1985a). The outer context includes significant groups, issues, and structures in the environment external to the organization, presenting matters related to economics, social values, industry conditions, politics, and governmental regulations. The inner context is comprised of organizational factors which define the setting in which the decision body operates. These relationships which may be viewed in terms of power, responsibility, flow of communication, and rights of

initiative, delegation and accountability, had the potential for shaping the way the Operating Committee carried on its decision making. Decision processes are shaped in part by their location within the organization (Parsons, 1960). Decisions are framed by the organizational context.

. . . a context which shapes the process by determining the nature of the decision from which the problems and interests arise, and which may have a constant separable effect upon process irrespective of the particular decision matter. It determines the nature of the decision because it is the framework or 'rules of the game' for decision-making, and fixes which topics are allowable and which are not. Its norms or 'rules' govern what is mentionable or unmentionable . . . , what interest matter . . . , and how things should be done . . . (Hickson et al., 1986, p.169).

The ten-month period during which I observed the Committee's performance was a moment of intrusion into the on-going stream of events in its life which cannot be disassociated from what went before or came after. The observed condition of the Committee was the result of not only its present activity but a process of evolution and development in which it incorporated experiences, expectations, and guidelines. The historical development of the Committee shaped its functioning in the time period in which I observed it; as well, past decisions impinged upon present alternatives as guidelines or constraints eliminating alternatives or predisposing choices. (Hickson et al., 1986, refer to this as "precursiveness.")

In order to adequately describe and analyze the

decision-making behaviour of the Committee it is necessary to identify the significance of the pertinent aspects of the surrounding environment, the circumstances out of which the Committee grew (outlined in Chapter 1), its "stock" of past decisions, the purposes for which it was intended, the expectations placed upon it, and its relation to other groups within the organization. These factors constituted the committee's organizational and historical context and comprised its "reality."

Regulation of the Interplay Between Process, Content, and Context

In searching for the significant factors which contributed to the way the Operating Committee carried on its decision making, a continual query was the part played by context and content. This was not intended to condition observations by overlaying a particular theoretical viewpoint, but directed attention and the search for evidence to areas which otherwise might have been overlooked. Conditioned by the thinking behind the arguments made in the first part of this chapter, it was assumed that there was an interactive effect between these three and the objective in the study was to determine it. In interviews, questions were asked which attempted to probe the interplay of these three factors.

Pettigrew's (1985a) method of "contextualist" analysis with its vertical and horizontal dimensions provided

guidance in attempting to determine the interactive affect. Vertical analysis seeks out the manner in which higher and lower level phenomena are interrelated and how one affects the other. Higher level phenomenon may be taken as situations which are less under the control of the organization and are broad in scope. Lower level phenomenon are more organizationally-based. The interesting thing is how they interact through time. Horizontal analysis searches out the sequential interconnectedness between phenomenon through time. It is concerned with the historical development of events and issues. Contextual analysis is predominantly interested in how contextual factors and processes identified in vertical analysis relate to process in the horizontal analysis. The underlying question which drives data collection and analysis is - what are the links between variations in these contextual factors and variations in process and outcome over time?

" . . . the key to the analysis lies in positing and establishing relationships between context, process, and outcome. . . . what are the relationships, if any, between variability in context, variability in process, and variability in outcome" (Pettigrew, 1985a, p.38)?

Pettigrew's contextualist method implies a longitudinal study with massive amounts of detail as displayed in his thorough study of organizational change at Imperial Chemical Industries (1985a). The study of the Operating Committee occurred during a much shorter time span, and in

the way Pettigrew requires, it is not truly long enough or broad enough in scope. However, it has benefited from the contextualist perspective. It has sought to identify layers of factors and processes within, and surrounding, the organization which interacted with the decision process and may have influenced the outcomes. Variations in these factors, by kind, more so than over time, and how they affected process and outcome was of primary interest in this study.

In the next chapter, more will be said about what was considered to be the main components of the decision process.

Chapter 6

Process

Michalos (1978) has suggested that there are two methodological approaches to analyzing a decision - "a posteriori" and "a priori." The first focuses on the outcome, that is, the actual decision made, the second on the process by which the decision was made. The attractiveness of the second approach is highlighted by Simon (1960) in saying that the study of decision making is not a focus on the moment when a final choice from several alternatives is made, but rather a consideration of the "whole lengthy, and complex process of altering, exploring and analysing that precede that final moment" (p.1). In studying the decision making activity of the Operating Committee, this research seeks to understand that sometimes lengthy and complex process which preceded the final choices or decision outcomes. It is a focus on process rather than outcome.

The process which precedes choice has been described from a number of perspectives with the particular dimensions identified and accentuated which are thought to give the process its character (for examples, see Cyert and March, 1963; Anderson, 1977; Allison, 1971; Linstone, 1984; Shrivastava and Grant, 1985). The features of the

decision process of the Operating Committee which were identified as being influential in shaping its character were these three: the structure and flow of the process through recognizable phases; the behavioural activities of the members of the committee; and the management of the process by its leader. These three foci - phases, activities and leadership provide the framework on which a description and analysis of the process is built. These three themes emerged as dominant during the attempt to make the decision process explicit in this study. Their description and analysis constitute the contents of Parts II, III, and IV. They provided the major categories which subsumed subsidiary elements and provided foci for identifying the critical aspects of the process. These salient features are similar to those commented on by Dutton and Jackson (1987) who said that the process encompasses cognitive and affective responses, individual behaviours and social interactions (p.85).

It is acknowledged that the decision process of the organization extends beyond the deliberations of the Operating Committee, as central and important as that Committee was in the life of the company. A fuller description of the larger process would make reference to factors other than the three mentioned above. (The interaction of group process and organizational context has already been identified as an important event in the preceding chapter.) Some recent notable studies of

process have taken this wider organizational view and described process by the path critical issues take through the structures of the entire organization (Nutt, 1984; Mintzberg et al., 1976; Hickson et al., 1986). However, reference to process here is in regards to what went on in the confines of the weekly senior-level management meetings. The description and analysis of process here is bounded by the activity and deliberations of the Operating Committee. It is agreed that ". . . decision processes rarely have clear beginnings or endings" (Pinfield, 1986, p.377), and organizational decisions are accumulations of a series of subdecisions (McCall and Kaplan, 1985, p.104), however, in this study of the Operating Committee, it can be said that there were definite parameters. The beginnings can be taken as the moments when the issues were introduced as agenda items for the Committee's consideration and the endings, the points when the Committee reached a decision about how to deal with the issues - by deferral, delegation or action. It is the way the issues were dealt with between the entrance and exit points which is construed in this study as the decision process of the Committee and can best be explicated with reference to the elements of phases, activities and leadership.

These three themes were chosen because of their perceived centrality and importance in analyzing the data. Lyles and Mitroff (1980) as well as Berelson (1954)

support this approach of using centrality of themes as opposed to frequency as an interpretive device.

The general nature of each one of these aspects of the process is briefly described and its significance indicated before each is described and analyzed in detail in Parts II to IV.

Phases

The general nature of problem solving and decision making has come to be generally accepted as a series of stages through which a deliberation passes (Cowan, 1986). Steiss (1985) asserts:

. . . it is necessary to approach the patterns of decision making stage by stage in order to adequately analyze the process. Only in this way is it possible to uncover meaningful and useful insights into how the process can be improved (p.69).

Nutt (1984) says more needs to be understood about what happens during particular stages. Models of the decision making process have incorporated the concept of stages for some time (John Dewey, 1910; Robert Tannenbaum, 1950-1951; Simon and March, 1958; Bakke, 1959; Simon, 1960; Cyert and March, 1963; Nutt, 1984). These stages have been presented in various ways - as simple and orderly (Newell and Simon, 1972), as overlapping "foci" through which problem solvers cycle (Eden, 1987), as tight, discrete

entities in time and space (McKenna, 1987), occurring in confluence with forces in the environment (Gilligan and Neale, 1983), and easy to identify with simple decisions, but difficult with harder decisions (Radford, 1975, p.13).

Apart from the insights of previous research, it became clear from an analysis of the data, that the deliberations of the Committee, considered across a wide variety of issues, flowed through a series of distinguishable stages or phases. These phases appeared in the dealing with all issues, or their presence was implied, or their absence was significant (chapters 7 to 13 will provide data to help substantiate these claims). The concept of phase, used to view the data and order it, is a helpful device for dis-assembling the decision process and for viewing its constituent parts.

The terms "stage" and "phase" are often used, but rarely defined. For purposes of this research, the term "phase" is preferred over "stage." Schwenk (1985) uses the term to imply that ". . . one type of activity dominates others at any point in the decision process and that decision makers' attention is focused on one phase at a time" (p.498). This is precisely the meaning which is wished to be conveyed here. It is suggested that "phase" implies less rigidity and not so much of a defined space within definitive boundaries, which "stage" may. The term phase is chosen over stage, not to belabour a point, but in an effort to make a distinction. The decision process

is not an orderly progression from one neatly defined and delimited area to another as rational and normative models suggest and the term stage may convey. Although it can be asserted that decision-making activity takes on distinct characteristics at different times and that these characteristics show up in repeatable patterns, it is just as important to state that it is difficult to identify the point where one set of activities gives over to another. The boundaries are permeable. The term phase is meant to convey the idea given in its dictionary meaning of a "particular appearance or state in a recurring cycle of changes" (Webster's). The term "phase," used also by Mintzberg et al. (1976) and Radford (1977), is close in intention to the term "foci" used by Eden (1987). Although the decision process of the Operating Committee displayed a great deal of orderliness, more, perhaps, than some others, it was not a sequentially ordered routine in which problems were disposed of in a step-by-step manner. The decision process was found to be, as Burns (1978) has suggested "a turbulent stream rather than . . . an assembly line operation . . . (p.379)." It is agreed with Simon (1979) that preoccupation with stages in decision-making research focuses attention on what occurs within particular stages rather than the more important and interesting issue of coordination and interaction of activities between stages. Chapter 13 is devoted entirely to this interaction between phases.

Here, phase is defined in reference to both its use as a hermeneutical device for interpreting the meaning of data and as a grouping of coalescing dynamics with a common theme. The Greek term "pericope" is sometimes used (Greek: "to cut around") in matters of textual analysis. It conveys the same meaning as phase is intended to. A pericope is a natural grouping of like-minded issues converging around an identifiable theme which may be studied as a unit. A phase is a fairly distinguishable structure in a cycle of activity which may be described as an entity.

Each phase appeared to have a character which can be defined with reference to two particular features - the specific manner in which information was processed and the task which seemed necessary to accomplish before "closure" could be achieved and the process allowed to move on. A phase is a coalescence of specific cognitive procedures using information as "raw material" and aimed at achieving an intermediate purpose as part of the larger goal of reaching a decision. Within phases, identifiable ways were observed by which information was presented, received, processed and infused with meaning. Also recognized was the presence of tasks necessary to accomplish before the process was able to move on through other phases. The passing on from a phase before closure was reached, or the development of subsequent events which "undid" that closure was seen to account for the cycling

amongst phases. (These assertions will be developed and substantiated with data in the following chapters.)

The phases of the decision process of the Operating Committee were identified as six: presentation, identification, familiarization, formulation, alternative assessment, and choice. (A discussion of the data related to each will occupy separate chapters as will the sequencing of movement from phase to phase.) The names chosen to describe these phases were in keeping with similar terms in the related literature and were ones which seemed to best describe the activity of that phase. The creation of novel terms was consciously avoided in order to relate what was done in this study with other studies.

The model incorporating these six phases was developed from the data and bears some similarity to normative models like those offered by Pounds (1969) and Soelberg (1967), but it was not constructed out of a felt necessity to present an orderly picture of a logical process. The model is also comparable to some others but these were not adopted because they were judged as incomplete. Shrivastava and Grant's (1985) model of the decision process highlights two activities - problem familiarization and solution building. The first activity encompasses the first three phases of the model proposed here, the last activity encompasses the last two phases. The model developed from the data gathered in the

Operating Committee includes the phase of Formulation which Shrivastava and Grant do not. It was felt that this was a critical activity and it was found to play a crucial role as the "gateway" or passage between the two general types of activities outlined by Shrivastava and Grant. Simon's (1960) model which incorporates the stages of intelligence, design, and choice bears structural similarity, but does not provide the level of detail as the model developed in this study. The model offered by Kilmann and Mitroff (1979) is, again, similar in general terms but lacks textual definition and detail. The inadequacies of these and other models necessitated the formulation of the one developed in this study as the best way to represent what was found in the data.

Three well-developed and oft-referenced studies incorporating the concept of stages deserve particular attention in order to point out important differences between themselves and the one offered here. Mintzberg et al. (1976) in a seminal study using interview data collected from key participants involved in twenty-five strategic decisions, attempted to bring the elements of the strategic decision process to a common base. Nutt's (1984) work is similar. In a study of seventy-three decisions identified as strategic, he attempted to build a taxonomy of the types of decision processes based upon a consideration of the particular sequencing between, and relative emphasizing of, different stages of a model built

up from normative theory. These two studies first identified the stages thought to exist in the decision events studied, then used these stages to define the processes in terms of how these stages were sequenced and emphasized. The stated purpose of this research is processual, but it is carried out in a way which does not describe the elements of the process in any detail, but only builds a topology which is then offered as a way to classify types of decisions. Unfortunately, descriptive details are sparse and little is added to the understanding of the inner workings of the process. In addition, questions more endemic to the process are left unanswered - what is involved in these steps and what and who influences the flow?

Cray et al. (1984) have constructed a topology of decision process which identifies and characterizes three different types of processes in terms of five key activities which they see as existent in all decision processes. Their study gives more insight into the process of decision making because it offers a fuller description of the activities involved and uses this as its organizing principal rather than the sequencing of movement from stage to stage in the process.

The construction of topologies in order to classify different types of processes is helpful in three ways: as an aid in understanding the concepts of activities, routines and stages; as a diagnostic tool for identifying

and classifying different decision processes in an organization (Shrivastava and Grant, 1985, p.111) and for initiating thinking about the emphasizing and sequencing of events. However, with its goal of creating classification schemes, once this is accomplished, it seems to lead no where. One is left with a structure which can use to label subsequent process, but few insights into the dynamics of the process itself. The insights into the process are overshadowed by a methodology which appears to believe in the rigour and superiority of generalizations taken from larger and larger sample sizes and confidence in the power of diagnosis and labelling rather than the understanding of uniqueness. A deeper phenomenological understanding of the process rather than the outward structure is what is needed. R.D Laing (1965) has commented in the same way upon the field of psychiatry which strives for diagnosis in a mistaken belief that it will lead to control and cure and when is needed is a deeper appreciation and unfiltered understanding of the phenomenological world of the "patient." The model constructed for this study hopes to overcome some of these weaknesses and has as its objective the understanding of the inner movement and dynamics of the decision process.

Presentation was the initial introduction of an issue as an item for consideration. During the identification phase the group decided whether to assign the issue

significance and deal with it as a problem, an opportunity, or a crisis. Most of the cognitive activity occurred during the familiarization phase as details were explored, causes assigned, and consequences envisioned. Prior to the search for solutions, the specific question to be resolved, or choice to be made, was formalized in the formulation phase. During the alternative assessment phase, alternatives were generated or earlier ones formalized, and these were then evaluated in keeping with a set of criteria in the choice phase and a decision made.

These six phases are listed in the order given above for expository convenience and because processing in the Operating Committee often occurred in this sequence. The order presented is not meant to suggest that the decision process had to occur in this order, but due to the structure and disciplined nature of the Committee's activity (matters to be discussed later) this was usually the pattern. What was observed was a cycling in and out of these phase in different configurations. Comments on this sequencing amongst phases will be made in chapter 13.

Activities

Critical to the flow of the decision process in the Operating Committee was the particular way in which individual members participated in the deliberations.

Eden (1987) and Eden and Harris (1975) have commented that the decision process is multi-faceted and an understanding of it must incorporate references to psychological processes and social interactions. Cray et al. (1984) identified interactions between decision makers as an important aspect of the decision process. Mitroff (1985) has said that an understanding of the decision process must include psychoanalytic elements. This level of analysis beneath the flow of the process focusing on the particular involvement of participants has been done in previous studies. Mintzberg et al. (1976) identified three types of "supportive routines." Nutt (1984) recognized three "steps," or different routines by which participants dealt with information within stages. The particular activities identified in this study were seen to be individually initiated acts which brought participants into interaction with others in the cognitive processing of information. Their observed presence was deemed to have had a significant impact on the flow and progress of the decision process and, therefore, were identified as important and worthy of further study. As well as emanating from particular psychological states which could be investigated, but which are beyond the scope of this study, they sometimes displayed a amount of skill in their execution. These activities had the potential of aiding the process towards its goal.

These activities are referred to and discussed throughout Parts II and III. The following will be described in some detail - probing, confronting, creativity, "bundling," and "un-bundling." The discussion of two - movement between "figure" and "ground," and "framing" will occupy separate chapters. Probing and confronting facilitate the bringing out of deeper issues, relevant information and values. Framing put issues into perspective in such a way that dominant values emerged and a solution was more apparent. When a member of the Committee was able to shift the focus from the particular details of the decision to the broader issues, or vice versa, he was seen as engaging in, what Gestalt Psychology refers to as, movement between "figure and ground." Some members were able to creatively suggest solutions which satisfied seemingly, conflicting objectives.

As well as the presence of functional activities, the absence of more dysfunctional actions and ways of participating were noted. It is interesting to consider why open conflict and power struggles were not observed in the Operating Committee, things which are expected to be present in group decision events. Also seen to be absent were group pathologies such as "group think" (Janis, 1984), impulsiveness to grasp at quick solutions, and overt efforts by individuals to seek power and to maintain status. Just as important as searching out the functional activities, it is important to discern the

reasons for the absence of the dysfunctional activities. This will be done in Part V.

Leadership

Much has been written about leadership and its importance for organizational effectiveness (for example, Belbin, 1981; Fleishman, 1973; House, 1971; Fiedler, 1967). Various theories have been proposed to account for effective leadership and to designate particular leadership styles which are most appropriate for different types of groups (see Gilligan et al., 1983 for a summary). For effective organizational decision making, the management of the process by its leader is agreed to be a particularly crucial matter, and as important as, and separate from, his ability to make decisions (Thompson and Tuden, 1984).

The conclusion reached from the data obtained in the Operating Committee was similar - management of the process by its designated leader was an extremely important aspect of the process and, as will be shown, accounted for much of the "shape" of the decision process of the Committee. The President of the company took as one of his responsibilities chairmanship of the Operating Committee, and the way in which he understood and carried out his role was seen to influence the direction, flow and

outcome of the process. His activity as leader will be discussed in Part IV with particular reference to two matters: how he exercised his power in the Operating Committee meetings and his impact on the decision process and outcomes of the committee. His specific actions and interventions in the deliberations of the Operating Committee were visible for study and evaluated as significant. The ones judged most important were these: the reinforcement of accountability, the enforcement of discipline and the giving of direction. In various ways, and at various times, his action, attitude, and manner of relating seemed to contribute to the overall climate of the Committee and to the broader culture of the organization. It can also be said that the chairman's behaviour, values and skills had a major part in shaping the process and its outcomes. How this occurred, and why, are important questions which will be explored.

Part II

Phases

Chapter 7

Presentation

The way in which issues came to the attention of the Operating Committee and became the content of their discussions revealed much about the nature of the group and its decision process. It also determined, to some extent, the way in which those issues were subsequently dealt with.

Introduction of Issues

Issues discussed in the Operating Committee meetings were introduced through the formal, written agenda. The agenda was prepared by the secretary of the Committee (a member of the secretarial staff with assigned duties in the Operating Committee). Its construction was the result of her accumulating, prior to the weekly meetings, the requests of Committee members for inclusion of particular items. Added to this were outstanding items which arose during previous meetings but were not able to be resolved until expected events transpired or additional information was gathered. The printed agenda with accompanying background material was circulated prior to each meeting.

In addition, the first item of business at each meeting was a call for any further items to be added to the day's agenda.

There were two exceptions to this routine for establishing the agenda. Periodically, a member of the Committee returning to the Committee room, after having previously left the meeting, would bring news of some event of interest to the Committee, or a request relayed through him for information or a decision. In one instance, the prepared agenda was interrupted when an employee brought a matter to the door of the Committee room which he perceived to be a crisis requiring the Committee's immediate attention (16:16ff, references are to transcripts of meetings noting number of meeting and page). Such exceptions to the standard way in which issues were introduced were rare. For the most part, the situations presented to the Committee for consideration came from the established agenda.

As well as matters which members were obligated in by-laws to bring to the Committee, such as capital expenditures, the putting of new items on the agenda was left to the judgement of the individual Committee members. The openness and accessibility of the decision process of the Operating Committee was markedly different from that of the former Management Committee which was tightly under the control of the former president (interviews with vice presidents). It appeared that this new style of openness

and accessibility took some getting used to. Committee members expressed the belief (in interviews) that they were learning what type of issue they were expected to bring to the Committee as well as the ones they could bring for help from the other members. This working out of the Committee's role in decisions facing the different functional areas was observed to occur within meetings (10:2,3). Several Committee members expressed the belief (in interviews) that major issues were not kept from the Committee's awareness and they were involved in the major decisions of the company. If important decisions were made outside of the group, the general direction had, at least, they felt, been laid in the meeting, or the group would be subsequently informed. One vice president felt there was genuine interest in bringing decisions to the Committee because . . .

[We have] all been through a process of education during the past two years. We have come to learn that group decisions are better than individual ones. All want to make the best decisions for the company (SR, p.3, reference is to transcripts of interviews noting person interviewed and page number).

The items placed on the agenda appeared to be there for one of two reasons, or both: they were critical to the company's operational efficiency or long-range strategic plan and, as such, required senior management's decisive action; and/or the President wanted the Committee to be aware of the matter as part of his attempt to educate them

about the range and specifics of the company's business. This, as he suggested in an interview, was a prerequisite for involving Committee members in decisions which affected more than their own department, and for gaining their cooperation in the coordination of inter-departmental activities - occurrences severely lacking in the previous Management Committee. The first justification for inclusion on the agenda is standard and appropriate (Ansoff, 1965). The second, is not always present and was largely an expression of the Chairman's own values and goals.

Nature of Agenda Items

The agenda was divided into "Items for Decision" and "Items for Information." Different expectations were attached to each category. The Committee responded to "Items for Decisions" by working to construct a solution. During the presentation of "Items for Information" group members were more passive. Listening with little response appeared to be the accepted behaviour. Within each category there were both new items, unfinished business, and routine matters. New items arose from such sources as: on-going studies of markets, products and operations; requests from external agencies or individuals; updates on events critical to the organization; identification of potential problems and opportunities by departments; and decisions made by units lower down in the organizational

structure which had to be ratified by senior management. Routine matters, on each week's agenda, were usually these: organizational changes, proposed capital expenditures needing approval, significant contracts pending, and the "Key Indicator Report." The Key Indicator Report with its weekly review of critical production, marketing and financial ratios, played an important role in bringing critical items to the attention of the Committee. Rather than using a "management by exception" approach in which regard was given only to results which were out of the range of an agreed-upon acceptability and usually brought to management's attention by other parts of the organization, the Committee routinely reviewed a wide range of indicators from various functional areas looking for significant occurrences. It appeared that the reason for reviewing the company's overall performance was again an educative one - to create an understanding amongst senior management of the organization's basic business and its performance levels. This was part of the President's objective to have his vice presidents informed about, and involved in, the company's entire operation, and not just in their own parochial pursuits (interview with president).

It is not known if there were any explicit or implicit prohibitions on the introduction of certain topics because they were judged to be sensitive matters or their discussion would violate established norms. Nothing

observed or learned indicated this. Based upon the work of others, it can be reasonably conjectured that there must have been some withholding of information for fear of censure or political advantage (Lyles and Mitroff, 1980, p.113) but nothing observed indicated this. Issues sometimes referenced past mistakes of people in the room, or highlighted situations which had previously caused the company loss. In fact, it appeared as though these kinds of issues were sometimes deliberately sought out. For example, for a considerable length of time, an outstanding item on the agenda was an update on a particular product in which the company had invested heavily and on which it had taken a significant dollar loss. The vice president in charge of this matter was asked to make periodic updates on its disposal. He suggested in an interview that the purpose of this was the President's desire to keep this kind of incident in people's minds so that it would not happen again. Again, the President's objective of educating Committee members appears to have been behind the introduction of certain kinds of issues.

Regardless of the reasons for the inclusion of particular items on the agenda and apart from their general content, their introduction into the meeting can be seen as more than the communication of factual information.

"Bundling and Un-Bundling"

Points of view, and value judgments were often seen as being blended with factual information in the presentation of issues. The putting of agenda items into discussion was more than the conveyance of objective information, it was the interweaving of information with interpretative constructs infused with meaning. Even the Key Indicator Report, on the surface a "factual" document, might be said to have been "bundled" with particular perspectives. It might even be said that it is impossible to factually and objectively present any "raw" data because even in the collection of that data there are underlying assumptions and ingrained judgments about what is significant data and by what standards seemingly neutral indexes and performance measures should be constructed. It is known that inferences drawn from data are often passed along in a process of "uncertainty absorption" (March and Simon, 1958), problems are apt to be defined in terms of the world and experience of the presenter (Eden, 1977), and presented in ways designed to solicit a specific reaction or to help shape a certain attitude towards the issue or the presenter (Eden and Sims, 1979, p.121). In the Operating Committee, this subjective framing or "bundling" of facts and interpretations was seen in the presentation of agenda items for consideration. It was part of a

process of "managing meaning" which will be referred to in other parts of this study.

The following incident is given as an example. A vice president was sent to assess a potential acquisition candidate on the west coast of the United States. On his return, his report to the Committee (2:9f.) included financial and operational ratios, data on market share and competition, age and condition of assets, and the existence of, and significant details concerning, existing labour contracts - all relevant considerations. It also came with a strong recommendation not to acquire. Details of the condition and position of the potential acquisition were enveloped in value judgments, interpretations of what particular pieces of information meant and where a rational consideration of the "facts" should lead.

This bundling of verifiable information with personal perspectives is not viewed negatively here as a dysfunctional activity, but rather one all participants have the power to enact as means of influencing opinion. This was exactly the kind of concise "digestion" of information with a recommended action some Committee members wanted more of (interviews with Committee members), so his presentation was not likely to have been negatively perceived by the other Committee members. From this incident it can be concluded that in presenting a situation, a presenter whose aim it is to influence an opinion has several tactics available to him. He can

misrepresent, distort and even lie about the factual information to make it more as he wished it were. He can also try to shape the opinion of his audience by more subtle manoeuvres such as ordering, editing, casting pieces of information in certain lights so that the presentation conveys his own values and perspective, and ". . . by making certain issue attributes salient (Dutton and Jackson, 1987, p.85)." This bundling of values, perspectives and "raw" data may be well-intentioned and portrayed as nothing more than one's own opinion or dogmatically asserted as the "way it is." In this example, it was observed as having been offered with the first attitude.

Bundling, done manipulatively or without ulterior motive, may elicit an important counter-activity - "un-bundling." When a situation is presented in such a way that it is woven with strands of meaning and judgement, others have the opportunity to attempt to unweave, "unwrap" (McCall and Kaplan, 1985), or "un-bundle" the facts from the personal perspective of the presenter. This is an important procedure. The President's reaction to his vice president's presentation on the acquisition was observed as one of un-bundling. He tried to separate fact and judgement by highlighting the factual apart from inferences drawn from it, putting a different perspective on the "raw" data, and suggesting what might be potentially to the company's advantage in what was

presented as a negative (2:9f). The discussion after the President's intervention took a different direction than what it is surmised it would have taken if the presenter's "bundle" had been accepted. If it had, the matter would most likely have been dropped. The move to un-bundle opened the subject up for further processing in which organizational objectives and evaluative criteria were discussed at some length.

Un-bundling, in effect, is an attempt to get back to the presenter's process of issue construction before the presentation of it to others, back to the process where fact and judgement were first blended. It is an effort to neutralize filters, biases, value judgments and interpretative meanings by viewing the elements of the situation in as "pure" a state as possible so one can apply their own interpretation. Complete eradication of bias cannot be accomplished with total success, but the effort to un-bundle can be an important effort in the attempt to keep the group from being directed towards a recommendation which may not be appropriate or, at least, needs to be given more consideration.

It is interesting that most of the un-bundling in the Operating Committee meetings was done by the Chairman. The reason for the relative inactivity of other Committee members was probably a blend of the following: their lack of motivation to disassociate fact and interpretive framework, arising from a contentment, for whatever

reason, to accept what was presented; their implicit trust of the judgement of the presenter and deferment to his authority or "source credibility" (Lyles and Mitroff, 1980, p.112); and a lack of understanding of all the factors involved, especially those highlighted as crucial. Except for one vice president, the Committee members showed even less challenge to the President's presentations. Based on interviews with the President, it is suggested that he frequently un-bundled the presentation of others because he wanted to open matters up for wider and more extensive consideration based on a belief that the viewing of a situation from different perspectives might produce hidden possibilities.

Origin of Presented Issues

An identification of the genesis of issues presented to the Committee is a necessary and important task for a fuller understanding of the decision process of the organization. The issues which appeared on the Committee's agenda already had a history of development within the organization. The items which appeared on the agenda were matters of importance which had already been, to some degree, filtered (Cyert, Simon and Trow, 1970, p.82), negotiated, and infused with measures of meaning before they reached the table. They had been identified

and, to some degree, evaluated for their significance in other parts of the organization. A basic function of an organizational structure is to ". . . channel problems which are identified by its various members to individuals especially qualified to solve them" (Pounds, 1969, p.9). "Problem sensing" is a crucial predecessor of generating concern about an issue (Pettigrew, 1985, p.473) and the finding and the drawing of a critical mass of organizational attention to problems, is as important as solving the problem itself (Schon, 1983). Situations presented to the Committee took form prior to their listing on the agenda and resulted from the confluence of a number of cognitive, social, and political processes in other parts of the organizational structure. More needs to be understood about where problems come from and how they become defined (McCall and Kaplan, 1985, p.8), and screened (Nutt, 1984, p.448f.) in organizations. Empirical investigation of such matters has been limited (Cowan, 1986). It is known, however, that prior to their formal consideration, issues are identified as a result of the continual "scanning" (Cowan, 1986) or "monitoring" (McKenna, 1987, p.218) of internal and external sources of information (Easton, 1965) in a formal and, more likely, in an informal manner (Lyles and Mitroff, 1980 p.109; Hasher and Zacks, 1979). Problem recognition may be immediate or lie dormant until it builds above a "critical threshold" where it demands attention (Kilmann & Mitroff,

1979, p.27). After management's attention has been "demanded" by certain issues, it must then decide which ones it will deal with and which it will ignore (McCall and Kaplan, 1985, p.50). Once acknowledged, these demands put the decision process in motion (Steiss, 1985). Even though the beginning of the formal decision process for the Operating Committee was the taking up of agenda items, much that preceded the placement of the item on the agenda should be recognized for its formative significance even though little is known about its specifics in this setting. That prior process is not a simple one. The scrutiny of it is beyond the scope of this research, furthermore, the data collected in the Operating Committee can provide no insight into it. It is reasonable to assume, however, that the matters which came to the attention of the Operating Committee came by way of processes already suggested.

Styles of Presentation

Each item on the agenda had the initials of the person responsible for it listed beside it. That person would introduce the matter and present the issue. There were different styles of presentation. Their variation was seen in reference to two particular dimensions - the highlighting of points judged important and the making of

recommendations. At one extreme was a vice president who presented "his" issues in a rambling manner, searching for the relevant facts as he presented, usually relying on a handful of papers and notes. The focus of the issue, its relevance, the potential impact on the company and his point of view were observed as never quite clear. It was though he was using the time of the meeting to think through the issue. His presentations usually took longer than that of other members. At the other extreme was a vice president (the subject of the example given above) whose presentations were usually brief, concise, laden with facts and figures, and summarized by a point of view and a recommend response. Other presentations fell within the range established by these two.

Members of the Operating Committee had strong feelings about the way issues were presented. Several were outspoken in interviews about their dislike of unfocused, meandering presentations, feeling they were a waste of the Committee's time, often making a long meeting unnecessarily longer. Some felt the meetings could move a lot faster if everyone did their "homework" by familiarizing themselves with background material prior to the meetings and being ready at meetings to present a recommendation or take a point of view. It was suggested by some that rather than the presenter using the meetings as a place to think through his own position, he should "digest" the issues more thoroughly and be ready to show

a direction towards resolution (interviews with Committee members). Two members felt they would like to know more about issues they did not completely understand and felt the meeting was the place to get informed, however, they were reluctant to ask many questions because they did not want to prolong meetings (which lasted, on average, six hours).

Members faced a dilemma in regards to this matter. They valued the exposure to the wide range of the company's business, but they did not want to prolong the length of meetings nor contribute to the amount of information they had to be familiar with prior to each meeting. All agreed that the educative objective was necessary and important but, on the other hand, it was too much to expect everyone to be so informed on all issues that they could participate in every decision, especially when some matters were of a highly specialized nature. In interviews, Committee members made suggestions for solving this situation: the foregoing of a lot of highly specialized and functional information which, it was felt, was not necessary to be brought to the meeting; the handling of extraneous material, especially that which related to "Items for Information," in "short, crisp memos" circulated outside of the meeting and not discussed at meetings unless there was a decision to be made; and more concise recommendations from functional

areas which, if felt necessary, could be scrutinized by those at the meeting.

These recommendations appeared to be such that they would preserve the open agenda and uphold the objective of having an informed Committee, but they would put the onus on individuals to participate in a more concise manner. Even though they were making suggestion which would curtail involvement, it seemed important for members to know that they could participate if they wished, that it was under their control. This feeling was probably conditioned by their feelings about previous Management Committee meetings where participation and knowledge of company affairs was limited by someone other than themselves (interview with Committee members who were also Management Committee members).

The Chairman of the Committee was aware of the feelings about meeting length, and the more efficient use of time, especially in regard to the bringing and presentation of issues, but he consciously decided to continue with the practice of encouraging the more complete presentations of issues (interview with President). His efforts to un-bundle overly concise presentations appeared to be one tactic he used to do this. His desire to encourage a fuller presentation of issues was done deliberately, he said, for a number of reasons - to assure that all had a good understanding of the company's fundamental operations, to encourage

Committee members to feel that they could influence the way the company operated, to promote inter-departmental coordination, to attempt to reverse the autocratic tendency in the former Committee and, furthermore, to ensure that there was no suggestion of a stealthy process (interview with the Chairman).

Summary

In this chapter, the process was described by which issues determined as appropriate and important for consideration by the Operating Committee were initially identified, formulated by blending information and personal perspectives, and presented by Committee members using various styles. Three aspects of the described presentation process were particularly significant and had potential for shaping the subsequent process of consideration. The first important aspect to emphasize is that the issues for consideration arose from the written agenda. The following of the agenda made the process, in this Committee, a relatively orderly procedure for dealing with issues. This point was recognized by vice presidents in interviews. In acknowledging this, they also drew the contrast between this organized and systematic approach and the more ad hoc procedure of the former Management Committee in which items were introduced at the last

minute by a presenter who was usually the only one to have knowledge of the matter. The deliberate and systematic presentation of issues from the agenda set in motion a systematic and deliberate process of consideration, as will be seen in subsequent chapters.

The second significant aspect of the way items were introduced was that the agenda was "open." Committee members were able to place items of importance to them on the agenda. The agenda was not under anyone's control, and, therefore, no one could prevent the surfacing and discussion of unwanted issues (Pfeffer, 1981, p.146). With an open agenda there was opportunity for all members to influence the course of discussion and direction of the organization. To understand the importance of this, it needs to be contrasted with a group which has no control over the issues presented and are there to receive information but to take no part in decision making. The ability of all members of the Committee to have items considered, was in marked contrast to the procedure of the previous Management Committee (as learned in interviews with individuals who had been members of both Committees). The proposing of items for discussion in the Management Committee had been under the control of its Chairman. The Chairman of the Management Committee decided what the Committee should be given knowledge of, and in what decisions they could become involved. The contrasting "open agenda" of the Operating Committee was in keeping

with the Chairman's objective of having Committee members fully aware of, and involved in the complete range of business of the company (interview with Chairman). The range of issues presented to the Committee for discussion and decision, and in the case of the former Committee, the limited range, was also symbolic of the different styles of leadership of the two chairmen. (This matter will be pursued in Part IV.)

The third important aspect of the way issues were presented relates to the President's attempt to educate the Committee members. His objective was seen throughout the agenda in the types of issues included and the way in which he wanted them opened up and un-bundled so that other members of the Committee could participate in them more fully. Issues were included which exposed committee members to the wide range of the company's activities. His objective was to educate them about the company's complete business operations and move them beyond a functional fixation. The un-bundling of issues was an attempt to disassociate the "facts" of given situations from value judgements made about them. His goal was to draw them more fully into the decision-making process.

Once situations had been presented to the Committee and gained their attention, the process moved on to identify their significance.

Chapter 8

Identification

The presentation of issues by members of the Operating Committee was followed by no further decision-related activity unless the Committee recognized something of significance in the issues, for themselves individually or for the organization. In the Identification Phase, issues gained status in the group as members reacted to them and began to invest their psychic energy in considering them. Despite the ignoring of activity in the early stages of decision processing by some decision process analysts, (for example, Gilligan et al., 1983), there is much going on here which can be profitably studied. There are occurrences which help to explain the development of the ensuing process and which illuminate critical aspects of the process which are open to influence. Before the situation can be developed and alternatives generated, issues must first be accepted by the group as legitimate foci worthy of their attention and the investment of cognitive and emotional energy. Steiss (1985) suggests disregard for such preliminary activity is due to the considerable randomness and arbitrariness in the sequencing of steps taken in these early stages, but concludes: "If meaningful insights are to be derived,

however, a systematic approach is required in the analysis of these early stages (p.51)."

The placement of the discussion of Identification after that of Presentation is not meant to imply that there was, or needs to be, a mechanical ordering of the two. The Identification Phase immediately followed other phases as well as Presentation, but, as a rule, in the Operating committee the pattern was that Identification followed Presentation. Sometimes, in the midst of the activity of other phases, problems and opportunities were identified, labelled and either dealt with then, interrupting the flow of the existing discussion, or were earmarked for latter discussion. The usual occurrence, however, was that Identification followed Presentation. This appears to have been the result of two factors - the structure of the agenda (discussed in Chapter 7) and the discipline enforced by the Chairman (to be discussed in Chapter 16).

The structured agenda followed by the Committee resulted in the introduction of topics in a discrete and orderly manner. After issues were presented, reaction by others was solicited and expected. This reaction was usually in the form of the identification of the significance of the matter or the seeking of clarification. Even if further information was requested, the focus would turn quickly to a consideration of the significance of the issue for the group. A pattern had

been established in the Committee - presentation of an issue - identification of its significance - further development of the situation and formulation of an approach towards a resolution. One topic was dealt with at a time and a rambling discussion of many items and their dimensions was rare.

The Chairman enforced discipline by calling individuals back to the topic at hand when it appeared that he felt the discussion was drifting, or by asking them to focus on specific aspects of the deliberations when the discussion appeared fragmented or diffuse. After the introduction of an issue, the Chairman would usually solicit reaction from individual members, if none was forthcoming. For these reasons, it can be said that the process had a usual pattern. (More will be said about the pattern of movement between phases in Chapter 13).

Significance of this Phase

In this phase issues were acknowledged by the group as important and identified as something to which they should attend, or else discarded as immaterial. If assessed as critical, their status was acknowledged and labelled, and further processing ensued, if not, attention was diverted to other issues. In the midst of streams of information handled by decision makers, a complex set of factors

affect what problems get recognized and another set of factors determine the shape of the process after they are recognized (McCall and Kaplan, 1985, p.85). The identification of problems by the Committee, in the midst of streams of information which came their way, was perceived as a key activity.

Identification is an important element of group efficiency. Groups which spend an inordinate amount of time in conflict over the correct identity and nature of problems are likely to be ineffective decision makers (Belbin, 1981). In the Operating Committee, such conflict was rarely seen, and the Committee appeared to be efficient in this regard. They were usually able to move smoothly through this phase and agree quite readily upon the status of issues and get on to other aspects of the process. Reasons for this are important to explore, but first, apart from issues of conflict, it is worthwhile to note the circumstances under which issues were presented to the Committee but no explicit identification of their significance was made and no action was taken by the group to process them further. This further illuminates the manner in which the Committee proceeded.

Absence of Identification

No identification was observed when a matter was presented as a solved problem with the causes and solution given and accepted. For example, at one meeting, the President

reported on the presence of bacteria in the water supply at one of the processing plants (16:2). He suggested possible causes and what action had been taken to overcome the problem. Group members asked some clarifying questions but made no effort to deal with the issue as "their" problem. It could be said that there was an implicit acknowledgement of the problem and no felt need to question the diagnosis and corrective action taken. The matter did not attain the status of a problem in the group. The perceived authority of the presenter may also have had something to do with this. It is possible that the greater the authority attributed to him, the less the felt need by others to make further comments.

No identification or labelling was done with issues which were poorly defined. When the details of issues were not clear, or their importance undetermined, the usual reaction by others was to try to draw out further information or to send the presenter back to the situation for more details. This was done in an effort to better identify the status of the issue. It was though the Committee did not want to invest energy into an issue which might be of little consequence. An example of this was a discussion of the production process for one-pound fillets and its adequacy (15:2). Critical information seemed to be absent - who was the consumer of this product, what were they looking for in this type of product, and how could production be changed to meet those

needs. It might have been a problem - but without further information the Committee did not appear able to identify it as such. The attempt to construct a preliminary understanding, at this point, was different from the further defining of problems which occurred in other phases of the process, especially in the Familiarization Phase (see Chapter 9). In this case, there was no agreement that there was a problem. Until consensus could be attained, further discussion and exploration of the dimensions of the issue was postponed. The marketing department had the expertise to be able to undertake the necessary research. This capability, coupled with a cautious attitude regarding product changes, moved the decision process away from a quick labelling of the situation and a premature consideration of alternatives towards the gathering of more information. It is worthwhile to add, at this point, that it is critical that an organization identify the right problems to solve, those which are most critical to the firm (Kilmann and Mitroff, 1979). The immediate solution to the "one-pound fillet" problem was possible, but, would not necessarily have corrected the "real" problem. Whether the Committee identified the most critical problems of the organization to solve, is best discussed in the context of their overall effectiveness in improving the condition of the firm. This will occur in Chapter 18.

Recommendations brought to the Committee provide further examples of instances when no group identification of a problem or opportunity was made. In these situations, a presenter would outline a problem faced by his department and reveal the intended course of action. In these matters, the Committee appeared to act as a "sounding board," usually affirming the action while drawing out further details and implications of the situation. In these instances, there was an implicit acceptance of the label the presenter had put on the problem. For example, during one meeting a discussion was held about the kind of management training most appropriate for middle managers. The presenter recommended that the consultants used previously in training lineworkers should not be rehired. In response to probing by others, the presenter revealed that the basis of his recommendation was this group's philosophy of management which he perceived as being "Theory X" (McGregor, 1960), appropriate, perhaps, for training lineworkers, but inappropriate for the training of managers. The presenter was able to uncouple the more objective elements of the situation from his own values. The decision was his to make, the Committee accepted this and played the role of thinking through the issues with him (25:5f). This issue did not reach the status of a group problem - it was not accepted as a problem for them to solve.

Problems may also be ignored by a group if they are judged as immaterial, not significant to the organization, below their tolerance threshold (Cowan, 1986; Steiss, 1985, p.53); and, as such, their unresolved status can be tolerated. Mintzberg et al. (1976) suggested that a decision group's inclination to acknowledge problems is a result of the relationship between the "cumulative amplitude" of stimuli and an "action threshold." They suggest the amplitude of each stimulus depends on a number of factors, including the influence of its source, the interest of the decision maker in it, the perceived pay-off of taking action, the uncertainty associated with it, and the perceived probability of successful termination of the decision (p.253). Radomsky (1967) found that threshold levels shifted continually according to workload and other factors. Some situations presented to the Committee involved matters which appeared to involve few consequences for the company and, as such it could be said that their "cumulative amplitude" had not reached the magnitude necessary to break through the "action threshold."

Apart from reasons relating to the structure of issues, other procedural reasons for ignoring problems was observed. The Committee was seen to forego problem identification when they were focusing on a problem at hand and, for that moment, the acknowledgement of another problem would have been a diversion. One vice president

was observed as being especially adept at recognizing problems unrelated to the discussion at hand. As well as identifying them, he could also suggest solutions which had surface validity. The group usually ignored his insights when they came in the midst of the discussion of other items. The Chairman became aware of this and started to keep a list of those problems and solutions identified by him during the meetings (interview with Chairman). The Chairman's action confirmed the view that the timing was not right for a consideration of those matters.

In one rare instance the Committee was observed considering the disregarding of a problem for highly unusual and contextually idiosyncratic reasons. The acknowledgement of difficulty with one of their product packages might, the Committee feared, lead to legal culpability if that malfunction resulted in tampering by someone else and a subsequent lawsuit. The fact that they had discussed it would substantiate their liability. The Committee decided that there was enough evidence that the issue had been recognized as a problem by the organization and, therefore, it would be ridiculous to leave it unattended; it was agreed that a solution should be considered (26:9).

As has been discussed, the presentation of issues did not always lead to an identification and acceptance of a problem by the group. When this did not occur no further

processing of the matter took place in the meeting. More often, identification did occur and the process went on to construct more complete understandings of the matter prior to the attempting resolutions.

No Neglect of Significant Problems

It was expected that there should have been instances in the Committee when significant problems were not acknowledged, but ignored. There are a number of reasons why this might happen. Decisions are stressful events and there may be a temptation to avoid this stress and preserve a pre-established comfort level by ignoring problems (Janis and Mann, 1977). Problems require resources and some individuals or groups may not be motivated to expend the cognitive or emotional energy to work towards a solution (Pinfield, 1986). Within a closed system, a problem may threaten to disrupt equilibrium, and, therefore, the situation may be judged as being better left alone (Steiss, 1985).

There was no evidence in the data gathered from observations that significant problems were neglected by the Operating Committee for any of the reasons presented above. Interviews with individual members later confirmed this impression. This is a significant matter, particularly for a company which had been, only two years before, on the edge of bankruptcy. The company had many problems and it is reasonable to assume that it would have

been possible to ignore some problems or to undermine their significance by imposing less threatening interpretative frameworks on them (Ford and Bacus, 1987), as was done when the previous President called a five million dollar loss an accounting "abberation" (interview with Committee members). Whetten (1980) suggests that the way management identifies, or fails to identifies problems is a key to the management of declining organizations:

Faced with a crisis, managers formulate a causal explanation that in turn dictates the domain of response alternatives they will consider. Faulty problem-identification procedures are frequently noted in case studies of organizational crisis mismanagement . . . (Whetten, 1980, p.583)

The screening, filtering or ignoring of problems could have occurred previous to the presentation of situations in the Committee, but it was not seen here. (Some who had been members of the former Management Committee suggested in interviews that it had occurred frequently in that Committee, confirming Whetten's observation.) In this sense, the process of the Operating Committee could be said to have been thorough in its identification. The Committee was perceived to be extremely vigilant in this regard.

The Committee not only displayed an attitude of wanting to identify and deal with significant problems, facing their accompanying stress rather than avoiding it, but they appeared to make a concerted effort to locate problems in situations where they were not obvious. They

sifted through good news looking for evidence of bad. Even though meetings were long, items at the end of the agenda appeared to get as thorough consideration as those at the beginning. The committee displayed a consistent commitment to identifying problems. It could be conjectured that a major reason for this was the commitment to make the firm profitable. In a sense, the Committee was working within the framework of a "second chance" after the restructuring. As such, there was pressure, but also a hope, brought about by new leadership and ameliorating external conditions, that the company could be turned around with the application of consistent mental energy.

The Imposition of Labels

An important part of the identification process was found to be the labelling of issues. Implicitly or explicitly, labels were imposed on the issues presented. These labels were evidenced not by their verbal naming, but by the way the Committee reacted to the structure of issues and the elements of issues which were seen to constitute its essence. Past research suggests that a variety of issue attributes (e.g., pervasiveness) and issue characteristics (e.g., its influence) affect how a strategic issue is labelled (Mintzberg et al., 1976; Wiseman, 1978). The way

issues were presented and the initial reaction of the Committee to them may be categorized in such a way that they indicate the operationalization of three different labels - problems, threats, and opportunities. The categorizing of the Committee's response in this way is not a description of an observed overt discrimination and naming action, but an analysis of different types of reactions to issues and the naming of those different reactions. Labelling was inferred from the combination of the structure of the issue, the way in which it was presented, and the way the group reacted. This is to say that the action of labelling was not a conscious one on the Committee's part, but a useful way of depicting their reaction to, and attitude towards, issues as presented.

Kinds of Labels

An opportunity represented a situation with potential for improvement and the gaining of an advantage over a present condition. Opportunities presented possibilities for the attainment of such things as increased profitability and market share, improved operational efficiency, better customer relations, or the further accomplishment of other corporate objectives. A threat was related to as an event or situation which contained the possibility of damage to some existing or future valued state. If that threat was immediate and the potential damage was of significant magnitude, it can be said that it was reacted to as a

crisis, characterized by resource demands and time pressures (Billings, Milburn, and Schaalman, 1980; Hermann, 1972). A problem may be thought of as having been induced by milder pressures.

The Committee dealt mainly with problems, therefore, further understanding of their nature is useful. Problems may further be understood as gaps between actual performance and established norms held up for that performance (Vickers, 1965), or quite similarly, as the identification of discrepancies between an existing and a desired state of affairs (Pounds, 1969, Cowan, 1986; Pinfield, 1986; Kilmann and Mitroff, 1979; Downs, 1967; Billings et al., 1980). The norms, evaluative criteria, or models (Pounds, 1969) by which performance was measured may have been established by internally defined and overtly acknowledged corporate values (McCall and Kaplan, 1985, p.20f.), or by the acceptance of critical external industry standards (Pounds, 1969). The Key Indicator Report, considered in the light of both corporate goals and industry standards exemplifies both.

The understanding of what constitutes a problem for a decision group should be further enlarged beyond this physical concept of weighing and juxtaposing to include more psychologically-based aspects. In this light, a problem is an unresolved tension (Janis and Mann, 1977) or demand on the system (Steiss, 1985). The broadened concept embodies the idea that a problem is not only in

terms of the structure of its contents, but also makes reference to its affective impact upon the group. Steiss (1985) incorporates the two concepts of "gap" and "tension."

. . . before demands can gain entry as inputs into the decision system, they must be sensed as demands. Someone within the organization must recognize that the conditions giving rise to the demands are "out of phase" with some acceptable norm or condition within the desired state of the organization (p.52).

A problem may be thought of as an unacceptable condition which is taken by a group to be intolerable and, hence, are motivated to overcome it (MacCrimmon and Taylor, 1976). There is both a cognitive and an affective response in the recognition of a problem. Lack of recognition of any discrepancy results in a disregard of the situation. The absence of a feeling of tension and no sense that the situation is unacceptable, permits its tolerance. In the Operating Committee "gaps" were routinely identified and their unacceptable nature ordinarily provided motivation for resolution.

Opportunities and threats (crisis) may be thought of as the opposite poles of a continuum, with problems lying between (Mintzberg et al., 1976). Some situations presented a mixture of opportunities and problems. For example, the US Food Service Division had a recent history of poor margins, loss of contracts and inconsistent focus. The Operating Committee accepted the need to do something about it - performance and standards were divergent. The

manager in charge of the division was called in to make a presentation. In his presentation, problems were identified and explored and opportunities affirmed (26:11-12). Identification of the separate elements led to further development of solutions and strategy.

Threats and crises presented to the group were primarily in the form of past events. Their presentation was mostly for information purposes and usually outlined how the vice president involved had dealt with them. In one instance, the Vice President of Operations reported that there had been a bomb threat in one of the plants but he had chosen to ignore it and keep the plant open. The matter was not a current crisis for the group, they reacted by probing for further details and the rationale underlying the decision to ignore the threat (20:2).

The one observed crisis in progress occurred when an employee interrupted the Committee to say that company officials at the Canadian-American boarder did not know how to deal with the recently imposed American countervailing duty on Canadian fresh fish imports and were waiting for instructions. For a time, the Committee room took on the semblance of a "war room" as tactics were formulated, given to the employee for execution, and further tactics designed in accord with feedback brought by the employee on his return (16:16ff).

The distinction between problems and crises are not always clear and discrete. As has been suggested, they

lie on a continuum. If one of the key distinguishing features of a crisis is the necessity to initiate immediate action in reaction to a threat to the welfare of the firm (Billings et al., 1980), then, it can be said that the Committee dealt with other crisis even though they were not occurring concurrent with the meeting of the Committee. One such event was consideration of how to employ the newly acquired Factory Freezer Trawler. The focus of attention and effort for two months, up to this point, had been upon the securing of a license from the Federal Government to operate one. Once this was granted, and a second-hand ship purchased in West Germany, the company had a number of quick decisions to make as the ship sailed from Germany to Canada -- in which zone would it fish, what specific species would it catch, and how would it be prepared for Coast Guard inspection and the company's particular uses. These matters had been discussed generally, but with the vessel on its way from Germany, immediate, concrete decisions had to be made or its introduction would be less than efficient and threaten to create bad publicity and employee relations for the firm (14:7ff).

Determinants of Labels

It has been suggested, above, that the label imposed upon an event is the result of the interactive effect of the

structure and content of the issue, the way it is presented and the manner in which it is perceived by the group to whom it is presented. How these factors are thought to affect the labelling process is important to understand.

The items on the agenda for "decision" were placed there with an attitude of the sponsor incorporated in them regarding their significance as something which must be considered, otherwise, they would have been designated as "information" items (and it could be argued that, even then, there may also have been an incorporated perspective). The concerns of the sponsor could have been conveyed in the manner of introducing the issue or in the content of the matter (or both). The behaviour of the sponsor may have suggested a "ready-made" label. This label may have been conveyed in the exact words of the presenter or communicated by his method of presentation - choice of words, images and comparisons used, suggested response, etc. The Vice President of Marketing suggested that the company had an "image problem" (7:10). Without questioning his assessment and label, the group complied by discussing possible causes, consequences and ways this might be overcome. Eventually, this led to the commissioning of an attitude survey of customers in one business segment to confirm the assessment and determine its dimensions.

In interaction with the content of the issue and the way in which it was presented, the way in which the issue was perceived by the group appeared to influence the kind of label put upon it. Individuals make use of "interpretative perspectives," "personal construct systems" as templates (Kelly, 1955), or "frames of reference" to make sense of events because ". . . facts do not speak for themselves" (Ford and Baucus, 1987, p.367). These frames of reference, or "evoked schema" (Simon, 1979; Taylor and Crocker, 1981), contribute to the identification of situations as being "out of phase" and a problem (Steiss, 1985), or with potential for gain or loss. It can be said that situations are amorphous and that there are no problems, threats, or opportunities, per se, in the environment, but ". . . by bringing connections and patterns to the action" (Smircich and Stubbart, 1985, p.726) meaning is created (Daft and Weick, 1984; Kiesler and Sproull, 1982;) and labels imposed (Dutton and Jackson, 1987).

Re-Labeling

These perceptual schemas were seen as fluid and malleable. Even though their determinants are rooted in individual attitudes informed by personal values and experiences, they can "shift" and re-labelling can occur. An observed example was the re-labelling of a problem situation to an opportunity. One of National Sea's customers complained

about the packaging of the fresh fish his company had received. It was reported that he had communicated his problem several times over the last three years to the appropriate person in National Sea, but nothing had improved. In presenting this situation, the President suggested reasons for the problem and steps which should be taken to overcome it and added: "We have an unique opportunity to take a customer's complaint and turn it into an opportunity (22:11)." He then suggested that this situation be used to see if other less vociferous customers had similar needs and, if so, how their needs might also be met. The matter was delegated to someone in the division, not the original person involved as it was decided that he was not capable of seeing the opportunity in it and would see only the nuisance or problem factor. A change in perspective resulted in the re-labelling of the issue from a problem to an opportunity. The group's ability to do this displayed a flexibility and lack of rigid thinking.

The Importance of Shared Labels

The Operating Committee, like other such groups, could be said to have been a collection of individual interpretative frameworks. In order for the decision process to advance, it was necessary for these individual perspectives to be consolidated in the construing of a shared "reality" or common perspective on issues. It is

suggested that this may happen through a social process in which ". . . interpretations are offered and affirmed, modified, or abandoned according to their congruence with others' interpretations" (Ford and Baucus, 1987). This process of constructing a shared understanding of a situation extends beyond this phase (see Chapter 9), but it begins here. (Eden, 1983 emphasizes the importance of this process and how it can be facilitated when it doesn't occur naturally.) The adoption of a group interpretative framework results from a process of negotiation between individual perspectives. Consensus results in the labelling or the viewing of issues from a similar perspective (Daft and Weick, 1984; Perelman, 1982). It is suggested that the adoption of an acceptable common interpretation of the significance of a situation has implications for the subsequent flow of the decision process. If conflict occurs at this point, the process may become stalled and not proceed or go on to construct solutions which do not solve the "real" problems.

In the Committee the importance of agreed-upon interpretations and labelling is seen in the following example. One Vice President identified what he thought was a profitable opportunity. He suggested that the company engage in the sale of accomplished technology to third world fishing companies (6:5). Others in the group were observed as affirming its possibilities, but suggesting that existing circumstances did not make the

time right for it. The matter was dropped, no further elaboration or consideration of procedure occurred. The Committee had not labelled the situation in the same way as the presenter. Without an agreed upon interpretation and label the will to proceed was absent. It is interesting to speculate, from what was observed, that the main reason this opportunity was rejected was because it was not viewed as an opportunity by the President. His lack of enthusiasm was seen to colour the perspectives of the other Committee members. (The President's influence in shaping perspectives was a significant characteristic of this group's process and is discussed in Part IV.)

The adoption of common labels was observed to have much to do with who presented the issue and initially labelled it (particularly the President's label, as seen in the example above). This can be seen in the following incident. During one "thirty minute" presentation, the Information Systems Department presented a review of their goals, resource limitations, and recent activities (24:15ff). There was a lot of intensity surrounding the presentation and the department's attempt to convince the Operating Committee of a serious problem they felt they had with resource allocation. The Committee members struggled with identification and labelling. They asked many questions about the nature of the problem. They were seen to become frustrated over their dissatisfaction with the answers they received. They could not see the

problem, at least not in the same manner as the presenter. The Committee did not accept that the data presented indicated a problem. The stalemate seemed to be the result of the particular language used by the presenters and a perception (observed previously) in the Operating Committee that during this time of organizational constraint, a request for more manpower would not be granted automatically. The method of presentation and perception of the audience delayed identification, and processing of the matter became stalled. The Committee later assessed the situation as presenting no immediate problem and an overt attempt by the presenting group to gain more staff resources.

Very little open disagreement over labels was observed in the Operating Committee. Consensus generally existed. One observed exception to this was a debate between two vice presidents over the level of stock at central warehouses (24:10). One saw no problem in the way this was presently established and maintained, the other felt there were problems in the existing system. The rest of the group absented itself from the discussion which became quite technical and intense. The matter never became a matter for the whole group to work on. The group did not label it or construct an understanding of it, therefore, the issue did not attain a status within the group. It remained at the level of a dialogue between the two vice presidents. Later, in interviews with individuals who

were present, the root of the conflict was suggested to be sharp difference in individual, fundamental perspectives and operational approaches between these two men, a conflict which, it was said, manifested itself in other issues.

Another example of a lack of agreement on the status of an issue, or its label, had as its root cause the absence of a model (Pounds, 1969) or standard by which to assess information and determine discrepancies. During one meeting it was reported that personal computers were proliferating in the company (8:6). They were being requisitioned by more departments and more often within departments. Several opinions were expressed that it was unnecessary, but one member of the group suggested it revealed, not a problem, but a positive development - the occurrence of more problem solving in the organization. With departmental budgetary constraints in place, the "PC" issue did have significance and could have represented a loss of control over significant expenditures, but the Committee was divided on its labelling of the issue. It may have been that a combination of this lack of agreement and the staying of the issue below a critical threshold of tolerance, produced no further discussion on the topic at that time. Several weeks later the matter re-emerged (14:23) and the group, again, was not able to assess its status and label it. Budgetary control suggested it was a problem, on the other hand, their increased use for

analysis suggested a positive development. The Committee decided that it did not have a standard by which to assess the occurrence and sent back a request to the head of the Data Processing Department to submit a policy on how these acquisitions could be evaluated. In this instance, there was awareness of a discrepancy between budgetary policy and action, but no standard was available to assess occurrence, therefore no determination of a problem could be made and it was decided that no further action could be taken until such a standard was available. This development is in keeping with the definition of a problem presented above. Problem recognition is predicated on the identification of a gap. No labelling of the situation as a problem could occur until the actual existence and nature of the gap was determined. The incident also called into question the usefulness of the standard used to measure the discrepancy - restraint - and its appropriate application in this instance.

Why consensus was usually reached about labels is an important question which reveals much about the nature of the Committee. Ford and Baucus (1987) have suggested that consensus occurs when the leader of the process is able to impose his view on the group or inculcate accepted values and norms in its thinking. The chairman of the Operating Committee did appear to have this kind of control (as already pointed out). Another factor, in this group, was a willingness and determination on the part of the members

to minimize conflict, and cooperate in the seeking of solutions to outstanding problems (interview with Committee members). As well, there appeared to be a general acceptance of the standards or models used to evaluate situations in regard to problems and opportunities. The Operating Committee was observed as being quite able to reach agreement on the status of situations presented and proceed to further define the matters and construct resolutions.

Implications of Labelling for the Rest of the Process

It has been suggested that the imposition of particular labels has important consequences for the way the decision process proceeds from that point onward (Guzzo, 1982, p.98; Pfeffer, 1981, p.188).

The simple labelling of issues not only determines decision makers' affective responses to issues, but also it sets into place predictable, cognitive, and motivational processes that move decisions and organizations in predictable directions (Dutton and Jackson, 1987, p.85).

The label may act as a cue and release set routines, priorities, patterns of managerial decision-making style, affective reactions, and cognitive processes which are different for each label imposed (Dutton and Jackson, 1987). Empirical research has supported this assertion (Tjosvold, 1984). However, the imposition of particular

labels was not seen to "lock in" specific visceral and cognitive response patterns as Dutton and Jackson (1987) and Tjosvold (1984) have suggested. The suggestion that different types of issues stimulate differently configured decision processes (Mintzberg et al., 1976; Nutt, 1984) was supported by observations in the Committee. A correlation was observed between the particular label used to identify an issue and the extensiveness of subsequent consideration and the sequencing of the pattern of movement between other phases after identification. These observations will be discussed in Chapters 9 and 13.

Summary

In this phase issues gained status in the group as they became foci for the investment of psychic energy. If they were identified as matters of consequence, they were further processed, if not, they were discarded and the Committee went on to other matters. If the group could not agree on the nature of the significance of the situation presented, no movement was made towards a resolution. In some situations no identification was made - when a matter had been previously resolved, was poorly defined, introduced as a recommendation, or was judged as immaterial. These instances reflected nothing negative

about the process and evidenced no desire on the part of the Committee to avoid dealing with problems. On the contrary, the Committee was diligent in its identification of significant problems and searched deliberately for them.

The way issues were presented and the initial reaction of the Committee to them was categorized in such a way that they indicated the operationalization of three different labels - problems, threats, and opportunities.

Labelling was inferred from the combination of the structure of the issue, the way in which it was presented, and the way the group reacted.

Labels were understood to proceed from "evoked schemas" imposed by individuals. Individual interpretations had to be negotiated and a consensus derived before the process could proceed to further define the issue and construct a solution. The Operating Committee was readily able to do this. There was minimal conflict at this stage.

The significance of the way the Committee operated in this phase may best be understood by considering how different the process would have been if, in stead of proceeding the way it did, the Committee had avoided significant problems, had failed to agree upon common perspectives for labelling issues, and had maintained a rigidity which prevented the re-labelling of issues in order to see them from different perspectives. The

Committee's willingness to seek out and confront problems at this juncture indicated the likelihood that the rest of the process would be made more effective because of it. Whether this prediction is borne out by the data waits to be determined in the following chapters.

Chapter 9

Familiarization

After the Operating Committee had accepted an issue as a focus for its energies, dimensions of the issue were explored in greater depth. In this phase of the process, the Committee familiarized itself with the details of an issue, in a manner whereby, as Steiss (1985) described it: ". . . the problematic situation is made more explicit (p.53)." The Committee "decomposed and restructured" (Moore and Thomas, 1976, p.13) the elements of issues in an attempt to expand their understanding of them. This understanding was attempted through the processing of information in ways which expanded consideration back in time to a discernment of causes and related factors, forward to an envisaging of possible consequences, and an elaboration of the configuration of attendant details in the present. In addition to the exploring and evaluation of factual details, there were attempts to create and "manage" the meaning surrounding the objective aspects of that information. Two particular strategies used to bring out the meaning of issues and expand awareness of them were identified as "probing" and "confrontation." These themes will be discussed under the headings of Expansion,

Creation and Management of Meaning, and Probing and Confrontation.

Expansion

As presented and identified, issues were usually not accepted by the Committee for solution construction until their dimensions and parameters had been better understood and the Committee was more familiar with them. Parallel to Cowan's (1986) observation, it appeared that what was required at this juncture in the decision process was for the Committee ". . . to be able to adequately describe the problem in terms of its factors and their relationships, and potential consequences (p.772)." The majority of issues considered by the Operating Committee involved extensive elaboration and were not responded to in a programmed manner, probably because the majority of issues were complex. Routine problems were handled at lower levels in the organization. As the senior-level decision-making body, the Operating Committee dealt with the more ill-structured strategic issues.

This expansion of consideration occurred in time and space. In time: prior events contributing to the situation were analyzed and sequenced; present conditions and features were detailed; and future consequences of current courses of events were projected. Concurrent with this, in each time dimension, situations were examined in

space: boundaries to issues were determined; and groups and individuals contributing to the situation or affected by it were identified, and their contributing influence and/or the impact upon them was assessed.

Thinking "forward" and "backward" (Einhorn and Hogarth, 1987), and in the present were the major facets of the effort to expand understanding.

Thinking Backward

In focusing upon the past, the objective appeared to be to construct an historical understanding of the issue. The Key Indicator Report was routinely dealt with in this manner. As significant problems were identified during its presentation, contributing factors were identified. For example, a reported increase in labour factors at one plant, first labelled as good news, was re-examined after it was revealed that the increased efficiency was a result of the plant's closure for two days (14:4). The plant had been closed due to a shortage of raw material, which in turn had been the result of storms at sea which had interfered with fishing. An historic chain of events had been constructed and causation established. No further processing of the issue occurred, probably, because the event was accepted as normal and the contributing factors were largely beyond their control.

A further example may serve to illustrate more intricate factors that were sometimes involved in

attempting to establish the past network of interacting variables.

During one meeting it was reported that a major US customer was now buying from one of its competitors (10:2f). The reason was identified as National Sea's inability to guarantee a constant supply of the product - minced cod. Details were elaborated and the matter expanded as information was given which explained how National Sea had obtained the contract in the first place, how they had planned to fulfil it, and what went wrong. As well as concrete details, interpretations and value judgments about the occurrences and the company's weaknesses that allowed this to happen were offered. A host of variables surrounding the issue were illuminated and their nexus identified as the situation was reconstructed. The focus was on the past with implications for future action underscored.

In the example previously cited, an effort was made by the Committee to identify the pertinent variables, and to establish a plausible network of relationships amongst them. This endeavour is what Einhorn and Hogarth (1987) were referring to when they identified three important dimensions of "thinking backwards": finding relevant variables; linking them in a causal chain; and assessing the plausibility of the chain. However, more than the effort to establish cause-effect links is seen in this and other similar examples. Also observed were a number of

other mental processes which considered the space dimension, such as: the recognition of associated issues; an identification of the significant actors inside and outside of the firm, and their roles; an analysis of the behaviour of those significant participants; an evaluation of past events as either "good" or "bad" in the light of the organization's values; an offering of interpretations about past activity; and a drawing out of conclusions from past activity which had implication for the future. These other facets can best be seen in a line-by-line examination of the dialogue. (Detailed technical, and extraneous material is omitted or summarized. Additional details relating to the context are added to enhance continuity and comprehension.)

Participants: JMc - VP, Marketing
 GC - President
 GS - VP, US Operations
 JM - VP, Human Resources

DIALOGUE

COMMENT

JMc - Kroeger shifted to FPI because of our inability to guarantee supply of minced cod....they put out requirements for their "quarter pounder"...they get bids in terms of supply. We bid and got it. Felt we could shift others to pollock because we would have a shortage [of cod]...[didn't work out]. FPI was able to guarantee [a supply].

GC - OK, who wants to speak next...seems that a two million pound order is in

Situation is presented and implicit acceptance as a problem.

Detailing of events leading up to the problem.

Establishment of relevant variables and causal links.

Identification of a significant actor and their part.

jeopardy. Should have been brought to this table. I'm interested in knowing how we decided that we couldn't see our way through.

GS - Number of random things happened. Our people went on record as saying they knew that the shortage was there. I guess we took too much for granted. We could have put a lot of pressure on.

JMc - Pressure on where?

GS - Canada. We never got down to detail.

GC - Seems that Kroeger made a decision we should have made for ourselves.

JMc - [gives further details]

GC - But it shouldn't be an emergency. I'm interested in the lead up.

Jmc - As soon as the September forecasts were in...[goes into detail of how there was an attempt to use pollock and whiting to "free up" more cod.] Segments of the company were contacted to see where this might be done.)...had difficulty getting answers... I was on the phone..."how much minced cod can you do?" Couldn't get an answer. If it didn't come to this table, most people aware of it. Everybody was working on the solution. Not sure any planning process could have prevented it. I didn't know they had the FPI option. Russ [Kroeger official] made them sign a contract with

Issues of leadership and management of the process [to be discussed later]. Identification of another problem - the process which let the identified problem with Kroeger occur.

Identification of variables and causal links. Identification of significant participants - company employees - and analysis of their behaviour. Probing question.

Supplying of more information and identification of critical factors.

Conclusion drawn.

Elaboration.

Evaluation of past events.

Elaboration of past details, outlining pertinent variables and their relationships pertaining to a related issue - what was done to overcome the problem.

Significant participants and their role.

Adding of meaning and offering of interpretation.

penalty clauses. That's not surprising with world supply condition [as it is].

.....

Jmc - The good side of this is that, that product had the lowest margin. If going to lose ... Kroeger, good one to lose.

GC - May be that we should have done more minced pollock...but we didn't have information to make that. ... All not need to come to this table.

.....

JMc - Gordon, you are saying that it should have hit the fan sooner - maybe, but we should have known about pollock and....

GC - Maybe not using forecasting enough that we are making.

JM - Other problem - switch to whiting, but didn't know how much whiting was available.

GC - Again, this is us reacting rather than anticipating.

Significant participants and their role and analysis of their behaviour.

Evaluation.
Management of meaning - perspective offered.

Evaluation of past activity and implications for the future.

Comment on process and learning of what issues need to be presented to the Committee [see chapter 7].
Evaluation of past activity and putting into perspective.

Evaluation of past activity, drawing of conclusions and learning.

Identification of variables and their part.

Leadership and shaping of values [to be discussed].

The focus of this discussion was the past, as the effort was made to reconstruct the situation in order to explain what had led to the loss of the contract with Kroeger. Involved was an identification of the important variables and their interaction and a tracing of the chain of events which led to the lost contract. Imbedded in

this was an array of other issues: judgments on how things might have been handled differently; the role of the Operating Committee; the part played by other parties and an analysis of their behaviour; the putting of issues into perspective through the infusing of interpretative meanings; and the attempt to learn from the past and to use this learning to shape the future process for handling such occurrences. (Important themes exposed in this analysis related to leadership and management of the decision process will be discussed in subsequent chapters.) In this example, no further processing of the issue occurred because the incident was over and the contract lost. The Committee's reflection on what had gone wrong and the implications for the future management of such occurrences was, in a sense its further processing of the issue and may be called learning. (The significance of this for the quality of a decision process is an important matter and will be commented on in the concluding chapter.) It appeared important for the Committee to understand this event and other similar ones, and to put them into perspective. This understanding included an interest in details and a putting of those details into a framework of meaning. Several purposes may have been served by this: assessment of the possibility of initiating any further action which might still be possible; the acceptance of what happened, especially in reference to those aspects they couldn't change; and the

raising of inferences from the past which illuminated organizational strengths and weaknesses which could be used to shape future management processes. It is reasonable to assume that when such events are processed in this manner by a group open to learning, it contributes to the store of "inherent wisdom" resident in the organization.

Although thinking "backward" is not an occurrence unique to this group, what is noteworthy in relation to its presence in the Operating Committee is that it was done, and that it was done with a deliberate thoroughness. It can be imagined that without it, the chances of identifying the "right" problems and constructing appropriate solutions would have been diminished. The way it was done with intention displayed a commitment by the group to understand and confront problems without becoming mired in a morass of blame, recrimination, or self-pity, and with a belief that understanding could lead to improvement.

Thinking Forward

As well as reconstructing the past, judgments were often made about what might happen if current situations were left to run their course, or their features were to vary. In this there was an expansion of understanding through extension of thought into the future. These projections were sometimes formal, quantitative models, but they were

usually fashioned on the basis of judgement and experience. The primary interest was in what might develop if no interventions were made.

The following example demonstrates the Committee's concern for consequences and implications. The Comptroller presented an Income Statement for 1985, broken down by division, which was about to be released to the divisions involved (27:17f). The President objected, giving this explanation:

My initial concern is, if we give this wide circulation it would have a demoralizing effect on the US [the US division had been the source of significant losses in 1985]. We should only do this if it would help them understand.

Others concurred with his assessment of a possible negative outcome. One vice president added:

I am concerned with confusion and raising anxieties. We will be throwing another set of numbers in the hopper when they are focusing on the 1986 business plan.

The Vice President of US Operations agreed, but said he foresaw more positive consequences. He thought these figures might be of use now when the company was going into contract negotiation with unions. It was finally decided to use the numbers, but only to give them discreetly to plant managers for purposes of cost control and contract negotiations, and not to the Marketing Department whom they wanted focused on future plans, and not past mistakes.

This incident, typical of others, points out the occurrence of both the envisaging of consequences and their evaluation against a set of values during the "thinking forward" process. It is possible that during this process, differences of opinion could have taken place in regard to either aspect. In this example, there was a difference of opinion about the advisability of showing the financial numbers in the US. This difference was the result of divergent views over the likely consequences. This difference gave way to consensus as the Vice President of US Operations added further explanation. His different perspective undercut a resolve which appeared to be solidifying in the Committee - not to issue the figures. The further thinking about projected outcomes led to a more thorough analysis and a further refining of the issue, as well as a demarcation of the significant participants involved. The foreseeing of different consequences shaped the decision the Committee made and the way in which the recast 1985 figures were ultimately used - in a manner which accommodated all concerns. Braybrooke and Lindblom (1963) say that new information transforms the understanding of issues, it is just as true to say that new interpretations of information transforms the understanding of issues.

Making predictions about what might happen is also an important aspect of the consideration of alternatives and will be considered in Chapter 11. During this phase it

helped to round out an appreciation of a current situation as the Committee explored its dimensions and worked to construct a common understanding before they decided on action. Thinking "forward" appeared to provide an important service as it heightened sensitivities, promoted deeper analysis, framed responses, and brought out latent meaning and values. Vickers (1965) assigns this mental activity of making predictions a place of high importance in effective management. He refers to it as "reality judgement" which is

. . . the capacity to comprehend and analyze a complex situation extended in time, to assess the outcome of multiple, causal interactions, to apply appropriate time scales, to comprehend uncertainties, most of all perhaps to simplify without distorting by excluding the inessential (p.73).

As with "thinking backward," its presence in the Committee's decision process evidenced a thoroughness and desire to refrain from action until the situation was better defined.

Thinking in the Present

Much of the expansion of issues involved the seeking out of further details of currently existing situations apart from their prior causes and subsequent consequences. It appeared important for the Committee, to "round out" their knowledge of a situation as it currently existed, and to deepen their understanding and appreciation of a more complete range of factors involved than those which had

been initially presented. A delineation of boundaries and significant participates was an important part of this action, however the primary emphasis seemed to be on getting further data. A "line-by-line" example of an opportunity under consideration will help to illustrate what occurred (27:23).

Participants: GC - President
JMc- VP, Marketing
BM - Former President and Vice Chairman of the Board of Directors
HD - VP, International Marketing
JM - VP, Human Resources

DIALOGUE

COMMENT

GC - John, update all on the [tuna] market.

President's direction of the meeting.

JMc - The concept here is to seize the opportunity to fill the gap of the withdrawal of Starkist and Bye the Sea. [Two companies who stopped processing Tuna due to a failure to meet government health standards.] They had thirty percent of a market worth 500 million dollars. The segment is becoming heavily private label. [More background on competitors.]

Situation presented.
Opportunity identified.

We have moved on two fronts - consumer attitude survey and ... into questionnaire on price points. [results from surveys.]..the consumer is deal-oriented...We can get more information for eight thousand dollars. If this pans out we can get serious about sourcing, co-packing, manufacturing etc.

Elaboration of the market and its characteristics.

Necessary information being sought out.
Interpretation.

Further information available.

GC - There is a world surplus... The Minister of Fisheries in New Brunswick has not gotten back to us yet. He was going to check on Heinz and Starkist to see if they were interested in selling [their production facilities]. Lot of bad feelings about Heinz [discussion of Heinz Company]...

Details on current product in wider context.
Details on current events pertinent to the issue.
Significant participants and their role.

....

BM - Key thing is your research.

HD - My friends in France say buy raw material and manufacture in one of our plants.

Providing of more information relating to the current market.

... [Current happenings regarding Starkist]...

Significant participant and attempt to understand them.

... [Discussion of the consumer of this product]...

[It was decided that nothing more would be done until the results of the research were received.]

Importance of further information for the process.

... Should at least follow up to see if we can learn more about the world market.

Desire for more information about the present market.

The Role of Information

Central to what occurred in this incident was the searching for, and supplying of, additional information in order to create a more complete understanding of the

situation. It can be conjectured that a decision groups' attitude towards information - its quality and the limits placed on energy, time, and money in gathering it - undoubtedly, has implications for the character and quality of the decision process, even though the investigation of this relationship is beyond the scope of this study. One important observation about the Committee's attitude towards information was that there was perceived to be little disagreement over the accuracy of the information provided to it. Agreement on its correctness can be a source of conflict (Radford, 1975, p.206) and even though this possibility was appreciated, it was not observed to any degree in the Committee. Questioning of the quality of information, when it was done, was usually about information supplied by someone outside of the Committee. In one instance it was suspected as being "bundled" with a functional bias (27:25), and in another it was from a customer and weighted as "only one person's opinion (21:20)." Members of the Committee were seldom observed in conflict over the assessment of the validity of information even though they were sometimes seen in disagreement over its interpretation. This occurrence may have portrayed a confidence by others in the ability of Committee members and the organization to gather "accurate" information. Other possibilities, less high-minded, perhaps, were that to question information would be to incur the possibility

of having to replicate the time and effort put into its original gathering. Pfeffer (1981) also suggests that there is a

. . . presumed legitimacy of the [information gathering] process in place. To challenge the process . . . is to openly express distrust of the process and those actors involved in the process. . . . it is an invitation to conflict (p.121).

It has already been observed that the level of conflict in the Committee was low and its absence seemed to be valued, therefore, Pfeffer's explanation is accepted as highly reasonable and, applicable to the Operating Committee.

Radford (1975) suggests that the most common interaction between members of a decision-making group is the passing of information between them (p.200). Based upon observations, it is agreed that the passing (gathering and sharing) of information was a central activity in the Committee, but it should also be recognized that the passing of inferences drawn from that "neutral" information ("uncertainty absorption," March and Simon, 1958, p.165), was just as prevalent, and a more significant part of the process.

Creation and Management of Meaning

Just as important as the amount of information available and its acceptance, was its interpretation and the

imposition of meaning on it. The information by itself, that is, the objective aspects of it, had no point of view or direction. The infusion of meaning into information, has already been discussed as an important substrata in the presenting of issues (Chapter 7), and in this phase, its processing was a significant event, as seen in the examples cited above.

The effort to create meaning occurs because people are more than dispassionate processors of factual data - they live in worlds of values, preferences, and perspectives (Vickers, 1965). It is understandable that the creation of meaning should go on within groups like the Operating Committee because

Organizations are social systems which are populated by individuals who come with norms, values, and expectations, and with a need to develop an understanding of the world around them (Pfeffer, 1981, p.181).

Meaning can be "bundled" and "unbundled" (Chapter 7), shared and negotiated with others (Ford, 1987), actively manipulated (Dutton, 1987), shaped by the selective use of information (Hogarth and Makridakis, 1981), gradually and subtly changed and used to legitimize one's position and dissuade others from theirs (Pfeffer, 1981). As interpretations and evaluations were promoted or challenged it can be said that there was an attempt to manage the meaning surrounding issues (Pettigrew, 1977, 1979, p.44,442). Pettigrew (1985) has described the management of meaning as a political activity involving

attempts to legitimize one's own thought and actions while de-legitimizing another's through the manipulation of symbols and values. Pettigrew's analysis is based on a cultural and political perspective and his comments are directed towards an understanding of the entire organizational context wherein, not only thinking within a localized group, but organization-wide political coalitions and leadership arrangements are part of the arena of struggle. Power, in his view, is based as much on the operation of language, cognitive processes and communication as on the control of resources. This perspective is helpful and when applied to a smaller unit, such as the Operating Committee makes for an increased awareness of the political potential of the management of meaning. In the context of the Operating Committee, however, the way in which meaning was politically managed was not observed as strikingly overt nor confrontational. On the surface, it was not seen to be designed to gain or enhance power positions since discussion never resulted in the overt formation of sides (although there likely were aspects of this). Very seldom was there observed to be any strong division of opinion. Any management of meaning was seen as relatively subtle and as a mild "mobilising of bias" (Schattsneider, 1960) done in order to influence the thinking of others through the selective attention to particular details, the offering of

interpretations, and the exploration of meaning suggested by others.

Probing and Confrontation

Two strategies used in the Committee to explore the meaning of others and to expand awareness of issues were probing and confrontation. The term "probing" is given to the seeking of clarification through the use of direct statements about the hearer's lack of understanding, or the putting of direct questions to the presenter about his meaning. There is the possibility that these statements may have conveyed more than a desire to understand. They may have had political intentions, such as the attempt to expose aspects of an issue which might place it in a light more favoured by the questioner, or the effort to cast a negative light upon the person questioned, exposing unforgivable lacunae in his knowledge or untenable attitudes. In the Operating Committee, probing statements and questions were seen to be largely devoid of political objectives and less intended to manage meaning and more to expand awareness of issues. Probing was observed as an attempt to draw out pertinent details, along with some of the assumptions, logic, interpretations and values of the person being questioned.

Probing appeared to fulfil a number of purposes. It helped supply more details to a person who was not familiar with what was being presented - "I don't understand the mechanism by which this is done (14:14)"; "What are block frames and who manufactures them (8:3)?" It helped participants alleviate their own confusion about circumstances - "How could it be a negative margin, although it was written off (10:1)?" It involved "active listening" and being sensitive to presumptions - "Ron, are you inferring that the US people couldn't move fast enough (13:3)?" It explored beneath the surface to re-examine assumptions - one vice president suggested that "at this point in time, we cannot go it alone in setting up our own fresh wholesale business in Boston." The President asked: "When does 'this point in time' change (27:29f)?" It appeared to serve a further identification of critical variables and relationships, taking the analysis to a deeper level. The following example helps to illustrate this.

The Vice President of Marketing in presenting his portion of the Key Indicator Report, reported that complaints about bones found in fish fillets were increasing. Another Committee member asked: "Are consumers getting less tolerant or are there actually a higher number of bones in the product (21:2) ?" The discussion went on to an explication of the process of filleting, a suggesting that the increase in complaints

was correlated with an increase in the advertising of that product, and a tentative conclusion that higher sales was the cause of increased complaints. On the surface, the situation might have been accepted as it was presented and the focus put on the organization's intended response. Probing brought about further exploration and a deeper understanding of causes. This, undoubtedly, had the possibility of influencing the organization's final reaction. Probing was seen to advance the decision process as further information and attached meaning were brought out.

Confrontation

Whereas probing was the drawing out of more information to help complete an understanding for an individual, confrontation was the challenging of another's information, analysis, evaluation or method of proceeding by directly or indirectly verbalizing one's own ideas or judgement. In confrontation more of the inquirer's own values and perspective were exposed than in the probing for further elaboration. Confrontation brought out additional aspects of issues and the meaning attached to them.

After spending several minutes reviewing a past mistake in pricing, the presenter was confronted with this question by another participant - "Jim, the mistake is regrettable, but what do we do about it (13:8)?" The

presenter's fixation on the mistake and expenditure of time on it was challenged by someone feeling it was not worth the attention he was giving it. The first individual replied, "Nothing." and the process moved on.

Confrontation appears to be an interruption, usually abrupt, to a present mode of consideration, or interjection into content. It sometimes changed the direction of discussion by causing a re-focusing and re-examination. This is seen in the following example.

A report on the most economical and efficient use of raw product was presented (24:6). This stimulated consideration of a realigning of products and markets until someone remarked: "You have to be careful of the methodology of this study. You can't assume a pound of fresh is a pound of up-grade (different end uses)." A contrary opinion of the worth of the study was offered and lead to a dropping of the matter.

Confrontation was either in the form of direct statements or questions. Questions appeared to be used because they were less aggressive and less threatening than statements. However, behind a confronting question there was perceived to usually be a direct statement of the questioner's own feelings or thinking which was in conflict with the presenter's. In the example above concerning the focus on a past mistake, the confronter's statement behind his question, could be said to have been: "I think you are spending too long on this." In an

analysis of the data it was thought at first that there was little confrontation occurring in Operating Committee meetings. This view was modified as it was realized that the confrontations here were more subtle, indirect, and devoid of strong emotions, and employing questions more often than direct statements. For example, when the deadline for the submission of divisional capital budgets had passed and members were giving their reasons for delay, the President, with impatience in his tone, asked one vice president: "When will we have it, Earl" (8:2)? It can be said that he was not so much asking for a date as he was challenging the vice president's reasons for delay with his own feelings that a delay was not acceptable.

The primary use of "soft" confrontations indicated that the Committee members were reluctant to engage in hard confrontations. It is expected that there should have been more strong confrontations between members. Cyert and March (1963) proposed that due to a lack of consensus on goals, there is always "latent conflict" in a group (apart from personality differences). The reticence to confront and absence of visible conflict raises the possibility that one of the "rules of the game" (Hickson et al., 1986, p.169) was to avoid behaviour which might lead to conflict. One vice president acknowledged in an interview that this observation was correct and he explained it by saying he felt the Committee was not the

place for conflict to occur. In saying this, it was felt that he was expressing a personal preference and the Committee avoided conflict for other reasons - bad experiences in the past, or insecurity about their own vulnerabilities.

Summary

Rapoport (1953) has said that before a solution can be found, the problem must be clearly stated. A guiding source of motivation of the Committee through this phase appeared to have been just this desire to construct clear understandings of issues before they proceeded. This was attempted through the expansion of understanding into past cause-effect relationships, the envisaging of the future consequences of current events, and the exploration of the current dimensions of present issues. The deliberateness of the manner in which the Committee proceeded with "thinking backwards and forwards" and in the present displayed a thoroughness and intention to construct solutions which related to the actual problems and did not attempt to solve problems before they were thoroughly understood.

The consideration of issues involved more than the passing of factual information and the elaboration of details. It involved the processing of interpretations

and meanings attached to that information. As in other decision processes, the creation and imposition of meaning was a major part of the way the Committee dealt with available information. The management of that meaning presented opportunities for the influencing of the process. In the Committee this management was observed to have been quite subtle and largely devoid of any political intention. This parallels the findings of previous chapters where it was proposed that the members of the Committee were more focused on the overall good of the firm than on enhancing departmental or individual advantages.

The probing of others for clarification of information and meaning took the process to deeper levels beneath the surface and evidenced an intention to be thorough. Confrontation of the statements of others was done infrequently and usually indirectly with the use of questions. There appeared to be a desire in the Committee to avoid conflict which direct confrontation might bring. This restraint of conflict was also seen in the absence of disagreements over the validity of information.

In this phase the Committee usually emerged with an agreed-upon understanding of issues such that they could then formulate the decisions which needed to be made - the subject of the next chapter.

Chapter 10

Formulation

The analysis of the decision process of the Operating Committee has, to this point, presented those phases of the process during which problems and opportunities were "set up" and examined apart from concerted efforts to make decisions related to them. During the phases of Presentation, Identification, and Familiarization, issues were selected, defined, and construction of a common understanding of them attempted. In the two chapters which follow, the generation and examination of feasible alternatives and a choice from amongst them will be discussed. The two general types of equally important endeavours discussed before and after this chapter, may be labelled as "problem familiarization" and "solution building" (Shrivastava and Grant, 1985). The first, which might also be called problem "defining" (Kilmann and Mitroff, 1979) or "diagnosis" (Mintzberg et al., 1976) involves ". . . first sensing the existence of a problem, then identifying contributing factors and, finally, reaching a definition of the problem" (Lyles and Mitroff, 1980, p.104). The second entails the generation, and examination of feasible alternatives, and then choice from amongst them. Although the making of this distinction is

not meant to suggest that a rigid sequencing of order existed, it is meant to suggest, however, that in the decision making of the Committee there was an appreciable difference between activity aimed at getting an understanding of an issue, and processing orientated towards making a choice. The significance of the Formulation Phase was that it displayed a transition in the Committee's preoccupation. In this action, they deliberately turned their attention away from exploration, and familiarization towards resolution. Again, this does not imply that they never returned to prior stages to get better understandings, for, as will be seen, the process cycled amongst phases rather than followed a linear progression (sequencing amongst phases is discussed in Chapter 13).

In Committee meetings, it was observed that there came a time when the group seemed satiated with the degree of familiarity they had with an issue, or it seemed that, for particular reasons, it was necessary for them to move on to construct a plan of action and make a decision. Shrivastava and Grant (1985) suggest that this moment comes when "certain conditions of action" arise, such as the emergence of one dominant view of the problem, support of a particular perspective from a powerful decision maker, or the presence of a deadline (p.102). To these, which are readily acceptable as applicable in this

situation, might be added the attainment of a sense of satisfaction in regards to the understanding achieved.

This moment was a "watershed," demarcating the activity aimed at defining the problem from the effort oriented to constructing a solution. It was an intentional moving on of the process, away from analysis, with the objective of finding a solution. This activity was usually expressed in the form of a simple question, such as: - "What are we going to do?" In parliamentary language, there came a time when "the question was put" and action was called for. This was a pivotal point in the movement of the decision process when the focus of energies was directed towards choice. Suggesting this seems to be risking the stating of the obvious, however, despite its brevity and visibility, it was a critical moment and something which was a central part of what defined the nature of the decision process of the Committee. Its presence, or absence, had important consequences for the decision-making process.

The formulation of decision questions appeared to focus any previous information-giving and analytic activity on steps which should be taken towards the making of a decision. This action is seen in the following example.

A vice president presented the preliminary recommendations of a federal government task force on the restructuring of federally-funded programs (28:16). It

was perceived by the Committee to contain several important implications for the fishing industry. The vice president's presentation was in the form of a reading of selected parts of the report, interspersed with sporadic comments by himself and others. After reading for several minutes, he was interrupted by the President asking, "Jim, where do we go with this from here?" Formulation of the question in this instance served to move the process on from a discussion of details towards a consideration of alternatives and action.

Formulation was not always seen to fall neatly between discrete stages, demarcating the ending of one type of activity and the beginning of another. Formulation of decision-oriented questions occurred at times previous to the consideration of alternative courses of action, as in the previous example, and sometimes in the midst of their consideration, as the following example shows.

For several weeks the Committee had considered a particular acquisition in the United States. Discussion of the opportunity highlighted several major issues and sub-issues. The Committee had considered the matter in various ways - by raising concerns, envisaging the possible consequences of various courses of action, and seeking out additional information to help them assess the opportunities and risks involved. During a particular meeting (28:11), the President formulated the issue as:

"Do we go ahead and . . . [what arrangements do we make for payment]?" The alternatives - to proceed or not to - and their comparative advantages had been discussed previously and the call was now for movement towards a choice. Again, formulation of the issue served to move the consideration towards action and choice, beyond detail and analysis. Following the question, a brief discussion occurred about the timing of the purchase, the way in which it should be presented to the public, personnel who would go with the company, structuring of the offer, relations with the bank, and means of financing the acquisition. Although the Chairman's question was not followed by definite "yes's" or "no's," the Committee was seen after this to be "inching," or moving incrementally towards a consensus that they purchase. In the deliberations, formulation had focused the discussion and moved the process on.

Aspects of Formulation

Related to formulation are issues about its timing, its accuracy, or, how well it represents the issues which need to be decided, who it is done by, and when it is particularly important.

Incidents were observed when issues were formulated but the Committee continued to preoccupy itself with

further details and possibilities, and did not appear ready to move towards a decision. The following incident provides one example.

The Vice President of International Marketing, on returning from a trip to the United Kingdom, presented business opportunities which he had discovered there (23:31). Details were presented, possibilities explored, and a method suggested for further researching the opportunity - hiring a consultant. The opportunity had been partially defined and the group had familiarized themselves with some of the aspects of the issues. The Chairman formulated the question: "Should we take a serious look at it?" This was followed by one affirmative response and several concerns about duties and where particular types of products would be produced. The President, apparently ready for a decision, followed with: "Let's deal with the issue - If the consultant is favourable, would we go into the UK?" The question was followed by further concerns about duties, the amount of capital it would require, raw materials and air freight. The Committee did not seem prepared to move and decide. The second formulation was, in this light, perhaps, premature. Committee members wanted to familiarize themselves further with the situation. To them, the consultant's recommendation would only be one factor to consider. They did not appear ready to decide whether they would go ahead or not. The Consultant's opinion

offered no promise of incorporating concerns they presently had. It would appear from this, and other similar examples, that before a response was made to a formulation, participants needed to feel that they had familiarized themselves with the critical aspects of the situation to the point where they were comfortable with their understanding, and when what remained to be done was to weigh the various factors involved.

Although not suspected here, it could be suggested that reluctance to respond directly to a formulated question may also imply feelings of fear, or an unpreparedness to risk a definite choice. It could also indicate an attempt to achieve political objectives since awareness of the importance and power of a formulating question can be put to political use in a decision group (Pfeffer, 1981). It could be speculated that members of a group who do not want particular decisions to arise, might try to prevent it by attempting to hinder the putting of a decision question or by posing another, more acceptable one. However, no evidence of this was seen in the Committee.

As well as timing, how well the formulation represented the decision to be made also appeared to be an important aspect. In the previous example, it is questionable whether the situation was best represented by the question of whether the Committee thought it was a good idea if the consultant recommended it. Judged by

their response, there appeared to be multiple questions arising from the discussion - one was should they go ahead and the another was how would they weigh the consultant's opinion. The question "will we go ahead if the consultant recommends it," was double-barrelled and the two issues needed to be separated.

In another instance, the Chairman had focused discussion on how more of a particular species - perch - could be produced in response to supply problems (20:14). The Vice President of Fleet Operations corrected his focus suggesting that this would interfere with the effort aimed at other species, and the question was really how they could maximize all landings. Subsequent discussion pursued the issue.

In the Operating Committee, the Chairman did most of the formulating of focuses and rarely were his formulations challenged. The previous example represents a rarity. Lyles and Mitroff (1980) suggest that the individual characteristics of managers have the most influence on the formulation process. In particular, they suggest that the credibility, as defined by "expertise," of the person making the formulation has the most influence in determining whether it will be accepted or not (p.111). As well as expertise, issues of power and position may account for the Chairman's dominance in this matter and the group's acquiescence.

It could be speculated that the Chairman dominated this activity because of his role. He was the logical one to perform this task as Chairman, and he, and the other members of the Committee, accepted this as part of his role. Alternatively, it might have been accepted that as Chairman, he was in the best position to balance the Committee's desire to thoroughly familiarize itself with the issues, and a concern for deadlines. It would appear to be a challenging task for the leader of a decision process to determine when the time is right to move on from familiarization to formulation. Belbin (1981) suggested that a good chairman is one who knows when to pull matters together when a critical decision has to be reached or a meeting has to close. (An assessment of how the Chairman's formulations reflected his effectiveness is reserved for Part IV.)

It is possible that the Committee accepted the Chairman's formulations because it was felt that to challenge them would be to challenge his power and authority, which they were not prepared to do. Or it could be that they agreed with his particular formulations and felt he accurately summed up the decisions which needed to be made. Hoffman's (1982) insights are valuable here.

. . . the formal leader of the group may indicate his preference or merely prevent the group from reconsidering the problem by saying, "We've spent enough time on this issue. Let's make a choice." If the leader has substantial power (i.e. the group has high valence of the leader's being

powerful) the group will refrain from moving backward and attempt to make the designated choice (p.112).

Based on observations and interviews, it is concluded that the Chairman's formulations predominated for the following reasons: he had power to which others deferred; he accepted formulation as his responsibility and took the initiative; and by nature, he was impatient with aimless discussion and eager to move the process on.

Formulation of specific questions was seen to be of particular importance when the issues were ill-structured, that is, without neatly defined boundaries and identified causal links, and with very uncertain consequences.

One of the most ill-structured, re-occurring issues the Committee dealt with was that of "balancing" the supply and demand of raw materials. During most of the period of this study, demand for fresh fish was greater than supply. This necessitated on-going attempts to allocate the limited supply to the most profitable use. Concerns about commitment to contracts and long-run versus short-run gains were also part of the consideration. The situation, when most extreme, was referred to the Operating Committee who dealt with it on an ad hoc basis. During one particular random discussion, the present situation was analyzed, possible courses of action were discussed, the effect on particular market segments and some of the individuals and organizations involved was assessed, and previous understandings of guidelines were

reviewed (21:4). The President focused the issue with the question: "Can we agree on some rules [decision rules]?" The Committee then agreed on three which they applied to the present situation and also assigned to future use. The formulation made by the President was an important event in helping to focus a diffuse discussion and in moving the process towards a resolution. It brought structure and focused energies on methods of resolution.

The absence of formulating questions often resulted in the dropping of matters with no resolution. When formulation was absent, discussions appeared amorphous and the group seemed to languish in the passing of information, impression, and half-formulated objectives, and inaction. This was appropriate when situations were introduced and discussed for "information" purposes only, but when situations were identified as matters requiring attention, and no action-oriented questions were formulated from them, the process reached no resolution. This is seen in the following example.

Participants: GC - President
 JM - VP, Human Resources
 HD - VP, International
 ED - VP, Fleet
 MP - VP, Finance

DIALOGUE

COMMENT

GC - one hundred and five million dollars going to be given by the government to FPI [a competitor]. [Details on how he found out.] DH

Issue presented. (Hasn't been labelled as a problem yet. GC seems to be looking for a way to "frame" or view it.)

[Chairman of the Board of Directors] and I feel uncomfortable, not sure why. DH called Vic [president of FPI]. We said we would not say anything publicly even though government wants to know what we think. Vic will send a "clean" copy of the report. [Details on the plan.]

Familiarization. Expansion, more information provided.

I'm afraid that they are going to use the money to compete more with us.

Further familiarization. Foresees implications and evaluates.

Said they wouldn't do it. Vic coming over to explain more. Don't think we should comment yet.

Expansion of understanding.

[At this point, there are two issues - what they think of the proposed plan and how they should respond publicly. Neither has been formulated.

[Reasons given why it would be advantageous to refrain from commenting - relate to self interest.]

Assessment of implications of action.

It's not one hundred an five million in new money [details].

Framing - perspective given blending information and attitude.

They want us to turn around and be cooperative [implying that FPI hasn't been in the past.]

Framing - perspective given on their action.

Vic said they not ask us. Never said anything against our FFT application in public.

Bundling information with an attitude.

HD - The plan could hurt Countervail [the American action is largely predicated on the accusation that the Canadian fishing industry is subsidized by the Canadian Government].

Foresees implications of FPI's actions and judged bad.

GC - FPI said five months ago that Countervail didn't matter, now they are putting money into it [the defense]. [Details on FPI's dividend policy and future plans to turnaround like National Sea.]

HD - In Europe, incomprehensible that they asked for one hundred and five million in middle of Countervail.

.....

ED - Doesn't do anything for us to fight it.

MP - Unless it hurts.

GC - Last week I was livid - public money to take us on but not one hundred and five million dollars I thought it was. To oppose it would increase opposition to FFT [NSP's application for a licences]. Odds are that if we opposed would have little impact.

JM - Directors of company who are government appointees will be presenting to the government for approval of plan.

GC - FPI say they are going to break even next year, should do it. I hope they do.

MP - To digress [question about another matter].

GC - Thanks for reminding me. Brought this up to see if there were any other thoughts.

Framing - it appears that GC is attempting to shape an attitude towards FPI. Added information, continuation of attitude shaping.

Framing - suggesting way to view FPI.

Assessment of alternatives.

Providing a perspective by which to view the situation.

Alternative assessment.

Assessment of alternatives - little to be gained in opposing.

Shaping an attitude towards FPI.

Tangent.

Alternative assessment.

In this incident no decision was ever formulated. The question was never put. The issue was left hanging and no decision was made concerning the response the company should make. The reason may have been that it was inferred that it was not a decision for the group. The President may have confirmed this when, near the end, he said the reason he brought it up was to see if there were any other thoughts on it. The group's role was that of helping him think through the issue and not one of making a decision.

The absence of formulated decision questions was rare in the Committee. In this situation it could even be said that if it was the President's decision, then, it was appropriate that no question was formulated. If more blatant neglect had been prevalent, it would have been expected that Committee members would have been demoralized and frustrated by "too much talk and not enough action," as some were during the days of the Management Committee's existence (from interview data). On the contrary, members felt very positive about how the Committee faced issues and took decisive action. Elaboration of issues identified as problems or opportunities were only rarely not followed by a focus on what action should be taken.

Summary

The formulation of specific questions for resolution took the decision process beyond the supplying of information and its analysis and brought it closer to the making of a decision and action. Emerging from the consideration of various aspects of issues, it moved the process toward the formation of solutions and the construction of concrete plans of action. Its moment of occurrence was brief, but its significance was clear.

The timing of formulations is important. Unless the group has attained a level of satisfaction with its understanding of issues, it is not likely to be ready to respond to formulations, unless, of course, they are working within a deadline. The most effective formulations were those which were considered to accurately represent the decisions which needed to be made. Who presents the formulations affects how they will be accepted. In the Committee, the President formulated the majority of decisions. Formulations were particularly important when issues were ill-defined and complex. Formulation brought out the salient aspects which needed to be considered. The absence of formulations resulted in discussions with no conclusion and no decision.

The formulation of decision-orientated questions in the Committee's process evidenced their intention and readiness to make decisions and take action. The decision

process of the Operating Committee moved progressively toward resolutions, largely aided by the timely and accurate formulation of decision-questions.

Chapter 11

Alternative Assessment

In much of the decision-making literature, the generation and evaluation of alternatives, and a final choice from amongst them, is made synonymous with decision making (Nutt, 1975). Rational models accept this activity as the essence of the decision-making process and where most analytical attention should be focused. All else in the process is viewed as subordinate and penultimate. In this research, chapters seven through ten have shown that this is not correct, and that there is much that goes on apart from the consideration of alternatives which has formative significance for the decision-making process. The way in which issues are presented (Chapter 7), the identification of their significance (Chapter 8), their exploration as the group constructs a shared understanding of them (Chapter 9), and how they are put to the group as a decision to be made (Chapter 10), all have potential for shaping the way the process approaches the construction of solutions and the final choice. The way problems are defined determines the alternatives considered and solutions decided upon (McCall and Kaplan, 1985, 58f.). As the process moves towards resolution and choice, it is open to being influenced through the blending of

information and the interpretation of that information - the management of meaning (Chapter 9). There does come a time, however, when the group turns to the important matter of alternatives and choice. In the deliberations of the Operating Committee, this occurred, not only as the climax to previous activity, but, sometimes, in the midst of these activities, as "portfolios of solutions" (Eden, 1987) were interjected for consideration. The activity of this phase greatly influenced the final choice, and, furthermore, this activity itself was open to influence at various points.

What was seen to occur during this phase in the Operating Committee is diagrammed in Figure 11-1. If a solution to an identified problem did not appear quickly and receive immediate consensus, a number of possible alternative courses of action were proposed and examined. These were assessed in no regimented order, but with reference to such factors as: consequences; internal and external constraints; and rationality. All these factors helped shape the final outcome and the choice, or absence of a choice.

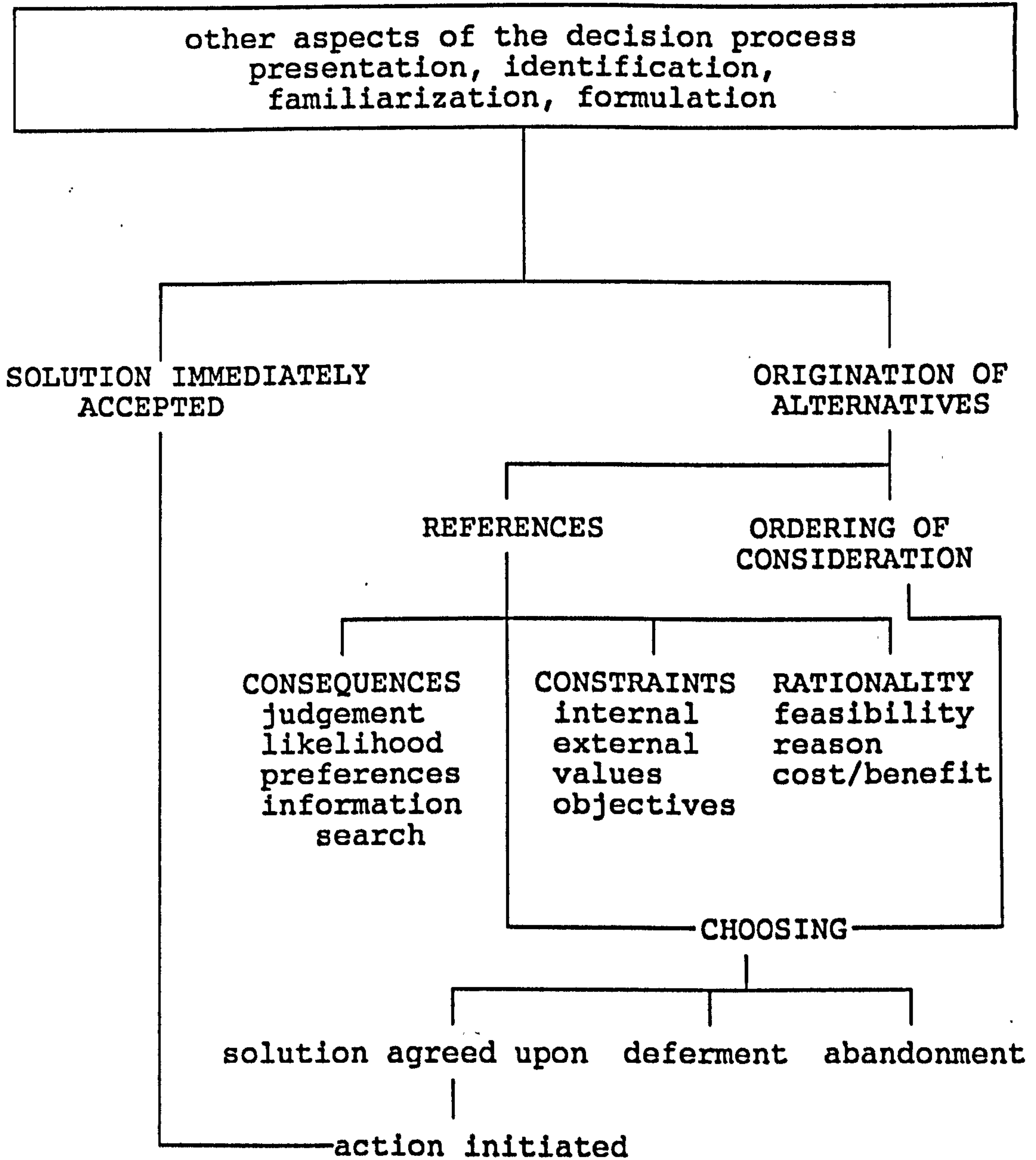
Immediate Acceptance of a Solution

In the Operating Committee, there was often an immediate acceptance of a suggested course of action with no

consideration of additional alternatives. The presenter of an issue would sometimes offer a solution along with the problem or opportunity. Ordinarily, this solution would not be questioned, even though the presenter might be probed for more attendant details, and the logic which had woven together facts, assumptions and objectives in his thinking. In many cases, this solution had already

Figure 11-1

Assessment of Alternatives



been initiated. It could be suggested that this acceptance might have been due to a "laissez-faire" attitude on the part of other members, but nothing

witnessed or learned supported this conclusion. Overall, the group was, in fact, exceedingly vigilant in their efforts to scrutinize all action, but it was not "hyper vigilant" (Janis and Mann, 1977) in the sense of being compulsively reactive. Acceptance of proposed solutions by Committee members appeared to be based on an acceptance of the competency of others to correctly assess situations and to initiate appropriate action. There appeared to be a notable amount of trust in the "inherent wisdom" of the members of the organization to respond correctly to problems. This observation should, however, be tempered with an awareness of other factors which might also have been involved, such as those which were discussed in Chapter 9 relating to the group's readiness to accept information presented by other members without questioning it.

The acceptance of proposed solutions with minimal scrutiny or suggestion of alternatives, occurred mainly when the solutions were obvious, when there seemed to be little risk involved in a wrong response, when the matter was relatively unimportant, or when the choice was between doing something or nothing and could be responded to with a "yes" or a "no." This is what might have been expected.

Two interesting exceptions to this were observed - decisions regarding corporate charitable donations (14:11) and new office space (21:10). It was surprising that these

two, relatively minor issues, received relatively, major consideration. On reflection, it seems reasonable that these must not have been trivial matters to the members. The charitable donation policy had the potential for interfering with established relations with communities, groups and individual outside of the firm, and represented public relations efforts individual executives had fostered, in some cases to, perhaps, secure reciprocal benefits. The reorganization of office space may have aroused issues of status, prestige and intangible reward, all important matters in an organization.

For the most part, those issues which resulted in more extensive consideration of alternatives and their respective merits, were more complex, involved more risk, and were, frequently, opportunities, as opposed to problems.

Origination of Alternatives

Two broad issues emerge from a consideration of the matter of alternatives. The first is their origin, and the second is their assessment.

The search for alternatives is a significant part of non-programmed decision making, and is neglected by the classical theory of rational choice. The "Carnegie School" (Simon, 1957; Cyert and March, 1963) has

contributed much to the understanding of this important aspect of the decision process. In addition, Nutt (1984) has provided a useful classification scheme of search processes. Using Nutt's concepts, the Committee's search for alternatives displayed characteristics of: "historic" search, referencing their repertoire of experience or that of the industry; "off-the-shelf," seeking out ready-made solutions which might fit their particular situation; and "nova," whereby innovative solutions were sought with the help of internal or external consultants. Generally, however, in reference to the Operating Committee, alternatives appeared to come from the vicinity of the problem or opportunity and did not appear to be radical departures from obvious, or past courses of action, or particularly out of the ordinary. They were generally seen to originate, as Cyert and March (1963) suggested, in the neighbourhood of familiar alternatives.

The generated alternatives did not appear to be an exhaustive list of all possibilities. Normative theory suggests that a complete range will be available for scrutiny. Simon (1957) and others (Lindblom, 1959; Mintzberg et. al., 1976) have challenged the likelihood of this. That challenge is confirmed by the observations of the Operating Committee. The search for alternatives did not appear to be extensive or exhaustive, but limited to the vicinity of the apparent. Time limits, familiarity with past alternatives, and a commitment to traditional

methods of search, seem reasonable explanations for the group not engaging in more creative exercises. Two facets of the way in which the Operating Committee considered alternatives were identified as important: their ordering, and the presence of evaluative references.

Ordering of Consideration

The consideration of alternatives in the Operating Committee was not linear, as suggested by normative theory. All possible alternatives were not listed and fully evaluated before a choice was made. Neither was the assessment of alternatives a fixed event, confined to one specific period, bracketed apart from other activities, as normative theory also suggests. The ordering of alternative consideration in the Committee is best described as "cascading." Examination of alternatives flowed over time and mingled with other phases. More than one alternative was often examined at the same time, in "parallel" (Soelberg, 1967). Typically, the Committee's path of consideration would pass through some or all the following, in no particular order: the raising of an alternative; familiarization with details of the original situation; familiarization with details of the alternative; identification of associated problems and opportunities; and the posing of other alternatives. The

frequent identification of sub-problems of a substantive or procedural nature was a major cause of the frequent disruption of the order of consideration (see Chapter 13). During the consideration of alternatives, new problems or opportunities were often identified, labelled, explored and tentative decisions made regarding them. Attention to these "nested" problems (Cyert, Simon and Trow, 1970) "spun" the decision cycle towards the activities mentioned, and away from a linear consideration of the alternatives before them.

The order of consideration was not random, or "anarchic" (Cohen, March, and Olsen, 1972) even though it appeared to have no definite pattern. It appeared to have inner purpose, intention, and momentum. Consideration appeared to flow, or cascade, over time, towards a consensus, not in a deliberate sequential order, but, nevertheless, with direction and intention (more will be said about the flow of the process through various stages in Chapter 13).

A representative Operating Committee discussion (20:16) shows the cascading nature of consideration.

Participants: GC - President
JMC - VP, Marketing
BM - Former President and Chairman of the Board
MP - VP, Finance
SR - VP, Canadian Operations

DIALOGUE

COMMENTS

GC - Where are we and where are we going (in reference to the production of chicken)?

Procedural question about this issue.

JMc- (reports on two possibilities - production of entrees in a company plant in Lunenburg or a joint venture with PFL, a company already in the chicken business).

Review of two alternatives.

JMc - Have you met with Joe (executive of PFL), Bill?

Question regarding investigation of one alternative.

BM - I think it's a nothing meeting. Just wants to look at (us) ... He wants to talk again. Just keep our feet in the door.

Interpretation of activity associated with exploration of an alternative.

JMc - Bob (another executive of PFL) still a roadblock?

Seeking of information related to PFL alternative.

BM - No (elaborates).

MP - Chicken entrees? (Wants to know about the difference in products under each option).

Probing question. Familiarization with alternatives.

JMc- Where to on chicken? Move into entrees and do in Lunenburg?

Formulation of decision question.

MP - Would cost one-half to a million dollars?

Probing for information related to one alternative.

JMc- PFL wants to do entrees also.

Other alternative.

MP - How much would we spend in Lunenburg?

Probing for information concerning one alternative.

GC - Two million, said to see if ...(MP) still with us.

Irrelevancy.

MP - Do we want Lunenburg to get bigger?

Exploring of implication associated with one alternative.

SR - No, no, no....	Assertion of a value.
GC - Another point, where do we go with PFL. What will happen to them under free trade?	Possible consequences of PFL alternative.
JMc - Not a hell of a lot.	Likelihood of consequence.
BM - This thing (market for chickens) is tightly controlled by the Egg Marketing Board.	Factors related to PFL alternative.
GC - How?	Probing question.
BM - (provides details)	
SR - ... PFL could produce the loin for us and we could put it into an entree.	New alternative formed from two.
BM - ... we could buy another business (instead of dealing with PFL).	New alternative suggested.
GC - (discussion of free trade) Would we need a separate line for chicken in Lunenburg?	Details associated with alternatives.
JMc - Yes (provides details).	
SR - (Suggestion of ways to deal with trade regulations and production design at Lunenburg).	Expansion of alternatives.
MP - Not a big expense to add chicken to line (in Lunenburg).	
JMc - PFL has no equipment now.	
GC - Why underwrite them?	Implications associated with PFL alternative.
SR - I will go look (at their production plant).	Search for more information.

(Further details on the kind of product they want and the production requirements.)

Further familiarization with opportunity.

GC - Sandy, we should sit down with Ron (...) and talk about the kind of entree we have in mind.

Further familiarization with opportunity.

Also, do we want to get in or out of bed with PFL?

Formulation of a decision question.

GC - If not in bed, go to every other chicken producer and get bids.

Possible alternative.

BM - I should bring this to a head in my meeting (with PFL owners).

Procedural intention.

JMc - Are we going ahead? We are at another crossroads.

Formulation.

BM - We are getting into chicken entree business.

JMc - (identifies it as a good opportunity)

Reaffirmation of original goal.

GC - Where do we go from here? Put it back on the agenda for the twenty-fourth. Go forward on recipes (for chicken entrees) an regulatory approval (to allow finished product into the US).

Formulation of procedural question.

Direction suggested and subsequently acted upon.

As can be seen from the above example, typical of discussions in the Operating Committee, the consideration of alternatives was not an ordered, sequential comparison of all possibilities with their respective advantages and disadvantages exhaustively examined. The discussion cascaded through the raising and blending of alternatives, further familiarization with the original goal and

opportunity, familiarization with suggested alternatives, and questions about procedures for reaching a final decision. In regard to this, and similar issues, discussion cycled over several meetings before a final choice was made. The Committee "inched" towards a decision. (More will be said in the next chapter about this incremental style of decision making.)

It is interesting to note the significant activity of the Chairman to the movement of consideration. He formulated most of the decision questions, and suggested further course of action, which the Committee appeared to accept. This was typical of procedures in the Committee and will be examined further in Part IV.

References

In the course of considering alternatives, the Committee referenced several criteria which appeared important to the final selection. In Figure 11-1, these have been labelled "Consequences," "Constraints," and "Rationality." These factors influenced the magnitude and direction of the Committee's preferences for the courses of action available.

Consequences

Simon (1957) called determination of the consequences of alternatives one of the three main steps of the decision task (the other two are the posing of alternatives and a comparative evaluation of them, p.67). A significant factor in the Operating Committee's assessment of alternatives was the forecasting and evaluation of possible consequences associated with particular courses of action. The Committee often tried to envisage implications and outcomes which would likely follow from the adoption of particular alternatives. This "thinking forward" (Einhorn and Hogarth, 1987) was similar to that found in the Familiarization Phase and described in Chapter 9. In the Familiarization Phase, the establishment of causal links in the past was an important activity. With consequences, the attempt was to project causal links into the future by envisaging chains of events. These possible future events were then assessed as to their likelihood and desirability. The Committee assessed risk through the assigning of subjective probabilities to consequences. Even though they were not able to quantify the probabilities, it seemed important for them to be able to, at least, define what the variables were and assess their desirability. Undesirable possibilities dampened enthusiasm for a particular course. Positive implications made the alternative more viable. In the example above, both an interest in the likelihood

of events associated with specific alternatives and an evaluation of their desirability are illustrated.

The projected consequences were, of course, speculative. Experience and judgement seemed to form the basis of most, rather than any forecasting prowess. The desire to minimize risk, undoubtedly, motivated much of the concern over consequences. Consequences are difficult to establish, and even though well thought out and held with some conviction, they can be interfered with by something as natural as the passing of time (McCall & Kaplan, 1985). In attempting, the Committee seemed to be following advice like that advocated by McCall and Kaplan (1985): "Before making a risk-laden decision, managers must . . . anticipate as well as possible the likely consequences, especially the negative ones" (p.99).

In addition to speculating, the Committee often attempted to gather information which would allow them to make better judgments about future consequences. Since it is impossible to know all consequences, and to find the resources to examine all alternatives, only a limited subset were examined (Simon, 1957, p.68f.). The cost and difficulty of obtaining further information may inversely affect the number of alternatives that are carefully examined (Cyert, Simon, and Trow, 1970, p.82f.). In the example cited above, two concerns with the PFL alternative were identified: the effort needed to develop necessary production facilities, and their cost. The Vice President

of Canadian Operations intended to look at PFL's existing plant. It was hoped that his findings would give them a better feeling for the production and cost implications of selecting PFL. It also had the potential for altering the attractiveness of the PFL alternative, or causing a modification to it or any other alternatives (Steiss, 1985).

The Operating Committee's practice was to present a number of consequences. It would seem reasonable that a good decision process envisages more consequences than a poor one, but does not raise so many that it becomes immobilized by them. To neglect a forecast of consequences would be to heighten risk and increase the possibility of initiating action which might spawn repercussions, augmenting problems rather than ameliorating them. On the other hand, a preoccupation with consequences might reinforce fear and make a group timid about risking any action. The Operating Committee seemed to strike the right balance in raising consequences, judging them and seeking additional information, before they chose a course of action, but not becoming intimidated by them.

Constraints

The consideration and evaluation of alternatives took place within boundaries and with reference to constraints accepted by the Committee. What might be done, was evaluated in the light of what was possible and necessary.

Possibility was defined by constraints imposed by internal and external realities. Necessity was, largely, specified by the values and objectives of the organization, and more immediately, the Committee. These "boundary conditions" (Steiss, 1985, p.570) set the field within which feasible solutions were found. (Pfeffer, 1971, p.116, has made the stronger suggestion that these constraints determine decisions.)

Internal constraints were imposed by limitations on the availability of human and capital resources. Alternatives which required the employment of resources which were limited or not available, were truncated in their consideration. External constraints were imposed by such factors as government regulations, environmental conditions, and the action of competitors. Alternatives which were limited by external actualities were either abandoned or modified.

Values are usefully defined as preferences for certain end conditions or ways of being. They are important, not as means, but as ends, in and of themselves (Pastin, 1984) and constrain the decision process (Taylor, 1970; Radford, 1977, p.25.) In the consideration of alternatives, "terminal" and "instrumental" (Cooke and Slack, 1984) values emerged as important to the Committee. Terminal values were preferences for ends. Instrumental values were preferences for a mode of conduct or way of existing. Operative terminal values were - profitability, increased

share price, satisfaction of customers, well-being of employees, and diversification. Instrumental values referenced were - production efficiency, cooperation with industry and government, good relationships with competitors, participatory management, and fiscal constraint. These values were referenced in the assessment of alternatives. Compatibility between the two was an important consideration, as will be shown.

It was not unusual for conflicts in values to appear. Several discussions over plant closures involved both an interest in the welfare of employees and long-run profitability. The resolving of these conflicts was a major issue and will be discussed in the next chapter.

Values referenced were individual as well as organizational. Organizational values were visible in discussions, individual values were only partially discernible. This was the result of individual values being both visible and hidden, or overt and covert. Overt values were ones which individuals readily expressed and were, on the surface, reasonable, given their position in the organization or experience. One example was the favouring of the Vice President of Canadian Operations for the elimination of a product which put excess demands on his production facilities even though it had a positive contribution margin. Covert values related to more basic, individualistic self-interest. These were not openly expressed in meetings, but it is assumed that they were

present in the form of preferences for certain alternatives because of their implications for individual well-being. The rejection of an alternative by a vice president because it would require him to move, which he did not want to do, would be an example of the influence of a covert value. (Cooke and Slack, 1984, have commented upon the influence of both overt and covert values, labelled as "intended" and "operational" values, in influencing decisions.)

No strong conflicts were observed between corporate and individual values. Individuals appeared to affirm corporate values and consistently place them ahead of their own personal or functional preferences in assessing alternatives. This is an important, and rather surprising finding. The interest of the corporation appeared to dominate individual and departmental values. Apart from any "side payments" (Cyert and March, 1963, p.29ff.), two factors may account for this. One is that Committee members had participated in the establishment of the corporate values in the formulation of the Corporate Mission Statement at the beginning of the Operating Committee's existence (Chapter 1), and the open style of management gave them opportunity to participate in their further development. The second reason is suggested from interviews with the individual vice presidents. They all expressed a commitment to seeing the company succeed and turn around. It appeared that they had made a decision to

do what was best for the company and had subordinated their individual preferences. Nothing learned in interviews detracted from this conclusion. It has been suggested that corporate goals must be an amalgamation of individual goals if the organization is to function effectively (Cohen and Cyert, 1972, p.3) and it certainly was in the best interest of each Committee member to see that this goal was accomplished. Personal goals and corporate goals would appear to have coincided in this case.

Corporate objectives and goals (here, the two are used interchangeably) were similar to values in that they expressed preferred outcomes, but they were more specific and concrete in nature. In a sense, goals and objectives may also be seen as constraints (Fredrickson, 1983, p.567). They portrayed specific, tangible ends which the Committee wanted to accomplish within the framework of what was valued or desired. This was especially visible in the consideration of opportunities, such as the forming of an alliance with a US-based marketing and distribution organization. Alternatives were evaluated in reference to how they would aid the achievement of objectives. Some overall objectives assumed sub-objectives in the course of achieving them. Among the objectives referenced by the Committee were these: to have a billion dollars of sales in five years; to be dominate in the Canadian retail fish market and significant in the US market; to diversify away

from products based on the east-coast fishery; to consistently up-grade the quality of raw material; and to modernize the storage capacity and product handling capability of their ships. The possibility of divergence between individual and corporate objectives in these matters (Cohen and Cyert, 1972; Steiss, 1985) is accepted, but little evidence of it was seen in Operating Committee meetings. The significant influence of the President in shaping corporate values and objectives may have had something to do with this (see Part IV).

The establishment of long-term objectives occurred in periodic weekend retreats and day-long planning sessions. During one retreat, early in the life of the Operating Committee, a corporate Mission Statement was produced. This outlined the values and objectives of the company and included references to such matters as: shareholder value, growth, profitability, dominance of seafood markets, production of highest quality, responsibility as a corporate citizen and employer ("Highliner," October, 1985, in-house publication). It was a blend of values and objectives. As a document, it was to be a repository of the company's agreed upon values and objectives. It was specifically referred to very little by the Committee and when it was, it was done in a way which reinforced an existing opinion, and not as a beginning point. This does not mean that the values and objectives it embodied were not operative; but its worth appeared to be mainly in the

exercise of its formulation - a group process, heretofore, non-existent - and its availability to legitimize opinions.

Some members of the Committee felt the company lacked a clear statement of their long-term objectives and strategic plan (interviews), particularly, the Vice President of Marketing who said that he found it hard to talk about product development and acquisitions when the company did not have a clear vision of where it wanted to go. The President acknowledged this in an interview and said it was a priority, but they had just not found time for it. It is interesting why the President, proactive and timely in regard to so many other matters, delayed on this matter. Disregarding any covert resistance, it is speculated that he did not feel the time was right. He may have wanted the company to understand its present operation and deal with its current inefficiencies before it established long range goals. Another vice president stated that he felt the establishment of such objectives was the responsibility of the Board of Directors who represented the owners. No other person interviewed agreed with this, one person felt this sentiment was an excuse for inaction. All, including the President, felt the absence of long-range strategic goals immobilized them, and viewed their establishment as a priority.

The lack of a long-range plan appeared to stall important deliberations on several occasions.

Consideration of the acquisition of an American fresh fish distributor and how it would integrate with the present US marketing plan, languished because of this. The following question, raised in the midst of discussion, summarized the difficulty - "We haven't defined yet where we want to be and how we are going to get there (27:30)." The evaluation of other acquisitions was forestalled by the same lack of long-range objectives as reference points. Discussions concerning acquisitions ranged over a long period of time. It was decided that until they could establish their objectives, all they would do would be to gather more information. The situation was aided by a weekend conference which focused specifically on corporate goals and strategy in the US market. The appointment of a new vice president with major responsibility for formulating and implementing of long-range strategic planning, gave hope to some that time and effort would now be given to it (interview with Vice President of Marketing).

Values and objectives set reference points for the evaluation of alternatives. Their existence directed and aided decision making by establishing necessities in the midst of a range of possibilities. Having too few, or too many can be troublesome (Shetty, 1979). Their presence bounds, and limits the choices which are made, but, their absence also hinders choice. Kierkegaard (1954), made the point philosophically - a preponderance of limits without

choice produces despair, as does boundless choice without limits.

Rationality

Woven through the consideration of alternatives was reference to rational criteria, factors about which it would be considered "reasonable" to be concerned, especially those related to consistency, coherence (Tversky and Kahneman, 1985), and comprehensiveness (Pastin, 1984). Of importance to the Committee was whether alternatives were feasible, rational, and offered returns commensurate with the costs involved. These criteria are ones normative theory and quantitative-based decision process emphasize. These criteria aided the judgement of whether alternatives were workable, possible to implement, and had a chance of success; if they were logically sound and matched the problem or opportunity; and if they had the potential for giving returns commensurate with the costs and risks incurred. These rational, criteria, based on principles of logic and deductive reasoning, supplemented the more individualized values and objectives of the company. (For a discussion of some of the logical precepts used to evaluate rationality, see Kahneman and Tversky, 1984.) The Committee used these standard to judge the alternatives considered.

The cost-benefit trade-off was a pervasive interest of the Committee. Of concern was the relation between the two and a desire to obtain the greatest return for the least expenditure of capital. A related interest was the risk-return trade-off - the amount of return in relation to the risk undertaken. These concerns were embodied in the weekly Capital Expenditure Allocations (CEA's) item on the agenda. Significant capital expenditures required the Committee's approval. Those over forty thousand dollars required the additional approval of the Board of Directors. The decision rule was that the project had to have a "payback" of two years, or less, to be viable. This, they believed, insured its cost/benefit advantage and exposed it to minimal risk. Approved projects were followed by an audit to determine the reliability of estimates and the accuracy of projections, thus reinforcing the importance of cost effectiveness.

Summary

The suggestion that within the stages of the decision process which precede the consideration of alternatives there is little of significance, is strongly rejected. The point has been established in previous chapters that there is much that goes on apart from the consideration of alternatives which has formative significance for the

decision-making process, however, in this phase the process came close to the making of a decision as it considered various alternatives. What occurred in this phase significantly influenced the final choice.

When there was an immediate acceptance of a suggested course of action, no further alternatives were considered. Those issues which resulted in a more extensive consideration of alternatives were more complex, involved more risk, and were, more frequently, opportunities, than problems. The majority of alternatives considered by the Committee appeared to come from the vicinity of the problem or opportunity and did not appear to be radical departures from obvious, or past courses of action, or particularly out of the ordinary. The consideration of alternatives was not found to be a linear progression from one to the other, as suggested by normative theory. Consideration appeared to flow, or cascade, over time, towards a consensus with direction and intention.

In the Committee's assessment of alternatives, it referenced the criteria of consequences, constraints, and rationality. These appeared to influence the magnitude and direction of the Committee's preferences for particular courses of action. In considering the envisioned consequences of possible actions the Committee seemed to strike the right balance, seeking additional information, before they made a final decision, but not becoming intimidated or overwhelmed by the possibilities.

What might be done, was evaluated in the light of what was both possible and necessary. Possibility was defined by constraints imposed by internal and external realities. Necessity was, largely, specified by the values and objectives of the organization, and more immediately, the Committee. No strong conflicts were observed between corporate and individual values. The interest of the corporation appeared to dominate individual and departmental values. It appeared that Committee members had resolved to do what was best for the company and had subordinated their individual preferences. Values and objectives set reference points for the evaluation of alternatives. Woven through the consideration of alternatives was reference to rational criteria, factors about which it would be considered "reasonable" to be concerned, especially those related to consistency, coherence, and comprehensiveness. Of importance to the Committee was whether alternatives were feasible, rational, and offered returns commensurate with the costs and risks involved.

In this phase of the process, the Committee displayed a conscientious determination to consider alternatives in a thorough and competent manner to assure that their final choice would achieve their objectives. The next chapter will describe the important matter of how the process directed and balanced its objectives in the making of a final choice from amongst the various alternatives.

Chapter 12

Choice

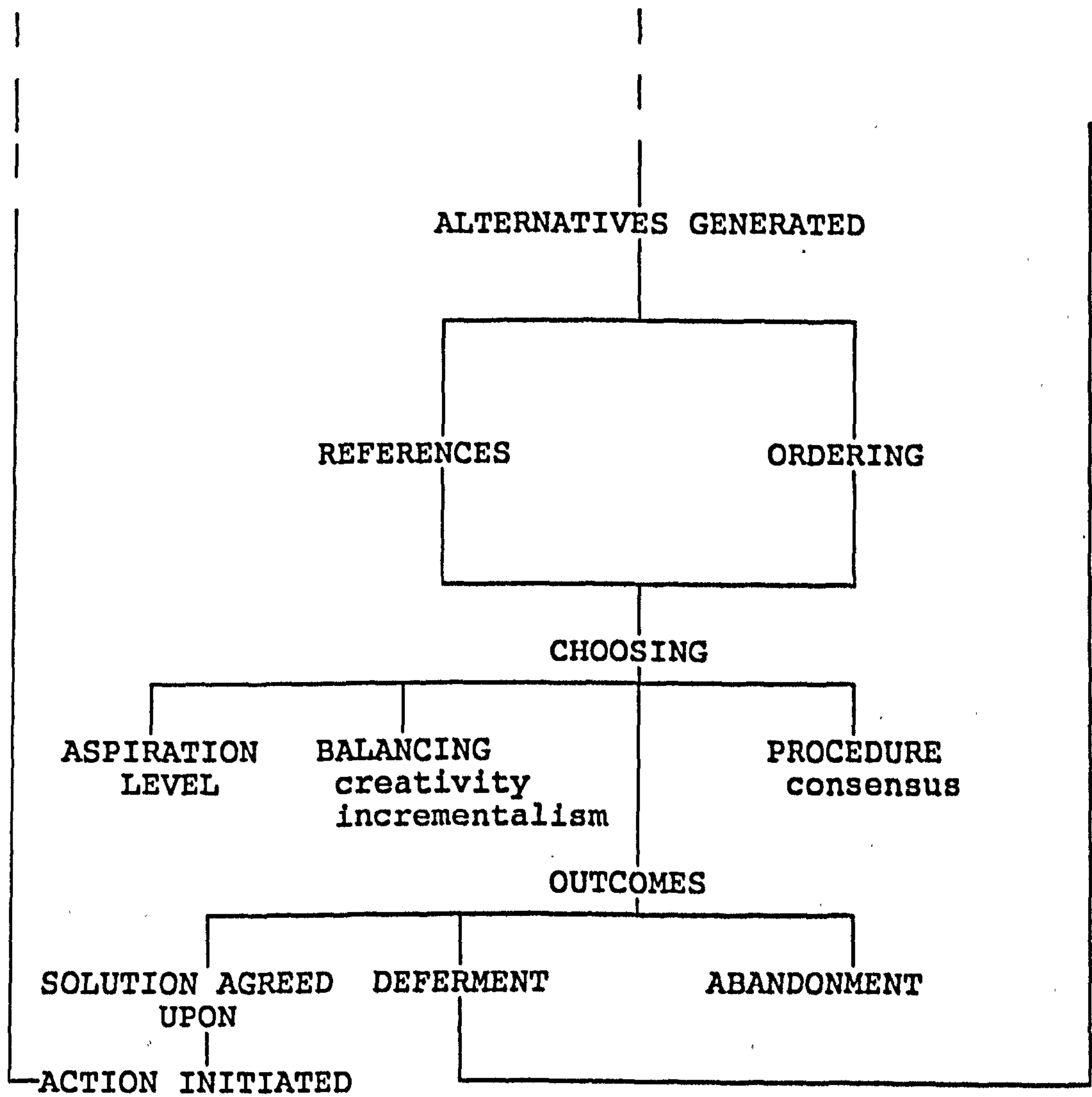
Discussion in the preceding chapter examined the raising of alternatives and the use of criteria to evaluate them. In the Operating Committee, this process was fluid, that is, there was no identifiable ordering of consideration. Shape, however, was brought to the process in the combining of the various criteria as they were balanced and blended in the making of a choice. In the act of choosing, the Committee merged the disparate criteria in such a way as to produce a decision. Decision by the Committee was not a capricious or random act. It moved with inner purpose. The subject matter of this chapter is an analysis of that movement in which a choice was fashioned from the various component considerations.

Figure 12-1 outlines the constituent parts of the forming of a choice. The diagram is an expansion of Figure 11-1 with more detail regarding the choosing phase. The making of a choice involved a determination of what degree of perfection was required in a solution, also known as the "aspiration level," the balancing of the referent factors identified in the previous chapter, and the procedure of inducing and formalizing choice. The result of this process was one of three things: agreement

on a specific course of action, the conscious deferment of a choice, or abandonment of choice.

Figure 12-1

Choice



Aspiration Level

The selection of an alternative was influenced, in part, by the degree of the Committee's requirement for perfection in a solution, or its "aspiration level" (Simon, 1957b). It has been suggested that the higher the aspiration level, the more extensive the search for, and comparison of alternatives (Simon, 1957b). It was expected that a high degree of aspiration produce searches for optimal solutions while a lower level would permit satisfactory or "satisficing" (Simon, 1957b) solutions. The Operating Committee's approach was observed to be "satisficing" in regard to some types of issues and "maximizing" in regard to others.

Using Steiss' (1985) concepts, it was observed that aspiration levels, were lower for "adaptive" decisions and higher for "strategic" decisions. Adaptive decisions made minor, non-threatening, incremental modifications to current situations, while strategic decisions had far-reaching implications and brought bold strokes of innovation which usually caused the surfacing of goal conflicts. In the Operating Committee, a further difference was noticed in regard to operational versus strategic decisions. With operational issues, which were mostly problems, the search for alternatives was less extensive and the level of aspiration lower, than with strategic decisions. Choices were made with serious and

deliberate consideration, but they involved less than an exhaustive search for, and comparison of, all possibilities. They appeared to reflect a desire to make reasonable, timely, and workable decisions, but did not appear to be an attempt to find the ultimate solution which would meet all objectives and maximize all utility. Strategic opportunities, by comparison, were seen to have the highest aspiration levels attendant. They took more time, evoked more extensive gathering of information, prompted more forecasting of consequences, and referenced more evaluative criteria. Two factors may account for this. The first is that opportunities were relatively new, never-encountered-before situations. Routine patterns of response were not available and experience could not be brought to bear with the same certainty as it was with problems. The second is the time during which these observations of the Committee were made. Several months had passed during which the organization had solved some of its more glaring operational and financial problems. Continuing problems needed only monitoring and periodic modification to enacted solutions, and problems that were new appeared to be handled with confidence. Opportunities elicited more vigilance and the Committee did not appear as comfortable with the risk involved with them. Choices concerning opportunities had higher expectations attached. The President, in conversation, mentioned several times that he thought the company was

"entering a new phase." This new phase was focused on growth, rather than repair, creating new opportunities as opposed to solving old problems. Problems seem to have represented the past, and opportunities represented the future - important new directions away from the past which the company was eager to take.

The effect of the aspiration level on choice was that the consideration of solutions to operational problems usually resulted in solutions agreeable to all in a short period of time. The consideration of alternatives associated with strategic opportunities would usually result in a deferral of a choice until long-range objectives were better defined, more information was gathered, or consequences were better determined. With strategic opportunities, it did not appear that this comparative hesitancy was motivated by a persistent belief in the existence of an optimal solution, despite discovered apparent difficulties and obstacles, but, rather, an attempt to maximize choice, as best they could, out of concern for the critical importance of the situation. The Committee never appeared to be obsessed with finding the maximum solution, only the best, given the constraints of time and resources. (Zeleny, 1981 describes the same occurrence when he says decision makers initially search for the ideal, however as they discover it is unattainable, the "achievable" replaces it and the ideal remains a point of reference.)

As consideration of strategic issues proceeded, aspiration levels were sometimes modified, not an unusual occurrence (Simon, 1957b). This appeared to transpire as hope for an ideal solution was abandoned by the Committee when limiting realities, requiring maximum resources in the face of organizational constraints, were discovered; or as goals, found to be too risky or costly, were revised. The designation of new objectives or the conscious abandonment of the matter were the eventual outcomes. Reference to two decisions will help to illustrate this.

The Federal Government made available three experimental licenses for the Atlantic clam fishery. National Sea was interested, and gathered extensive information from industry and government sources. Using this data, they forecasted implications for needed resources, and the level of risk-taking required. The opportunity matched their goals of growth and diversification. As consideration of the matter extended over several weeks, the Committee gradually reduced their expectations for major participation as problems in harvesting, production and marketing began to emerge, and projected costs increased. Political circumstances favouring other applicants also caused them to revise their hope of entering the fishery in a significant way. The Committee adapted by gradually reducing their objective to that of entering only in a minimal way. The

matter was eventually abandoned when they concluded that the risk level was not acceptable given the limited rewards. During the course of consideration, the aspiration level decreased from the desire to enter in a major way, to its eventual extinction borne by a belief that meaningful entry was impossible. A recycling through several considerations of the situation brought a redefinition of both aspirations and objectives. If the aspiration level had remained at the same level in the face of obvious obstacles and difficulties, the Committee would have continued to discuss how they might circumvent the politics, reduce capital outlays, and minimize risk. A reduction in the aspiration level allowed the consideration of other objectives and other alternatives which offered less than full participation in the project.

A change in aspiration, accompanied by changes in goals and values, as seen above, sometimes allowed for a solution different from the one originally sought (Eden, 1987 labels this "problem-finishing" rather than "problem-solving" because it involves a realignment of meaning and intention rather than a restructuring of the problem). Sometimes the aspiration level appeared to diminish when original goals were found unattainable, but rose to accompany new goals. The next example shows a waning of aspiration in the light of discovered realities, but its reestablishment when new goals were formulated.

In looking for an acquisition candidate in the United States, the Committee's original intention was to purchase a major US fish processor and retailer. Exploration of the matter revealed the actual costs involved - latter judged to be prohibitive. As hope for this strategy was relinquished, for cost and other reasons, goals were modified and the company settled for a minor acquisition with the rationalization that, at least, it was a beginning.

The Committee's first desire was for a major acquisition. They searched for this until limiting realities were accepted. This engendered a new goal. The new goal - the acquisition of a minor, but significant company - was supported by a high level of aspiration and a desire to get the best minor acquisition possible which would help lay the foundation for major future expansion. The matter was settled through a change in goals. Ackoff and Emery (1972) call this a "dissolving" of the problem resulting from a change in the decision maker's intentions which is facilitated by a modification in goals or expectations about their achievement, or a mixture of both.

Balancing

The forming of a choice is a complex matter. This is especially true when all goals, values and rational criteria cannot be accommodated, and trade-offs must be made (Gilligan and Neale, 1983), particularly in the formulating of policy (McCoy, 1985). The force, or "valance" of these factors, when put in varying combinations, under different circumstances, result in assorted responses (see Kurt Lewin, 1951 and Henry Murray, 1951 for more on valances and the psychology of choice). Decision makers face the difficult tasks of deciding which elements should predominate and which will be forsaken or subordinated to others. Not only must choice be made from among multiple alternatives but, as seen in the previous chapter, from among the multiple criteria which could be used in the evaluation of these alternatives (Pfeffer, 1981, p.138).

In analyzing the choices of decision makers, it is agreed that it is not possible to develop a model which will completely explain or predict a decision in terms of the various component considerations and how objectives and values were, or will be, balanced and trade-offs made (Cook and Hammond, 1982). (Hoffman, 1982, presents some interesting empirically-based propositions about the forces which influence choices and how they interact.) Eden et al. (1979) express dissatisfaction with existing

theories which try to account for the relative ranking and influence of particular values in making a decision. Overall, they find it unsatisfactory to try to establish general principles which guide the establishing of value hierarchies. One problem in attempting this is that human values cannot be represented by a scalar utility function (Soelberg, 1967). As well, pay-offs cannot be ordered, as they are in the classical, rational model (Simon, 1957b). With regard to groups, there is a multiplicity of goals (Shetty, 1979) which cannot be combined into one objective function (Simon, 1957), criteria are multiple and non-comparable (Soelberg, 1967; Carter, 1971b; Cyert, Simon, and Trow, 1970), and vary from one choice to another (Cyert, Simon, and Trow, 1970). And, overall, an attempt to establish general principles which underlie hierarchical arrangements or to forecast valances is non-productive because there are too many internal and external factors involved, not the least of which is a decision maker's psychological susceptibility, at a particular time, to be influenced by one set of factors, instead of another. Despite the problems involved with attempting to explain the content of decisions, it is believed, however, that what goes on as a decision group attempts to balance the various factors involved, apart from content, can be described in rationalistic terms. In regard to the Operating Committee, the objective was not to delineate all the factors which accounted for the

outcomes of particular decisions, an effort which has been argued to be futile and misleading, but to analyze the process by which the Committee attempted to balance values, goals, objectives and other evaluative criteria in choosing from among alternatives. The simplest situations were ones in which few criteria were involved or the requirements involved could be accommodated simultaneously without conflict. Most routine operational problems fell within this category. Periodically, larger issues also did, as in the following example.

The deployment of the Factory Freezer Trawler (FFT) had the potential for creating significant social changes in the town of Lunenburg where it was to be based. A number of shore-based jobs would be eliminated and some of these would be transferred to the FFT. Fears were aroused that, overall, unemployment would be worsened in the community, and there would be serious social consequences for the families of those who would work on the FFT given that they would be away sixty to ninety days at a time. In determining how to proceed, the Operating Committee appeared to be concerned with several values and objectives - getting the best workers possible for the FFT, getting the FFT operative without delay, incurring the least amount of labour expense, minimizing unemployment, keeping National Sea employees and the townspeople of Lunenburg informed, preventing any negative publicity, and reducing adverse social consequences on-

shore and on-board. The company merged these concerns and formed an approach to managing the introduction of the FFT into the life of Lunenburg. That approach included several things: an openness with their own calculations of the number of jobs which would be lost; a promise of first chance at the jobs to the displaced plant workers; the holding of a series of open meetings by senior executives with employees and townspeople in Lunenburg (and at other towns with National Sea plants); a promise to do a follow-up study of the sociological impact of the FFT a year after its introduction; and the consideration of ways to make life on the FFT less stressful -entertainment, first-class food, etc. Their strategy enabled them to succeed at, what Kotter (1982) has called, the crucial task of accomplishing multiple goals at once.

During the consideration of how to approach this matter, none of the goals, values, or rational criteria were ever seen to be in opposition to one another. No direct conflict over these criteria was seen to occur during discussions. There could have easily been conflict, if the company had acted as though groups of criteria were mutually exclusive. For example, if they had believed attention to social concerns were ideal, but too costly, effecting delays, and interfering with managerial prerogatives, conflict would have been created. The Committee appeared committed to meeting all the criteria, and in several discussions formulated an

approach which accommodated them. This seemed to be possible in this situation, and similar ones, for two reasons. First, the objectives were not viewed as mutually exclusive. From the beginning, it did not appear that the Committee felt that to follow any one objective they must abandon any other. It did not look like the Committee viewed it as a dilemma. Second, each objective was seen to have associated slack or a range of acceptability. That is, there appeared to be some latitude in the kind of solution which would be acceptable. The Committee did not appear to have had a commitment to a specific solution or the way in which each objective had to be accomplished. Aspiration levels varied with different objectives. What appeared to occur was similar to what others (Simon, 1957b; Cyert and March, 1963) have suggested - one goal was made paramount and the others became constraints. The desire to integrate the FFT with the community of Lunenburg appears to have been the primary goal. Speed, cost, and labour efficiency were able to be accommodated along with this goal because definite targets for performance levels had not been established for these and a range of acceptable solutions was possible. If, for example, it had been necessary for the FFT to have been put into service by a certain date, the range of acceptability for this goal would have been narrower and accommodation of it made more difficult. When such situations occurred, where a number of criteria

could be met at the same time, the choices made and solutions agreed upon seemed easy and right.

Another group of situations had referent specifications which were much more difficult to accommodate in their entirety. As above, they often presented multiple objectives, but in comparison with the situations outlined above, ranges of acceptable performance appeared to be narrower, there was less slack, and tolerance levels showed evidence of being lower. In these instances conflict between values, goals and rational criteria were evident and difficult to balance. They appeared as dilemmas which presented equally attractive and desirable objectives, but which on the surface seemed mutually exclusive. In such situations, there were a number of values and goals to serve and no alternative offered to accommodate them all. It appeared, at first, that there could be no optimal solution and some values or goals would have to be foregone or subordinated. Eden et al. (1979) have suggested that for decision makers in these situations, there is an attendant affective component comprised of ambiguity, confusion, doubt, and anxiety. Vickers (1965) refers to this type of circumstance as "scarcity" which exists when not all values or ideal norms can be realized because some are bound to be mutually inconsistent. To choose means to limit one's self to specific goals and values and to forego others. He further comments that it is paradoxical

that the wider the choice and the greater the possibilities, the more acute scarcity becomes because more values will be left unrealized (p.99).

The concept of dilemma is related to a group of decisions which have been called a "mess," (Ackoff, 1981), "complex" (Radford, 1977) and "ill-structured" (Mitroff and Emshoff, 1979). These situations are marked by the number of implications, people, values and interests involved (Hickson, 1986). They create stress for decision makers because of such factors as: time deadlines, the perceived importance of the problem; the uncertainty caused by the possession of incomplete information; the existence of a number of conflicting objectives; the possibility that a decision might be unpopular; and the fear that a decision might serve to complicate the situation rather than solve it (Radford, 1977, p.63). Central to these definitions is conflict in values, goals, and objectives.

A number of approaches for dealing with conflicting goals and values have been suggested (for example, Mason and Mitroff, 1981; Eilon, 1985; Newell and Simon, 1972). The way in which the Operating Committee dealt with them was less formal than those suggested by others.

At times, the situation was handled through a modification of goals, values, and aspiration levels, as has been discussed. This removed constraints and opened up other options. When values, goals, rational criteria and

aspiration levels were not modified, and conflicts were not reduced, the Operating Committee appeared to use two different approaches to balance requirements and to form a choice - creativity and incrementalism.

Creativity

Steiss (1985) says the hope is futile that ". . . two or more incompatible [sic] specifications can be fulfilled simultaneously (p.57f.)." On the contrary, the Operating Committee displayed this ability on several occasions. They were able to creatively formulate solutions which allowed for the accomplishment of seemingly incompatible objectives. The following incident illustrates this (18:3).

After the FFT had been purchased in West Germany, and before it was put into service, the Committee wanted enough time to refurbish and ready it for its first commercial trip, but they also wanted time for the press to board and view it. All through the FFT application process, the company had made efforts to foster positive relationships with the media whom they knew might have some influence on the decision to grant the FFT license since it was, to a great extent, politically determined. It appeared that they could not use the minimal port time to both ready the ship and accommodate the press. They

were afraid that the roaming media would be a distraction and interfere with the refitting. The President suggested they allow the press on board, but keep them all to the same time. His solution was simple and satisfied both objectives. An "either or" situation was modified to allow for the accomplishment of two needs which were previously viewed as mutually exclusive. The immediate sensibility of the solution made it acceptable as a rational course of action.

The obviousness of a creative solution partially describes it. After it has been suggested, its feasibility and simplicity is so apparent that one may wonder why it was not thought of before. Creative thinking goes beyond categories presented as mutually exclusive and looks for ways to view situations which do not put them in opposition. At its roots, creativity in any form entails the skilful combination of existing elements with new meaning. It involves the rethinking of situations by re-identifying critical elements, objectives and goals, the further analysis of causative links joining these elements, the questioning of previously assumed constraints, and the further exploration of consequences. It can be hypothesized from this that the inability to develop creative solutions occurs when mind sets are more rigid and decision makers are able to think only in discrete categories. Vickers (1965) has commented on the creative faculty at some length. He has described three

possible means of a solution when incompatible views are held: solution by conflict - one view triumphs; compromise - satisfaction is apportioned between views in a bargaining process; and integrative - doing full justice to all claims (p.208). Vicker's "integrative" solution is the same as what has been called "creative," here. Vickers agrees with the suggestion of its origin:

. . . it is attained only by changing the way in which the situation is regarded or valued (or both) by some or all the contestants, a change which enlarges the possibilities of solution beyond those which existed when the debate began (p.208).

Similar to what was suggested above, Vickers says what is required are ". . . changes in the ways in which the minds concerned are predisposed to see the realities of the situation (p.209)." This is dependent, in part, on the belief that given time and properly conducted dialogue, integrative solutions can emerge (p.209). Furthermore, it can be said that creative solutions emerge from mind sets which look for natural synergy (McCall and Kaplan, 1985, p.78) and have a concern for synthesis as well as analysis (Belbin, 1981). The following example displays the synthesizing aspect of creative solution formation (15:10).

Participants: MP - VP, Finance
JM - VP, Human Resources
GC - President
SR - VP, Canadian Operations
BM - Former President

DIALOGUE

(The company owned a piece of land it was not longer using. It had been appraised and listed by a real estate broker.)

MP - ... one offer of \$97,000. It is worth \$105,000. Do we accept it? It is listed for \$125,000.

JM - Is this someone who wants to get into the fish business?

. . . .

GC - Go back and ask for \$105,000.

MP - We did that.

SR - Are we willing to let competitors in?

MP - Do we ask who is buying. Although there are ways around that.

BM - Do we use it?

GC - Will we ever use it?

MP - We concluded "no," a couple of months ago. . . . We aren't pressed for the money.

. . . .

GC - Can we sell with the condition that it won't be used for fish processing for two years. We can't do it as a perpetuity. Tell them to take it or leave it.

COMMENT

Discussion is occurring on two levels. One is the level of detail concerning the real estate transaction. The other is the implications of possibly selling the land to a competitor.

As a real estate transaction, concern is for profit. From the perspective of strategic goals, they do not want a competitor to obtain it. The overall objective is to sell the land at the best price possible, subject to not selling it to a competitor. They have only one offer and they surmise that it is from a competitor.

One objective has some slack in it - they do not feel compelled to sell, although they would like to.

The proposed solution merges the two concerns - to sell at the best price, but not to someone who will use it to compete.

MP - This is the only bidder. Chances are it is a fish processor, so there is a ninety-nine percent chance that it won't be sold. Just as long as we understand that.

During the discussion, slack was discovered in one objective. This, as previously suggested, allowed for an easier accommodation of all goals. The President's suggestion was a synthesis of the two objectives - to sell the land, but not to a competitor. It re-formulated the question away from an "either-or" proposition and presented a modified, integrative solution.

It is interesting to note that this synthesizing and merging of concerns in an accommodative way was done in the greatest number of cases by the President. He, apparently, possessed the required skills to a greater extent than others, or felt freer or obligated to exercise them (more will be said about this observation in parts IV and V).

The instances in which creative solution formation was used represented "messy" and conflicted situations, but ones which were relatively simple and operational compared with an other group of more convoluted, longer-term, strategic issues. In these situations, the method used to fashion a choice is described as incremental and is suggested by the work of Braybrooke and Lindblom (1963).

Incrementalism

The incremental approach used by the Operating Committee in balancing conflicting values and goals, seemed to be based on a view that very complex, messy situations required a number of passes, or attempts at settlement, before a resolution could be found. During each consideration, attempts to reexamine or change various aspects of the situation would be made without making a decision about the matter in its entirety. During these considerations several things occurred: issues were put in different perspectives; more information was sought regarding causes and consequences; and determination was made of the possibility of making changes to the constraints or requirements. The outcome was the taking of minimal action which would not commit them to an irreversible course of action. It seemed as if they were reluctant to make quick and final decisions, possibly because of the perception of the presence of significant risk and an unwillingness to sacrifice any values or goals if not necessary. During this period of rethinking and attempting to change the constraints of the situation, the Committee seemed to be hoping for a change in the structure of the situation so that conflict might be reduced, or to be looking for a way to find a creative solution which would synthesize the disparate requirements. Vickers (1965) has commented that time is

indispensable to the process of restructuring views of situations so that integrative solutions can emerge. In these situations, final decisions were deferred until a creative solution was found, or until they had to be made, or until the Committee felt more delay would produce no further advantage.

Two examples will help illustrate a number of the points made above.

The Vice President of Canadian Operations warned that their main production facility in Lunenburg, Nova Scotia, was approaching capacity due to the success of a new line of products (27:21f.). He projected that present capacity would be utilized in five months, and if growth in the product line continued, there would be a further problem three months after that, even with changes. Simple, obvious solutions were offered and discounted. The matter was complicated by uncertainty over a host of attendant factors, such as: forecasts of demand for specific products; the possibility of changes in consumer tastes; questions about the best place to add the additional plant, if not in Lunenburg; and the cost/benefit relationships. The Committee felt the need to make some decisions, but appeared to feel it did not have enough information to make a definitive choice. To expand now, in order to meet expected demand, would ensure positive contributions from a profitable product line, but, on the other hand, it might lead to over-capacity if these

products ran into difficulty; it might also commit them to expansion in Canada when further strategic planning might show that expansion in the United States was better. All initial concerns could not have been accommodated by an immediate action. It was agreed that all couldn't be sorted out right away and that \$200,000 should be spent to take care of the immediate problem while future developments would be monitored. They decided to continue to explore the possible scenarios, delay introduction of new lines, and generate a number of possible alternatives. The matter was put on the agenda for one month hence.

The decision made by the Committee was an incremental one. It committed them to no major change, although it was a step in that direction. It required less risk-taking.

The Committee seemed unprepared to sort out all the issues and wanted more time to see if the constituents of the situation might be changed, if subsequent developments in product demand might alter necessities, or if further information might give them a clearer sense of direction. It appeared that they felt a decision now would be risky and would not accommodate all their concerns. It might also constrain them and limit options in the future. The most immediately necessary and minimal choice was made. It became an incremental, sub-choice in the making of a larger, overall one. (Using the concept of "robustness" as developed by Rosenhead, 1980, this decision could be said to have had a degree of robustness because the

Committee limited themselves to a choice which would close off the fewest possible future options.)

The second example concerns FRDL, a research unit of the company. FRDL came under scrutiny in regard to how it fit the research and development objectives of the company (4:8ff.). The marketing department felt FRDL was too interested in pure research when what was needed was product development. The Vice President of Marketing felt there was little liaison between marketing and FRDL, and FRDL was gaining more control. The perfect solution was suggested as having FRDL located in the processing plant at Lunenburg, working with production and marketing and responsible to them. There was a fear, however, that the head of FRDL would leave if this were to occur, especially if his unit were given definite time schedules and new objectives. His leaving was undesirable since he had been successful in securing considerable government grants and, technically, he was judged to be highly competent. The discussion ranged over a number of issues including: the importance of product development; whether it could be purchased outside; how much of a need the company had for long-range research; where the real problem lay - with what FRDL was doing or lack of cooperation between FRDL and production/marketing; the kind of structure the head of FRDL might accept; objectives and reactions of key people involved; and viable options. The Committee deferred the matter forward.

Involved in this issue were a number of conflicts. On one side was the need for product development, and a kind of integrative structure which would bring activity in closer proximity to marketing and production on a day-by-day basis. On the other side, were the personal preferences and objectives of the head of FRDL, and the need for some pure, long-range research. The Committee was not able to balance all these concerns in an immediate solution. It's choice was to defer the matter until further thought and conversation occurred. At the next meeting (5:14f.), the President reported that he had a conversation with the head of FRDL and he was sure that at the basis of the problem was a personal conflict between the two key people involved. He said he had no solution, but for the time being, Marketing should buy the services of FRDL. He said he was sure the issue would surface again, and for the time, the issue was abandoned. An incremental approach was taken towards the problem with the objective of modifying parts of the situation in the future as there was opportunity. There was acceptance of this tactic and the difficulty of finding an optimal solution. Mintzberg (1976) describes a similar process in which several iterations are made to screen and narrow down possible alternatives while deepening investigation.

Procedure

After discussion of an issue has occurred, alternatives have been evaluated, and competing requirements have been balanced, a decision group usually chooses one alternative - as introduced or modified - as their course of action. Apart from the processing of content, there usually is an accepted procedure for determining and equitably representing the preference of the group. This procedure invokes choice and ratifies it as the decision representing the group. Groups differ in the procedure they use to induce and formalize choice. Vroom and Yeton (1973) offer a means for determining how much, and when, group participation should be involved in the choice. Thompson and Tudden (1984) suggest appropriate means, given the degree of agreement over preferences and causation. Murnighan (1982) has called these "decision rules" and has described the various means used by groups: unanimity, majority rule, hierarchical, and consensus. Unanimity requires that all agree with at least one alternative. Majority rule uses various calculative means to determine which alternative has the most support. Hierarchical procedures allow a person or sub-group to make the decision on behalf of the entire group. Consensus often involves compromise and implies that a solution should be found with which all will agree, even

though all may not obtain their optimal outcome. The procedure used by the Operating Committee was consensus.

As consideration of alternatives in the Committee cascaded and flowed, alternatives seemed to become distilled down to a number of actions which received general approval. No formal vote was ever taken in the group. The President would usually bring consideration to a focus by asking what the will of the group was. He would frequently express what he understood to be the consensus, or provide his own proposal, based on the preceding discussion. His suggestions were open to correction or modification, although they were seldom contested. It seemed as though, in the discussion, the group talked out its concerns and dominant feelings, reinforced popular themes, merged dominant ideas, diffused objections, and levelled out any strongly divergent opinions. When no strong dissensions remained, or time pressures necessitated moving on, the President would formulate the decision question and express the consensus, as he understood it. This would then become the group's choice.

Consensus was adopted as the procedure because the President wanted it. It was consistent with his value of participative management and reinforced by a belief that when consensus was lacking, it meant that not enough discussion had occurred (interview with President). He also expressed the belief that the absence of such a

process which worked by consensus, and the presence of an autocratic decision style in the previous management, had contributed greatly to its difficulties. In his view, decision by a group was better than decision by one person.

Without questioning the sincerity of the President's statements, and the depth of his overt values, it appeared that the President was in control of the consensus process and able to shape it. This conclusion is based on his own statements and observations. In an interview, he was asked if he was prepared to let the group decide in favour of an approach which went against his own beliefs. He said if they came close to that decision, he would find a way to interfere with the decision and not let them decide. (Pfeffer, 1981, p.115, suggests several ways choices can be influenced - affecting objectives and values, and controlling the particular alternatives considered and information about them.) In addition, several periods in the process of consensus building were observed where it could have been possible to shape the final agreement. This could have been, although was not necessarily, the motivation of the President when he truncated discussion, picked one alternative at the exclusion of others, offered new alternatives, or deferred a decision.

All members of the Committee, in interviews, expressed appreciation of, and belief in the consensus style of decision making. None objected to the President's guiding

of the procedure, of which they presumably were aware. They welcomed the change from the former autocratic style of the previous Management Committee about which one vice president said,

When there was a conflict of opinion [the former president] looked for consensus, when there was none, there was no action. He never faced conflict. If no consensus - he made an arbitrary decision. It never got implemented and no consensus (SR:2)

The President's judgement appeared to be accepted. The Committee appeared to work well with the consensus style. It has been said that its operation requires familiarity, trust, group cohesion, and cooperation (Tjosvold and Field, 1983). The workability of the consensus style in the Committee points to the presence of these qualities in the group.

Outcomes

The outcomes of choosing, in the Operating Committee, were seen as three different events - agreement upon a solution, deferral of a decision, or abandonment of the issue.

In the majority of cases, a solution was agreed upon and action was initiated by the Committee. As has been discussed, this outcome may have come quickly, without the

discussion described in this chapter, if the matter was simple and the solution obvious. Action was either to be initiated by someone at the meeting or delegated to someone else in the organization. The majority of issues culminated in action being taken. This is testimony to the tenacity and discipline of the Committee (matters to be further discussed in Part VI). It produced a feeling of confidence in the participants (interviews with members of the Committee). Whereas the previous Management Committee was seen as "deferral city," the Operating Committee was viewed as a decisive action-orientated group (interview with Committee member) because discussion resulted in action-orientated decisions.

Matters were deferred when it appeared that the Committee did not feel ready to make a choice. (Mintzberg, 1976, p.265, suggests this happens when managers want to take advantage of special circumstances, to await support or better conditions, to synchronize action with another activity, to effect surprise, or to gain time.) In the most cases, deferral accompanied the incremental approach. In previous times, this was the result of a management not prepared to commit itself to a definite course of action for fear of negative consequences (interview with Committee members).

Matters were seldom abandoned. If they were, it was the result of a conscious decision to do so with a feeling that nothing could be, or should be, done and no

improvement to an existing situation was possible. The FRDL example used above is an example. Again, this can be contrasted with a less healthy process in which issues become lost sight of, are not followed through to resolution, and are abandoned. This type of process may contribute to feelings of frustration and impotence.

Summary

Decision making by the Committee was not a capricious or random act. It moved with inner purpose. The processing of making a choice was determined by aspiration levels, the balancing of the referent factors identified in the previous chapter, and the procedure of inducing and formalizing choice. The result of this process was one of three things: agreement on a specific course of action, the conscious deferment of a choice, or abandonment of choice.

The selection of an alternative was influenced, in part, by the degree of the Committee's requirement for perfection in a solution, or its "aspiration level." The Committee's approach was "satisficing" in regard to operational issues and "maximizing" in regard to strategic issues. Aspiration levels were sometimes modified, as hope for an ideal solution was abandoned. The designation of new objectives or the conscious abandonment of the

matter were the eventual outcomes. A change in aspiration, accompanied by changes in goals and values, sometimes allowed for a solution different from the one originally sought.

The forming of a choice is a complex matter. This is especially true when all goals, values and rational criteria cannot be accommodated, and trade-offs must be made. The simplest situations were ones in which few criteria were involved or the requirements involved could be accommodated simultaneously without conflict. Most routine operational problems were handled in this manner. Another group of situations had referent specifications which were much more difficult to accommodate in their entirety. They often presented multiple objectives, with narrower ranges of acceptable outcomes. In these instances conflict between values, goals, and rational criteria were evident and difficult to balance. They appeared as dilemmas which presented equally attractive and desirable objectives, but on the surface were mutually exclusive. The Operating Committee used two different approaches in balancing requirements and forming a choice in these situations - creativity and incrementalism.

Creative solutions allowed the accomplishment of seemingly incompatible objectives. The incremental approach seemed to be based on a view that very complex, messy situations required a number of passes, or attempts at settlement, before a resolution could be found.

The Committee used consensus as a means of arriving at a decision after discussion. As consideration of alternatives in the Committee cascaded and flowed, alternatives seemed to become distilled down to a number of actions which received general approval. No formal vote was ever taken in the group.

The outcomes of choosing, in the Operating Committee, were three different events - agreement upon a solution, deferral of a decision, or abandonment of the issue.

The decisions made by the Operating Committee were the outcome of a deliberate and thoughtful process. They did not appear to be premature nor hastily made while bypassing a thorough analysis of the situation and a careful weighing of the consequences. They did not appear to be made for the sake of expediency or to bring relief from stress, which might have occurred (Katz and Kahn, 1966; Janis and Mann, 1977). A degree of discipline was evidenced which kept them at the task, committed to dealing with discordant and incongruent information and views until a consensus was reached.

In the Operating Committee, the carrying through of introduced items to decision and action, created positive feelings about the process for the member participants, and demonstrated a great deal of vitality and effectiveness on the part of the Committee.

The next chapter reflects upon the sequencing of the process as the Committee moved through various phases on

its way to making a choice.

Chapter 13

Sequencing

Simon (1979) warned against focusing too much attention on what happens within particular stages of the decision-making process. He contended that a more important feature of the process was the coordination and interaction of activities between stages. The objective of this chapter is to create just such an understanding of the interaction of activities between the previously described phases of the Committee's decision process. The phases through which decision making passed in the Operating Committee have been presented and discussed in a specific order. The delineation of distinct phases and the order in which they have been discussed was not done with the intention of suggesting that this was a normative or prescribed order, nor with the implication that the consideration of issues always moved in the sequence offered. The ordering of the discussion of phases was done for expository convenience, and the particular order used was chosen to convey two particular observations: one, there was a general pattern in the Committee; and two, there was perceived to be an underlying rational order of consideration inherent in the decision-making process.

In the Committee, there was a typical flow to discussion: issues were introduced, identified and labelled; further expansion and definition occurred; possible courses of action were considered; and a choice was made. This usual sequencing was the result of the use of a structured agenda and the way the Committee usually worked its way through the issues, or were led through them by the Chairman.

The order presented also represents a logical sequence for problem solving, similar to what rational, normative models have proposed as a series of logical steps (for example, Weiss, 1985; Sayles, 1979; Shrivastava and Grant, 1985). This is not to say that decisions in the Operating Committee had to follow this order, or always did, but reflects what Mintzberg et al. (1976) have also suggested: ". . . there is strong evidence that a basic logic or structure underlies what the decision maker does and . . . this structure can be described by systematic study of his behavior (p.247)." Although no case can be made for an obligatory linear progression through logical steps - observations in no way supported this view - there are aspects of the rational process which the Operating Committee displayed, especially if the rational model is construed as a checklist and not as an ordered agenda. If the stages of the normative rational model are viewed as integral aspects of decision-making and not as an itinerary, they were seen as inherent elements in the

decision process of the Operating Committee. They made the process rational in intention and aspiration (Hickson et al., 1986, p.249), and pointed out the problem-solving rationality which underlay it. The order in which the discussion of phases occurred, reflects these beliefs, but is not meant to suggest a predetermination of the pattern of flow and rigid sequencing amongst the various phases.

Observed movement cycled, re-cycled, flowed, and, at times, abruptly changed direction forming a jagged pattern. Sequencing amongst phases was observed to be similar to that identified in research by Mintzberg et al. (1976) and Witte (1972) which showed that particular stages may be over- or under-emphasized, may occur sequentially or simultaneously, may occur in different sequences, or may be altogether skipped. Others have also commented on the deviation of practice from normative theory. McCall and Kaplan (1985) say, the process is "convoluted" and ". . . stages are inextricably intertwined; discovering what exactly the problem is all about is conjoined with the identification of alternatives and their evaluation" (p.6). Witte (1972) says decision makers formulate alternatives as they gather information, they do not postpone it until later. Soelberg (1967) has suggested that a choice is made quite early on in the process, and subsequent activity is devoted to confirming the initial choice. Hickson et al. (1986) made the point convincingly:

[Phases] . . . do not happen in any foreseeable order. Routines can be repeated over and over again so that phases and whole processes turn back upon themselves. . . . One phase does not lead to another in logical order, so that processes as a whole do not move steadily onwards phase by phase in an inexorable progression. . . . Fresh information forces a rethink, something unforeseen happens which opens up a new alternative, powerful voices close off an otherwise attractive course of action. So there are rediagnoses, reconsiderations, reassessments, and people find themselves going through the same thing all over again (p.98).

In addition to these comments, much was observed in the decision making of the Operating Committee which undermines any possible attempt to conclude that the process is linear and entirely reason-driven. There were individual cognitive processes and dynamic social interactions woven through rational deliberations. These created lateral movements and a substrata of issues which often had to be attended to apart from the processing of information. The process often produced movement backward to digest, or re-think, issues previously discussed, and anxiety appeared, at times, to cause a premature "jumping ahead" to make choices before a full consideration of the issues or alternatives had occurred. Political motivations may also have forced a particular pattern or sequence as individuals attempted to influence the course of deliberation and final outcome in order to achieve a perceived personal advantage.

Other models have presented different understandings of the flow of consideration. The decision-making process

has been described as cycling through four "overlapping focii" (Eden, 1987), a ". . . jerky and hesitant progression involving, at times, one step forwards and two steps backwards" (Cooke and Slack, 1984), not linear but circular resembling ". . . the process of fermentation in biochemistry rather than the industrial assembly line" (Pfiffner, 1960, p.129), and ". . . dynamic, operating in an open system where it is subjected to interferences, feedback loops, dead ends, and other factors" (Mintzberg, 1976, p.263).

Since the decision process is not in practice a linear progression, some have suggested that it is the opposite - a chaotic or anarchic event in which choices are uncoupled from the process of arriving at them, and a confluence of problems, participants, opportunities, and solutions fluidly interact resulting in a decision (Cohen, March, and Olsen, 1972).

Although the sequencing of consideration amongst phases in the Operating Committee was not seen to image a rational normative course, neither was it seen as chaotic and anarchic.

This chapter explores the pattern of sequencing in the decision-making process of the Operating Committee and suggests factors which may account for it. The path configuration, or trajectory taken by decisions through the Committee can be accounted for by the following

factors: goal-direction, content, leadership, metaprocessing, and irrelevancies.

Goal-Direction

The decision process of the Operating Committee was seen to be moving towards a goal as it passed through, or around, the various phases. Even though the path configuration was not predictable nor constant, it appeared to be "driven" by the effort to accomplish an overall goal - the making of a credible decision. Steiss (1985) has said this goal-directed behaviour is inherent in the process (p.47). Janis and Mann (1977) have suggested the same dynamic guides individual decision processes. With reference to the above goal-directed theory, the decision trajectory in the Operating Committee may be partly understood as natural and endemic to all decision processes. In reference to the Operating Committee, a related factor has further explanatory power - the Committee's intentionality. The Committee, starting with the Chairman, expressed, in interviews, a commitment to decisive action. They rejected the lack of intentional decision making in the former Management Committee, and stated the desire to make deliberate, thorough, decisive choices, in order to turn around the poor performance of the company. All through the decision process, this

intentionality was seen to be guiding the movement of consideration. It was teleological, or directed towards an end. One implication of this intentional goal directiveness was that the Committee usually moved through (in various orders) all the phases delineated or their existence was implied. Each phase was seen as having something to contribute to the making of a well-considered decision.

Within the overall goal of making a good decision, each phase was seen to have unit goals or tasks to accomplish. Moving the entire process was the overall intention of reaching a sound decision, and within each phase appeared to be the sub-objective of accomplishing the specific task of that phase. The tasks of the particular phases have been mentioned in previous chapters. They are brought together here in summary.

Phase	Task
Presentation	To introduce situations and bring them to the attention of the Committee so it can begin to deal with them.
Identification	To identify critical issues which require attention, to formulate a common perception of the issue, and to focus the group's energies towards a resolution.
Familiarization	To get a clear and agreed upon understanding of the problem or opportunity with reference to past, future, and present information.

Formulation	To pose the decision which needs to be made and best represents the situation as it has been understood.
Alternative Assessment	To raise alternatives and evaluate the advantages and disadvantages of each.
Choice	To make a decision.

The term "closure" used by Gestalt psychologists can be usefully employed to explain the motivation to accomplish the goals of individual phases. In the field of perception, Kohler commented on the natural tendency of the human organism to complete partial visual images in order to create a "whole figure" (Petermann, 1932). Koffka (Petermann, 1932) extended the principle to thought processes and the psychology of thinking. He postulated a "law of closure" which stated that thinking process had strong tendencies to fill in gaps and complete idea formation so that a "meaningful coherence" of thought would result (p.269f.). In this scheme, the elements of thought are said to take their meaning from the whole and as constituents of a rational, coherent, complete idea. Perls et al. (1951) added an emotional component in suggesting that the human organism attempts to finish or bring to closure incomplete emotional experiences ". . . [a] pressing unfinished situation assumes dominance and

mobilizes all the available effort [of the organism] until the task is completed; then it becomes indifferent and loses consciousness, and the next pressing need claims attention" (p.274). In regard to phases and decision making, it is suggested that the process was driven, in part, by a desire to complete itself at the level of specific phases and tasks. The accomplishment of task brought closure, the formation of a coherent whole, and freedom for the process to move on. The Committee, during each phase of the discussion, was seen to be endeavouring to reach closure and accomplish the particular task of that phase. Accomplished, the process moved on to other matters; unrealized, it elicited more effort in that phase, or subsequently brought the process back to that phase for another try.

Closure is not seen to be an accomplishment secured once and for all. Subsequent events or ideas often re-opened issues and elicited further consideration related to that phase as new developments were considered and incorporated in the Committee's understanding of the situation. This recycled the process back towards previously activated phases. For example, impasses in the search for alternatives appeared to turn the process to other phases in order to gather more information, restructure the issue, modify goals, values and aspirations, or to reformulate the decision in order that

a choice could be made. Steiss (1985, p.60) arrived at similar conclusions.

The guiding objective of accomplishing closure within phases, helps to explain some of the movement amongst phases. The concept of closure helps to account for the activation of Mintzberg et al.'s (1976) "switches" which regulate the timing of movement from one phase to another.

Closure appeared to be fairly easy to reach in the Presentation, and Identification phases. Items were easily introduced and the status of issues was, usually, immediately apparent to the group. Closure in regard to the Formulation Phase appeared to be dependent upon the accomplishment of closure in the Identification and Familiarization Phases. If the issue was not clearly understood or if the group was not sure of the status of the issue and their role in relation to it, decision questions were less likely to be formulated. The example at the end of this section will show this. Closure appeared most difficult to achieve and sustain in the Familiarization, Alternative, and Choice Phases. Activity in the Familiarization Phase was steady as new information was sought, changes in external events brought new considerations, and as individual perspectives were reformed. In these instances, the Committee appeared to be continually working on a mutual understanding of the situation. Part of the explanation for this is, undoubtedly, risk-reduction.

The more familiarity with situations, the more comfortable the group seemed in making a decision in the presence of imperfect information. The group would at times attempt to move on without an agreed upon and comfortable understanding of the situation, but would quite often return to the Familiarization Phase when alternative generation and assessments became difficult and closure was illusive. The purpose in returning to this phase, appeared to be to gain new information or to reformulate goals, values and perspectives so that clearer alternatives might emerge. When there was agreement on goals, the process seemed more structured and linear. When there were disagreements on goals or more uncertainty, the process seemed to recycle more. Pinfield (1986) commented on this as well in his research.

An inability to reach closure in the Choice phase -the lack of a decision - would move the process back to an attempt to gain more familiarity, to wait until events transpired which might change constraints, or to re-open the process of alternative generation. The Committee consistently resisted "premature closure" or the making of a decision about partially understood situations while there were still crucial aspects to consider. The absence of closure was seen to account for a significant amount of recycling amongst phases. Its effect is displayed in the following example (20:3ff.).

Participants: SR - VP, Canadian Operations
 JMc - VP, Marketing
 GC - President
 PS - Corporate Manager, Production Planning
 BM - Former President
 MP - VP, Finance

DIALOGUE

COMMENT

SR - I would have liked to talk to John (JMc) about it. (Makes comment in the midst of a review of the Key Indicator Report.) The problem is Lobster Pate - it was dropped from production line because it does not give Marketing the contribution it wants. It worries me - to purchase Lobster Pate (from the outside) is not the right thing. Are we going to drop all products that don't give Marketing its contribution? It has big implications for Marketing. There are more products with less contribution than Pate....concern if religiously delete products that don't meet margin - then need to find way to deal with, not drop one by one.

Situation Presented

Identification of problem - product with perceived margin was dropped.

Identification of another problem - the way in which the decision was made.

JMc - This was a recommendation every year. When we do our marketing plans, we review everything....(details on considerations in making the decision.)

Familiarization with situation.

SR - ... This problem applies to other products....(details.) This whole thing surprised me. I wasn't aware of the decision to drop. Probably my fault.

Familiarization

Identification of sub-issue -the way in which the decision was made. "Soft" confrontation.

JMc- It was in the forecast.

GC - How did this process happen?
... Told as a decision, not asking for input? Probing.

PS - Yes.

JMc - (Reviews way decision was made) ... Seems we would have heard something before now (from you). It is the right thing to drop it. (Reasons why it was a good decision.)

"Soft " confrontation.

Justification of past decision.

GC - ... as we go through, balancing needs a review. Touches on transfer pricing. Like to think we are market-driven, but costs are considered....Hastens day when we have to look at the whole lobster business.

Identification of sub-issues.

SR - ...(issue is) more than Pate. My concern is what format led us to this decision - if this (process) is applied to other ones, we are gong to have some bigger ones. My impression may be wrong...In Canadian Retail, you are more sophisticated in detail.

Identification of procedural problem.

"Soft" confrontation.

GC - ...How difficult is it to see what items are to be discontinued?

JMc - Written right on it - "to be discontinued."

PS - ... If Marketing suggests, should discuss with others.

Alternative for dealing with situation in future.

BM - (questions about a side product.)

JMc- We made recommendation from selfish point of Canadian Retail. Without

regard for others.

...

PS - We need to make a decision soon. Pushing for formulation.

SR - (Details on another decision)...Again I should have been aware of it. It (product) makes a contribution of thirty percent.

JMc - Don't know where you get those numbers.

(Discussion of numbers on which decision was made.)

Procedural matter of dealing with issue.

GC - How do we get it off this table? Paul, throw it back to you....

SR - Strange that we have different numbers.

GC - Don't deal with numbers here...In future, on discontinued things - let Operations know.

Solution imposed.

(Further discussion of details concerning numbers)

GC - Bigger than Pate. Unless you want to bring it back, assume it will get looked at outside of here during normal course of business.

Most of the discussion of the above issue, was over whether there was, or wasn't, a problem associated with the decision to discontinue a particular product. The majority of consideration moved between the Familiarization and Identification Phases. The cycling

between these two phases was fostered by a lack of agreement on whether there was a problem, with the Vice President of Operations and the Vice President of Marketing on opposite sides of the issue. Their perspectives differed on what had been done, its adequacy, and what needed to be done. Their confrontations were conducted in a controlled indirect, "soft" manner (as referred to in Chapter 9). No common perspective was agreed upon and closure was not reached. The issue did not reach a status in the Committee. As a result of this lack of agreement on the adequacy of the past procedure used to make the decision and an inability to frame a common perspective of the situation, there was no closure and the Committee did not move on to formulate the decision which needed to be made. The issue was dealt with by the Chairman, who in the later stages, actively directed the flow of discussion, implied a formulation - what to do about the confusion surrounding the issue, and imposed a solution - closer communication between the departments and resolution outside of the Committee.

Content

The content of issues appeared to have considerable influence on the particular sequencing of movement amongst phases. Particular types of issues appeared to

consistently create specific configurations of consideration. Others have commented on the relation between content and the characteristics of decision processes (for example, Steiss, 1985; Radford, 1975; Simon, 1960) The observation was made in Chapter 12 that complex issues created a more elaborate consideration of alternatives. This resulted in the frequent attempt to redefine issues with considerable search for, and reprocessing of information. This conclusion is now put in the context of a larger classification which will be used to describe the relation between content and path configurations in the Operating Committee.

As discussed in Chapter 1, the content of issues considered by the Operating Committee may be classified in a number of different ways. Here, the content is organized in reference to a number of dimensions all of which imply a continuum. These concepts have been found to be helpful descriptive devices and have been referred to in various places in this research. They are delineated here, and then formed into an overall, bi-polar continuum which will be used to explain some of the influences on sequencing.

COMPLEX	SIMPLE
uncertainty,	certainty
conflicts in values, objectives	agreement
unique	routine
nonprogrammed	programmed
numerous implications	few implications

STRATEGIC	OPERATIONAL
long range	short range
many externalities	largely internal
major demand on resources	minimal resource demands

CRITICAL	MUNDANE
sense of urgency	casual
high aspiration level	low aspiration level

The type of issues which elicited the most movement amongst phases were those described by the dimensions on the left - complex, critical, strategic issues. The trajectory followed by those on the right side - routine, mundane operational issues - was more linear and less convoluted.

COMPLEX	SIMPLE
STRATEGIC	OPERATIONAL
CRITICAL	MUNDANE

Active recycling amongst phases	Relatively straight forward path from Presentation to Choice.
---------------------------------	---

In reference to problems, threats and opportunities, as delineated in Chapter 8, none was relegated to a particular end of the continuum, although, opportunities and threats were generally associated with more recycling than were problems which were usually resolved in a relatively simple and direct manner. Opportunities and threats were usually more complex in structure.

The single feature which dominates the dimensions on the left side of the continuum, and accounts for a great

deal of the recycling amongst phases is complexity. Complexity has already been described in Chapter 12 with a discussion of "dilemmas." Complex issues created the most convoluted path configurations. In a list of issues considered by the Operating Committee, complex opportunities and threats would rank first as having the most elaborate sequencing. This parallels the findings of Mintzberg et al. (1976) and Nutt (1984). Several reasons for this can be offered.

Complex issues usually arose in the context of a significant and dynamic environment. There was a lack of stability as circumstances and the action of others outside of the firm were in a state of flux and frequently altered the decision parameters. These significant externalities, which frequently re-ordered themselves, caused the Committee to reconsider their understanding of the issue, and to re-assess earlier, and to invent new, options. These happenings frequently prevented any permanent closure from forming in the Familiarization, Alternative and Choice Phases.

In dealing with routine operational problems, the Committee was able to access solutions in their repertoire which, in exact form or in variation, had been tried before or were standard industry practice (Nutt, 1984, calls this the "historical model"). With more complex, novel, strategic matters, extensive search routines were more necessary. This created extensive interplay between

the generation of alternatives and the reconciliation of alternatives with goals and values. It also produced much action as the Committee worked to become familiar with details. The search for an appropriate decision often necessitated the search for additional information and several attempts by Committee members to gain a personal, and forge a group, perspective on the issue. Mintzberg et al. (1976) also found that novel, complex situations necessitated the most number of "comprehension" cycles in the decision process (p.265). Since these matters were usually dealt with in an incremental manner, their consideration extended over several sessions and the process was picked up in subsequent meetings at phases which had been activated previously. Hoffman (1982) advanced the idea that when a group faces complex situations in which there are equally attractive alternatives, they will either move back to define the problem better so that one alternative may emerge as superior, or generate additional alternatives (p.112).

Risk appeared to be higher in complex strategic issues. The Committee seemed reluctant to commit itself to major action until it felt comfortable with its understanding of the details of the situation and the range of possibilities in, and influence of, the environment. This perception of, and desire to reduce risk, appeared to create an unsettled movement in which the Committee made reoccurring attempts to understand the

issue, to identify the critical aspects and decisions which needed to be made, and to consider various alternatives which would eliminate the most risk. A large part of the reason complex issues produced variable patterns of sequencing is that they often contained "nested" (Cyert, Simon, and Trow, 1970, p.83) issues. Nested, or "derivative" (Mintzberg, 1976), issues were sub-issues identified in the course of the consideration of presented situations. The analysis of the cause of one problem sometimes lead to the identification of another problem (10:2f.). Or the exploration of an opportunity often raised associated problems (28:11). In dealing with them, the process would move from a consideration of the issue in focus to the sub-issues. At these times, the process would "jump" between phases of the presented issue and phases related to the consideration of the sub-issue. In the example cited above involving the dropping of a product line, focus was frequently shifted between the criteria used to evaluate what products should be discontinued, and the procedural issue of how, and who, made that decision. The two issues were melded together in consideration. Other sub-issues were also raised - additional marginal products, transfer pricing, balancing, and the lobster business in general.

In regard to nested issues, the Operating Committee generally appeared to accept that they could not solve all problems at one time and that they should concentrate

their energies on the main issues. This prevented diffusion of effort and confusion, but it also had one possible drawback - some important situations and partial solutions were introduced which might have been beneficial to explore, but were dropped. One particular member of the Committee was skilful in identifying problems and suggesting solutions in the midst of the discussion of other matters. His insights were left to fade away, until the Chairman became aware of this and started to keep notes on his insights (interview with President). The aspiration level of the Committee in regard to nested, sub-issues was moderate, higher levels of aspiration were reserved for main issues.

The important matter of what determined which issues would be explored while others were bracketed and held in suspension is an interesting and important subject which warrants further exploration. The "control" device which shifts attention and decides which issues will be dealt with and when, appears to be significant in preventing discussion from becoming too diffuse and unproductive. Knowing what to deal with, and when, in the midst of the discovery of nested issues appears to be an important skill. In the example above, the President performed most of this function. In his role as Chairman, he directed the movement between phases. His action points out the important role of leadership in further influencing the pattern of sequencing.

Leadership

In the above example, the role of the Chairman in directing the flow of consideration in the Operating Committee was clear. The designated leader, of any decision process, in general, has the potential access to this power, and the President of National Sea, in particular, claimed it and exercised it. After observing a very few meetings of the Operating Committee, it became clear that the Chairman was very influential in directing the course of discussion and moving the process from one phase to another, according to his assessment of where the discussion was and, at times, his own agenda. The discussion would often move to other phases as the result of his action. He "held the torch" and shone it where he wanted attention focused and on the particular aspects he wanted highlighted. The research done by Mintzberg et al. (1976), Nutt (1984), and Cray et al. (1984) miss this critical determinant of path configurations. In their interest of typologizing sequencing, they miss the critical role of the leader of the process in shaping that sequence.

The process of the Operating Committee was under the control of the Chairman. This conclusion should not detract from the significant role the other members of the Committee played, nor from the espoused values of participative management and decision making which the

Chairman expressed in interviews. He exercised control, but not autocratically, and other members felt they had genuine power to influence decisions (interviews). The Chairman's role is best described as directing the flow of consideration in the interests of effective decision making rather than manipulating it towards a prearranged selfish end. (Although he did, in interviews, suggest that he would manipulate the process if decisions were approached with which he strongly disagreed. In addition, instances were observed where it might be said that he might have been manipulating or mobilizing opinion.) It appeared that the Committee, to a large extent, waited for, and welcomed this direction. It is hypothesized that they accepted his power as legitimate and deferred to it out of a sense of confidence, obeisance, and not wanting to disrupt their own "comfort levels" by initiating any confrontation.

The Chairman affected the movement from phase to phase by doing the following: setting the course through complex issues by highlighting particular facets, and controlling the order in which they were considered; sorting out nested issues by determining which matters would be dealt with and which would be held in suspension; and bringing closure to phases by imposing particular understandings, declaring when there had been enough discussion and it was time for a decision, or enjoining specific solutions.

McCall and Kaplan (1985), described the decision-making process as a stream and suggested that the leader of that process can divert that stream ". . . by various methods applied at strategic points" (p.111). Those strategic points have been identified within particular phases as moments when perspectives could be shaped and procedures initiated. The flow of consideration in the Operating Committee as it moved from phase to phase was strongly influenced by the President's action at these points.

Metaprocessing

Two additional factors influenced the decision-making path, in that they interrupted its flow and, in some cases, caused its re-direction with the interjection of matters extraneous to the content of issues under discussion. These two factors are described here as "metaprocessing" and the interjection of "irrelevancies."

The term metaprocessing is used to describe consideration by the Committee of its own decision-making activity which occurred along with the discussion of content. Self-reflection upon the way they were proceeding as a group, or needed to proceed, frequently interrupted consideration of substantive issues. Mintzberg et al. (1976) call this, decision making about

the decision process, "metadecision making" (p.260), and compare it to a program control in a time-shared computer system. The verbatim example in Chapter 9 concerning the loss of a contract, and the one given in this chapter display metaprocessing activities.

A pertinent question is whether the presence and frequency of metaprocessing demarcates a good decision-making process from an inferior one. It would seem reasonable that a good process not only deals with substantive matters in a rational and complete manner, but is also able to reflect on its procedure and is able to make adjustments when weaknesses are recognized. Argyris' (1977) work on "double loop learning" supports the organizational benefits of this "higher level" of reflection. Just as the content of decision making is influenced by feedback and learning from previous decisions (Gilligan et al., 1983; Steiss, 1985), metaprocessing would appear to be informed by feedback and learning from past decision making experiences.

Three general types of metaprocessing occurred in the Operating Committee. One was self-evaluation of efficiency and effectiveness in dealing with issues by identifying hindrances and impediments - for example, a recognition that before they could proceed with one matter they needed clearer objectives. Another was a consideration of future procedures for expediting decisions - for example, the need for a sub-committee.

And last, was an assessment of the form a decision should take in regard to such things as speed, and involvement of others - for example, the need for an immediate decision.

For the most part, during meetings, the Committee reflected little upon its processing. Incidents were observed when the discussion of issues did not appear to be preceding well. At these times reflection upon the process might have reduced confusion or overcome impasses, but was absent (21:3). Individuals, however, in interviews, readily assessed their own performance and pondered what they found helpful and unhelpful on the part of others. Overall, there was satisfaction with the effectiveness of the process. As one vice president said, ". . . before [during the days of the Management Committee] it was around a 'two out of ten,' now it is about a 'seven and-one-half out of ten,' or an 'eight out of ten'" (SR:3). Near the end of the period of observations of the Operating Committee, the Chairman had begun using some of the "Thirty Minute Presentation" periods at the conclusion of meetings to show films on organizational development and to stimulate reflection upon themselves as a management group and a decision-making body.

The Committee appeared able to devise effective procedures for expediting matters. The condition was never observed that the Committee did not know "what to do next." At various times, it overtly chose delegation,

deferral, or the taking of incremental steps as ways of proceeding. When a matter was dealt with in one of these manners, the path of the process would most often be diverted out of the phase it was in towards a choice. When the Committee identified matters as needing immediate attention, the process would move quickly towards a choice.

Irrelevancies

When comments and conversations irrelevant to either the substance or procedure of discussion were introduced, it threatened to divert the decision process of the Committee away from its primary focus. At times, these irrelevancies appeared as hindrances, tangential to the main thread of discussion. If these items had been pursued, the discussion would likely have lost its focus and momentum, and the decision process would have become random. The Chairman was skilful in recognizing and truncating such tangents and, consequently, irrelevancies were kept at a minimum, the path of consideration was seldom diverted because of them. (It is interesting that most irrelevant comments were made by the former president.)

There were circumstances under which the interjection of irrelevancies seemed to serve a useful purpose. In the

midst of the consideration of weighty issues, the introduction of irrelevant remarks appeared to be welcomed by Committee members as refreshment or relief from the seriousness of the present discussion. After this pause, the Committee would return to their place in the main discussion.

Summary

Accepting that the phase concept is a helpful way to describe and understand the various facets of the decision-making process in the Operating Committee, the movement and flow of the process can be explained by those factors which created movement between phases.

This movement was not rigidly linear, nor anarchic, but moved with purpose. It moved as the result of the overall intentioned desire of the Committee members to make effective decisions and to bring closure to the tasks of the specific phases. The shape of the movement was influenced by the degree of complexity of the issues considered, and particularly by the presence of "nested" issues. The skills and goals of the Chairman had considerable influence in diverting and directing the flow. Reflections by Committee members upon procedure and their performance, interjected in the midst of the

consideration of substantive issues, affected the shape of the process. Irrelevancies had the potential to do so also, but were, for the most part, contained.

The work of Mintzberg et al. (1976), Nutt (1984) and Cray et al. (1984) have pointed out that particular patterns of flow and sequencing give each decision event a particular character, but they have not said much about the internal dynamics which create this movement. The factors identified, described, and analyzed in this chapter have attempted to do that and may be used by decision makers to increase their awareness of, and freedom to, influence that path. This point will be developed further in the final chapter.

Part V

Activities

Chapter 14

Framing

The behavioral activities of the members of the Operating Committee was a significant aspect of the decision process. The way in which members verbally participated in the process was observed to influence its content and procedure. Due to the impact of these activities, and in keeping with the original objective of this study which was to provide a multi-dimensional examination of the Committee's decision making, these activities warrant further comment. (See Chapter 6 for a general discussion of activities.)

Several activities have already been identified and described - bundling, un-bundling, probing, confronting, expanding, and clarifying. These have been discussed in previous chapters in proximity to where they were most noticeable and where they had the potential to impact the process within particular phases. In this chapter, and the next, two further activities will be examined: framing and the movement between "figure and ground." These two are singled out because of their relative importance in influencing the flow of discussion in the Operating Committee.

Framing

The term "framing" is used to describe the act of providing a perspective by which a rather complex situation usually involving conflicting values and multiple aspects could be viewed. Schutz (1967) used the term "bracketing" and Weick (1969) "the punctuation of contexts" to describe this act of transforming what may be complex and ambiguous into something more discrete and vested with a specific pattern of meaning. Before the frame was offered by a group member, there was perceived to be confusion, uncertainty, and indecision in the discussion. At these times, the Committee appeared to be stalled and uncertain about which idea, value, or alternative to pursue. After the offering of a frame and its acceptance by the other members, the Committee appeared to regain its momentum and direction.

The infusion of meaning into facts and the laying of interpretations on data as pointed out by Ford (1987) and discussed in Chapter 9, is akin to framing but its intention was considered to be more manipulative and directed less towards aiding the overall process and more towards influencing particular stances. The laying on of interpretations and the management of meaning which accompanied that process, appeared to be a method by which individuals hoped to influence other members to adopt the opinions they held, or to persuade them to embrace ideas

with which they were comfortable. Framing, without denying the possibility of political motivations, appeared to come less from vested self-interest, and to be accepted by others as void of manipulation and helpful in maneuvering a difficult discussion though complicated matters.

Framing can further be described as being usually brief, communicated in a few sentences (in contrast to interpretive frameworks which were often quite elaborate in structure) and making use of metaphors and figurative language. Frames were also, at times, latent with emotion and weak on logic. This last point is illustrated by the following example.

During an Operating Committee meeting members were trying to decide what to do about a Spanish company which had not followed through on its commitment to supply raw material. The question of legal action arose. Some wondered if it would be profitable. The Vice President of Human Resources framed the matter thus: "Suing would say to the world we are serious." The Vice President of International Marketing added, "We should be willing to be sued if we don't perform (24:6f.)." These terse, emotional appeals seemed to congeal resolve and led the group to pass the matter over to its corporate lawyer.

There are many ways in which a decision problem can be framed, just as there are various perspectives on a visual scene (Tversky and Kahneman, 1985, p.25).

"Effective" frames were perceived to have been ones which the group responded to and welcomed as conceptual devices by which the rest of the discussion could be managed. They appeared to be accepted because they had an intuitive appeal and made sense. Correspondingly, timing also seemed to matter. The group appeared more ready to accept clarifying frames at some points rather than at others, perhaps at times when it felt most immobilized. Further to the inherent sensibility and timing of the frame, it seemed to matter who offered it. The frames of the President were more readily accepted and adopted than those of others. One vice president was observed to mildly offer helpful frames, but they were often ignored. He was also the same person who, as previously observed and noted (Chapter 8), appeared skilful at identifying nested problems and offering creative solutions, but had these largely ignored as well. The power base from which the frames were offered - legitimate, in the case of the President - and the force, or lack of force with which they were offered - weak in the case of the vice president previously mentioned - seemed to affect the Committee's acceptance of them.

The frames observed in the Operating Committee can be classified into three types - procedural, substantive and reflective.

Procedural Frames

Procedural frames aided discussion during times when the Committee did not seem sure about the issue it should focus upon or the decision it should make. At these times, there were a number of possible avenues to pursue and the Committee appeared not to know which one to follow. A procedural frame separated issues and gave direction to which one(s) should be dealt with and which one(s) dropped. It influenced, as Maule (1985) also noted, the subsequent phases of the discussion. Several examples follow.

As the Committee considered the possibility of an aquaculture venture, they appeared to become mired in the various biological considerations (25:11). The abundance of biological data reflected the involvement of the Director of their research and development affiliate who felt that more research into the physiology of raising fish was needed. The Chairman suggested that the biology and technology was known, and rather than pursue the matter from a research perspective, it should be pursued from a "management and economic perspective." His frame directed attention away from biology and towards management issues such as risk assessment, production, markets, financing and personnel.

A competing food processor had brought a legal suit against National Sea, claiming that one of their (NSP's) product names had infringed upon their competitor's legal

right to that name (16:28). The other company was also the supplier of french fries which were included in many National Sea frozen dinners. Some members of the Committee wanted retaliation and suggested that they cancel the french fry order. The Chairman suggested these were two separate issues and should not be considered together, summing up his feelings with this frame - "We are at battle, but not at war." Attention returned to the law suit.

One of the Chairman's most often used frames was the question - "would you buy it for a dollar?" He often used this in the midst of the evaluation of potential acquisition (27:29, 24:14). After the presenter had given his evaluation of the strengths and weaknesses of the target, and had recommended not purchasing, the Chairman would usually put this question. It seemed to take people aback, and force them to separate the economic value of the firm from its selling price as it put the assessment of the cost-benefit trade-off (Chapter 11) in a new light. This prompted a reexamination of the criteria used to evaluate the alternatives under the assumption that one of the constraints - selling price - was flexible. This frame, on some occasions, resulted in a renegotiation of price.

Procedural frames gave direction to discussion in focusing on selected parts of issues which the framer

felt were the most profitable to pursue and others accepted.

Substantive Frames

During the discussion of complex issues in which values and objectives were in conflict and the Committee appeared to be having difficulty identifying and weighting them, a substantive frame would isolate an objective or value and make it dominant. From here, the group would pursue that value or objective and construct a solution which furthered it. Two examples will demonstrate this.

The company periodically received requests from outside groups who wanted to tour their production facilities. At one meeting the Committee discussed whether they should give tours (26:13). Arguments against tours were the disruption they caused, sanitation risks, and security problems. Arguments in favour were the publicity they created and the good public relations they fostered. The President offered this frame: "In the market place, tours do not mean a hill of beans. They don't sell fish." Economic benefits were made dominant. The requests were turned down.

The following verbatim dialogue concerning a rather cumbersome decision shows the influence of a substantive frame. The problem was the determination of the amount of insurance which should be carried on the "Cape North," the newly acquired factory freezer trawler.

Participants - GC-Chairman
MP-VP, Finance
GS-VP, US Operations
SR-VP, Canadian Operations
JM-VP, Human Resources
BM-Former President

Dialogue

GC - Should we up the insurance on the North to 15.5 million...To refresh your memory, to add another 3.5 million, it would cost another \$74,000. (The ship was purchased second-hand for 9 million and insured for 12 million.) ... The concern is if we lost it could we replace it for 12 million? We were lucky the first time in getting the one we have.

MP - No used ones available and if we take a new one, it will cost 15 million.

GS - What are the chances of losing her?

SR - Remember the Titanic?

...
BM - I think 12 is a fair amount. We could get another one for that.

GC - ... If we lost it and had to replace it, better to face it now than cry about it later.

MP - Insurance is to cover catastrophe. It would take more than 15 million to replace it.

GC - Do we have business loss insurance?

MP - No.

BM - What would it cost to replace it?

GC - We could get the vessel we wanted, but we would spend the money.

BM - It would cost about 18 or 19 million.

...

SR - If it cost 9 million and we get 12 million (from the present insurance), then take 3 million more (from company funds) to get a real good one. For 3 million more you've got a real good boat.

...

GC - Would not be a catastrophe if had to spend 3 million to get a 16 million boat.

...

GC - What's the general feeling - no?

(agreement)

During this discussion the Committee members were assessing risk and the cost-benefit trade-offs involved in increasing insurance on the "North." During the discussion they were searching for a perspective from which to view the decision, a perspective which would put their subjective assessments in a feasible, legitimate, and rational framework so that the outcome would be defensible. Several perspectives were tried, but the one found most acceptable was offered by SR (the provider of other frames which were often ignored) - "with only 12 million insurance we would get our money back in the event of a loss and only have to put 3 million more with it to get a much better ship." This "trade-in-and-move-up" frame obviously had appeal, for the Committee, led by the Chairman, quickly agreed to it.

Kahneman and Tversky (1984) shed further light on this event. Their experiments show that the way decisions are "framed" and presented to people affect their choices even though the situations may contain the same alternatives, just described differently. In particular, they found that ". . . an individual's subjective state can be improved by framing negative outcomes as costs rather than

as losses." Losses are conceived to be more averse than costs. This helps explain the acceptance of SR's frame. His frame highlighted the additional cost required to obtain a better ship rather than emphasizing the loss.

Reflective Frames

A reflective frame was a summation of a past event. It offered a way to view an occurrence which had not been desirable from the company's point of view. It went towards making the unacceptable more acceptable, i.e. more understandable, and allowed the Committee to move on from the event. It helped create "closure". The way it did this was usually by emphasizing what there was to be learned from the event which could be used in the future. For example, the supplier of a certain raw product had stopped filling their orders because it had obtained a better price elsewhere. This left National Sea with serious problems. After the problems were resolved, the President suggested: "This happened because we violated one of our own rules - don't be left with only one supplier."

Reflective frames were not that frequent, but their effect appeared to be helpful to the process.

Summary

On a "macro" level frames are comparable in function to ideologies. They are used to simplify complex realities and provide a feeling of orderliness and rationality which is valued by a group (Pfeffer, 1981, p.195). Expressed in simple phrases, they had power to influence the subsequent course of events (Peters ,1978). The search for and providing of frames was an important activity and an influential dimension in the process of the Operating Committee. In the Committee they were seen to influence the procedure and substantive content of the discussion and to provide a way for members to feel more comfortable with past disappointments.

Chapter 15

Movement Between "Figure and Ground"

Discussion in the Operating Committee was observed to move freely between the consideration of particular details and the larger context in which those details were set. The fluid allocation of attention from one - specifics - to the other - broader issues - was judged to be a significant activity which made the decision process more effective than if this activity had been absent.

An understanding of this shifting of focus and its desirability can first be aided with reference to the related concept of "figure/ground" as found in Gestalt Psychology. The black and white image which for awhile appears as a vase and then "shifts" to become two opposed faces is widely familiar. Which image is dominant for the time depends upon which is perceived as "figure" while the rest of the picture is relegated to the "background" or "ground" (Hassett, 1984, p.148) . Figure, for this purpose, is the central focus of interest and ground is the context in which it is set. In regard to the perception of objects in general, figure and ground are said to be fluid and non-static. There is dynamic interaction between the two - the same ground may give rise to different figures (as seen in the identification

of "nested problems" as discussed in Chapter 13), and some figures may, in turn, become ground for other figures to emerge (Perls, et al., 1951, p.25). Perception shifts, attention focuses and re-focuses, and thinking converges and diverges as different figures emerge dominant from the background.

Perls et.al. (1951) have taken these, and other Gestalt concepts originating in studies of perception, and applied them to psychotherapy and organismic well-being. A healthy state is said to exist when there is a demarcation between figure and ground and attention can move from one to the other. In this condition, figures clearly emerge and are given attention; energy and awareness is, in turn, given to the ground from which these figures arise. The opposite (unhealthy) condition occurs when figure and ground are in confluence and blur in a chaotic vagueness; one "stares" at issues in a trance-like state unable to separate figure and ground, nothing specific emerges as figure to be resolved, and unfinished situations abound. The healthy process is one in which lucid figures emerge against a clear ground and attention can move from one to the other. Situations are resolved by attending to details in the context of unified goals, objectives and values in the ground.

In the context of Operating Committee discussions, figure can be said to have been the details of specific issues: the actualities of events in time, the

particularities of content which were described and clarified, or the dimensions of concrete events and possibilities. Ground was the backdrop against which, or context within which, these details were considered. Ground represented the broader matters surrounding the particular features of issues: overall objectives, goals, values, and philosophy. An example will serve to further clarify these concepts: National Sea operated several in-shore lobster processing plants. This aspect of its business was continually under review due to its marginal profitability. Discussions usually centred on one of two aspects of the issue: the details of the business including commodity prices, margins, government regulations - all matters related to figure; and the overall sensibility of being in the business at all given their corporate objectives - the ground in which these details were set. The identification of which matters were figure and which were ground is not the important issue here. What is, was the ability of the Committee to move freely between the two, and the helpful nature of this activity.

Members of the Committee were able to shift their focus of attention from figure to ground (and vice versa) - between detail and broader context. (Some were more able to do it than others.) This was consistently seen, for example, in regards to the assessment of acquisition candidates. Deliberation focused on such details as the

condition of assets, market share, historical financial performance, existing labour contracts, and purchase price; and broadened to consider such wider issues as the need to expand, the best way to do it, the corporate objectives which would be served, and how a particular candidate would fit in with these broader concerns. Consideration of ground put detail in perspective and allowed for a broader assessment of the implications of various actions. The consideration of detail (figure) incarnated corporate objectives in actual events. One had the feeling while observing the Committee that they were able to generate and evaluate relevant data and form appropriate strategy, and to do it with an awareness of the broader issues involved and of the relation of these issues to the particular exigencies.

The same movement between figure and ground was seen in other matters less strategic. An addition to the nursing staff of one production plant was considered at one meeting (6:10). As the specifics of the position were being considered, one member broadened the discussion by asking about the relation between nurses in a plant and Workman's Compensation (a governmental disability insurance program) claims. In so doing, he had raised the matter of the value of nurses in general, apart from the details of this one position. The answer to the question revealed a negative relationship between the presence of nurses in a plant and the number of worker compensation

claims and lost hours - the more nurses, the fewer claims and lost hours. Consideration of the broader issues in the background to this one specific position, gave resolve to the Committee to hire another nurse even though there was a hiring freeze in existence at the time.

The ability to freely move between figure and ground has important implications for a decision process. Details (figure) need to clearly emerge and be resolved; context (ground) can give clear direction if it has been thought through in a unified way. The desired style of deliberation is free movement between the two - narrowing in and broadening out, converging and diverging. If a group fixates on detail apart from context, its solutions may be inappropriate and there may be a preoccupation with minutiae. This appears to have been the case in the earlier days of the Management Committee. Members of that Committee suggested in interviews that a great deal of time was taken up in those meetings with getting the wording of motions correct while larger corporate issues of strategy, inter-departmental coordination, and direction were left to evolve on their own. If a group is preoccupied with context and general issues, it may never get to the consideration of relevant details, the resolution of pending problems, and the implementation of concrete action.

The Operating Committee appeared to find a good balance.

Part IV

Leadership of the Process

Chapter 16

Exercise of Power

Leadership is a function of the power base of the leader, the approach or behaviour of the leader, and the degree of acceptance of the leader by subordinates (Szilagyi and Wallace, 1980, p.277). The Chairman of the Operating Committee's leadership was based upon all three factors and he exercised that power to direct and manage the decision process. His action had a great deal of influence on the movement and content of the process. In fact, it is impossible to consider the decision process of the Operating Committee apart from the direction given to it by its Chairman.

In the next two chapters the actions of the President in his assigned role as Chairman of the Operating Committee will be explored. Chapter 16 will describe his actions in leading the decision process and Chapter 17 will evaluate the significance and implications of his activity for the Committee and the organization as a whole. Chapter 16 has no imbedded "ideal type" of process leader against which the Chairman is evaluated. It is, rather, an attempt to describe and analyze what he did in his role as leader of the Committee and the decision process. Chapter 17 does not set out to judge his

adequacy or to assess his effectiveness but to suggest what the implications of what he did might have been for the decision process of the Committee and for the company as a whole. (An assessment of effectiveness is reserved for the concluding chapter.)

The President of the company was the formally designated and functional leader of the Committee. The basis of his authority was seen to have had both formal and informal dimensions and was based upon position and personal attributes as suggested by Szilagyi and Wallace (1980, p.275). He was bestowed with legal power as president and some of his personal attributes which gained him power were outlined by one of the vice presidents:

He is quick to learn, intelligent, keeps facts and details in mind. [He expects people to] . . . be proactive, not just see problems but suggest solutions. He expects them to be well-read and well-rounded. As Chairman he has strengths - cuts short a discussion that is not going anywhere, nothing disappears from the agenda . . . things are resolved . . . he knows how to ask the right questions (HD:3).

The Chairman's authority was never observed to have been questioned. Others disagreed with him over various issues but his role as Chairman never appeared to be challenged. There were no competing "informal" leaders of the process. Other members of the Committee were perceived to defer to his leading and in interviews clearly expressed an acceptance of his active leadership as appropriate, acceptable and welcomed. As one Committee member said, reflecting on the President's

initial consultant role with the company, ". . . his [initial] job was to make the [former] Management Committee effective. It became clear he was not assisting but directing. People looked to him to have a process of resolution. It was clear that the former President was not able to do it" (SR:2). When he formed the Operating Committee he immediately and formally assumed its chairmanship. The Operating Committee was seen as "his" committee (interviews with Committee members and secretary).

The President was more than the formally designated leader. He functioned as leader - he actively intervened in the process, much more than any other member. In broad terms, he initiated, directed and truncated discussion as well as oversaw the participation of other members. In brief - he had the power, he used it, and others acquiesced to it and cooperated with what he was trying to do.

In analyzing the exercise of his power, four critical patterns constituting his leadership activity emerge: institution of discipline; enforcement of accountability; control of the pace and direction of consideration; and management of the involvement of others. These are now examined.

Institution of Discipline

In interviews with Committee members, one of the boldest contrasts they drew between the former Management Committee and the present Operating Committee was in reference to the amount of discipline inherent in the two decision processes. The former committee was seen as indecisive and void of discipline, the present committee was seen as disciplined and action-oriented. Without exception, Committee members attributed the change to the leadership style of the present Chairman and the manner in which he conducted meetings. Their designation of his style as disciplined affirmed my observations made in the Committee meetings.

This discipline was evidenced in the Chairman's reinforcement of the Committee's resolve to confront critical matters and to make decisions rather than to avoid them. It portrayed an attitude on the Chairman's part that difficult problems and decisions would not be avoided but confronted. This discipline took two forms - the routine structured scrutiny of corporate problems and the way this scrutiny and subsequent consideration occurred.

The weekly agenda issued by the Chairman's office embodied the importance of discipline. Identified critical issues were assigned a time for discussion and the only circumstance under which these discussions did

not occur was when a significant participant was absent or critical information was unavailable. At these times, consideration was not circumvented, but rescheduled. In particular, the Key Indicator Report, on every weekly agenda, provided a routine scrutiny and assessment of operating conditions. Of concern during these assessments was the identification of significant problems, the assignment of responsibilities for dealing with them, and the coordination of the actions of individual departments. It appeared as though the primary consideration in this scrutiny was problem identification and correction. Concerns over required investments of time and energy in consideration and resolution of these problems did not appear to influence whether they were dealt with.

The weekly agenda was taken seriously - it was strictly adhered to and any revisions were usually to interject last minute items, not to avoid matters. Items not resolved at one sitting were put forward for future discussion. This was not perceived as avoidance - reasons for delay seemed reasonable and future discussion always occurred. Commenting on the discipline of the agenda and the process which that evidenced, two Committee members said: " [We] know a matter will not disappear, it will come back on the agenda" (SR:5), and "There are things which seem to come up quite regularly.. . . [it is an indication of] the tenacity of the Chairman and his secretary who see that things don't disappear. They stay

on the agenda until they get resolved" (MP:8). One member commented further: "No one puts their head in the sand. [All matters are] dealt with until they are resolved" (SR:3).

This induction of discipline required participants to be disciplined in their preparation for meetings. One Vice President suggested that preparation for meetings was of great importance and to be otherwise was to be left out of the decision process (JMc:12).

The degree of discipline brought by the Chairman and encouraged in Committee members was put in perspective by a member of the Committee recounting an incident which occurred in the former Management Committee.

We had Key Indicator Reports but no one took responsibility. We were asked to make a business plan for the last of 1984. Everyone submitted their plan, but in typical style no one did their homework. I decided to publish it as it was. I gave it to . . . [Chairman of the Board]. He came in and gave hell to the management team. [The former chairman] . . . wouldn't problem solve and plan (GS:5).

It was inconceivable, to the author of the previous remarks, that this lack of discipline would ever occur under the new Chairman.

As well as managing the agenda so as to encourage discipline, the Chairman instituted discipline in the way with which matters were dealt. The Chairman prevented side-issues from distracting focus. Tangential discussions were not allowed to become focal points or to

drain off energy from the main discussion. He frequently made comments such as: "Let's get back to the agenda," and "I suggest we move on," as ways of keeping the Committee at the task. It was observed that on the two occasions when the Chairman was absent from the meetings, the flow of the meeting was less deliberate and tangential discussions were more prevalent (27:15f. and 28:9). Two vice presidents mentioned the Chairman's ability to keep the meeting on track (JM:8 and GS:6) as very important to the success they felt the Committee was now having. It is conceivable that at these points, where discussion became side-tracked, a less disciplined chairman might have allowed the Committee to lose its momentum and will to pursue difficult issues, or a Chairman less committed to action could have used this as a way of avoiding issues. The Chairman kept the Committee focused on identified issues.

The Chairman also instituted discipline by assuring that identified tasks were assigned. Identified problems needing further attention were delegated to members of the Committee, or through members of the Committee to other parts of the organization. It was clear from the Chairman's action that discussion by itself was considered inadequate. Discussion usually led to delegation of identified responsibilities. At the conclusion of discussions, the Chairman frequently asked - "Who will pull this together?" or "Who will take a hard look at

this?" or "Do you have a meeting going on this?" He constantly delegated responsibility with such statements as - "I suggest Earl and Sandy get together on this," and "John we will leave this with you and see if you can do something with it." Committee members who did not appear to be forthcoming with suggestions of proposed action were prodded by the Chairman to come forward with commitments. Whether done by way of such statements as above or through questions (27:24), done bluntly (24:20) or through more gentle nudging (27:3), tasks emanating from discussions were delegated to assure that matters were followed up and action was initiated. Committee members commented on this profusely saying such things as: "Gordon is good at making sure that things get seen to" (HD:3), and "Action is taken and not postponed "(SR:1). The contrast was frequently drawn with the Management Committee where ". . . very few decisions every got made "(SR:1). (He used nudging as a tactic particularly with two members of the Committee whom he judged as hard workers, but limited because of education, age, or present personal difficulties. It appeared he was sensitive to their needs and had decided to use a "softer" approach with them.)

The Enforcement of Accountability

After specific aspects of issues had been delegated to members of the Committee for further study and/or action, the Chairman clearly conveyed that Committee members were accountable for what they did and would be required to report back, giving an account of what they had done with those responsibilities. Furthermore, it was known by Committee members that the reported action would be seriously reviewed and evaluated by the rest of the Committee. The words "clearly conveyed" are used advisedly: the Chairman's intention to enforce accountability was visible in his actions and understood by Committee members.

The message was conveyed verbally during the meeting and visually in the compilation of the weekly agenda. After issues were delegated or members assumed their responsibilities, the Chairman would ask for, if the member had not already stated, the date when he would report back to the Committee. This was a matter of routine on the Chairman's part. Members came to expect it and in anticipation of the question, would frequently suggest the date before they were asked. The agenda for that future meeting, when it was distributed, would have the issue listed and the initials of the person responsible printed beside it.

As well as observing the transmission and institution of accountability, it was clear from interviews with Committee members that they had received the message. Interviewed members of the Committee said there was no mistake in anyone's mind that they would be held accountable for their responsibilities. The following statements by Committee members point this out.

He [the Chairman] will not let things drop, that's to his credit. . . . People know what is expected and deliver (GS:6f.).

Now there is a clear understanding of accountability. It is understood that the vice presidents have to get their act together. There is a feeling that if you come back and haven't worked it out - no one will have sympathy for you. If you go back with an issue unresolved, you will have a decision imposed on you. Before it wasn't that way [during the days of the Management Committee]. For example, Earl and I could stalemate it. Now you know you will have a solution imposed (SR:5).

Members were in agreement not only concerning the presence of accountability and the reasons for it, but also as to its value. All members interviewed welcomed the Chairman's enforcement of accountability and some identified it as a major reason for the turnaround. One member ranked it first and most important in a list of reasons for the improved fortunes of the company.

The contrast drawn by members of the Committee between the leadership of the former Management Committee and the present Operating Committee were most revealing.

Nothing was followed up when . . . [the former President] was in charge (GC2:1).

The difference in the two committees is in the chairmanship. . . . The difference is that . . .

[the present president] is more organized, more goal setting, more accountability for your responsibilities . . . that is asking people to do things and seeing that they do so. . . That's not the way . . . [the former President] worked. And I think that is all to the good (MP:3).

Lack of accountability, in Committee members minds, was associated with poor management and suggested as partially to blame for the past difficulties of the company. The accountability the present Chairman enforced was welcomed, and considered by Committee members as part of his effective management style.

Control of the Pace and Direction of Consideration

The Chairman exercised his power in directing the pace and direction of discussions in Committee meetings. This has already been commented on in Chapter 13 where leadership of the process was identified as one contributing factor to the particular phase configuration of deliberations in the Operating Committee. The particular ways in which he did this are now of interest. These can be considered in terms of pace and direction. Put in operational terms, the Chairman exercised his power to influence the amount of time given to consideration of issues and the particular facets of issues which would be considered and their order.

Pace

The pace of consideration did not lag, neither was it hurried. It moved briskly, but did not appear to be unnecessarily drawn out or prematurely brought to closure. It "rolled along." The Chairman kept it moving while giving ample time for input from Committee members. Committee members felt (as expressed in interviews) that meetings were long, but did not feel the Chairman prolonged them; they felt they were long because of the number of issues on the agenda. Members also felt that the Chairman was fair and did not truncate anyone's participation nor unduly hurry consideration.

The Chairman influenced the pace by attempting to get quickly to the essence of issues in asking participants to summarize and recommend; drawing discussions to a conclusion by making summations; formulating decision questions (see Chapter 10) which moved the Committee towards a choice; and proposing solutions. The Chairman appeared to carry the momentum of the meetings by quickly structuring the issues facing them. In an interview, the Chairman acknowledged this and suggested that he felt it was appropriate and necessary, but tiring.

Direction

In all meetings the Chairman was active, setting the framework of consideration and establishing direction. He did this primarily by establishing focal points. In

regards to complex issues with various facets, he broke them down into components and established which he felt the Committee should consider. When discussions roamed over a large number of issues, he would pull together loose ends and identify what he felt were the critical issues and decisions to be made. In this sense it can be said that the Chairman established and maintained an agenda within the agenda structuring problems, providing a process for resolution and all the time maintaining an action orientation.

Having said in general terms what the Chairman did to control pace and direction, a sample of representative quotes are now given to display how this was done through the use of specific statements. Underlined words indicate a very strong action-orientation; capitalized words - a process focus; and bolded words - problem structuring activity. In each case the Chairman is the speaker.

Statements

Comments

"Slow down, do we have any choice?"

In response to a long justification for a proposed capital expenditure. Getting to the essence of a matter.

"Don't give us the sad story, do we need to do it?"

Similar situation as above.

"Instead of the details, give us an overall view...Tell us just what matters."

Asking for a summary.

"OK, let's draw this to a CONCLUSION. You have a tentative approval."

Drawing discussions to a conclusion.

"I suggest we MOVE ON."

Drawing discussion to a conclusion.

"Where do we go from here?"

In the midst of the discussion of a new opportunity with various possibilities. Calling for the formulation of a decision question.

"What is the best way to organize having a look at this?"

Similar situation as above.

"We will move ahead with the goal of getting a good price."

In regards to negotiations with a potential acquisition, possibilities and recent happenings were discussed. Proposed solution given to problem of what should be the next step.

"Let's deal with it in two slices."

Consideration was being given to the various facets of a corporate image study. Breaks matter down into components.

"We can't solve that HERE. Suggest Earl and Sandy and Henry FOCUS ON THIS."

Directing of focus away from some aspects of an issue and towards others.

Let's talk about things we can solve."

Not all action which appeared to influence the pace and direction of discussion was displayed in the form of

terse questions or statements as found in the examples above. It was sometimes exhibited in a series of statements which appeared to "nudge" the discussion along or move it in certain direction. Regardless of the procedure, the Chairman appeared to have been in control of the flow of the process.

Managing the Involvement of Others

Committee members varied in their degree of involvement in discussions. Assumedly, some of this participation (or lack of it) was self-motivated and resulted from personal initiative, while other participation occurred only in direct response to the probing and confronting of others (see Chapter 9). The Chairman actively probed and confronted and evoked particular kinds of involvement from Committee members apart from the way they were "naturally" participating. This was not seen as an attempt to influence the content of their thinking through the use of censure or reinforcement, but, rather, to have them involve themselves in ways different from the way they were participating at the time. The cutting short of long speeches with the calling for summaries and specific recommendations, as discussed, was one way he managed and directed the involvement of other Committee members. Two other particular ways were also observed: drawing out the

thinking of others; and the handling of conflicts between members.

The Chairman asked probing questions of specific individuals as a way of drawing out their thinking, presumably, in an effort to get comments which might otherwise have been left unsaid. This was observed to have been done in particular circumstances in order to do the following: elicit individual reactions to the statements of others; discover if others had suggestions, ideas or information relevant to issues under discussion; and to seek clarification of previous statements. Based upon an understanding of the President's motivations and values as expressed in interviews, it is conjectured that the motivation behind his actions was based on three factors: a belief that individuals sometimes had more to contribute than they were offering on their own; an attempt to encourage broader participation in decision making; and a desire to create group awareness and coordination of inter-departmental activities. This hypothesis is offered with some degree of confidence as the Chairman had stated in interviews that group participation in the process and a fostering of awareness of the full range of the company's business amongst members were important values to him and objectives towards which he was working in the Committee.

Some interviewed Committee members expressed the belief that there was more participation and risk taking

amongst members than there used to be, but more was needed. Some felt four or five dominated meetings. Two vice presidents speculated the reason participation was not at its fullest was because of time and the many issues on the agenda. They suggested energy waned and involvement was difficult to sustain through the entire meeting. One vice president felt lack of preparation by members was a major cause of lack of participation. He also felt the Chairman did an excellent job at attempting to encourage broad participation (JMc:9f.). Another vice president disagreed and felt the Chairman did not do enough to draw others out (GS:6). Regardless of the difference in opinion, it can be said that without the Chairman's attempt to draw others out, there would have been less participation. The Chairman, himself, was aware that some did not participate much, but in interviews stated an acceptance of them and willingness to continue to draw them out. He acknowledged that this required more work for him.

Strong conflicts in opinion between members were rarely seen in the Committee. Reasons for this have been considered in other parts of this study (Chapter 9). When they did occur, the Chairman's approach seemed to be one of letting them surface and run their course. He was seen to interject at times. His purpose then appeared to be to prevent discussions from becoming too esoteric or to keep issues from becoming too inscrutable for other members to

follow. His interventions were usually questions asking for clarifications of pointed discussions between specific members. Committee members who commented on the Chairman's handling of conflicts expressed appreciation for conflicts being allowed to surface and be faced.

Summary

There is a distinct difference between making a decision and managing a decision process. Managing the process is a much more important role for a leader (Thompson and Tuden, 1984, p.393). Fink (1979) has suggested that the best managers know how to create a process which makes things happen. The overwhelming consensus of members of the Operating Committee was that the Chairman had done this. He had done this, in part, by the manner in which he exercised his power - by instituting discipline in the consideration of issues and the delegation of responsibility; by enforcing accountability to ensure that assigned tasks were carried out; by directing the tempo and course of consideration so that decisions were made; and by drawing in others to make the process open and participatory.

In the next chapter, some of the broader implications of this for the Committee and the organization will be brought out.

Chapter 17

Implications of Leadership Activity

The previous chapter examined ways in which the Chairman exercised his power and exerted his influence in leading the deliberations of the Operating Committee. The objective of the chapter was to identify specific behaviours of the Chairman which evidenced the application of his power in managing the discussion and discussants in the Committee. What is now suggested is that these particular activities had significance beyond the way in which power was exercised and discussions were managed. They helped to influence and shape the outcomes of the decision process, the values of the Committee, and the culture within which it operated, and beyond that, likely, the organization as a whole.

Shaping of Outcomes

After a review of the evidence, as presented in previous chapters, there can be little doubt that the Chairman influenced and shaped the opinions of others in the Committee and eventually the content of the decision outcomes. As he carried the momentum of the meetings,

controlled the pace and direction of consideration, managed the involvement of others, formulated decision questions, suggested steps towards resolution, generated alternatives, provided frames and perspectives, and generally managed meaning, he shaped opinions and decisions. His influence was dominant in the Operating Committee and was rivalled or equalled by no other member. Even, as might be expected, the former president, a regular member of the Operating Committee, did not rival the Chairman's influence or challenge his power. (The Chairman commented on this in an interview as being somewhat "unnatural" and probably a result of his being "burnt out" by the previous problems of the company.)

The Chairman employed a number of tactics in influencing the direction and content of the decision process. Some of these have been described in previous chapters. McCall and Kaplan's (1985) description of the ways managers affect decision making can also be applied to the action of the Chairman of the Operating Committee to add to that understanding:

. . . [these actions are] often subtle, involving, for example, deflections at certain key junctures in an unfolding decision process. It is often possible, for instance, to affect the definition of a problem by providing information or by taking charge in an ambiguous situation. . . . They [managers] also find space where there doesn't appear to be any by declining to accept automatically other people's definitions of a problem; they may elect to unwrap a seemingly packaged problem before disposing of it (p.109).

The exercise of the Chairman's power and his influence raise the issue of manipulation - was the Chairman manipulating the Committee towards his own objectives? Certainly, the possibility was there, and he was not neutral in the ends he preferred (as shown elsewhere). However, manipulation, with its prejudicial connotation, does not best describe the situation. Even though he had definite preferences and the power to influence, the Chairman did not appear to approach decisions with a closed mind, but to be open to the rational arguments arising in the course of discussion. Manipulation suggests more of an imperviousness to the opinions of others. The Chairman also appeared to prefer outcomes which would benefit the welfare of the company, and, thus, there appeared to be little, if any self-serving purpose in his preferences, as manipulation implies. The acquiescence of the other Committee members and apparent willingness to be shaped by the Chairman's influence also indicates, in part, that there was concurrence with his objectives.

The question of manipulation raises the broader issue of the Chairman's stance in relation to the Committee - how can the mutual interaction best be described? It certainly was not one of equal power and influence. Neither was it perceived to have been one of equality with respect to intellectual acumen, astuteness, and experience. The Chairman, with one or two exceptions,

appeared to exceed the rest of the Committee in terms of the breadth and depth of his knowledge, analytical ability and judgement. Numerous examples could be given of the Chairman's wide grasp of the details of this and other businesses, his analytic ability, and the surface validity of his judgement. Generally other Committee members, with one or two exceptions, seemed to lack either the same degree of ability or the confidence to enter their knowledge and analysis into vigorous discussion with his. The contrast was seen vividly when a new vice president, with considerable corporate and governmental experience, joined the Committee. He appeared to be more of a "peer" of the Chairman, evidencing more self-confidence, he engaged in extended discussion with him, probing and confronting to a greater extent than other members had done. This occurrence pointed up what was generally lacking with reference to the other members -- vibrant exchange with the Chairman. It also was a reminder that the Chairman's interaction with the Committee had some inequalities even though the process was predominantly participatory and consensus-seeking, and relations were carried on with respect and in good humour. Lack of self-confidence and deferment to power out of anxiety may explain some of the Committee members' timidity, but the Chairman showed himself to be open to criticism and confrontation without being defensive or retaliatory and therefore, vigorous exchange should have been low-risk for

Committee members. The Chairman also conveyed the attitude, in interviews, that he welcomed more exchange and confrontation believing that discussion and decisions would be better, and hoping it would relieve him of some of the responsibility for what happened. The other possibility which may explain the Committee's relative passivity, was a desire to be lead out of a near-bankrupt situation by someone they perceived as being capable of doing it, in contrast to their own previous inabilities.

One of the important dimensions of the interaction between Chairman and Committee members was the amount of Committee involvement in decision making relative to the Chairman's. Vroom and Yetton (1973) suggest the proportions should be determined by the characteristics of the decision problem. Their contingency approach references a continuum of possibilities from autocratic decision making by the leader to democratically made decisions involving the entire group where the leader fades in influence and acts more as a coordinator and chairman. On the surface, the Chairman of the Operating Committee appeared to act contingently and span the entire range - from autocratic to democratic - in his relation with the Committee. Some decisions were made by him autocratically (minor ones or where the group's awareness of the problem was not extensive), but most were the result of group consensus. One Vice President acknowledged the Chairman's autocratic and democratic

behaviour and said he thought that, overall, he had good judgement about when to switch from one to the other (SR:5). Even though the Chairman displayed autocratic (unilateral) and democratic (participatory) behaviour, it is suggested that behind these two modes was a stance towards the Committee which did not seem to change but only manifest itself differently under different circumstances. Whether appearing democratic or autocratic, the stance of the Chairman towards the Committee was fundamentally the same - he was carrying the decision on behalf of the group and, in effect, "making use" of the Committee to help him think through the issues and reach the decisions. It has been shown that he carried the momentum and was the centre of processing activity in the Committee - deliberations revolved around him, he was at the centre of most discussions and decisions, and other Committee members waited for his lead. Few decisions were formed apart from his influence. It is suspected that decisions never turned out to be far from what he approved of, even though he was open to having his mind changed.

The Chairman operated, not in a completely democratic or participatory way. If he had, in terms of the Vroom Yetton model, his role would have been reduced to that of a coordinator or "chairman," but, rather, he functioned as someone sharing decision problems with the group while maintaining a great deal of control over their outcome.

That control was maintained, not by force or subterfuge, but through the strength of his personality and in the absence of others challenging it or vigorously advancing different ideas.

If the Chairman had remained passive, the outcomes of the decision process would, presumably, have been much different than they were. It was clear from interviews that in the previous Management Committee environment, from which he was absent, the process and the decisions made were judged to be of an inferior quality. Regardless of the quality, it is reasonable to assume that if the Chairman had not carried the process in the Operating Committee, decision outcomes would have been different and that difference would have been the result of not only the way the Chairman conducted proceedings, but the way in which he intervened in the process shaping opinions and decisions.

The Chairman upheld democratic objectives and sought consensus, but he shaped and influenced opinions and outcomes more than this would suggest. This resulted from the exercise of his legitimate authority and his personal acumen, and the willingness of others to accept his influence while refraining from more vigorous and challenging input on a level equal to his.

Shaping Values and Objectives

Pfeffer (1981) has argued that one of the critical tasks of leadership of an organization is the creation of a paradigm of shared beliefs and values through the management of meaning and use of symbols so that decisions will be legitimized and support mobilized (p.177).

Pfeffer's proposition summarizes the style and effect of much of the Chairman's actions. This assertion can be supported by showing where this was seen to have occurred and by the comments of Committee members who testified to its having happened.

First, it is natural to assume that this should have happened when the Chairman's presence was so dominating. Cyert and March (1963) suggest that leaders in the course of leading, impose their values on the process of decision making. When the leader's influence was as significant as the Chairman of the Operating Committee's was, it is reasonable to assume that this would have been even more likely to have happened. Furthermore, the Chairman stated in interviews that the shaping of values and forging of new objectives was one of his primary goals. In particular, he said he wanted an informed and involved group. Intentionally, and unintentionally, the shaping of values by the Chairman in the Committee is a reasonable expectation in this situation.

The particular means by which this was seen to occur and the areas in which it occurred warrant further examination.

Taking for granted, for the moment that it did occur, several ways may be identified by which this was likely to have happened. Pondy (1975) proposed that a leader's effectiveness is largely based on his use of language and by the extent to which he can create words that explain and thereby give order to collective experiences. Pettigrew (1979, p.578), commenting on the power of language and its use to create vision, said "words can provide energy and raise consciousness" (p.578). It is suggested that the influence of the Chairman on value creation was accomplished largely through his use of language, and in particular the use of reflective, judgmental statements. These statements were evaluative and identified particular actions and attitudes as laudatory or undesirable. Smircich and Morgan (1982) comment on the importance of this for establishing values and goals all can identify with and for which all strive. For example, after it had been reported in the Key Indicator Report that a previous problem had been corrected, the Chairman commented: "We demonstrated that we can solve problems. . . . We handled this really well, maybe we have to [handle problems directly] instead of raising anxiety" (12:5). After the report of a "success" in influencing the Federal Government to consider grey

seals as a source of damage to fish stock, the Chairman commented on the number of successes the company had during the year and said, "I would like to see us stretch for new goals. If we hit them, then we haven't stretched enough" (22:7). During consideration of negotiations with a customer, the Chairman was not in favour of lessening National Sea's demands and said, "We don't have to grovel" (15:3). In the course of dealing with a complaint from a customer which had not be satisfied at lower levels, the Chairman suggested the following to the Committee: "We have a unique opportunity to take a consumer's complaint and turn it into an opportunity - meet his needs" (22:11).

Statements such as these from the Chairman were plentiful and gave indication of the type of attitude and behaviour he favoured -in these instances, direct problem solving, negotiating from strength and a customer-orientation.

Values may also have been shaped as the Chairman modeled particular behaviours. The Chairman said in an interview that he thought the leader of the process ". . . had to be a model for values and how to treat other people" (GC2:1). It was not unusual in the consideration of an issue for the Chairman to suggest wording to a vice president which he might use in further negotiations with someone outside of the Committee - an employee, customer or other business. These suggested wordings contained

indications of how to approach others and also what values and objectives needed to be secured.

Modelling may also have been occurring in the way the Chairman treated two particular members of the Committee. These two members were described by the Chairman as not being as effective as they might be, for various reasons. Other vice presidents referred to them similarly in interviews. The Chairman confronted them less directly in Committee meetings than he did other members and used reminders, suggestions and gentle "nudges." It was generally agreed amongst other Committee members that the Chairman had decided out of kindness to support, rather than replace, these two. The Chairman, in an interview, acknowledged this and said that for compassionate reasons he had decided not to move aggressively against them.

Modelling occurred outside of the meeting in concert with plans laid in the meeting. One particular instance involved the company's reaction to uneasiness in particular communities after it was announced that the Factory Freezer Trawler (FFT) would be replacing a number of on-shore jobs. A number of community-based anxieties arose as a result of this intended action. The Committee decided to hold a number of "town meetings" during which employees and citizens could ask representatives of the company questions as well as voice their fears. The Chairman volunteered to be the company representative at a number of these meetings. Comments subsequent to these

meetings suggested that they were well received and the exchange had been very open on both sides. The Chairman's actions modelled an approach of openness towards employees.

From an examination of the above sample of statements and actions, it could be said that new values and objectives were being shaped in regards to various areas, especially in the company's approach towards its operations, the market place, relations with employees and customers, and style of management. Comments of Committee members are revealing and support this suggestion, especially in regards to the development of an open participatory style of management:

We have all been through a process of education during the past two years. We have come to learn that group decisions are better than individual ones. All want to make the best decision for the company. 'Guard your turf,' has gone by the wayside (SR:3).

I think that in a very short period of time the organization in total has come a long way in being more participatory as opposed to autocratic. . . . It used to be much more - 'here are your marching orders and away you go.' But I think it is reversing itself and we are encouraging participation up and down the organization (JMcN:6).

I see meetings as participatory. People are less afraid to stick their foot in their mouth. People feel less threatened (GS:6).

Directly or indirectly, members attributed the change to the leadership of the new Chairman.

The way meetings are run in there [Operating Committee] has rubbed off on me, the way I operate and run my meetings. . . . Conflict and how to

handle it, I'm sure his style [the Chairman's] has influenced me (SR:5).

Committee members also commented on the change which they perceived to have taken place in regards to the formation of new corporate objectives. Some of these were embodied in the Mission Statement which had been written soon after the Chairman's joining the company. The Chairman appeared to have established not only new objectives in different operating and strategic matters (for example, becoming more market-driven than production-driven), but also a new superordinate concern with the overall good and welfare of the company, one which transcended individual departmental interests. The Vice President of Marketing commenting on a recently held national sales meeting said:

In my twelve years [with the company] it was the most up and together meeting.. . . All left committed and amazed at the turnaround. They were dazzled by our President - on stage for three hours without a note (JMcN 21:17f.).

Another vice president commented:

People really care what happens to the business, particularly people in the Operating Committee. There was no pride before [the new President came]. [There is a] sense of vision now. Know where we are going or will find out (GS:7).

This vice president identified this as one of the main reasons for the turnaround of the company. Under previous management, he said,

There was no participation in the whole business. It was very parochial. For example, some would say, "if only marketing could sell what production turned out" (GS:2).

Another vice president said,

During this time [previous to the Operating Committee] . . . there was a lot of bickering about whose problem it was. For example, marketing versus production. Today that is changed, all see it as a company problem to be solved. . . . The company accepts more change today (HD:1).

Several things may be suggested as having contributed to this change from a narrow concern for one's own territory to an identification with the overall objectives of the firm. The making of departmental issues available to the entire group and the Chairman's asking for input from others with the assurance of coordinated activities between functional areas, certainly were key. Also important was the inclusion of the "Thirty Minute Presentations" at the end of each meeting. This gave those on the Operating Committee a view of the various facets of the company's operations and more opportunity to identify with them. The Vice President of Marketing, commenting on this said:

I think that is extremely helpful to give us all a more general management feel for what is happening in the company. We become better . . . excellent, not just for the Committee, but are particularly excellent for the departments who get an opportunity to do their thing and strut their stuff to this august group who are seen as the twelve disciples, or whatever we are these days (JMcN:8).

Culture

Changes in values and objectives and new approaches to dealing with people had an effect on what might be described as the culture of the Operating Committee and the ambience surrounding the relationships amongst the senior vice presidents. Culture can be thought of as shared understandings about methods of operations, values, and norms organizational participants use in determining which goals are important and how they should behave in the pursuit of those goals (Sathe, 1985). The culture of the Committee contributed to the existence of a particular atmosphere, "zeitgeist," or general climate within the Committee which can be thought of as: intangible, but perceived by those in it; difficult to measure, but recognizable; fashioned by the actions of members of the group, but, in turn, influencing their actions.

The shaping of processes, opinions, decisions, values and objectives by the Chairman is now suggested as having contributed to the culture and climate within the Operating Committee. Climate is malleable (McCall and Kaplan, 1985), and as Kelly (1980) suggests, "Organizational climate, like air conditioning, can be switched not only on but also up and down" (p.483f.).

Several quotes from Committee members suggest that the culture of the Operating had changed markedly (for the

better) since the Chairman's assuming leadership and that this was largely attributed to his style and action.

There is a different atmosphere about how issues should be discussed. . . . People are reluctant to attack others. . . . There is more frankness (HD:2).

The atmosphere in the Committee is fine, before [in the Management Committee] there was tension. . . . Now it is constructive. You feel you don't want to let the group down. But you feel you can ask for help. You can admit you don't have the answer. People pitch in, but you wouldn't want to go in all the time with no solution, you have to come prepared. . . . In the Operating Committee don't say, "I'd better say or not say this" [like it was in his experience in governmental organizations]. [Then] . . . you were in the middle between politics and the right decision. Always had to size things up because you always on somebody's turf. Doesn't bother me in there [in the Operating Committee] (SR:5f.).

One of the senior vice presidents (in terms of tenure) commented:

Gordon [the Chairman] has brought a refreshing change to decision making here. . . . You've got a better working team, everybody is feeling a little freer to talk, still a lot of rough edges there, but it is gradually coming (JM:6f.).

In addition to the statements of Committee members, my own observations were that the Committee operated within a climate of mutual support, trust, respect, cooperation, and risk taking. These characteristics appeared to increase over time: humour became more prevalent; and the taking of research notes in meetings, initially done easily, increased in difficulty as exchanges and conversations became faster-paced, evidencing a more rapid

exchange of ideas, more familiarity and less guardedness with one another. The one worry which most Committee members expressed in regards to culture was that it might deteriorate if the Committee was allowed to become any larger. This anxiety suggested that the improved climate was also a function of the smaller size of the Operating Committee compared with the Management Committee, but size by itself, apart from the Chairman's influence could not have created the improvement alone. There is strong evidence that the Chairman had a major role to play in creating the positive culture in the Committee.

Conclusion

It has been seen in this chapter that the ability to shape decisions, values, objectives, and culture by one person gives that person considerable influence and importance in the organization. This is especially true when this is occurring in the central decision-making group within the organization - the Operating Committee - and the person responsible is the one with the most power in the organization - the President. What occurred in the Operating Committee had implications for the entire organization. The President's leadership of the Operating Committee was part of his overall leadership of the company. In concluding this discussion of the

implications of the Chairman's leadership activity in the Operating Committee, it is suggested that, in all he did, two of the most important general acts for the overall firm were his imparting of a sense of vision and the mobilizing of action and commitment. Evidence given in this and the previous chapter has already supported the actuality of this having happened. Selznick (1957) suggests the importance of this for an organization where effective leadership embodies organizational values and purpose and provides a direction for organizational process. Roberts (1989) says, "Visionary goal-setting is what leadership is all about" (p.30). And Kuhnert and Lewis (1987) say the successful "transformational" leader articulates goals, builds an image, demonstrates confidence and arouses motivation (p.650).

Tichy and Ulrich's (1984) description of transformational leadership best sums up the President's style and action. The transformational leader is able to move an organization out of an old way of being and on to new ways through specific actions and the shaping of new attitudes. Tichy and Ulrich's view of how this occurs is similar to what was seen in the activity of the President - through the understanding of the dynamics of change and resistance to that change, the understanding of the dynamics of decision making, the articulation of new values and norms, the giving of new vision, and the working to institutionalize changes which have occurred.

The Chairman of the Operating Committee and President of the company is best described as a "transformational leader." The next chapter will point out the connections between this leadership style, the effectiveness of the decision process and the improved financial performance of the company.

Part V

Conclusions

Chapter 18

Assessment

Parts II to IV of this research have identified significant aspects of the decision process of the Operating Committee which were thought to define its character. What remains to be done is an assessment of the perceived strengths and weaknesses of that decision process. In this evaluation it cannot be overlooked that the financial turnaround of the company dominated the "ground" against which the "figure" of the decision process of the Committee was set. Therefore, the role played by the decision-making activity of the Committee in this turnaround will be an essential consideration. Evaluations of the process have been withheld until now. The setting apart of judgements about the decision-making process of the Committee from the empirical findings in the rest of this research was felt necessary in order to give a description of the Committee and its work which was value-free and as unbiased as possible so that it might be accepted as important on its own and not merely as background. This approach is in keeping with Hicks and Goronzy's (1967) recommendation that description and evaluation should be kept separate (p.383) and clearly distinguished.

Process, Content, and Context

A helpful way to evaluate the decision making of the Operating Committee is by referring to the interaction of the three dimensions of process, content, and context (Chapter 5). This provides direction in seeking a perspective from which the "reality" of the event can be viewed. (Reality in this sense does not mean an objective, verifiable set of facts, but, as argued in Chapter 3, a systematic and rational way of understanding from the outside the interior dynamics of an event experienced by its participants.) As suggested in Chapter 5, the interaction of the decision-making process, the content of discussions, and the context within which it occurred is a reasonable and helpful way to account for the decisions made by an organization. It also indicates the particular facets of decision making which must be managed, separately and in combination. Pettigrew's (1985) method of contextual analysis, which attempts to unravel these three components and establish their relationships through time, supports such an approach towards assessment (p.38).

The turnaround can be accounted for by how the Operating Committee managed its decision making, the content of the actual decisions it made, and how contextual factors impacted upon the company, and more importantly - how the Committee tried to influence or

exploit its external economic, political, and social context. A more complete analysis of the turnaround referencing these factors is reserved for later, for now, an assessment of the first component - the decision process - is made.

The Decision Process

The important characteristics of the decision-making process were identified as the particular phases through which the process passed, the actions of members as they engaged in the event, and the leadership provided by the Chairman of the Committee who was also the President of the company. These three facets of the process have provided a focus for the analysis in the preceding chapters. What was discovered is summarized below.

Phases

It was found that the decision process at any time could be located within a particular phase. The six phases identified - presentation (Chapter 7), identification (Chapter 8), familiarization (Chapter 9), formulation (Chapter 10), alternative assessment (Chapter 11), and choice (Chapter 12) - each presented a particular task which when accomplished contributed to moving the process towards a resolution. Although the phases were discussed

in a particular order this was not meant to be a normative or prescriptive suggestion. Sequencing of phases (Chapter 13) was not always linear as suggested by the normative rational models. Discussion frequently cycled and recycled in and out of phases setting up various configurations of order. Factors were suggested which accounted for this but nothing more was made of it. No significance was attached to the particular trajectory of discussion paths as Nutt (1984) and Hickson et al. (1986) have done because the purpose of this research has not been to construct typologies but to understand the internal dynamics of the event.

One of the most significant aspects of the movement amongst phases was that it was seen to have a determination or definite intentionality about it. Movement was not random, but displayed, in the leadership of the Chairman and the action of the group members, an intrinsic commitment to reach a resolution. This is why it was suggested that each phase was seen to have a task to accomplish with these tasks comprising sub-tasks of the overall goal of the process - to confront issues and make decisions.

Within each phase, information and meaning were blended as participants considered the issues. The mingling of factual details with personal perspectives embodying the preferences and values of participants shaped the discussion, influenced its direction, and

presented an element with which others had to deal. This process within phases which may be called the "management of meaning" (Chapter 9) was identified as a powerful device for influencing the course of discussion and shaping outcomes.

Activities

The ways in which participants involved themselves in the decision process were important for determining its course and outcome. Their actions may be evaluated as to whether they facilitated or impeded progress towards a resolution, as well as their influence on procedure and outcome (Chapters 14 and 15). Actions which were seen to move the process along were probing (Chapter 9), confronting (Chapter 9), familiarity with issues gained through prior preparation (Chapter 7), succinct presentation of issues with an acknowledged preference for a way to understand and resolve them (Chapter 7), and the separating of factual elements from personal values in the presentations of others - "un-bundling" (Chapter 7). Actions which appeared to be dysfunctional were rambling presentations with little structuring or preference indication (Chapter 7), and preoccupation with irrelevancies (Chapter 13). Individual activities which seemed to have a significant influence on the movement of the process or eventual outcome were the offering of frames of reference by which to view matters (Chapter 14), the ability to shift

attention between details and the larger context in which they were set - movement between "figure and ground" (Chapter 15) - and the devising of creative solutions which could accommodate seemingly conflicting objectives (Chapter 12).

It is interesting that the activities of the Chairman predominated. He was much more actively involved in the process than any other member. He spent significantly more time than any other member probing, confronting, framing, un-bundling, shifting the focus between figure and ground, and devising creative solutions. His actions dominated the group even though he could not be described as autocratic and the process was perceived by the Committee members to be open and participative (Chapter 12). The contrast between his active involvement and the relative passivity of others was accompanied by the absence of any strong confrontation or challenge by the members (Chapter 16). Apart from power differentials, this situation may be accounted for by the willingness of Committee members to have the Chairman dominate (Chapter 17). As well, it was perceived that there were few who matched his force of personality, analytical ability, or encyclopedic knowledge (Chapter 17).

Leadership

The Chairman's influence over the decision process was profound as has been suggested (Chapter 16). He

instituted discipline, enforced accountability, controlled the pace and direction of consideration, and managed the involvement of others. The evidence is substantial that the Chairman's interventions shaped the opinions of the Committee and eventually the decisions made (Chapter 17). He did this by carrying the momentum of the meetings, controlling the pace and direction of discussion, managing the involvement of others, structuring approaches to the resolution of issues, and providing frames and perspectives. If the Chairman had been less active in his directing Committee meetings, it can be reasonably conjectured that the outcomes would have been much different from what they were, after all, he was the only person who had not been part of the old management team.

As he led the process, the Chairman influenced the values of the members and helped to shape the general corporate culture. He did this through the use of reflective, judgmental evaluations and the modelling of particular behaviours and attitudes (Chapter 17). Values were shaped in respect to the market place, operational control, relations with customers and employees, and style of management.

The Chairman was decisive in his approach towards issues, but open to, and welcoming of, the opinions of others. He also displayed a sensitivity to the needs and limitations of others. This behaviour was seen to

contribute to a climate of openness, acceptance, respect, and cooperation within the Committee (Chapter 17).

Measured against lists of qualities exhibited by "good" managers and chairmen (Greiner, 19; Belbin, 1981; McCall and Kaplan, 1985; Bennis and Nanus, 1985) the Chairman of the Operating Committee rates very high. The Chairman could further be assessed as effective in terms of Bennis and Nanus' (1985) paradigm of effective leadership which is rooted in the exercise of power, not power to coerce, but power to empower others to act, and characterized by the imparting of vision, inspiration, meaningfulness, and clearly articulated values. Along with these subjective and impressionistic ratings, a summary evaluation can be given by describing him as "transformational leader" (Tichy and Barnett, 1984). He was able to move the organization out of an old way of being and into a new way marked by new values, procedures, and strategies. He gave new vision and was able to mobilize commitment to that vision while working to institutionalize the philosophical and practical changes which had occurred. He did this, as has been shown, by actively directing the decision process, managing meaning, and by inculcating new values and a style of open participative management. His influence went beyond chairmanship of the decision process in his position as president. He had an impact on the entire organization as these qualities were displayed in other settings and

the decisions made by the Committee, which he greatly influenced, set the strategic direction and daily operational response of the company. (It may be argued, quite rightly, that these "new" values were always there in the organization, and not so new, but his leadership brought them to the forefront.) As will be shown, this played a major part in the turnaround of the company.

Evaluation of Decision Making

The components of the decision process which characterized its style have been examined above, reuniting them and assessing the process as a whole, what can be said about its overall effectiveness? What strengths and weaknesses did it display? Can it be judged as "good" or "bad?" To make this evaluation it is first necessary to establish a point of reference from which to answer the question: "what is a good decision?"

Moore and Thomas (1976) suggest that we must distinguish between a good decision and a good outcome (p.13). Michalos (1978) deepens the philosophical basis of this discrimination by delineating two types of assessment - "a priori" and "a posteriori." An a priori evaluation considers the act of decision making apart from the decision produced; an a posteriori evaluation judges the correctness of the decision in terms of its

consequences. The first is an assessment of process and the second of pragmatic outcome. Taylor (1970), as well as Eden and Harris (1975), maintain the distinction in making this same point:

The question as to whether a given decision was a "good" or a "correct" decision can never be completely answered on a factual or a scientific basis. It is possible to determine, at least within limits, whether the alternatives considered were those factually available, whether the consequences anticipated were those which in fact would have ensued, and whether the choice made was the one to be preferred, given the individual's value system (Taylor, 1970, p.354).

If all these conditions were met, then, the decision might be considered a "good" one, but the value system employed can never be assessed from a scientific perspective (Taylor, 1970; Eden and Harris, 1975).

The a posteriori approach incorporates several weaknesses. Results can never be commanded or guaranteed (Michalos, 1978), therefore decision makers cannot be held totally responsible for them. A series of unintended or unforeseen events may occur and turn a decision which was rational and appropriate at the time into the wrong one, or, conversely, make a bad decision the right one, in hindsight. The interjection of unanticipated intervening variables between decision and outcome is highly possible. Eden and Harris (1975) suggest that some managers assure that decisions turn out to be the right ones by later modifying them as events unfold. This does not circumvent the issue since involved in this are a number of

subsequent decisions all of which can be assessed as to their correctness even though decision making may be easier as the time frames shrink and uncertainty decreases. Eden and Harris (1975) suggest that another weakness of assessing a decision by its outcome is the impossibility of not having ". . . the facility for knowing what would have happened if an alternative decision was made" (p.28).

The weaknesses of the a priori approach are more defensible, perhaps, but they are enough to prevent an adoption of it alone. Even though indisputable causative links cannot be established between decisions and outcome, "Clearly, however, there are typically causal connections between such processes and their products, and any a priori rejection of all such dependencies would be unwarranted" (Michalos, 1978, p.164). It is reasonable to think that ". . . the results of decision processes do provide some indication of the value or rationality of the processes themselves" (Michalos, 1978, p.166). As Michalos argues, without the perception that there is a connection, decision makers would not take the process of deciding as seriously or work to improve it. And it can be added that there would be little incentive for companies to use external consultants or engage in training and development to aid them in making better decisions if there were not the expectation that these strategies might help them to better achieve their objectives.

There is support for, and value in, making both a priori and a posteriori assessments. Assessments of the viability of the process apart from the outcome of the decisions is beneficial for highlighting those aspects which are judged to be positive or negative about a process and contribute or detract from its effectiveness. This assessment, of course, assumes criteria exist by which this evaluation can be made, a difficult issue in its own right. An evaluation of outcomes establishing the perceived links between the decisions made and the results is beneficial for demonstrating that the way decisions are made does matter and improvement in decision making is a worthwhile goal. (Chapter 4 has already argued that causation should not be disregarded in qualitative analysis, just that it is approached in a less quantitative, but equally rational way.)

The assessment of the effectiveness of the decision process of the Operating Committee offered here will develop evaluative criteria while an assessment of the quality of the decisions made will be examined by one criterion - how they were seen to contribute to the turnaround. Placing the a posteriori assessment of the decisions in this context avoids the problem raised by Eden and Harris (1975) that what are good decisions is difficult to agree upon because of the fragmented perspectives and differing values of those involved. As might be expected, there was no disagreement amongst

Committee members that the financial turnaround of the company was highly desirable, although there were some differences of opinion about how to best accomplish that end.

Evaluation of the Decision Process

The choosing of standards by which to evaluate the process is not a simple matter. There are various perspectives incorporating various criteria which can be adopted. Eden and Harris (1975) cast the whole issue of evaluation as being highly relative and suggest that ultimately " . . . the only person capable of assessing the quality of a decision is the decision maker himself" (p.29). The conclusive outcome of the adoption of this attitude would be a cessation of efforts to bring awareness and improvement to decision making, an unacceptable situation, especially if the effort to find objective criteria were abandoned. Eden and Harris's main point, however, is that a decision process can be judged only against the values and objectives of the decision makers, and only they know what these are. Objective assessments are problematic. An alternative might be to judge a process against a philosophical understanding of the essential nature of decision making, for example, its democratic egalitarianism (Michalos, 1978, p.163). Then, despite the

contents of the process its effectiveness could be evaluated strictly in terms of how it reflected its underlying social values. Neither is this approach satisfactory. To bring increased understanding and improvement to the process of decision making it is necessary to reference factors which relate to the observable dynamics of the process and its movement towards its primary goal - the making of good decisions. However, this leads us back to the discernment of "good." The problem may be attacked by assuming that a good process is one which "ought" to lead to the making of good decisions. Diesing (1962), defining good in terms of rational, has suggested a similar approach:

. . . a functionally rational decision structure is one which yields adequate decisions for complex situations with some regularity (p.178).

The key phrase in this is "with some regularity."

A good decision process is defined here as one which increases the possibility that the outcomes will be adequate (Diesing's term), potent, good, effective, or any other term which denotes desirable. That, overall, it will contribute to accomplishing ends which are preferred above others. This evaluation can be made with a priori reference to elements of the process which are judged to be necessary for the construction of good decisions. The outcome of a decision and how ably it dealt with a problem or seized an opportunity is not a necessary prerequisite to an assessment of the adequacy of the process. It is

not a good decision process merely because the outcome was good. The process should be able to be judged apart from its results. If it can't be, then those making decision will have no way of knowing, previous to the outcome, if they are following practices which will heighten the possible attainment of desirable outcomes or not. Furthermore, despite the random interjection of intervening variables between a decision and the outcome, the "goodness" of a decision would appear to have something to do with how it was made. Regardless of the affect of good and bad luck, the outcome of any action depends to a large degree upon the way it is implemented.

Various standards have been suggested for judging the effectiveness of a decision process, for example: timeliness, use of information, and congruency with organizational constraints (Trull, 1966). Janis and Mann (1977) extracted a list of seven "ideal" procedural criteria from a survey of the literature on effective decision making. These appear reasonable, but are difficult to apply for reasons already suggested by Eden and Harris (1975) - they require the assessment of the completeness of consideration - and from the outside it is impossible to know, for example, if ". . . the full range [underlining inserted] of objectives to be fulfilled. . . ." (Janis and Mann, 1977, p.11) were consulted, or if a decision maker ". . . carefully weighs whatever he knows

[underlining inserted] about the costs and risks of negative consequences" (p.11).

A criterion of a good process frequently tendered is that of rationality (Cooke and Slack, 1984, p.4). A rational process is considered good because it thoroughly considers alternatives, consequences, etc. and is not frivolous (p.4). Simon (1957), much earlier, drew attention to the difficulties with this standard when he pointed out that even if it could be agreed that rationality involves the maximization of valued objectives, there are a host of other questions to answer - whose objectives; and how are these objectives established - with full or partial knowledge, and are they conscious and deliberate or unexamined? Simon concluded that rationality must always be qualified and also suggested that the best decisions may be ones which attempt to "satisfice" rather than maximize within the confines of a "bounded rationality."

Although some of the problems highlighted above are not as debilitating in this study because of the longitudinal insight gained into the values and objectives of the members of the Committee, it, nevertheless, is suggested now that the best way to assess the efficacy of the decision process of the Operating Committee is in line with the stated methodology of this research. This research has been conducted following an inductive, grounded theory approach in which the imposition of

categories constructed external to, and prior to, the gathering of empirical data has been resisted. The categories, themes and patterns identified have emerged from the data and are considered to be endemic to the process. In keeping with this methodology, it is suggested that the best perspective from which to judge the effectiveness of the process is from the observed dynamics of the process and in particular those aspects which were seen to facilitate or hinder the movement of the process towards decisions intended to achieve specific objectives, regardless of what those objectives were. Those aspects of the process which were judged likely to increase the possibility of the achievement of objectives have been labelled strengths, those which decreased the possibility have been labelled weaknesses. For now the matter of whether these lists can be generalized to other decision processes is held in abeyance.

What makes this type of assessment possible, as well as desirable and consistent with the methodological framework adopted, is that the process displayed a great deal of intentionality. It was constructed and managed to make good decisions (to meet the Committee's objectives) and satisfactorily resolve issues. Those inside the Committee and outside saw it as a decisive body making critical decisions. The Chairman was interested in it being effective. Intentionality was a dominant value guiding the process. This is in contrast to how the vice

presidents assessed the previous Management Committee whose role appeared to be perfunctory and constituted more for political reasons with decisions being made by a few in private meetings. The strengths and weaknesses of the decision process of the Operating Committee are identified in the context of how they contributed, or didn't, to this intentionality.

Strengths of the Decision Process

Four groups of dynamics were judged to contribute to the intentionality of the process: an action orientation; the search for a new equilibrium; analytic comprehensiveness; and open participation.

Action orientation

The data gathered in the Operating Committee evidenced a group process which was more interested in taking decisive action beyond mere discussion and deferment of issues (reported characteristics of the Management Committee). The construction of the agenda with its "Items for Action" listed separately from "Items for Discussion" focused expectations on action and delineated the difference between discussion and action. The weekly Key Indicator

Report brought operational problems continually to the forefront. It was used to carry out a systematic and disciplined review of operations so that problems could be recognized and attended to quickly. The usual sequence of events was - presentation of report - identification of problems - and decision to initiate action. When problems were not solved and aspiration levels adjusted instead, it never appeared that this was a form of problem avoidance, but rather momentary acceptance of the problem.

The sequencing of the movement of consideration between phases did not appear random or erratic, but displayed a progression towards the construction of solutions. Discussion usually passed through all phases with the task of each phase being worked on and the process moving towards a decision as a result. Very rarely did the process curtail the progression by avoiding sub-tasks, or truncate discussion by lapsing into morasses of despair or unwarranted optimism. (This does not overlook the point made in Chapter 13 that the amount of time spent in different phases varied with the nature of the issue or that in some cases phases were assumed.) Like building blocks, the consideration given in each phase added to the construction of decisions.

Within phases there were many points where the discussion could have become derailed by focusing on subissues or it could have become mired with the introduction and extended discussion of irrelevancies.

This did not happen. The process showed much discipline and tenacity to see issues through to a resolution. The formulation of decision questions was a constant occurrence, discussion led to action. There was a type of centripetal force which kept the process drawn towards focused discussion, decision, and action.

Overall, the process displayed a determination to respond to problems and opportunities with action rather than with limitless analysis and rumination.

The search for a new equilibrium

This aspect of the process is best described using terminology emanating from general systems theory. Using this terminology, the decision process of the Operating Committee may be described as an open system which

. . . . does not merely seek static continuity at some fixed point or level of equilibrium. Rather, in responding to forces of change, an open system frequently strives to create conditions that, under favorable circumstances, will permit the system to achieve some new level of stability. At times, positive action may even be taken to destroy a previous equilibrium or even to achieve some new point of continuing disequilibrium (Steiss, 1985, p.47f.)

The process showed a readiness to confront problems, take up challenges, and make the decisions necessary to accomplish ends, even if it meant considerable change for the way the company currently operated. It never appeared that the Committee shrunk back from confrontation of issues and decision because it might upset the current

equilibrium and bring about change. On the contrary, the Committee evidenced a mind set committed to change and a new way of being. In keeping with this orientation, the Committee sought out bad news, that is, they deliberately looked for problems. They seemed reluctant to accept favourable news as evidence that they had arrived at a desired condition of operation requiring no further adjustments. They exhibited Tichy and Barnett's (1985) ideal of keeping in touch with the reality of the environment by monitoring self-denial processes (p.499). Furthermore, they appeared, at various points, to challenge themselves with discordant elements and adverse possibilities. Individual members of the Committee appeared to have the external freedom to challenge any dominant perspective. This vigilance and freedom, no doubt, helped to prevent the "group think" phenomena (Janis, 1984) in which biased views of the outside world are enforced through denial and enforcement of a common perspective to the detriment of a more balanced and realistic perspective. The Committee displayed an intention to make decisions which might bring about change even if these required confrontation of problems, disagreement, and temporary disequilibrium. This can be contrasted with the former Management Committee which dealt in denial (a major monthly loss was labelled an accounting "abberation") and displayed an unwillingness to fully confront reality. Using the conceptualizations of

Ford and Baucus (1987), the Management Committee displayed a passive response pattern based on self-serving interpretations of information as opposed to the active one displayed by the Operating Committee.

The absence of attempts to solidify and safeguard the current condition was also evidenced in the way the group reacted to mistakes. They accepted them and used them to reflect on errors in judgment or implementation as a way to determine what could be learned to improve future action. This does not mean they took mistakes lightly, but, rather, that there was no obsession with laying blame or preoccupation with self-pity. They appeared to be intent on learning and moving on rather than enshrining the status quo.

Another way in which the Committee exhibited its unwillingness to accept its present level of performance as optimal, was the inclusion of the "Thirty Minute Presentations" at the end of each meeting. These gave various departments within the organization the opportunity to have the attention of top management for at least half an hour. The purpose of these presentations was to present an overview of the department's function and to give the vice presidents exposure to the full range of the company's business. A large part of the content of these presentations was the highlighting of problems, experienced or anticipated. Accenting problems continued to keep challenges and change in front of the Committee.

These time periods were also used to ready the Committee for change when the content was not a departmental presentation but group development. Videos featuring presentations on effective management were shown several times. Furthermore, a consultant who specialized in strategic analysis was hired to conduct an in-house seminar for members of the Committee over one weekend. In this action, the Committee again could be said to have been challenging itself with new ways of being which it intended to bring about in the decisions it made.

Comprehensive consideration

The way in which the Committee considered issues displayed an intention to be comprehensive in its analysis and thorough in its understanding. Issues were examined and analyzed from various perspectives using a wide range of thought processes. Without invoking external standards to establish what constitutes a thorough consideration of issues, it is possible to say that the Committee displayed a concerted effort to be thorough in its analysis. It is difficult to imagine what the Committee might have done to be more thorough in its consideration. The analytic processes and cognitive routines engaged in have already been described in the discussion of the dynamics of particular phases, attention is now drawn to the more important ones and the larger constructs of which they were a part.

Analysis was not temporally restricted but transpired in three time dimensions - past present, and future (Chapter 9). In the present, details were explored, additional information sought, and perspectives established as the Committee expanded its awareness of situations and events and became more familiar with them. In the past, the Committee attempted to discern causes of current situations and establish causal links between significant variables. Analysis extended into the future as the Committee tried to envisage the possible consequences of current situations running their course or actions taken to influence them.

The Committee maintained a fluid approach in its attempt to identify the critical components of issues. Theirs was not a rigid one-dimensional view of situations. They attempted to develop a well-rounded understanding of situations. They explored the various levels of issues, refraining from considering only that which was surface or obvious. They freely searched for wider implications, made distinctions, discriminated between seemingly similar matters, and sought advantages in disadvantages and disadvantages in advantages. They acknowledged associated matters on the periphery and ably shifted their focus between "figure and ground" (Chapter 15). They identified "nested problems" (Chapter 13) and gave them summary consideration without becoming distracted away from main issues. This fluidity accompanied a freedom to

risk ideas which were not necessarily related to matters under discussion or in the current mode of consideration. Such "lateral thinking" (DeBono, 1970) is an important component of the creative process. The attempt to give thorough and comprehensive consideration to the issues which came before it was also seen in the Committee's avoidance of premature closure. It did not appear that decision questions were put until the group had constructed a shared understanding of the situation. The group did not appear to be "solution minded" (Maier, 1963) and there appeared to be no "decision fix," or need to make a decision for the sake of deciding, or to eliminate the tension of an unresolved problem. Rather than "problem-smoothing" (Pettigrew, 1985, p.390) behaviour the Committee displayed a problem-solving attitude. Steiss's (1985) depiction of the task of an experienced strategic manager ". . . [to] avoid incomplete solutions to problems that are only partially understood" (p.56), can be used to describe the action of the Operating Committee. There appeared to be a commitment to deal with discordant, incongruent pieces of information and disparate views until a clarity of understanding and consensus of perspective was attained. The ambiguity of partially understood situations was tolerated until further information could be gathered, and the anxiety of unfinished solutions was accepted until the time was judged right for a decision.

The comprehensive consideration the Committee gave issues evidenced their intention to be thorough and make the best decisions possible.

Open participation

The Operating Committee displayed an open participative style of decision making. Members freely made suggestions and criticisms, challenged perspectives and offered alternatives, and were involved in the final choosing. Consensus was valued and sought (Chapter 11). Participation visibly increased and became freer as time went on and members became more familiar with each other - the pace of discussion sped up (it became increasingly difficult to record proceedings verbatim), there was more joking between members, participation was wider, and the group seemed to size-up issues and decide more quickly with less concern about protocol between members.

Participation was open primarily because the Chairman valued it philosophically and encouraged it in practice. Whereas participation in the Management Committee was restricted and came with position, in the Operating Committee it was encouraged and expected as part of membership. The Chairman's basic assumption (revealed in interviews) was that decisions would be the best when all participated fully in their making. His management of the decision making process appeared to be guided by a belief in, and desire to utilize, the inherent wisdom of each

member and the collective judgement of the group. The intentionality of the process was aided by this desire to make the best use of each member.

The climate of the group appeared to be open and supportive of participation. There were seen to be minimum, if any, external constraints, on participation such as censure, personal criticism, judgementalness, and defensiveness. Apart from internally imposed constraints, members appeared to have freedom to participate with a wide range of feelings and insights and to challenge any dominant perspective. It is acknowledged that there may have been "rules of the game," as there usually are in decision processes (Crozier and Friedberg, 1980). These define unstated but understood limits, taboos, unacceptable behaviour, forbidden topics, and constraints which should be self-imposed, but they were not ascertained in the data collection. In interviews, members revealed that any holding back from participation emanated from their own feelings about what might be considered to be unhelpful by others rather than from any external restrictions imposed by the process or its leader. In addition to style of involvement, the content of the decision making was open to individual influence through the setting of the agenda which was a cooperative event. Participative decision making has been directly linked with effectiveness (Bass, 1983, p.96), and here it

is seen as an integral means by which intentionality was enhanced.

This sense of openness and participation was accompanied by an apparent commitment to superordinate goals. One vice president who had formerly worked as a deputy minister in a provincial governmental department noted the remarkable absence in the Committee of any territoriality behaviour by which members attempted to guard their own self interests. Furthermore, the consensus amongst Committee members was that there was an absence of coalition formation and political maneuvering in order to gain individual advantage. In Marschak's terms (1955) the Committee was a "team" having group-oriented interests and displaying cohesiveness and solidarity. Departmental conflicts surfaced periodically, usually concerning a felt lack of coordination and consultation, but overall individual or departmental objectives appeared to be subordinated to corporate goals. The Committee appeared to have developed a "corporate view" (suggested by Belbin (1981, p.90) as a prerequisite to effectiveness), and a system of coherent shared beliefs (identified by Peters and Waterman (1982, p.281) as a characteristic of better performing companies).

A set of corporate beliefs and values had been institutionalized in the creation of a corporate mission statement near the time of formation of the Committee. Although it was not a constant reference point, it was

referred to periodically to give focus to discussions. Other shared beliefs and values have been referred to in Chapter 17.

This homogeneity in values and perspectives may help to explain the lack of visible conflict in the Committee (a point suggested by Pfeffer (1981, p.90)) and some of the factors which enabled the group to work together as a team. It is difficult to imagine a group serious about making good decisions which does not value the insights, perspectives, and inherent wisdom of its members, and does not work to establish procedures and a general climate to encourage full and open participation.

Weaknesses of the Decision Process

Most of the observed weaknesses of the process were ones of degree and imbalance of activity between leader and members rather than the striking absence or presence of actions which severely hampered the intentionality of the process. The fairest criticism which can be levelled at the group is not that they were inadequate to the task, but that there was room for improvement. This may appear as no criticism at all, but if the weaknesses identified were not overcome, it could be envisioned that problems might arise in the future which would impede the intentionality of the process. Specifically, the group's

total resources were under-utilized as evidenced in a general hesitancy to confront, and the imbalance between group members and the Chairman displayed an over-reliance upon the Chairman.

Lack of confrontation

There appeared to be a lower level of confrontation between members than might be expected in a group of this size and diversity. By confrontation is not meant clashes of personality and will but the challenging of other people's assessments of, and perspectives on, issues (as described in Chapter 9) and ideas about procedure. Only one instance can be found where two members engaged in an extended debate over the best way to assess and manage a situation. Differences over the best way to proceed with an issue were infrequent and when present, never strong. For the most part, differences of opinions emerged in the mild probing of others by the asking of a series of questions (Chapter 9), rather than by direct evaluative statements and the putting forth of counter arguments. Little of the conflict resolution activity identified by March and Simon (1958) - persuasion, bargaining, and expanded political struggle - was observed, there was little need for it.

Several reasons may be suggested for this absence of overt confrontation and conflict. One vice president suggested that the Operating Committee meetings were not

the proper place for this to occur, but rather in personal conversations. Although it was felt that he was referring mainly to personality clashes, his statement did portray a general reluctance to engage in any form of confrontation. There may have been a self-imposed restraint by the members for fear that any confrontation would be negative and might revive some ingrained conflicts which had not been resolved. The past had a significant amount of non-constructive conflict and there may have been a reluctance to do anything which might evoke new conflict or rekindle old ones. The President even remarked how unusual he felt it was for the former President to be part of the Operating Committee meetings and not to express any resentments or criticisms or to mount any challenges to the current leadership and direction. Another possibility, with more serious implications, is that members had few opinions about matters which were not related to their responsibilities and did not have the capacity to evaluate issues with which they did not have intimate familiarity, thus there was little opportunity for differences to appear. Even though this might have been true, they might have had the capacity to evaluate the structure of issues, apart from that content with which they were not familiar. The existence of the "Thirty Minute Presentations" acknowledged this lack and attempted to create expanded awareness and a critical capacity. It could be argued

that the presence of a strong set of shared values and beliefs minimized conflict. This may have been a contributing factor but even within sets of common beliefs there is ample room for varying perspectives, different interpretation of information, and the favouring of possible alternatives.

Overall, the most likely explanation for the low level of confrontation and conflict in the group was that an informal "pact," or unstated agreement, had been entered into which held conflict to be undesirable - one of the "rules of the game." Concomitant with this was a preoccupation by individual members with their own functional responsibilities and an undeveloped capacity to apply analytical techniques to matters outside their purview. The entrance into the group of a new vice president with considerable intellectual acumen and no past history with the company who confronted and challenged the views of others, helped to put the group's reluctance in perspective.

An inordinate amount of conflict would have been debilitating for the decision process (Radford, 1975, p.200); however, a reluctance to risk confrontation withholds from the decision process a wider range of views and evaluative assessments which could deepen analysis, expand judgement, and strengthen final decisions. Thoroughness and creativity is limited when confrontation is avoided, and the valuable dialectical process: argument

- counter argument - revised position, is foregone in favour of individual suppression of opinions and acquiescence to dominant perspectives. As Pfeffer (1981) has argued, this acquiescence leaves those whose perspectives are accepted with enormous power.

Imbalance

A strength of the process was the effective leadership given by the Chairman (Chapters 16 and 17), however, this strength also reflected a potential weakness. The process was avowedly open and participative, but the influence of the President made its direction more a function of his shaping than the pooled cognitive processes of its members. There was an imbalance between the contributions of the President and those of the individual members. Most of the initiative and procedure of exploring issues came from him, he provided the majority of creative solutions, his suggestions moved the process through the various phases, he formulated the majority of decision questions, and his perspectives and interpretations were predominant. Some of these activities were appropriate for his role as leader, while others resulted from the application of his skill and acumen in non-leadership activity. It could be said the group was overly reliant upon the Chairman. Belbin (1981) identified eight team-roles contributing to "good groups" and described the ideal team as one which was comprised of members who

embodied the requisite skills, such as the ability to promote team spirit, tenacity, hard-headed judgement, imagination, and organizing ability. In the Operating Committee these skills were not dispersed throughout the membership, they were largely resident in one person - the Chairman. In this sense the Operating Committee could not be described as a "balanced team."

The reasons for this imbalance were judged to have been a combination of factors including: the intellectual and experiential limitations of Committee members; the absence of a felt need on their part to go beyond a preoccupation with functionally defined responsibilities; and a willingness to let the Chairman carry the major share of the responsibility borne by a feeling of bankruptcy about their own management skills which had presided over previous losses. All of these factors may be assumed to have played a part. The Chairman was aware that he was "carrying" the Committee and frequently felt the emotional strain of it (interviews). Some of his own management objectives for the Committee were to help them develop a greater awareness of the corporation's business and more participation in the overall direction of the company. The President provided opportunity for them to participate more fully, but, for the most part, with some exceptions, they did not fully seize the opportunity either because they choose not to, or felt they couldn't.

The problem with such an imbalance is that the Committee was overly dependent on one person - the Chairman - to carry the content and direction of the process. This made them vulnerable to his human weaknesses or unexpected removal by accident, sickness, termination, or resignation. (See Postscript.) Within the process, it also opened the group to the possibility of being shaped and led. This is fine as long as the direction is one approved by them and as long as the President has the best interests of the company in mind. It can be easily imagined how subtly the Committee might be led if its members had decided to forfeit any vigilance of process in favour of a deferment to the President's leading. It could be imagined that it would take a crisis or a severe disagreement over a major issue before the Committee members would more forcefully assert their own opinions or wills. The intentionality of such a situation is precarious because it resides in one person rather than in the group, with all sharing in its maintenance and promotion.

Evaluation of Decision Outcomes

Attention is now turned to the a posteriori evaluation of the decision making of the Operating Committee. What can be said about the decision making activity of the

Committee and its part in the turnaround? As discussed in the beginning of this chapter, the attempt to show direct links between the decisions made and the eventual outcomes is laden with problems. However, it is important to demonstrate some connection and to show the process of argumentation and logic which results in the assignment of causality, to underline the point that the way in which decisions are made is important to the successful attainment of an organization's objectives, and improvement in the quality of decision making is a legitimate and worthy goal. Also as discussed earlier, assessment of the outcomes of the decision making of the Operating Committee is best done in reference to the financial turnaround of the company because this was a highly visible and dramatic event and an objective with universal appeal. It is important to underscore an assumption by which the overall assessment of the decision making activity of the Committee is being made - the turnaround did not legitimize the decision process, even if the turnaround had not occurred the process could still have been judged as a good one. The Committee may have done everything "right" but unforeseen circumstances and "bad luck" could have scuttled its intentionality. What this means is that even if the content and process had been adequate and laudatory, adverse contextual factors could have prevented a turnaround. (See Postscript.) This brings us back to the importance of adopting the

interactive framework of "process x content x context" as a way to view the outcomes of decision making.

Process

The way in which the Operating Committee arrived at decisions undoubtedly was a significant contributor to the financial turnaround. Its action-orientation, committed search for a new status, analytic comprehensiveness, and desire to utilize the resources of the individual members of the Committee created an intentionality by which energy was focused towards serious correction of inadequacy and creation of improvement. The Committee was ready for, and whole-heartedly sought, change. The weaknesses of the process - lack of confrontation and imbalance - were not debilitating and the strong direction offered by the President glossed them over. Whereas, it was said that the old management team could not "run with the ball" (interview with a vice president) after restructuring and the burden of a heavy debt load and the outside interference of the parent had been removed, the consensus of Operating Committee members was that the present management team was willing and able to make the necessary decisions.

Leadership was a significant component of that decision process. Opinion in the literature is divided over how important leadership is to the fortunes of a company. Environmental components have been assigned more

importance by some (for a discussion of the debate and accompanying important methodological issues which also need to be addressed see Smith et al., 1984). The arguments in favour of the influence of leadership are more persuasive. Belbin (1981) reported that his findings showed that the financial results for companies ". . . depends in no small part on the measured personality attributes of the man in the Chair" (p.51). Pettigrew (1985) makes a strong case for the primary importance of leadership in determining the causes of strategic change:

Clearly a potential danger of an analysis which might infer too simple a relation between economic and business crisis and organisational change is that the firm may thus end up being seen just "bobbing on the economic waves, as so may corks on the economic bathtub" (Boseell, 1983:15).. . . Any adequate framework for examining strategic change must include not only objective changes in economic and business forces, but the role of executive leadership and managerial action in intervening in the existing concepts of corporate strategy in the firm, . . .(p.453).

Pettigrew identifies the locus of strategic change as originating from managerial process and action and says the task of leadership in the change process is that of

. . . signalling new areas for concern and anchoring those signals in issues for attention and decision, of mobilising energy and enthusiasm in an additive fashion to ensure that new problem areas found and defined eventually gain sufficient legitimacy and power to result in contextually appropriate action (p.453).

Results can be affected by leadership as shared beliefs are shaped and action and commitment are mobilized through the management of meaning. Hofer (1980) has

suggested that a precondition for almost all successful turnarounds is the replacement of the current top management with new leaders who bring new sets of beliefs with them.

". . . the current management has such a strong set of beliefs about how to run the business in question, many of which must be wrong for the current problems to have arisen in the first place, that the only way to get a more accurate view of the situation is to bring in new top management" (p.370).

The replacement of top management liberates the organization from the encumbrance of former dysfunctional interpretative schemes (Ford and Baucus, 1987, p.375) and allows for new interpretations which can guide new ways of being and action. New leadership, especially transformational leadership like that provided by the President of National Sea, is in a good position to "unfreeze - change - and re-freeze" (Lewin, 1951) modes of thinking and patterns of behaviour.

The leader is in a position to provide a collective meaning and interpretation of actions, to communicate and gain commitment to that interpretation, and make it a reality through empowerment (Bennis and Nanus, 1985; Smircich and Morgan, 1982). All of these actions are accepted as prerequisites to change.

Further reasons why change may come with new leadership are: the synchrony between the initiation of action by a new leader and the desire for, and responsiveness to, new direction by others (Smircich and

Morgan, 1982, p.257); and an increased willingness to risk (Nutt, 1984).

However, change does not come automatically with replacement of leadership, the new leader must have the right characteristics and skills. Pettigrew (1985) suggests that a large part of the process of strategic change can be attributed to a leader who brings vitality, imagination, visionary ideas, and persistence (p.455). The requisite skills and aptitudes delineated by Pettigrew as components of the change leader's approach were the same as, or very similar to, the ones which have been attributed to the President of National Sea throughout this research. If the decisions made by the Committee were the correct ones, and influential in turning the company around, much of the credit must go to the President who directed the process which made the decisions.

It is suggested that the turnaround did not happen just because of new leadership, but it is difficult to imagine it having happened without a change in leadership. The leadership given by the president was a sufficient, but not a necessary cause of the turnaround. The actual content of the decisions made must share some of the credit.

Content

The Operating Committee made a number of decisions which turned out to play a major part in the restored profitability of the company. It is useful to categorize these as operational and strategic decisions, keeping in mind that in some instances the line between the two is blurred and a combination was involved.

Operational decisions. Operational decisions were aimed at achieving performance targets by initiating action to increase revenues, decrease costs, decrease assets, or a combination effort. In this regard several things were done. Unprofitable inshore processing plants were sold, reducing losses. These had been maintained with the hope that they might some day become profitable and with trepidation that a sale would create adverse socio-economic conditions for communities in which they were based. New methods of storing at sea and unloading fish at dock-side were instituted to improve quality and value. (Previous industry-wide methods were referred to as the "pitchfork method" by which fish were unloaded by hand with pitchforks, often mutilating them and injecting bacteria.) A program of fleet renovation was undertaken so that ships could accommodate the new storage and handling methods. An increased emphasis was placed on higher margin fresh fish sales, made possible by quality improvements, and a commitment to consistent delivery.

Production machinery was upgraded resulting in increased efficiency and productivity.

Strategic decisions. Strategic decisions took the company into new areas of business as it attempted to enlarge its product base, expand its market, secure stable and increased supplies of raw material, and influence the regulatory environment in which it operated.

A trading company was created to buy raw products on the world market when not available internally, and, in turn, to sell surplus products. Improvements were made in United States operations. Formerly a significant part of this business created losses. By changing key personnel and entering into marketing relationships with successful US brokers, profits increased in this segment. A license was secured for a factory freezer trawler (FFT). Its implementation allowed for the production of a higher quality product saleable at a higher price. International markets were expanded with the opening of offices in Tokyo and Lisbon. These brought the company into more lucrative markets where species underutilized in the North American market were in more demand. Its market was further expanded through the acquisition of a medium-sized United States fish processing and marketing company. It continually assessed the viability of other acquisitions which would lessen its dependence on its current market and product range. The company began to diversify into other food products as a means to expand its product base

and make it less susceptible to the cyclical nature of the fishing industry. It eventually secured one-quarter of the Canadian frozen chicken market. The basic raw fish products and traditional lines such as fish sticks were down-played and new products were developed which matched growing consumer trends. These required expansion in production facilities and brought higher margins.

These operational and strategic changes, resulting from decisions made in the Operating Committee reduced costs and increased revenues. This was evidenced in the statements of the vice presidents and confirmed by financial reports presented in the Committee.

Rather than seeing itself as a passive victim of governmental action and policy, the company tried to be more proactive in its relationships with governmental agencies and structures. It decided that it should, as a matter of routine, be in contact with government officials so as to be informed of the issues and to have a chance to influence the government's thinking before policy was made. It was also interested in strengthening the fishing industry so it could speak with a more unified and dominant voice. It took action to participate more fully and forcefully in governmental and industry circles. A vice president was hired with specific responsibilities to steer the strategic plan and foster governmental and industry relations on a continual basis. The seriousness with which the company took up this task was to a large

degree responsible for the fishing industry's successful defense against a countervail action brought against it by the US government on behalf of US fishermen.

Context

Favourable events began to occur in the external context at the time the Operating Committee was being formed. In the economic environment, the Canadian dollar was weak versus the American dollar. With seventy percent of its business in exports to the United States, the increased value of the American currency added profits. Added to this, world-wide fish prices were reaching new highs as inventories were depleted. Within the industry, National Sea's major competitor had been on strike for the last half of 1984 and it was more able to dominate the market. Consumer trends were changing towards more fish consumption and interest was growing in new, calorie-reduced, easy-to-prepare meals - products in which National Sea was investing more heavily. Government regulations had changed the system of quota allocation from a blanket total for the entire industry to a system of "enterprise allocations" by which each fishing company was given a quota and the discretion of when to catch it. Previously, all companies had raced to the fishing grounds to assure their share before the overall quota was reached. This had produced periods of over and under supply of raw material and had made forecasting and

planning impossible. The system of enterprise allocations permitted forecasting and enabled better production planning.

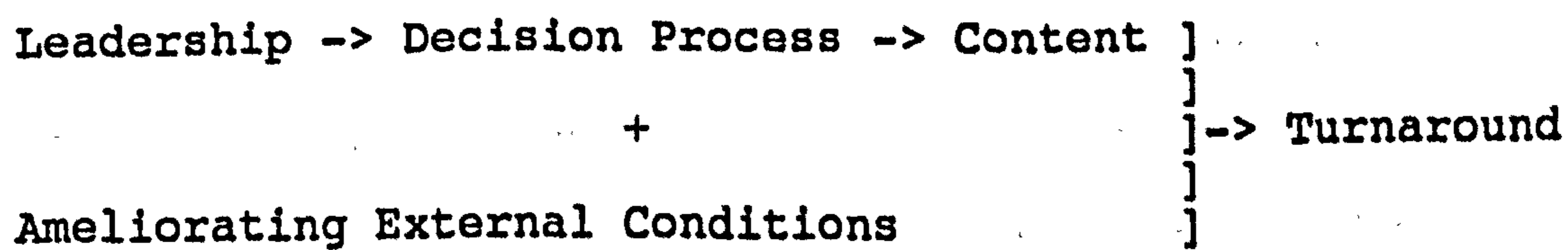
Conclusion Regarding the Turnaround

The turnaround was the result of a confluence of factors. The decision process showed a great deal of intentionality and determination to make decisions which would create success and restore profitability. Actual operational and strategic decisions resulted in reduced losses and lower costs and brought in new profits. The outer context within which the company operated was highly favourable. It is difficult to weight the factors and assign relative prominence to any. The Vice President of US Operations suggested the turnaround was mainly a function of the inner context and external environment. He singled out a sense of accountability amongst Committee members as the most important contributor followed by a renewed sense of caring and vision amongst members of the organization. Externally, favourable exchange rates, an increase in consumer consumption, and the disarray of competitors were the most important. The Vice President of Canadian Operations suggested the turnaround was in no small way a result of improving market conditions but even before these really started to occur the company had started to

regain its profitability. He attributed the improvement largely to the decisions the company made and a new spirit amongst the management team. The Vice President of Finance identified "outside" and "inside" sources as the reasons behind the turnaround. Outside factors were such things as the weak Canadian dollar relative to the American dollar; improving prices; decreases in world-wide inventories; and increased consumer demand. Inside factors identified were the sale of unprofitable plants; improvements in productivity and quality; better management of the fleet, marketing, and US operations due to the skills of the vice presidents responsible; and an enforcement of accountability and discipline by the President. The Vice President of Fleet Operations attributed improvements to the system of enterprise allocations, better supply forecasts, and being a more market - as opposed to production - driven company. The former president felt a major factor was that with relief from high debt levels and outside interference from the former parent company, management was able to get back to running its business. Other reasons given were current market conditions, currency rates, enterprise allocations which permitted "fishing to market," and decreases in interest payments and oil prices.

Amongst the vice presidents who gave the factors their own weighting there was a general consensus that the turnaround was a combination of external and internal

factors some of which had begun to occur before the new president joined the company. Hofer (1980) emphasized the interplay of internal and external components in suggesting that effective strategic decisions are possible only when "strategic windows" open and the company can take advantage of favourable situations. Overall it might be said that the reason for the turnaround was that the inner context of the company - constituted by the abilities of the Operating Committee shown in the content and process of decision making - were ready and able to seize the opportunities the outer context presented, it grasped the opportunities presented in the strategic windows as well as opening a few windows itself. Schematically the elements leading to the turnaround may be viewed the following way:



The Committee was able to make operational and strategic decisions which led to decreased costs and increased revenues. These decisions were the products of a decision process with a high degree of intentionality supported by an action-orientation, a desire to achieve a new equilibrium of operation, an analytic thoroughness, and

open participation. This process was guided and influenced, more than anything else, by the leadership of the Chairman. The decision process was active during a period when external economic, demographic, regulatory, and industry conditions were increasingly favourable. It is suggested that without the influence of any one of these factors the turnaround would not have occurred, or at least to the degree that it did.

Conclusion

This research has attempted to show the critical importance of the decision process to the accomplishment of an organization's objectives. In doing this, it has provided a way of describing, and analyzing a decision process with reference to its major components - phases, activities, and leadership. Furthermore, it has also provided a way to locate issues in the midst of a decision process and to identify the particular influences which may be acting upon them at the time. This is of interest to those who wish to evaluate and improve the processes of which they are apart and to those whose goal it is to influence those process. Whether that influence is aimed at manipulating the process towards personal objectives, or increasing the likelihood of better outcomes for the

organization as a whole, it has been shown where these sensitively critical points exist. They reside not in the exercise of power to coerce or overwhelm others, but in the more subtle management of meaning through the framing of issues with perspectives, the probing, and confronting and unbundling of the statements of others; in directing the process through the labelling of issues, formulation of decision questions, and generation and selection of alternatives; and in the creation of a climate of acceptance with a minimum level of stress in which participants are willing to risk creative thinking and confrontation of the ideas of others.

The decision process of the Operating Committee has been designated as effective largely because of its disciplined intentionality. For those seeking such intentional decision making rather than the balancing of political vectors, or the making of decisions primarily to rid themselves of the tension decisions bring, the components of that intentionality - action-orientation, unwillingness to enshrine the status quo, thoroughness of consideration, and open participation - provide some guidance. Although the insights presented in this research were gained from one situation - the Operating Committee of National Sea Products Ltd. - with its features of strong goal agreement, dominant leadership, and unique issues, personnel, and context, it is suggested that they should not be confined to this setting. The

intention has been to create concepts and form insights which can be used by decision makers to facilitate greater awareness of decision processes and through this enhance their freedom to shape those processes so that they better aid the accomplishment of organizational goals. The kinds of insights which would result from a study of other decision processes and how they would compare to those offered here, is a legitimate matter and one worthy of pursuit.

Postscript

The events which have followed the completion of this research into the decision-making process at the centre of the turnaround of National Sea Products Ltd. have been most interesting. In 1987, the company reorganized into strategic business units with more autonomy. There was a belief that the former structure had been too centralized and more decisions should be made at lower levels. The Operating Committee changed its frequency of meeting to once a month. A new Vice President of Finance with impressive industry credentials was hired, the former vice president became the treasurer within the Finance Department.

The most significant events which followed involved the return of financial losses - \$6 million in 1988 and \$1 million for the first quarter of 1989, compared to a profit of \$4.7 million in the first quarter of 1988. The company's stock fell from a high of \$25 per share to a low of \$8.88 on the Toronto Stock Exchange during 1988. Lower commodity prices, unfavourable US exchange rates, and

costs related to diversification and expansion (the highest level of capital additions in the company's history were made in 1988) were identified as the major causes of these losses.

In 1989, the whole east coast fishery suffered hardship. The major cause has been a reduction in the allocation of fish quotas. Scientists revised their formerly optimistic estimations of fish populations and government policy responded by cutting the number of tons large offshore companies such as National Sea could catch. In the fall of 1989, National Sea closed one of its Nova Scotia plants in a small community heavily dependent upon it for economic stability.

In the midst of the attempt by National Sea to regain its direction, the President was fired by the Board of Directors. Neither the company or the former president would reveal the reason. Publicly, the president expressed surprise and shock over the move. Based on his belief that a breach of contract had occurred, he initiated a lawsuit against the company for wrongful dismissal, but he and the company subsequently settled out of court. Speculation is that the President was committed to a policy of international and market diversification and the Board of Directors felt that the company should be paying more attention to its basic business, especially during a time when its basic business was in disarray and the pursuit of diversification was still in a stage of

using rather than providing cash. It is difficult to imagine such a division over values and goals when the Committee had previously displayed such homogeneity. A spirited confrontation, lacking in the Operating Committee, must have emerged abruptly in the midst of the crisis. The new president appointed by the Board of Directors was the former Vice President of International Marketing and the youngest member of the Operating Committee. He had been brought into the Operating Committee by the former president who felt he had much potential and wanted to do all he could to develop it.

Turbulence for the company did not subside but increased during the latter part of 1989. The Federal Department of Fisheries and Oceans further reduced fish quotas and National Sea closed two more plants. In total, they laid off nearly 1,400 employees and aroused much negative and vociferous criticism in the dependent one-industry communities. National Sea's problems are not unique, their main competitor, Fisheries Products International of Newfoundland has suffered the same fate and has closed several plants in the face of hostile reactions by the communities affected.

It is intriguing to speculate whether recent events, especially the firing of the president and change in strategic direction had their roots in the situation which provided the data for this research, and if they did, whether they could have been seen and these events

predicted. This type of question has no conclusive answer and little benefit can be gained in pursuing it, many factors could have changed and continuity between the past and the present is not necessarily there. Public interest is high once again in the affairs of National Sea and there is much speculation about another turnaround and how it might come about this time.

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