Stratevolve

STRATEGY PAPER - Top Management Ownership of the Strategy Problem

Using two dimensions of involvement in the strategy process (membership and ownership), four styles of involvement have been identified: mature involvement, abdicate, frustrated and detached. An instrument has been developed to identify senior executive's style, and the results have been fed into strategy debates being conducted with top teams. This feedback can lead to more openness and honesty in discussions, but it can prove to be challenging and disturbing to some team leaders. Case examples are presented.

Most of the strategy literature makes the assumption that deciding strategy is the responsibility of the chief executive. Although ideas about what the strategy could be may emerge from lower levels in the organization, the ultimate responsibility for deciding the strategic direction of the organization resides with the CEO (or equivalent). There is a further well developed body of research that focuses attention on the top management team (TMT). Hambrick *et al.'s* 'upper echelon perspective" (1-2) was generated firstly to counter the argument that large organizations are swept along by events or somehow run themselves (3-6) and secondly to bring together a fragmented literature on the characteristics of top managers into a more coherent framework which argues essentially that top executive interaction needs to be considered within a group context. They go even further - and advance an argument that the organization is in part a reflection of its top managers. By proposing the inclusion of an entire top team- the Cyert and March's concept of the 'dominant coalition' (7) - they break new ground, since the limited research that had been done on the linkage between top managers and the strategies they pursue has focused almost exclusively on the chief executive officer.

This 'upper echelon' perspective highlights the strategic role of the group of executives surrounding and including the CEO. There is a view here that strategizing is more of a shared activity, involving other key people. This perspective recognizes that commitment to the chosen strategy is vital if it is to lead to successful implementation, and that commitment is best generated through the involvement of members of the TMT in deciding strategy.

However, the upper echelon perspective tends to take as given that members of this group are comfortable in assuming their strategic responsibilities. In this article we question this often implicit assumption. Specifically, we argue that members of the TMT may not 'own' the problem of strategy. They may either choose to avoid this responsibility, or they may feel excluded from meaningful involvement in determining strategy.

We begin with a brief survey of three contributing literatures: research into strategy processes, top team (or upper echelon) behaviours and, thirdly, research into discretionary leadership. We then explore the issue of ownership of the strategy problem by first considering why this may be a problem for senior executives. We then elaborate 'ownership' in two dimensions: felt inclusion in the strategy process and internalization of the responsibility for strategy. Juxtaposing these two dimensions generates four possible ownership postures. The remainder of the article explains how these four postures have been operationalized into a 16-item questionnaire. We then report the results of three case studies using this instrument and draw some conclusions.

Strategy Development Processes

We reviewed the strategy process literature (8-16) in order to see how the issue of the ownership of the strategic problem, i.e. in which circumstances managers are included in the strategy process and in which circumstances managers internalize the responsibility for the strategy, had been dealt with so far. This review revealed that little explicit attention has been given to this issue. The strategic management literature proposes an array of explanations as to how strategies are developed in organizations. The main unitary perspectives are the planning perspective" and the ecological perspective (18). However, Hart (19) and Bailey and Johnson (20) suggest that there is hardly ever only one strategy development process in an organization, there is usually a combination of processes. Thus, Hart (21) proposes an integrative framework composed of five dimensions or 'modes'. We use Hart's (22) framework as a synthesis of the literature and we suggest how each of these modes can be applied to the issue of the ownership of the strategic problem.

The Command Mode

Strategy development is driven by a top manager, the process is centralized. In this process, "organizational members are good soldiers who execute the strategy as it is articulated at the top" (23) "organizational members behave more like 'sheep' than like active participants in the strategic process" (24). This

dimension does not require the strategy to be shared throughout the organization. This suggests that the 'commander' is the only one involved in the strategy process. However, despite their non-involvement in the strategy process, some managers in the organization may internalize or 'own' the responsibility for implementing the strategy.

The Symbolic Mode

This "involves the creation by top management of a compelling vision and a clear corporate mission" (25), Top management "defines the basic philosophy and values of the firm" (26). In this case, the top management is likely to be highly involved in the strategy process and feel responsible for the setting up and the implementation of the strategy. Other managers may feel frustrated by their lack of involvement in strategy decision making; because of that they may or may not feel responsible for the strategy in place.

The Rational Mode

In this dimension, clear and well defined goals are set up and strategic options are evaluated against these goals. Strategy formulation is based on analysis, on systematic assessments of the environment, the strengths and weaknesses of the organization etc. Moreover, "to ensure effective implementation, top management carefully monitors and controls the activities of subordinates who are held accountable for performance benchmarked against the plan" (27). This means that strategies are determined by the planners, usually senior managers, and those who implement the strategy have not been involved in its development. Similarly to the command dimension, here middle managers are not involved in the strategy process - this is the private domain of the planners. In this case, performance and strategy implementation are systematically monitored by top managers; this suggests that these top managers have internalized the responsibility for the strategy.

The Transactive Mode

The essence of this mode is that "strategy making [is] based on interaction and learning rather than the execution of a predetermined plan" (28), "strategy is crafted based upon an ongoing dialogue with key stakeholders" (29). "Cross-functional communication among organizational members is central to this mode" (30). Customers and other key stakeholders are involved in the decision-making process. Involvement in the strategy is possible by everybody throughout the organization, therefore this should suggest that managers should feel included in the strategy process. Because every level of the organization is actively involved in the process, top managers' responsibility for strategy is also shared by others.

The Generative Mode

This mode is "dependent upon the autonomous behaviour of organizational members. Strategy is made via intrapreneurship" (31). "Top managers are primarily involved in selecting and nurturing high-potential proposals that emerge from below" (32). Top managers control strategy through the selection and approval of proposals. Here, we may expect members of the top team to hold varying commitments to particular strategic initiatives, but they may well be comfortable with their roles as strategic 'gatekeepers'. We would therefore expect different modes to result in varying levels of ownership of the strategy problem within the executive team; but, within the team itself, the background of team members and processes within the team will influence ownership. We now turn to the contributions of the 'upper echelons perspective'.

Upper Echelons Perspective

Hambrick and Mason (33) argued that, since the Carnegie theorists imply that strategic choices have a large behavioural component, then to some extent these choices reflect the idiosyncrasies of the decision makers. Each decision maker brings his/her set of 'givens' to a decision-making situation and these givens reflect his/her cognitive base and values. In their view, these two constructs comprise the psychological components of the 'upper echelons' perspective which they espouse. The other components of this perspective are the observable characteristics which are the indicators of the 'givens' that a manager brings to a managerial situation. These are: age, functional track, other career experiences, education, socio-economic roots, financial position and group heterogeneity, all of which influence individual strategic choice.

Further, Hambrick and Mason (34) postulate that values directly influence individual behaviour through what England (35) terms 'behaviour channelling'. However, indirectly, values are also mediated by the process of 'perceptual screening' through an individual's cognitive base, which filters stimuli, and demographic characteristics which provide for parameters around the individual's field of vision. Further, the link between values and managerial behaviour is moderated by the influence of context, and particularly by the exercise of discretion by each executive (36). Discretion, according to Hambrick and Finkelstein (37), is determined by forces which constrain courses of action at environmental (market growth rate, quasi-legal constraints etc.), organizational (resources availability and internal political conditions etc.) and personal (external contact, credibility etc.) levels. In situations of high discretion, a stronger link will be found between an executive's values and organizational outcomes.

Finkelstein and Hambrick (38) tested the 'upper echelons' theory and found that lengthy top management team tenure tends to induce performance which is close to an industry average, but a context in which high discretion exists produced stronger results. However, substantial length of time in term of years in the company and experience tend to dispose top management team members to identify with the current strategy, providing for negative attributions to external forces (39). This biased attribution pattern may reduce the effectiveness of decision making, leading to poor future performance (40, 41).

Furthermore, top team turnover and heterogeneity is seen to be a method of organizational adaptation to change in an environment by altering management perspectives within the top team and thus providing an important mechanism by which firms adapt to their market situation (42, 43). The composition of the team in terms of each member's personal and stylistic characteristics is shown to be linked to the team's propensity to adapt its corporate strategy (44), influence R & D (45) and impact policy on corporate performance (46). The importance of changing top team members is acknowledged as necessary (47) in order to counteract organizational inertial forces that may block the implementation of change (48, 49). Diversity in top management team characteristics is found to be beneficial to the organization in order to provide different views of the environment (50) and to gain a better understanding of the overall internal and external context and thereby work towards a more effective strategy.

Studies of the relationship between CEOs and their top management teams found that, in implementing a drastic change, the CEO needs a reconstituted top management team whose members share his/her sense of mission (51). Top teams with a large membership led by a less dominant CEO were identified as more effective in turbulent environments because this allowed the top management high discretion in making strategic choices (52).

Additional studies explaining the problem that CEOs have with their top teams was the subject of Hambrick's study (53) which identified inadequate capability, common team-wide shortcomings, internal rivalries, group think and fragmentation as the major sources of TMT ineffectiveness. Of these five, the most serious is fragmentation, whereby the team is reduced to a mere constellation of senior executives pursuing their own agendas with a minimum of collaboration and exchange of views. In the face of major environmental shifts affecting the whole firm, the fragmented team is slow to act and maladaptive in these circumstances. Though research has not shown a consistent relationship between consensus in the top team and organizational performance (54), a degree of social cohesion and sharing of cognitive base among the TMT was found to be essential for generating the interdependence needed for effective change of strategy (55, 56). Simons (57) argues that top management group composition and process must complement each other if the company is to reap the benefit of member diversity, which in turn needs to be supported by a debate process in order to have a positive impact on performance. The latter point was supported by Anderson (58) who found that, as the TMT is the key forum for strategic dialogue and organizational direction setting, capacity to discuss both short- and long-term and strategically sensitive issues, sharing of vision, openness and having trust in each other, are essential elements for top management team effectiveness and exercise of leadership.

Ownership of the Strategy Problem

Both authors have both been heavily involved with top management teams over the past decade. This work has varied from running broadly educational events through to the facilitation of strategy debates. We have also undertaken personal counselling and consulting assignments with CEOs and other individual members of top teams. In our roles as facilitators of strategy debates within top teams we have become increasingly aware of the immense complexity of the processes we are involved in. The overt agenda (to decide the future strategic direction of the organization) is clearly the most complex problem facing any top team. Although there are many techniques and tools of analysis that can be deployed to help the team deal with this complexity, the debates tend to be imbued with uncertainty and ambiguity. But this is, in a sense, comfortable complexity.

Underpinning this surface agenda, there are further layers of complexity which intertwine with the overt strategy agenda. These include interpersonal relationships within the group, power and political manoeuvring, personal (and hidden) agendas, and a good deal of fear and anxiety. Some of these issues have been dealt with elsewhere, but there is little attention paid in the strategy literature to these complex processes. Rather than attempt to explore all of them, we have decided to focus on one aspect, the ownership of the strategy problem. We distinguish ownership of the strategy problem from ownership of a given strategy. The problem of ownership of a given strategy (in terms of levels of commitment to its implementation) has received some attention in the literature. (59, 60). But here we a moving one stage further back from this type of ownership: we are suggesting that some executives do not even 'own' (or take responsibility) for the problem of setting the strategic direction for their organization.

Ownership of the strategy problem can be broken down into two dimensions:

- felt inclusion in the strategy process;
- internalization of the responsibility for setting and implementing strategy.

We can suggest four possible states or ownership postures that a member of a top management team may take with respect to these two dimensions. These are set out in Figure 1.

Cell 1: Mature Involvement

This cell combines feelings of involvement in the strategy debate with strong acceptance of strategic responsibility. This is the posture that is implicit in most of the prescriptive strategy literature. To display this posture with comfort an executive needs to be prepared to engage in honest and robust debate and capable of occupying the large discretionary space that theoretically comes with this elevated position. Mature involvement requires that members of the team respect their colleagues' contributions, and that they are prepared to accept the outcome of the strategy debate (even if it does not incorporate all of their ideas or wishes).

Cell 2: Abdicate

This posture finds the executive included in the strategy debate, but he does not internalize the strategy problem. So despite his inclusion in the strategy process this executive prefers not to take responsibility for setting the strategic direction of the organization. He may be more comfortable critiquing strategies suggested by others; he may feel anxious or threatened by the breadth and complexity (and potential ramifications) of deciding strategy. This posture can be negatively displayed through whinging and complaining outside of formal meetings, and by 'buck passing' the problem onto other executives.

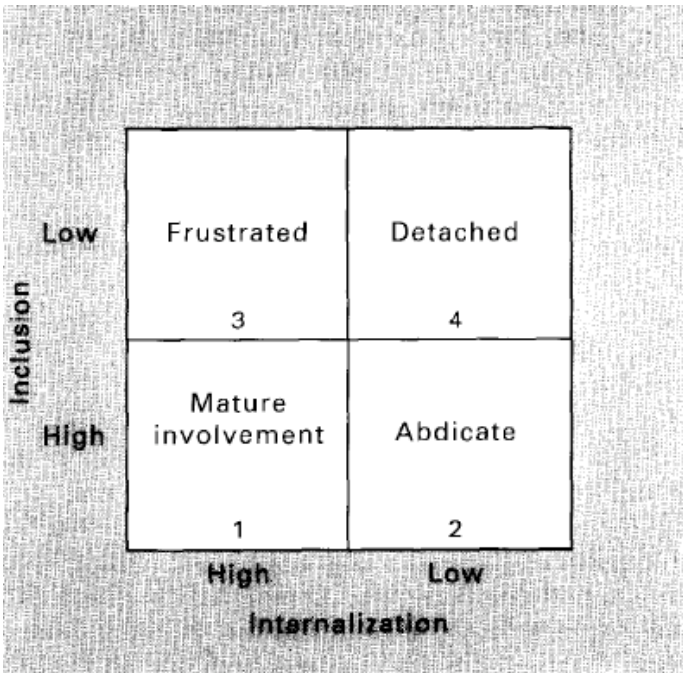

Figure 1. The ownership of the strategy problem – four different postures.

Cell 3: Frustrated

Here we would have an executive who is keen to take ownership of the strategy problem but feels excluded from the real debate. Although he may be physically present at strategy meetings there is a feeling that the real decisions are being taken in other forums that exclude him. The resulting frustration can manifest itself through anger (and maybe subversion of the strategy), or this may emerge through disengagement, disillusion and maybe resignation. These executives may be perceived as a threat by others.

Cell 4: Detached

The detached executive feels excluded from the strategy process, but is quite comfortable with this position. He is happy with an overwhelmingly operational agenda. These detached executives prefer to be left alone to run their departments without interference, they probably hope that the strategy issue will 'go away', or at least that it will leave them undisturbed. They can be a major blockage to change; they can 'foot drag' or in the extreme they can sabotage the implementation of the strategy.

Operationalizing the Concept of Strategy Ownership

In order to explore these ideas further, we have developed a 16-item questionnaire by converting each of the four ownership postures into a set of statements. The questionnaire also requests responses from executives on a range of other dimensions including: demographic background (e.g. experience in the organization; tenure), awareness of objectives and strategies, management style and organization structure. These responses will enable us to explore relationships between these other dimensions and ownership.

Here we report on some early case studies where this instrument has been used. We offer these case studies as interesting illustrations of the potential of our collaboration of strategy ownership. Part of the problem in gathering data is the extremely sensitive nature of the issues being explored. Although executives are attracted and excited by this research, they also realize that exploring these issues with their colleagues may be challenging and uncomfortable. In the cases we report here, we have been able to build up a level of trust with most of the executives involved which we believe has resulted in an encouraging level of honesty in their responses. In order to attain this level of co-operation we have had to guarantee that the identity of the organization remains confidential.

Case A: 'The One-man Band'

Case A concerns a financial services organization employing 140 staff, located in the UK. It offers a restricted range of products and services related to the provision of pensions. Our involvement with the organization spans a period from 1992 to date. During this period we have initially been involved in commenting on existing business plans and then in the active facilitation of a sequence of strategy debates. We have also counselled and consulted with four members of the top team individually. The organization has extensive planning systems, and the consequent documentation. The current planning document includes a mission statement, key objectives, departmental objectives and detailed action plans covering the next 3 years. The plan sets out an ambitious set of performance targets (operational and financial) and includes a plan for growth of the business into new market segments.

The five members of the executive group completed the questionnaire. They were asked to rate on a 5-point scale the extent to which they agreed or disagreed with the statements (l=disagree; 5=agree). Those statements are associated with the two dimensions, i.e. inclusion and internalization. They can be found in Table 1.

Upon completion of the questionnaire, the responses to the statements were averaged, taking into account the 'negative' statements, in order to obtain a score for both dimensions, internalization and inclusion. Then, for each individual, an inclusion score (y-axis) and an internalization score (x-axis) were plotted. As a result, each executive was located on the matrix, in one of the four cells (Figure 2). Before these results were presented to the CEO and his personal assistant, we asked the CEO to locate each individual member of the top team somewhere in the four cell matrix. In all five cases his cell selection aligned with those presented in Figure 2. This gives us one validity check on the instrument.

In discussion with the CEO the following observations emerged, some of which confirmed impressions the authors had gained from working with this group. The operations director (No. 2 in Figure 2) is extremely concerned about the growth objectives of the firm. He is more comfortable with operational problems (he is particularly adept at dealing with the effects of legislation on the administration of pension schemes), and, during a facilitated strategy session in 1993 the authors perceived him to be a major blockage to change. Although his organizational position warrants his inclusion in the strategy process, he feels more comfortable leaving such deliberations to his colleagues.

TABLE 1. Inclusion and internalization statements in the questionnaire

'Inclusion' statements
Strategy emerges from a political power-based process which does not involve me
I feel unhappy about being excluded from the strategy making process
I am frustrated by my lack of involvement in strategic decisions
Organisationally, I consider it is not part of my job to get involved in strategy discussions
The organization faces strategic issues which I feel very strongly about, but I have little say
Strategy is decided by the CEO; no-one else has much influence on the strategy for the organization
I feel frustrated and helpless by the apparent absence of a clear plan for the business, and there is little I can do about it
I believe I should be involved in deciding strategy but I feel excluded
'Internalization' statements
I prefer to leave strategy making to others
I feel comfortable that deciding strategy is part of my job
I have no ambitions to be involved in deciding strategy for the organization
I feel strongly committed to our strategy
I am comfortable that it is part of my responsibility to help determine our strategy
It does not bother me that I am not really involved in discussions about strategy
I am comfortable with the contribution I make to deciding the organization's strategy
I feel frustrated and helpless by the apparent absence of a clear plan for the business, and there is little I can do about it

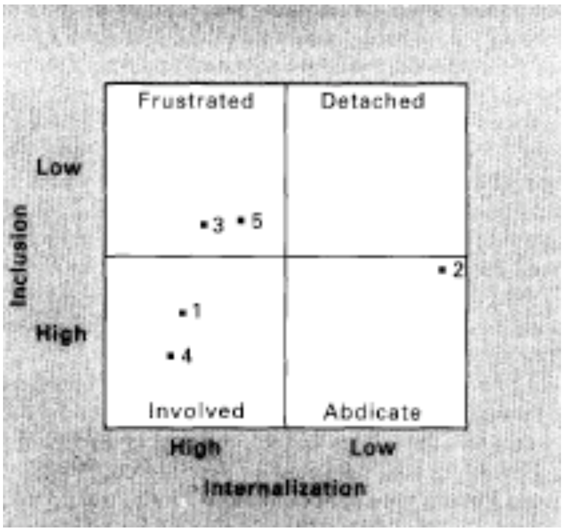

Figure 2: The 'one-man band'

The CEO (No. 1) feels he is a 'one-man band'; he feels he is the only member of the executive capable of thinking strategically. The information systems director (No. 4) was promoted to the executive in 1993. He has attended management and director development programs since his appointment, and feels capable of operating at a strategic level.

The finance director (No. 3) and marketing and business development director (No. 5) feel excluded from the real debates about strategy. They feel that the CEO decides strategy and that the formal opportunities to debate (which they are involved in) are merely used to 'rubber stamp' decisions already taken by the CEO.

The feeding back of these results (combined with an analysis of means and standard deviations of each of the 16 statements) has led to more open and honest debate within the firm. Some issues that have been raised include:

- A view that the CEO's style actively discourages other executives from putting forward their ideas (in other words, the CEOs judgement about the strategic inadequacies of his team is a self-fulfilling prophesy).

- The operations director has been moved to a technical support role, without acrimony or any perceived loss of status.
- A new director of operations has been appointed from outside, with a view to strengthening the quality of the strategic debate, particularly as a challenge to the ideas of the CEO (this individual has agreed to a 3-year involvement, he has another source of income and has wide experience in executive positions).

Case B: 'Just Do It!'

Case B is an accountancy organization, part of an international grouping. This study deals with the autonomous UK partnership which has offices across the UK, offering audit, tax and consultancy services. In 1988 the then partners held a conference which set a radical change in strategic direction. In essence, the strategy was a response to the increasing difficulties faced by mid-sized accountancy firms who were unable to compete directly with the top five or six world-wide partnerships, but their cost bases prevented them from being price competitive with smaller firms. The strategy focused attention on four core industries, and stressed the role that partners should play in marketing the firm.

Following on from this momentous strategy event a large number of partners left the firm (many were 'encouraged' to leave). New partners, who were ostensibly committed to the strategy, were appointed from within and without the organization. However, implementation of the strategy has been, at best, patchy. Our involvement with the firm began in 1993, and we have conducted three workshop events with a group comprising the top 23 people in the partnership. In addition we have held meetings with a smaller group consisting of the operations director, the head of the consultancy arm of the partnership and the training manager.

There is a sense of increasing frustration at the top of the organization due to perceived intransigence of partners. The view held by the managing partner and the operations director is that the strategy is sound, the problem is that the other partners will not implement it. At a recent workshop event, the managing partner, in exasperation exhorted the partners to 'Just do it!' Over the years the operations director has resorted to increased use of control measures (e.g. setting a target number of hours that each partner should spend on 'marketing activity') and new supervisory structures to assist in the implementation of the strategy.

Figure 3 shows the managing partner (No. 10) and the operations director (No. 14) in splendid isolation in the 'mature involvement' cell. Most of the other senior partners (in the group of 23) who completed the questionnaire are in the

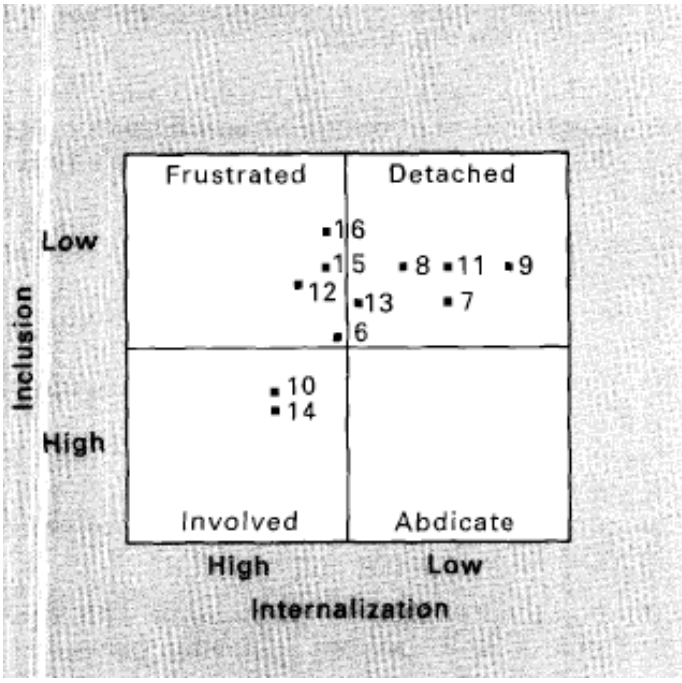

Figure 3. The accountancy firm

detached or frustrated cells. This highlights what we believe are problems found in many professional organizations:

- professionals join to practice their profession, not to manage an organization;
- because of the specialized and service nature of their work they have, and feel they need, considerable autonomy;
- they tend to prefer stability as it gives them maximum returns on their skill investments.

As a director of a business school has remarked, "managing faculty members is like herding cats". Most of the partners in Figure 3 feel uninvolved in the strategy process, and most of those are quite comfortable with this state of affairs.

Case C: 'Hit the Numbers'

Case C is an international subsidiary company, with just over 2000 staff, in the field of information technology. The company provides software and hardware services focused to service particular sectors of government. The parent company, and hence in turn, the subsidiary have experienced substantial changes in their recent history, having been restructured twice over a 3-year period and in addition having experienced a recent change of managing director. Two key themes are being promoted from the centre - enhance the revenue streams and gain market share. The members of the senior management team of the subsidiary complain bitterly that they do not really know what is required of them - make money and at the same time sacrifice revenues to gain market share. The strategic

emphasis promoted by the team has fluctuated between these two strategies over the last three years. At least, the previous managing director (MD) was seen as attempting to protect his organization from the seemingly illogical swings of strategy emanating from the centre, However, the current and newly appointed MD is viewed as vehemently pursuing both strategies, by appearing to be highly critical and inconsistent in his handling of his direct reports. The team members feel confused, accusing the MD of shifting the goal posts.

An internal survey of the 14 members of that senior management committee (ManCo) produced the results presented in Table 2.

Competitors were seen by the team as aggressive, focused, promoting high quality services and products and being particularly customer oriented. Most recognized why particular emphasis was given to making money and fighting the competition. Competitors were seen as skilful predators, and in order to keep current revenue streams, extra effort was required.

A workshop was organized to discuss leadership, effective new ways of working and improving the morale of staff and management in order to promote sales. The Strategy Ownership questionnaire was distributed prior to the workshop with a view that feed-back be given at that event. The results

Table 2. Profile of the information technology company management committee members

	Percentage
Age	
Up to 35 years	20
36–45 years	40
Over 45 years	40
Years in job	
Up to 1 year	50
1–2 years	20
3–6 years	24
Over 6 years	6
Years in company	
Up to 1 year	6
1–4 years	8
5–10 years	32
Over 10 years	54
Awareness of mission statement	
Yes	80
No	20
Awareness of divisional objectives	
Yes	50
No	50
Awareness of corporate objectives	
Yes	32
No	68

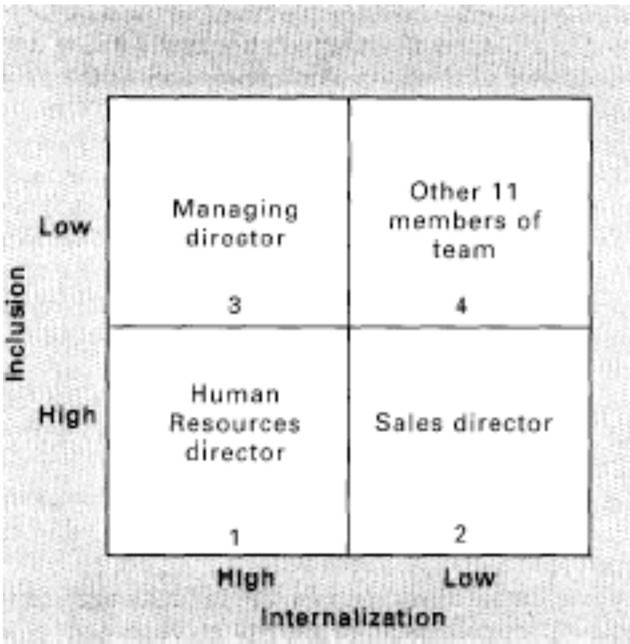

Figure 4. The information company.

of the Strategy Ownership analysis (Figure 4) identified the MD in the frustrated cell, the Sales Director in the abdicate cell, the Human Resources (HR) Director in the mature involvement cell and the other 11 members of ManCo in the detached cell.

On seeing the results the MD got up from his seat and exclaimed, “What the hell is this-does no-one care?”

> Silence.
>
> “Well who is going to say something?”
>
> Silence.
>
> “By the looks of it, most don’t care, I am frustrated, Jim (the Sales Director) has given up. You’ve all been here too long and half of you don’t know the objectives of the division and as far as the overall company is concerned, you don’t know anything! What in heaven’s name are we doing as a business?”

A certain amount of uneasy, disjointed discussion began. However, within minutes, the Sales Director stated:

> “This idea that we are not good at what we do is simply not on. We are worked to death. Most of us have been here for quite a few years but we have moved around the company-we do know the ropes. The problem is that we are constantly being pushed to hit the numbers; get these sales, at this level of margin; cut out this level of cost. To say I’m a sales director is ludicrous. I’m treated as a junior manager. Nobody wants me to direct anything so I don’t. What

> to me is amazing is that we consistently hit target and are still here next year to take more of this crap".
>
> "Well you know what state the industry is in. We're all in the same boat", commented the MD.

From the cacophony of response, it was obvious most disagreed. The ensuing discussion became more focused and the following issues were openly discussed:

- clarity concerning the 'real' strategy that this team should pursue;
- the management of the interface upwards into division and corporate;
- the true loyalty of the MD, with the company or with corporate;
- morale and communication issues downwards in the company;
- the promotion or abandonment of the corporate brand in terms of marketing.

At present, the managers are still loaded with short-term targets which they are achieving. However, a programme of management development for them as directors and for their own teams is in place, which individuals state they find beneficial. The MD has invested considerable time in shaping the objectives of the company with his corporate bosses, more in keeping with what he and his own team feel is realistic. His respect within the company has grown substantially. Sales have just been awarded a contract for hardware and software services for a sector of government in France and the UK, a contract which has European-wide implications. Directors in other parts of the corporation are entering into discussion with the MD as to how the interface between the company and their part of the corporation can improve now that such access has been gained with central government in two European countries. A re-run of the Strategy Ownership questionnaire has been undertaken, with the majority of the team emerging in the frustrated cell.

Ownership in Strategy

Why the emphasis on the issue of ownership within the context of strategy? As highlighted in the three cases, progress, although contextually defined, could only be achieved once ownership of sorts had been accepted by the key players involved. Ownership is postulated as partly a function of free expression - say what you think - and partly an issue of freedom of choice in role to determine and/or express a shape, identity and discernible way forward for the person in question within the context of the organization.

Hambrick and Finkelstein (61) clearly argue that discretion (choice), effectiveness of strategic choices and clarity of direction, are strongly related. Such hypotheses are not new, for Jaques (62) in his seminal work on the "Changing Culture of the Factory" commented that managerial roles can be subdivided as discretionary and prescriptive. Roles with a higher discretionary content are ones where the role incumbent makes choices which determine the shape, nature and perspective of that role. Prescriptive roles are ones where the parameters of the role, the tasks required, the standards to be obtained are predetermined. Prescriptive roles refer more to the structured jobs of middle and lower level management and even more so for support staff.

As recent surveys have shown (63, 64) the making of choices in roles where the discretionary content supersedes the prescriptive elements may not proceed along the lines of a consistent and shared logic as a number of individuals may be involved in determining choices. It is highly likely that in any business organization numerous discretionary oriented roles exist, where the role incumbents are exercising choice. Hence, a number of individuals are determining ways forward, making discretionary roles essentially leadership roles. According to role title, a director or general manager is likely to have greater discretionary than prescriptive content in his/her role, but less than the CEO/MD. According to this line of thinking today's experience is one of multiple member leadership, namely team leadership. By the nature of the organization, its performance in the market place, its history, its culture, its brand strength, its values, its rate of investment/re-investment, there may not only be more than one leader, but more than one group of leaders, namely multiple teams, work groups, project groups, committees, all needing to inter-relate and interface.

Within this scenario, a variety of logics may be pursued by individuals each sincerely utilizing discretionary choice. Different views as to the meaning of sales, marketing, strategy, vision and mission may emerge (65). Under constantly changing circumstances, the logic of what to do and how to do it need not be driven from any corporate perspective, but according to the pressures and challenges under-pinning each individual's role. A variety of interpretations concerning external circumstances and events can emerge. Similar ranges of views can surface over matters of internal processes. Process, how something is done, in contrast to content, what is to be done, could as easily provoke deep differences of opinion as trust, values, rights of people (staff and customers), rights to be heard, rights to be in involved etc. are in themselves powerful stimulants to action. How I am treated could be as, if not more, powerful a force as what I think, in the shaping of opinion in the organization.

In essence, discretionary roles permit the emergence of process and content perspectives from their role incumbents. In such circumstances, the priorities of individuals are as much driven by their past as by current experience (66). The potential variety of perspectives that can be introduced into any management forum can be as broad and unrelated as the number of people present. Working on the assumption that discretionary roles refer to leadership roles, it is to state the obvious that leadership and strategy formulation and implementation are intertwined. Add to that the concept of multiple members supporting the upper echelons, lines of argument of leadership being a group/team experience, then the occurrence of multiple meanings being present and pursued within strategic contexts is taken as an everyday norm.

What possibly binds such potential diversity of perspective towards acceptable course(s) of action? Sense of ownership is offered as a prime binding influence within a context of content and process divergence. Namely, the sentiments of "I will go with this because I feel it is right/appropriate" or "because I am convinced I will accept the ways/views proposed by my colleagues", are powerful influences in the quest for cohesion.

Interestingly, the 'I' identity is a crucial first step to a 'we' way forward. For the 'I' to be positive, each individual needs to satisfy themselves that they are truly a part of a group or movement (involvement) making an impact within that context, in keeping with the values, virtues and vision of the person (internalization). Satisfying the 'I' before proceeding to the 'we' is not a manifestation of total self concern (selfishness) but merely an expression of recognizing that the individual can meaningfully contribute and that contribution is respected. Satisfying the need for involvement and internalization is a prerequisite, irrespective of whether the predominant contextual concerns are ones of content or process.

Turning to the three cases, they highlight the multiple membership (i.e. group/team) nature of strategic processes and the variety of content and process challenges facing those involved. Cases A and B in particular highlight the reaction to exclusion from adequate involvement in the strategic process, either for reasons of content - Case A CEO's feelings of being the only one capable of thinking strategically, or in Case B issues of process, namely lack of involvement in strategy implementation leading to the comment of 'Just Do It'. Case C highlights blockage in both internalization and inclusion, leading to the majority of the top team being located in the detached segment of the Strategic Ownership model. Interestingly, most knew the mission of the corporation, and as one executive stated to the MD at the workshop meeting, "We believe in the company. We think it is doing the right things. It's just we are over-loaded".

As in all three cases, the first step to ownership was feedback. From there on, contextual concerns are likely to shape progress towards greater buy-in. If circumstances are more driven by matters of process, minimizing positive feelings of inclusion and internalization, then particular sensitivity would be required in order to meaningfully proceed, as confidence in the group may be low and relationships too sensitive to hold meaningful dialogue. Alternatively, the more content issues require attention, the greater the likelihood of openness of discussion, due to the less personalized nature of the ownership problem.

Conclusion

Working towards attaining acceptable levels of ownership of strategic processes and strategic outputs is crucial in order to identify purpose and direction for the organization. Occupying discretionary roles, which can arouse a broad span of behaviour and intents, can lead to negative interactions between the key senior managers, potentially pressuring each one to curtail their involvement in the strategic processes and/or hold low identity with the outcomes agreed. The message is that bringing key people 'on board' is as valuable as identifying long-term market trends. Crafting a sense of belonging is as important to strategic development as crafting attractive new products which are intended to take the market by storm.

The first step to improving the felt level of ownership by senior managers is to understand the nature of the blockages to ownership. The second is do something to improve the situation. Enhancing understanding involves a more in-depth appreciation of the context in which strategy is debated and discussed. If the contextual circumstances are more driven by matters of process, minimizing positive feelings of inclusion and internalization, then particular sensitivity would be required in order to proceed meaningfully. In Case C, the confidence the group had in their MD was low. What emerged in the workshop was that relationships were tense, and issues deemed to be sensitive, no matter how important it was to resolve them for the sake of the organization, were not addressed. Pertinent issues were not debated and the executives did not feel part of the strategic debate.

However, the more content issues require attention, the greater the likelihood of openness of discussion, due to the less personalized nature of the ownership problem. Whereas process refers to how people address each other, which inevitably raises questions concerning quality of relationships, content is concerned with facts, figures and information. By implication, if people feel free to debate content, but do not do

so, or do not include through that debate deeper feelings of ownership of strategy, then one can assume ignorance of information, a plain lack of understanding of circumstances, or just an unwillingness to wish to be included in the discussions. Case B highlights content issues, specifically in the area of unwillingness. The professional inclination of the accountants inhibited their internalization and involvement in the strategic process.

Having appreciated whether the blockage(s) to internalization and involvement are due more to issues of content or process, then something can be done, through feedback. If process concerns are driving strategic inhibition, then feedback would need to concentrate on the nature of relationships amongst the members of the top team, and how interactions at senior level prevent meaningful debate from taking place, which leads to either lack of involvement or lack of internalization, or both. The feedback process would need to proceed with caution, as being forthright or truthful out of keeping with the context could raise an unacceptable level of denial, virtually ensuring that no further conversation proceeds. In contrast, feedback over content issues would be more concerned with harnessing people's attention in order to listen, rather than be concerned with proceeding cautiously in order not to unduly upset any senior managers. Content driven feedback would be more direct and open.

Content feedback would pay more attention to getting the top team together. Once together, there would be little concern over what was said. Process feedback would need to concentrate more on how a message is to be communicated once the top team has congregated. Promoting greater involvement and internalization of the strategic process involves recognizing where greater emphasis should be, on content or process. Once the content/process issue has been decided, then attention can be given to helping each person become more involved with their colleagues in the strategic debate. The content/process issue precludes addressing the 'I' identity which, in turn, preaches improving the 'we' feeling of a strongly involved team, holding deep feelings of internalization and ownership of strategy.

NOTE

Top Management Ownership of the Strategy Problem

The assumption is questioned that members of a senior executive strategic planning group are comfortable with their strategic responsibilities. Members of such a team may not 'own' the problem of strategy. A review of the literature shows that little attention has been given to the issues. What has been discussed is how strategies are developed. These are shown to be a combination of processes which include the command mode in which strategy development is driven by a top manager, the symbolic mode in which top management works with a clear corporate mission, the rational mode based on stringent analyses, the transactive mode using interaction and learning and the generative mode where the top team hold varying commitments.

Strategic choices do have a large behavioural component which reflects the ideas of the decision-makers as well as their age, experience and education. This 'upper echelons' theory works well when the importance of changing top team members is seen as a necessity, even though the CEO will need a team whose members share his sense of mission. The CEO's problem in this context can include internal rivalries, inadequate capability and fragmentation.

The decision on future strategic direction is the most complex of all problems but underlying this are the questions of interpersonal relationships, personal agendas and fear. There are four possible ownership attitudes to the problem - mature involvement, decision not to take responsibility, frustration caused by decisions taken elsewhere and detachment. Case studies were used to explore these ideas. The first was a small financial services organization. The CEO felt he was a 'one-man band' and results showed that his style actively discouraged other executives from putting forward their ideas. In the second case, an accountancy organization, the sense of increasing frustration at the top of the organization was due to the perceived intransigence of the partners. In such a firm professionals join to practise their profession, not to manage an organization. The third case was that of an international subsidiary of a company in information technology. Competitors were seen as aggressive and particular emphasis was given to making money and fighting the competition. Issues included understanding the real strategy and the true loyalty of the managing director. Today, managers still have short-term targets and top management is still frustrated.

In any business organization, many discretionary-oriented roles exist. A general manager's role may have greater discretionary than prescriptive content but this would be less than that of the CEO. Discretionary roles allow the emergence of process and content perspectives from their role incumbents. In all three case studies the first step to ownership was feedback. Indeed the first step to improving the felt level of ownership by senior managers is to understand the nature of the blockages to ownership, and the second is to do something to improve the situation. Content-driven feedback is direct and open and pays more attention to getting the top team together. The content/process issue, as it precludes concern with the 'I', focuses on improving the 'we' feeling of a strongly involved team, holding a deep belief in an internalized and owned sense of strategy.

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Authored by:

Professor Cliff Bowman of Stratevolve and Andrew Kakabadse of Cranfield University

Source: Long Range Planning, Vol. 30, No. 2, pp. 197 to 208, 1997 0 1997 Elsevier Science Ltd.

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